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LEAVE OF ABSENCE/APOLOGIES

An apology has been received from Cr Greg Armstrong

ACKNOWLEDGEMENT OF COUNTRY

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

PRESENTATIONS

Brad Bohun will be attending the meeting to present the audited financial statements.

DECLARATION OF PECUNIARY INTERESTS

Declaration of Interest

Councillors and senior staff are reminded of their obligation to declare their pecuniary interest in any matters listed before them.

Councillors may declare an interest at the commencement of the meeting, or alternatively at any time during the meeting should any issue progress or arise that would warrant a declaration.

Councillors must state their reasons in declaring any type of interest.

DECLARATION OF NON PECUNIARY INTERESTS

Declaration of non Pecuniary Interest

Councillors and senior staff are reminded of their obligation to declare their interest in any matters listed before them.

In considering your interest you are reminded to include non-pecuniary and conflicts of interest as well as any other interest you perceive or may be perceived of you.

Councillors may declare an interest at the commencement of the meeting, or alternatively at any time during the meeting should any issue progress or arise that would warrant a declaration.

Councillors must state their reasons in declaring any type of interest.

CONFIRMATION OF MINUTES

It is recommended that the minutes of the meeting held 22 August 2019 having been circulated to members be confirmed as a true and accurate record.

BUSINESS ARISING FROM MINUTES

At the time of preparation of the business paper no business was arising from minutes.

CORRESPONDENCE

At the time of preparation of the business paper no relevant correspondence had been received for inclusion.

MATTERS OF URGENCY

In accordance with clause 241 (3) of the Local Government (General) Regulations 2005 business may be transacted at a meeting without due notice only if:

- a) A motion is passed to have the business transacted at the meeting, and
- b) The business is proposed to be brought forward is ruled by the chairperson to be of great urgency.

NOTICES OF MOTION/RESCISSION MOTIONS

At the time of preparation of the Business Paper no Notices of Motion or Rescission Motions have been received.

CHAIRPERSONS MINUTE

At the time of preparation of the Business Paper the Chairperson had not issued a report for publication.

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

ELECTION OF CHAIRPERSON

Report prepared by General Manager

COUNCIL OFFICER RECOMMENDATION

That nomination for the position of Chairperson is called and that if necessary, voting be by ordinary ballot.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

07 Efficient Operations

BACKGROUND

In accordance with section 391 of the Local Government Act (1993) the position of Chairperson becomes vacant at this meeting and an election is required to elect a person from within the members of the council to fill this position. The Chairperson holds office for one year.

REPORT

The Local Government (General) Regulations 2005 clause 395, Schedule 8 provides the following:

- The General Manager (or person appointed by the General Manager) is the Returning Officer
- A Member of a county council may be nominated without notice for election as Chairperson of the county council
- The nomination is to be made in writing by two or more Members of the county council (one of whom may be the nominee)
- The nomination is not valid unless the nominee has indicated consent to the nomination in writing
- The nomination is to be delivered or sent to the Returning Officer
- The Returning Officer is to announce the names of the nominees at the county council meeting at which the election is to be held
- If only one member of the county council is nominated, that Member is elected
- If more than one Member is nominated, the county council is to resolve whether the election is to proceed by preferential ballot, by ordinary or by open voting
- The election is to be held at the county council meeting at which the county council resolves on the method of voting.

Appropriate nomination forms have been circulated to all Councillors.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position.

ATTACHMENTS: Nil

TABLED ITEMS: Nil

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

ELECTION OF DEPUTY CHAIRPERSON

Report prepared by General Manager

COUNCIL OFFICER RECOMMENDATION

That nominations for the position of Deputy Chairperson is called and that if necessary, voting be by ordinary ballot. That the person with the most votes apart from the Chairperson and Deputy be called on when these are unavailable for engagements.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

07 Efficient Operations

BACKGROUND

In accordance with section 231 of the Local Government Act (1993) Councillors may elect a person from within their number to be the Deputy Chairperson.

REPORT

The position of Deputy Chairperson is an optional position. The Deputy Chairperson may exercise any function of the Chairperson at the request of the Chairperson or if the Chairperson is prevented by illness, absence or otherwise, from exercising the function or if there is a casual vacancy in the office of Chairperson.

Council has traditionally elected such a person and the election procedures are the same as for the Chairperson.

Appropriate nomination forms have been circulated to all Councillors with their Business Papers.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position.

ATTACHMENTS: Nil

TABLED ITEMS: Nil

PUBLIC PARTICIPATION - CONFIDENTIAL SESSION

In accordance with the Local Government Act 1993 and the Local Government (General) Regulations 2005, in the opinion of the General Manager the following business is of a kind as referred to in section 10A(2) of the Act and should be dealt with in part of the meeting closed to the media and public.

It is recommended that Council move into CONFIDENTIAL SESSION.

**OURA TREATMENT PLANT AND PUMP STATION HIGH VOLTAGE ASSET
REPLACEMENT – DESIGN CONTRACT 04/2019**

*This report is **CONFIDENTIAL** in accordance with Section 10A(2)(d)(i) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following:*

- d) Commercial information of a confidential matter that would, if disclosed:
 - (i) prejudice the commercial position of the person who supplied it, or*
 - (ii) confer a commercial advantage on a competitor of the council, or*
 - (iii) reveal a trade secret,**

LIQUID ALUM TENDER

*This report is **CONFIDENTIAL** in accordance with Section 10A(2)(d)(i) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following:*

- d) Commercial information of a confidential matter that would, if disclosed:
 - (i) prejudice the commercial position of the person who supplied it, or*
 - (ii) confer a commercial advantage on a competitor of the council, or*
 - (iii) reveal a trade secret,**

ELECTRICITY USAGE AND PROJECTIONS

*This report is **CONFIDENTIAL** in accordance with Section 10A(2)(d)(i) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following:*

- d) Commercial information of a confidential matter that would, if disclosed:
 - (i) prejudice the commercial position of the person who supplied it**

EXITING CONFIDENTIAL

There being no further confidential items it is recommended that Council revert back to Open Session and that the resolutions made in Confidential Session be made public.

The General Manager is to read out any resolutions made in Confidential Session.

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

FINANCIAL STATEMENTS 2018/19

Report prepared by Corporate Services Manager

COUNCIL OFFICER RECOMMENDATION

That the Board receives and notes the 2018/19 Audited Financial Statements.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

09 Financially Sustainable

BACKGROUND

Under section 419 of the Local Government Act 1993, Council is required to present its Audited Financial Statements, together with the Auditor's Report, at a meeting of the Council.

REPORT

The Audit Office of NSW have completed their audit of the 2018/19 Financial Statements. Council's auditor under appointment by the Auditor General, Brad Bohun, will be in attendance at the meeting to present the Audit Report.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position.

ATTACHMENTS: 2018/19 Financial Statements.

TABLED ITEMS: Nil.

Goldenfields Water County Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2019

To be innovative leaders in the supply and distribution of water through regional efficiency, technical excellence and customer service.



Goldenfields Water County Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2019

To be innovative leaders in the supply and distribution of water through regional efficiency, technical excellence and customer service.



Goldenfields Water County Council

Financial Statements 2019

General Purpose Financial Statements

for the year ended 30 June 2019

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Overview

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

84 Parkes Street
Temora NSW 266

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 2(b).

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.gwcc.nsw.gov.au.

Goldenfields Water County Council

Financial Statements 2019

General Purpose Financial Statements

for the year ended 30 June 2019

Understanding Council's Financial Statements

Introduction

Each year, individual Local Governments across NSW are required to present a set of 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 2019.

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.

Goldenfields Water County Council

Financial Statements 2019

General Purpose Financial Statements for the year ended 30 June 2019

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

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

- the *Local Government Act 1993 (NSW)* (as amended) and the regulations made thereunder,
- the Australian Accounting Standards and professional pronouncements, and
- the *Local Government Code of Accounting Practice and Financial Reporting*.

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

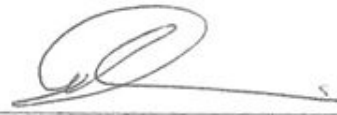
- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

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 22 August 2019.



Dennis Palmer
Chairman
22 August 2019



David McCann
Deputy Chairman
22 August 2019



Aaron Drenovski
General Manager
22 August 2019



Michele Curran
Responsible Accounting Officer
22 August 2019

Goldenfields Water County Council

Financial Statements 2019

Income Statement

for the year ended 30 June 2019

Original unaudited budget 2019	\$ '000	Notes	Actual 2019	Actual 2018 ¹
Income from continuing operations				
Revenue:				
5,056	Rates and annual charges	3a	5,243	5,052
14,844	User charges and fees	3b	17,335	16,129
1,488	Interest and investment revenue	3c	1,447	1,500
106	Other revenues	3d	169	119
–	Grants and contributions provided for operating purposes	3e,3f	30	134
1,885	Grants and contributions provided for capital purposes	3e,3f	940	2,009
23,379	Total income from continuing operations		25,164	24,943
Expenses from continuing operations				
5,904	Employee benefits and on-costs	4a	6,587	7,028
2,501	Materials and contracts	4b	3,403	2,425
6,251	Depreciation and amortisation	4c	7,065	6,783
4,612	Other expenses	4d	5,146	4,716
–	Net losses from the disposal of assets	5	819	244
19,268	Total expenses from continuing operations		23,020	21,196
4,111	Operating result from continuing operations		2,144	3,747
4,111	Net operating result for the year		2,144	3,747
4,111	Net operating result attributable to council		2,144	3,747
2,226	Net operating result for the year before grants and contributions provided for capital purposes		1,204	1,738

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

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

Goldenfields Water County Council

Financial Statements 2019

Statement of Comprehensive Income
for the year ended 30 June 2019

\$ '000	Notes	2019	2018 ¹
Net operating result for the year (as per Income Statement)		2,144	3,747
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	9	3,708	5,023
Total items which will not be reclassified subsequently to the operating result		3,708	5,023
Total other comprehensive income for the year		3,708	5,023
Total comprehensive income for the year		5,852	8,770
Total comprehensive income attributable to Council		5,852	8,770

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

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

Goldenfields Water County Council

Financial Statements 2019

Statement of Financial Position
as at 30 June 2019

\$ '000	Notes	2019	2018 ¹
ASSETS			
Current assets			
Cash and cash equivalent assets	6(a)	1,888	1,151
Investments	6(b)	22,000	12,000
Receivables	7	6,706	6,538
Inventories	8a	548	540
Other	8b	–	40
Total current assets		31,142	20,269
Non-current assets			
Investments	6(b)	27,000	36,000
Infrastructure, property, plant and equipment	9	264,678	259,936
Total non-current assets		291,678	295,936
TOTAL ASSETS		322,820	316,205
LIABILITIES			
Current liabilities			
Payables	10	1,657	1,113
Income received in advance	10	332	158
Borrowings	10	–	13
Provisions	11	1,797	1,801
Total current liabilities		3,786	3,085
Non-current liabilities			
Payables	10	7	2
Provisions	11	80	23
Total non-current liabilities		87	25
TOTAL LIABILITIES		3,873	3,110
Net assets		318,947	313,095
EQUITY			
Accumulated surplus	12	93,501	91,357
Revaluation reserves	12	225,446	221,738
Council equity interest		318,947	313,095
Total equity		318,947	313,095

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

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

Goldenfields Water County Council

Financial Statements 2019

Statement of Changes in Equity
for the year ended 30 June 2019

\$ '000	Notes	2019			2018 ¹		
		Accumulated surplus	IPP&E revaluation reserve	Total equity	Accumulated surplus	IPP&E revaluation reserve	Total equity
Opening balance		91,357	221,738	313,095	87,610	216,715	304,325
Net operating result for the year		2,144	–	2,144	3,747	–	3,747
Other comprehensive income							
– Gain (loss) on revaluation of IPP&E	9	–	3,708	3,708	–	5,023	5,023
Other comprehensive income		–	3,708	3,708	–	5,023	5,023
Total comprehensive income		2,144	3,708	5,852	3,747	5,023	8,770
Equity – balance at end of the reporting period		93,501	225,446	318,947	91,357	221,738	313,095

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

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

Goldenfields Water County Council

Financial Statements 2019

Statement of Cash Flows

for the year ended 30 June 2019

Original unaudited budget 2019	\$ '000	Notes	Actual 2019	Actual 2018
Cash flows from operating activities				
Receipts				
5,056	Annual charges		5,126	5,036
14,844	User charges and fees		17,534	15,080
1,488	Investment and interest revenue received		1,421	1,404
1,885	Grants and contributions		985	2,222
–	Bonds, deposits and retention amounts received		–	20
106	Other		1,695	1,335
Payments				
(5,904)	Employee benefits and on-costs		(6,579)	(6,682)
(2,874)	Materials and contracts		(4,162)	(3,146)
–	Bonds, deposits and retention amounts refunded		(1)	–
(4,239)	Other		(5,351)	(5,218)
10,362	Net cash provided (or used in) operating activities	13b	10,668	10,051
Cash flows from investing activities				
Receipts				
–	Sale of investment securities		12,000	22,000
1,066	Sale of infrastructure, property, plant and equipment		839	781
Payments				
–	Purchase of investment securities		(13,000)	(29,000)
(11,046)	Purchase of infrastructure, property, plant and equipment		(9,757)	(8,823)
(9,980)	Net cash provided (or used in) investing activities		(9,918)	(15,042)
382	Net increase/(decrease) in cash and cash equivalents		750	(4,991)
1,500	Plus: cash and cash equivalents – beginning of year	13a	1,138	6,129
1,882	Cash and cash equivalents – end of the year	13a	1,888	1,138
Additional Information:				
46,500	plus: Investments on hand – end of year	6(b)	49,000	48,000
48,382	Total cash, cash equivalents and investments		50,888	49,138

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

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

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Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements for the year ended 30 June 2019

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 04 October 2019. Council has the power to amend and reissue these 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 (NSW)* and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting.

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

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts. Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

- Income statement
- Statement of cash flows
- Note 17 – Material budget variations

and are clearly marked.

(a) New and amended standards adopted by Council

During the year, Council adopted all standards which were mandatorily effective for the first time at 30 June 2019.

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* from 1 July 2018. The adoption of AASB 9 has impacted the following areas:

Classification and measurement of financial assets

AASB 9 allows for three classification categories for financial assets - amortised cost, fair value through other comprehensive income and fair value through profit or loss. Classification is based on the business model in which a financial asset is managed and the related contractual cashflows. AASB 9 eliminates previous categories of held to maturity, loans and receivables and available for sale. Classification of financial liabilities is largely unchanged.

All financial assets and financial liabilities of Council have remained at amortised cost, with the exception of the equity instruments. These equity instruments have transitioned from being held at cost (as an 'available-for-sale asset') under AASB 139

None of Council's financial assets are impacted by this new standard.

Impairment of financial assets

Council's financial assets carried at amortised cost are now subject to AASB 9's new three-stage expected credit loss model, from an incurred loss model. This means earlier recognition of expected credit losses.

Council has reviewed its receivables and does not anticipate losses greater than the current provision for impairment. The majority of receivables other than rates and charges are current and due from government. Rates and charges are secured against the property. As such, there was no transitional adjustment requirement as at 1 July 2018.

(b) 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 and investment property.

(c) 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.

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

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 9
- (ii) employee benefit provisions – refer Note 11.

Significant judgements in applying the council's accounting policies

- (i) Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables – refer Note 7.

Monies and other assets received by Council

(a) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the Local Government Act 1993 (NSW), all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

Cash and other assets of the following entities have been included as part of the Consolidated Fund:

General Purpose operations (Water services)

Goods and Services Tax (GST)

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

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

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

New accounting standards and interpretations issued not yet effective

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods (and which have not been early adopted by Council).

As at the date of authorisation of these financial statements, Council does not consider that any of those standards are likely to have a material impact on the Council's future financial statements, financial position, financial performance or cash flows.

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

Goldenfields Water County Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 2(a). Council functions/activities – financial information

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

\$ '000	Income from continuing operations		Expenses from continuing operations		Operating result from continuing operations		Grants included in income from continuing operations		Total assets held (current and non-current)	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Functions or activities										
Water supplies	25,164	24,943	23,020	21,196	2,144	3,747	30	60	322,820	316,205
Total functions and activities	25,164	24,943	23,020	21,196	2,144	3,747	30	60	322,820	316,205

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 2(b). Council functions/activities - component descriptions

Details relating to the Council's functions/activities as reported in Note 2(a) are as follows:

Water supplies

Council is responsible for water supply functions within the Local Government areas of Bland, Coolamon, Cootamundra (rural only), Junee, Temora and part of Narrandera.

Council also supplies bulk water to Cootamundra (town) and Hilltops Shire Council.

Council does not undertake any other functions.

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations

\$ '000	2019	2018
(a) Rates and annual charges		
Annual charges		
<small>(pursuant to s.496, s.496A, s.496B, s.501 & s.611)</small>		
– Residential	1,554	1,488
– Non-residential	941	908
– Rural	1,388	1,359
– Bulk supplies to councils	1,444	1,366
Less: pensioner rebates (mandatory)	(168)	(153)
Annual charges levied	5,159	4,968
Pensioner subsidies received:		
– Water	84	84
Total annual charges	5,243	5,052
TOTAL RATES AND ANNUAL CHARGES	5,243	5,052

Accounting policy for rates and charges

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

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

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

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

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
(b) User charges and fees		
Specific user charges		
<small>(per s.502 - specific 'actual use' charges)</small>		
Residential	5,248	4,735
Non residential	3,406	2,281
Rural	3,377	3,901
Bulk supplies to councils	4,891	4,502
Total specific user charges	16,922	15,419
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Inspection services	1	14
Private works	91	296
Section 603 certificates	43	48
Tapping fees	104	153
Connection application fees	56	45
Disconnection fees	–	70
Special meter reading fee	5	–
Other	13	–
Total fees and charges – statutory/regulatory	313	626
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Leaseback fees – Council vehicles	100	84
Total fees and charges – other	100	84
TOTAL USER CHARGES AND FEES	17,335	16,129

Accounting policy for user charges and fees

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

(c) Interest and investment revenue (including losses)**Interest on financial assets measured at amortised cost**

– Overdue rates and annual charges (incl. special purpose rates)	61	47
– Cash and investments	1,386	1,453
TOTAL INTEREST AND INVESTMENT REVENUE	1,447	1,500

Interest revenue is attributable to:**Unrestricted investments/financial assets:**

Overdue rates and annual charges (general fund)	61	47
General Council cash and investments	1,386	1,453
Total interest and investment revenue	1,447	1,500

Accounting policy for interest and investment revenue

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

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
(d) Other revenues		
Rental income – other council properties	64	64
Legal fees recovery – other	5	–
Diesel rebate	9	6
Employment / training incentives	12	–
New data networks	13	17
Sale of old materials	–	3
Statecover insurance rebates	30	21
Statewide insurance rebates	–	6
Procurement Rebate	7	–
Workers Compensation reimbursements	7	–
Triple O refund	7	–
Other	15	2
<u>TOTAL OTHER REVENUE</u>	<u>169</u>	<u>119</u>

Accounting policy for other revenue

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Council and specific criteria have been met for each of the Council's activities as described below. Council bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Rental income is accounted for on a straight-line basis over the lease term.

Miscellaneous sales are recognised when physical possession has transferred to the customer which is deemed to be the point of transfer of risks and rewards.

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

Rental income is accounted for on a straight-line basis over the lease term.

Miscellaneous sales are recognised when physical possession has transferred to the customer which is deemed to be the point of transfer of risks and rewards.

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

\$ '000	Operating 2019	Operating 2018	Capital 2019	Capital 2018
(e) Grants				
Specific purpose				
Smarter Communities	30	60	–	–
Total specific purpose	<u>30</u>	<u>60</u>	<u>–</u>	<u>–</u>
Total grants	<u>30</u>	<u>60</u>	<u>–</u>	<u>–</u>
Grant revenue is attributable to:				
– State funding	30	60	–	–
	<u>30</u>	<u>60</u>	<u>–</u>	<u>–</u>

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Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	Notes	Operating 2019	Operating 2018	Capital 2019	Capital 2018
(f) Contributions					
Other contributions:					
Cash contributions					
LSL contributions from other councils		–	74	–	–
Water supplies – headworks contributions		–	–	940	2,009
Total other contributions – cash		<u>–</u>	<u>74</u>	<u>940</u>	<u>2,009</u>
Total other contributions		<u>–</u>	<u>74</u>	<u>940</u>	<u>2,009</u>
Total contributions		<u>–</u>	<u>74</u>	<u>940</u>	<u>2,009</u>
TOTAL GRANTS AND CONTRIBUTIONS		<u>30</u>	<u>134</u>	<u>940</u>	<u>2,009</u>

Accounting policy for grants and contributions

Control over grants and contributions is normally obtained upon their receipt (or acquittal) and is valued at the fair value of the granted or contributed asset at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner, or used over a particular period, and those conditions were un-discharged at reporting date, the unused grant or contribution is disclosed above.

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

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations

\$ '000	2019	2018
(a) Employee benefits and on-costs		
Salaries and wages	5,347	4,595
Employee termination costs (where material – other than vested leave paid)	141	11
Travel expenses	20	341
Employee leave entitlements (ELE)	454	819
Superannuation	807	851
Workers' compensation insurance	179	102
Fringe benefit tax (FBT)	100	119
Payroll tax	340	283
Training costs (other than salaries and wages)	127	174
Protective clothing	68	43
Recruitment costs	83	96
Other	89	157
Total employee costs	7,755	7,591
Less: capitalised costs	(1,168)	(563)
TOTAL EMPLOYEE COSTS EXPENSED	6,587	7,028
Number of 'full-time equivalent' employees (FTE) at year end	61	57

Accounting policy for employee benefits and on-costs

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

Retirement benefit obligations

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

Superannuation plans

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 15 for more information.

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	2019	2018
(b) Materials and contracts		
Raw materials and consumables	6,359	8,202
Contractor and consultancy costs	5,326	93
– Temporary staff costs	120	104
Auditors remuneration ¹	59	54
Legal expenses:		
– Legal expenses: debt recovery	–	63
– Legal expenses: other	11	69
Purchase of water	116	80
Total materials and contracts	11,991	8,665
Less: capitalised costs	(8,588)	(6,240)
TOTAL MATERIALS AND CONTRACTS	3,403	2,425

1. Auditor remuneration

During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

Auditors of the Council - NSW Auditor-General:**(i) Audit and other assurance services**

Audit and review of financial statements	30	28
Remuneration for audit and other assurance services	30	28

Total Auditor-General remuneration

	30	28
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Non NSW Auditor-General audit firms**(i) Audit and other assurance services**

Internal Audit costs	22	17
Other audit and assurance services	7	9
Remuneration for audit and other assurance services	29	26

Total remuneration of non NSW Auditor-General audit firms

	29	26
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Total Auditor remuneration

	59	54
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Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	2019	2018
(c) Depreciation, amortisation and impairment of intangible assets and IPP&E		
Depreciation and amortisation		
Plant and equipment	696	687
Office equipment	334	91
Furniture and fittings	11	11
Infrastructure:		
– Buildings – non-specialised	122	94
– Water mains	3,338	3,354
– Reservoirs	1,399	1,394
– Pumping stations	523	521
– Treatment plants	573	561
– Bores	69	70
Total gross depreciation and amortisation costs	7,065	6,783
Total depreciation and amortisation costs	7,065	6,783
<u>TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT FOR INTANGIBLES AND IPP&E</u>	<u>7,065</u>	<u>6,783</u>

Accounting policy for depreciation, amortisation and impairment expenses of intangibles and IPP&E**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. Useful lives are included in Note 9 for IPPE assets.

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 no longer required to be tested for impairment under AASB 136. This is because 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.

Other 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). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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.

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	2019	2018
(d) Other expenses		
Advertising	27	92
Bad and doubtful debts	–	1
Bank charges	29	11
Cleaning	14	49
Collection agencies	46	71
Computer software charges	322	160
Contributions/levies to other levels of government		
Members expenses – chairperson’s fee	16	17
Members expenses – members fees	77	78
Members expenses (incl. chairperson) – other (excluding fees above)	12	19
Donations, contributions and assistance to other organisations (Section 356)	215	278
Electricity and heating	3,367	3,231
Insurance	371	236
Postage	42	57
Printing and stationery	43	61
Subscriptions and publications	120	91
Telephone and communications	325	201
Council land rates	67	38
Early payment discount	48	–
Other	5	25
Total other expenses	5,146	4,716
TOTAL OTHER EXPENSES	5,146	4,716

Accounting policy for other expenses

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

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 5. Gains or losses from the disposal, replacement and de-recognition of assets

\$ '000	Notes	2019	2018
Property (excl. investment property)			
Proceeds from disposal – property		–	117
Less: carrying amount of property assets sold/written off		–	(93)
Net gain/(loss) on disposal		–	24
Plant and equipment			
	9		
Proceeds from disposal – plant and equipment		839	664
Less: carrying amount of plant and equipment assets sold/written off		(1,035)	(763)
Net gain/(loss) on disposal		(196)	(99)
Infrastructure			
	9		
Less: carrying amount of infrastructure assets sold/written off		(623)	(169)
Net gain/(loss) on disposal		(623)	(169)
Investments			
	6(b)		
Proceeds from disposal/redemptions/maturities – investments		12,000	22,000
Less: carrying amount of investments sold/redeemed/matured		(12,000)	(22,000)
Net gain/(loss) on disposal		–	–
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(819)	(244)

Accounting policy for disposal of assets

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

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.

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(a). Cash and cash equivalent assets

\$ '000	2019	2018
Cash and cash equivalents		
Cash on hand and at bank	388	1
Cash-equivalent assets		
– Deposits at call	1,500	1,150
Total cash and cash equivalents	1,888	1,151

Accounting policy for cash and cash equivalents

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; and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

Note 6(b). Investments

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Investments				
'Financial assets at amortised cost' / 'held to maturity' (2018)	22,000	27,000	12,000	36,000
Total Investments	22,000	27,000	12,000	36,000
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	23,888	27,000	13,151	36,000
Financial assets at amortised cost / held to maturity (2018)				
Long term deposits	22,000	27,000	12,000	36,000
Total	22,000	27,000	12,000	36,000

Accounting policy for investments**Accounting policy under AASB 9 – applicable from 1 July 2018**

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
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income – equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Assets measured at amortised cost are financial assets where:

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

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(b). Investments (continued)

Council's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Statement of Financial Position.

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.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Council's financial assets measured at fair value through profit or loss comprise investments in FRNs and NCDs in the Statement of Financial Position.

Accounting policy under AASB 139 – applicable for 2018 comparatives only

Classification

Council classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

Held to maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council's management has the positive intention and ability to hold to maturity. Assets in this category are measured at amortised cost.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date: the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Investments are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the Income Statement as gains and losses from investment securities.

Impairment of financial assets

Council assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(c). Restricted cash, cash equivalents and investments – details

\$ '000	2019		2018	
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	23,888	27,000	13,151	36,000
attributable to:				
External restrictions	–	–	–	–
Internal restrictions	14,259	27,000	8,831	36,000
Unrestricted	9,629	–	4,320	–
	23,888	27,000	13,151	36,000

\$ '000	2019	2018
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Details of restrictions

Internal restrictions

Plant and vehicle replacement	886	1,005
Infrastructure replacement	36,347	37,064
Employees leave entitlement	1,575	1,608
Carry over works	–	3,125
Deposits, retentions and bonds	28	29
Sales fluctuation reserve	2,000	2,000
Property Asset Reserve	423	–
Total internal restrictions	41,259	44,831
TOTAL RESTRICTIONS	41,259	44,831

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 7. Receivables

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Purpose				
Availability (access) charges	1,428	–	1,311	–
Interest and extra charges	92	–	77	–
User charges and fees	3,790	–	3,797	–
Accrued revenues				
– Interest on investments	658	–	647	–
Deferred developer contributions	508	–	504	–
Government grants and subsidies	84	–	99	–
Net GST receivable	161	–	115	–
Other debtors	–	–	4	–
Total	6,721	–	6,554	–
Less: provision of impairment				
User charges and fees	(15)	–	(16)	–
Total provision for impairment – receivables	(15)	–	(16)	–
TOTAL NET RECEIVABLES	6,706	–	6,538	–
Unrestricted receivables	6,706	–	6,538	–
TOTAL NET RECEIVABLES	6,706	–	6,538	–

\$ '000	2019	2018
Movement in provision for impairment of receivables		
Balance at the beginning of the year (calculated in accordance with AASB 139)	16	23
+ new provisions recognised during the year	–	14
– amounts already provided for and written off this year	(1)	(21)
Balance at the end of the period	15	16

Accounting policy for receivables**Recognition and measurement**

Receivables are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

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.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Impairment**Accounting policy under AASB 9 applicable from 1 July 2018**

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECL, the 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.

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 7. Receivables (continued)

When considering the ECL for rates 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. For non-rates debtors,

The Council uses the presentation that a financial asset is in default when:
the other party is unlikely to pay its credit obligations to the Council in full, without recourse by the Council to actions such as realising security (if any is held) or the financial assets (for non-rates debtors) are more than 90 days past due.

Credit losses are measured as 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.

On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Council writes off a trade 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..

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

Where the 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.

Accounting policy under AASB 139 – applicable for 2018 comparatives only

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

Collectability of receivables is reviewed on an ongoing basis. Debts that are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. When a receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Income Statement.

Rates and annual charges outstanding are secured against the property.

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 8. Inventories and other assets

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
(a) Inventories				
(i) Inventories at cost				
Stores and materials	548	–	540	–
Total inventories at cost	548	–	540	–
<u>TOTAL INVENTORIES</u>	<u>548</u>	<u>–</u>	<u>540</u>	<u>–</u>
(b) Other assets				
Prepayments	–	–	40	–
<u>TOTAL OTHER ASSETS</u>	<u>–</u>	<u>–</u>	<u>40</u>	<u>–</u>

Accounting policy for inventories and other assets**Raw materials and stores, work in progress and finished goods**

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. 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. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventory held for distribution

Inventory held for distribution is held at cost, adjusted where applicable for any loss of service potential.

Goldenfields Water County Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 9. Infrastructure, property, plant and equipment

\$ '000	as at 30/6/2018			Asset movements during the reporting period						as at 30/6/2019		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	4,893	–	4,893	380	1,210	–	–	(2,769)	–	3,714	–	3,714
Plant and equipment	8,884	(2,980)	5,904	–	1,734	(1,035)	(696)	–	–	9,328	(3,421)	5,907
Office equipment	710	(249)	461	–	292	–	(334)	1,040	–	2,042	(583)	1,459
Furniture and fittings	140	(58)	82	–	–	–	(11)	–	–	140	(69)	71
Land:												
– Operational land	2,737	–	2,737	–	70	–	–	–	–	2,807	–	2,807
Infrastructure:												
– Buildings – non-specialised	6,574	(1,952)	4,622	19	481	–	(122)	–	–	7,074	(2,074)	5,000
– Water mains	286,837	(137,218)	149,619	845	1,750	(84)	(3,338)	1,550	2,348	295,011	(142,321)	152,690
– Reservoirs	82,862	(24,235)	58,627	1,252	509	(243)	(1,399)	74	920	85,552	(25,811)	59,741
– Pumping stations	21,927	(7,702)	14,225	403	508	(238)	(523)	16	174	22,827	(8,263)	14,564
– Treatment plants	22,666	(6,093)	16,573	50	203	–	(573)	–	263	23,274	(6,759)	16,515
– Bores	2,817	(624)	2,193	–	51	(58)	(69)	89	3	2,940	(730)	2,210
Total Infrastructure, property, plant and equipment	441,047	(181,111)	259,936	2,949	6,808	(1,658)	(7,065)	–	3,708	454,709	(190,031)	264,678

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

Goldenfields Water County Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 9. Infrastructure, property, plant and equipment (continued)

\$ '000	as at 30/6/2017			Asset movements during the reporting period					as at 30/6/2018		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	–	–	–	1,213	3,680	–	–	–	4,893	–	4,893
Plant and equipment	8,481	(2,462)	6,019	1,335	–	(763)	(687)	–	8,884	(2,980)	5,904
Office equipment	495	(158)	337	215	–	–	(91)	–	710	(249)	461
Furniture and fittings	140	(47)	93	–	–	–	(11)	–	140	(58)	82
Land:											
– Operational land	2,409	–	2,409	95	–	(29)	–	262	2,737	–	2,737
Infrastructure:											
– Buildings – non-specialised	5,690	(1,391)	4,299	–	659	(64)	(94)	(178)	6,574	(1,952)	4,622
– Water supply network	280,354	(131,760)	148,594	270	279	–	(3,354)	3,830	286,837	(137,218)	149,619
– Reservoirs	81,158	(22,382)	58,776	234	–	–	(1,394)	1,011	82,862	(24,235)	58,627
– Pumping stations	21,476	(7,086)	14,390	416	–	(107)	(521)	47	21,927	(7,702)	14,225
– Treatment plants	22,200	(5,418)	16,782	290	–	–	(561)	62	22,666	(6,093)	16,573
– Bores	2,759	(560)	2,199	137	–	(62)	(70)	(11)	2,817	(624)	2,193
Total Infrastructure, property, plant and equipment	425,162	(171,264)	253,898	4,205	4,618	(1,025)	(6,783)	5,023	441,047	(181,111)	259,936

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

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 9. Infrastructure, property, plant and equipment (continued)

Accounting policy for infrastructure, property, plant and equipment

Infrastructure, property, plant and equipment are held at fair value. Independent comprehensive valuations are performed at least every five 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 Industry (DoI) – Water.

Increases in the carrying amounts arising on revaluation are credited to the 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 revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

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.

When infrastructure, property, plant and equipment are acquired by Council for nil or nominal consideration, the assets are initially recognised at their fair value at acquisition date.

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	Buildings	Years
Office equipment	5 to 10	Buildings: masonry	50 to 100
Office furniture	10 to 20	Buildings: other	20 to 40
Computer equipment	5		
Vehicles	5 to 8		
Heavy plant	5 to 8		
Other plant and equipment	5 to 15		
Water and sewer assets			
Dams and reservoirs	80 to 100		
Bores	20 to 40		
Reticulation pipes: PVC	70 to 80		
Reticulation pipes: other	25 to 75		
Pumps and telemetry	15 to 20		

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

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 10. Payables and borrowings

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Payables				
Goods and services – operating expenditure	909	–	698	–
Accrued expenses:				
– Salaries and wages	245	–	248	–
– Employee expense on-costs	149	7	124	2
– Other expenditure accruals	260	–	14	–
Security bonds, deposits and retentions	28	–	29	–
Other	66	–	–	–
Total payables	1,657	7	1,113	2
Income received in advance				
Payments received in advance	332	–	158	–
Total income received in advance	332	–	158	–
Borrowings				
Bank overdraft	–	–	13	–
Total borrowings	–	–	13	–
<u>TOTAL PAYABLES AND BORROWINGS</u>	<u>1,989</u>	<u>7</u>	<u>1,284</u>	<u>2</u>

\$ '000	2019	2018
Financing arrangements		
(i) Unrestricted access was available at balance date to the following lines of credit:		
Bank overdraft facilities ¹	500	500
Credit cards/purchase cards	65	80
Total financing arrangements	565	580
Undrawn facilities as at balance date:		
– Bank overdraft facilities	500	500
– Credit cards/purchase cards	39	80
Total undrawn financing arrangements	539	580

(1) The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.

Accounting policy for payables and borrowings

Council measures all financial liabilities initially at fair value less transaction costs.

The financial liabilities of the Council comprise trade payables.

Payables

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

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 11. Provisions

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Provisions				
Employee benefits				
Annual leave	660	–	586	–
Long service leave	1,069	80	1,149	23
Accrued leave	68	–	66	–
Sub-total – aggregate employee benefits	<u>1,797</u>	<u>80</u>	<u>1,801</u>	<u>23</u>
TOTAL PROVISIONS	<u>1,797</u>	<u>80</u>	<u>1,801</u>	<u>23</u>

\$ '000	2019	2018
---------	------	------

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

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

Provisions – employees benefits	1,367	1,271
	<u>1,367</u>	<u>1,271</u>

Accounting policy for provisions

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Employee benefits**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.

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 11. Provisions (continued)

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.

The obligations are presented as current liabilities in the Statement of Financial Position if the 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.

Note 12. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

The infrastructure, property, plant and equipment revaluation reserve is used to record increments / decrements of non-current asset values due to their revaluation.

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Statement of cash flows - additional information

\$ '000	Notes	2019	2018
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6(a)	1,888	1,151
Less bank overdraft	10	–	(13)
Balance as per the Statement of Cash Flows		1,888	1,138
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		2,144	3,747
Adjust for non-cash items:			
Depreciation and amortisation		7,065	6,783
Net losses/(gains) on disposal of assets		819	244
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		(167)	(664)
Increase/(decrease) in provision for impairment of receivables		(1)	(7)
Decrease/(increase) in inventories		(8)	97
Decrease/(increase) in other current assets		40	76
Increase/(decrease) in payables		211	62
Increase/(decrease) in other accrued expenses payable		243	124
Increase/(decrease) in other liabilities		269	(611)
Increase/(decrease) in provision for employee benefits		53	200
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		10,668	10,051

Goldenfields Water County Council

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Notes to the Financial Statements
for the year ended 30 June 2019

Note 14. Commitments

\$ '000	2019	2018
Capital commitments (exclusive of GST)		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Plant and equipment	–	50
Design & Construct Reservoirs	378	945
Backflow Devices	245	–
Total commitments	623	995
These expenditures are payable as follows:		
Within the next year	623	525
Later than one year and not later than 5 years	–	470
Total payable	623	995
Sources for funding of capital commitments:		
Unrestricted general funds	623	945
Internally restricted reserves	–	50
Total sources of funding	623	995
Details of capital commitments		
Mandamah Scheme \$378,000		
Backflow Devices \$245,000		

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 15. Contingencies and other assets/liabilities not recognised

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

1. Guarantees

(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 standard employer contributions and additional lump sum contributions to the fund.

The standard 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 standard employer contribution rates are:

Division B	1.9 times employee contributions
Division C	2.5% salaries
Division D	1.64 times employee contributions

The additional lump sum contribution for each Pooled Employer is a share of the total additional contributions of \$40 million per annum from 1 July 2018 for 3 years to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2019. These additional lump sum contributions are used to fund the deficit of assets to accrued liabilities as at 30 June 2019.

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 2019 was \$ 63,465.89. The last valuation of the Scheme was performed by [Richard Boyfield, FIAA, on 31 December 2018], and covers the period ended 30 June 2018.

Goldenfields Water County Council

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Notes to the Financial Statements for the year ended 30 June 2019

Note 15. Contingencies and other assets/liabilities not recognised (continued)

The amount of additional contributions included in the total employer contribution advised above is \$34,328. Council's expected contribution to the plan for the next annual reporting period is \$103,709.56

The estimated employer reserves financial position for the Pooled Employers at 30 June 2019 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	1,798.7	
Past Service Liabilities	1,784.2	100.8%
Vested Benefits	1,792.0	100.4%

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

Based on Past Service Liabilities methodology, the share of any surplus that can be attributed to council is .19%.

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

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

* Plus promotional increases

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

(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 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.

(iv) Other guarantees

Council has provided no other guarantees other than those listed above.

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 15. Contingencies and other assets/liabilities not recognised (continued)

2. Other liabilities

(i) Third party claims

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

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

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Financial risk management

Risk management

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 finance section under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Council's financial assets and financial liabilities recognised in the financial statements is presented below.

\$ '000	Carrying value 2019	Carrying value 2018	Fair value 2019	Fair value 2018
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	1,888	1,151	1,888	1,151
Receivables	6,706	6,538	6,706	6,538
Investments				
– 'Financial assets at amortised cost' / 'held to maturity' (2018)	49,000	48,000	49,000	48,000
Total financial assets	57,594	55,689	57,594	55,689
Financial liabilities				
Bank overdraft	–	13	–	13
Payables	1,664	1,115	1,664	1,115
Total financial liabilities	1,664	1,128	1,664	1,128

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value
- **Held-to-maturity investments** – are based upon estimated future cash flows discounted by the current mkt interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital.

Council's finance area manages the cash and Investments portfolio.

Council has an investment policy which complies with the Local Government Act 1993 and Minister's investment order 625. This policy is regularly reviewed by Council and it's staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Financial risk management (continued)

• **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature. Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

(a) Market risk – price risk and interest rate risk

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.

\$ '000	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2019				
Possible impact of a 1% movement in interest rates	502	502	(502)	(502)
2018				
Possible impact of a 1% movement in interest rates	500	500	(500)	(500)

(b) Credit risk

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

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures. Council also encourages ratepayers to pay their rates by the due date through incentives.

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

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

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.

Credit risk profile**Receivables – rates and annual charges**

Credit risk on rates and annual 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 rates and annual charges at higher than market rates which further encourages the payment of debt.

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2019						
Gross carrying amount	739	689	–	–	–	1,428
2018						
Gross carrying amount	1,079	132	39	61	–	1,311

continued on next page ...

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Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Financial risk management (continued)

Receivables - non-rates and annual charges

Council applies the simplified approach for non-rates and annual charges debtors to provide for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, non-rates and annual charges debtors have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision as at 30 June 2019 is determined as follows. The expected credit losses incorporate forward-looking information.

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
2019						
Gross carrying amount	4,638	655	–	–	–	5,293
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ECL provision	–	–	–	–	–	–
2018						
Gross carrying amount	4,224	656	–	–	363	5,243
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ECL provision	–	–	–	–	–	–

(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 finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in:		Total cash outflows	Actual carrying values
				1 - 5 Years	> 5 Years		
2019							
Trade/other payables	0.00%	28	1,636	–	–	1,664	1,664
Total financial liabilities		28	1,636	–	–	1,664	1,664
2018							
Bank overdraft	0.00%	13	–	–	–	13	13
Trade/other payables	0.00%	29	1,086	–	–	1,115	1,115
Total financial liabilities		42	1,086	–	–	1,128	1,128

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Material budget variations

Council's original financial budget for 18/19 was adopted by the Council on 29/06/2018 and is unaudited.

While the Income Statement included in this General Purpose Financial Statements must disclose the original budget adopted by Council, the Local Government Act 1993 requires Council to review its financial budget on a quarterly basis, so that it is able to manage the various variations between actuals versus budget that invariably occur throughout the year.

This note sets out the details of **material variations** between Council's original budget and its actual results for the year as per the Income Statement – even though such variations may have been adjusted for during each quarterly budget review.

Material variations represent those variances between the original budget figure and the actual result that amount to **10%** or more.

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

\$ '000	2019 Budget	2019 Actual	2019 ----- Variance -----	
REVENUES				
Rates and annual charges	5,056	5,243	187	4% F
User charges and fees	14,844	17,335	2,491	17% F
Water usage charges were \$2.2m higher than budget due to demand.				
Interest and investment revenue	1,488	1,447	(41)	(3)% U
Other revenues	106	169	63	59% F
Additional insurance rebates and incentives, \$8k, training incentives, \$12k plus various other rebates and reimbursements.				
Operating grants and contributions	-	30	30	∞ F
Smart Cities & Suburbs grant of \$30k not budgeted.				
Capital grants and contributions	1,885	940	(945)	(50)% U
Developer contributions were significantly down on budget estimate.				

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Material budget variations

\$ '000	2019 Budget	2019 Actual	2019 ----- Variance -----	
EXPENSES				
Employee benefits and on-costs	5,904	6,587	(683)	(12)% U
Payroll Tax \$105k, Superannuation \$17k, Workers Compensation Insurance \$19k, Fringe Benefits Tax \$20k, Employee Leave Entitlements \$44k were all higher than budget. Salary and Wage costs were also higher due to recruitment of additional staff.				
Materials and contracts	2,501	3,403	(902)	(36)% U
Materials and Contracts were higher than budget due to a number of factors including purchases originally show in the capital budgets that were subsequently expensed such as software.				
Depreciation and amortisation	6,251	7,065	(814)	(13)% U
Office Equipment was \$289k higher due to installation of new IT System, Plant & Equipment under estimated by \$376k plus additional depreciation on water infrastructure assets \$190k due to new assets.				
Other expenses	4,612	5,146	(534)	(12)% U
Net losses from disposal of assets	-	819	(819)	∞ U

Council incurred losses on disposal of plant & equipment \$196k and assets renewed which has not been fully written down at time of replacement, \$623k.

STATEMENT OF CASH FLOWS

Net cash provided from (used in) operating activities	10,362	10,668	306	3% F
Net cash provided from (used in) investing activities	(9,980)	(9,918)	62	(1)% F

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. 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).

(1) Assets and liabilities that have been measured and recognised at fair values

2019	Notes	Fair value measurement hierarchy			Total
		Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	
Recurring fair value measurements					
Infrastructure, property, plant and equipment					
	9				
Plant and Equipment		30/06/19	–	–	5,907
Office Equipment		30/06/19	–	–	1,459
Furniture and Fittings		30/06/19	–	–	71
Operational Land		30/06/18	–	2,807	–
Buildings – Non Specialised		30/06/18	–	5,000	–
Water Mains		30/06/17	–	–	152,690
Reservoirs		30/06/17	–	–	59,741
Pumping Stations		30/06/17	–	–	14,564
Treatment Plants		30/06/17	–	–	16,515
Bores		30/06/17	–	–	2,210
Total infrastructure, property, plant and equipment			–	7,807	253,157
					260,964

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Fair Value Measurement (continued)

2018	Notes	Date of latest valuation	Fair value measurement hierarchy			Total
			Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements						
Infrastructure, property, plant and equipment						
	9					
Plant and Equipment		30/06/18	–	–	5,904	5,904
Office Equipment		30/06/18	–	–	461	461
Furniture and Fittings		30/06/18	–	–	82	82
Operational Land		30/06/18	–	2,737	–	2,737
Buildings – Non Specialised		30/06/18	–	4,622	–	4,622
Water Mains		30/06/17	–	–	149,619	149,619
Reservoirs		30/06/17	–	–	58,627	58,627
Pumping Stations		30/06/17	–	–	14,225	14,225
Treatment Plants		30/06/17	–	–	16,573	16,573
Bores		30/06/17	–	–	2,193	2,193
Total infrastructure, property, plant and equipment			–	7,359	247,684	255,043

Note that capital WIP is not included above since it is carried at cost.

(2) Transfers between level 1 and level 2 fair value hierarchies

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

(3) Valuation techniques used to derive level 2 and level 3 fair values

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 (IPP&E)**Plant & Equipment, Office Equipment and Furniture & Fittings**

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at depreciated historical cost.

The carrying amount of these assets approximates fair value due to the nature of the items. Council values Plant & Equipment, Office Equipment and Furniture & Fittings using unobservable Level 3 inputs including gross historical cost, estimated useful life of the asset and residual value.

Land - Operational

This asset class comprises of all of Council's land classified as Operational Land under the NSW Local Government Act 1993. Land was revalued as at 30 June 2018 by Asset Val Pty Ltd.

Where direct comparable sales evidence is used to value a parcel of land it is classed as a Level 2 input.

Buildings - Non Specialised

Buildings were valued at 30 June 2018 by Asset Val Pty Ltd.

Where direct comparable sales evidence is available the building is valued using observable Level 2 inputs.

Water Infrastructure

This asset class comprises of water mains, reservoirs, pumping stations, treatment plants & bores.

These asset classes were valued by Australis Pty Ltd as at 30 June 2017 using data unobservable in the market.

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Fair Value Measurement (continued)

(4) Fair value measurements using significant unobservable inputs (level 3)

a. The following tables present the changes in level 3 fair value asset classes.

\$ '000	IPP&E
2018	
Opening balance	247,190
Purchases (GBV)	3,176
Disposals (WDV)	(932)
Depreciation and impairment	(6,689)
FV gains – other comprehensive income	4,939
Closing balance	<u>247,684</u>
2019	
Opening balance	247,684
Purchases (GBV)	10,366
Disposals (WDV)	(1,658)
Depreciation and impairment	(6,943)
FV gains – other comprehensive income	3,708
Closing balance	<u>253,157</u>

(5) Highest and best use

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

Goldenfields Water County Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 19. Related Party Transactions

(a) Key management personnel

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	2019	2018
Compensation:		
Short-term benefits	666	689
Post-employment benefits	76	73
Other long-term benefits	12	166
Termination benefits	141	46
Total	895	974

(b) Other transactions with KMP and their related parties

Nature of the transaction	Ref	Value of transactions during year	Outstanding balance (incl. loans and commitments)	Terms and conditions	Provisions for impairment of receivables outstanding	Expense recognised for impairment of receivables
\$ '000						
2019						
Supply and Service of Council vehicles < Enter Description >	1	662	-		-	-
2018						
Supply and Service of Council vehicles < Enter Description >	1	709	-		-	-

1 Council purchased vehicles during the year from a company which has a member of Council's KMP as a director. The contract of supply of Council vehicles was awarded through a competitive tender process. Amounts were due payable under normal payment terms following procurement processes.

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20(a). Statement of performance measures – consolidated results

\$ '000	Amounts 2019	Indicator 2019	Prior periods		Benchmark
			2018	2017	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	<u>2,023</u>	8.35%	8.64%	14.25%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	<u>24,224</u>				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	<u>24,110</u>	95.81%	91.07%	95.29%	>60.00%
Total continuing operating revenue ¹	<u>25,164</u>				
3. Unrestricted current ratio					
Current assets less all external restrictions	<u>31,142</u>	12.87x	11.02x	18.78x	>1.50x
Current liabilities less specific purpose liabilities	<u>2,419</u>				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	<u>9,088</u>	∞	∞	∞	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<u>-</u>				
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	<u>1,520</u>	23.00%	21.43%	23.84%	<10.00%
Rates, annual and extra charges collectible	<u>6,608</u>				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	<u>50,888</u>	37.95	39.20	49.60	>3.00
Monthly payments from cash flow of operating and financing activities	<u>1,341</u>	mths	mths	mths	mths

(1) Excludes fair value adjustments, reversal of revaluation decrements, net gain on sale of assets, and net loss of interests in joint ventures and associates.

(2) Excludes impairment/revaluation decrements, net loss on sale of assets, and net loss on share of interests in joint ventures and associates



INDEPENDENT AUDITOR'S REPORT
Report on the general purpose financial statements
Goldenfields Water County Council

To the Councillors of the Goldenfields Water County Council

Opinion

I have audited the accompanying financial statements of Goldenfields Water County Council (the Council), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Councillors and Management.

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 presented, 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 2019, 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' (APES 110).

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

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

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

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

Other Information

The Council's annual report for the year ended 30 June 2019 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.

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 except where the Council will be dissolved or amalgamated by an Act of Parliament, or otherwise cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does not 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 17 Material budget variations
- 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.



Min Lee
A/Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

4 October 2019
SYDNEY



Cr Dennis Palmer
Chairperson
Goldenfields Water County Council
PO Box 220
TEMORA NSW 2666

Contact: Min Lee
Phone no: (02) 9275 7151
Our ref: D1921492/1819

4 October 2019

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2019
Goldenfields Water County Council**

I have audited the general purpose financial statements (GPFS) of the Goldenfields Water County Council (the Council) for the year ended 30 June 2019 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 2019 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

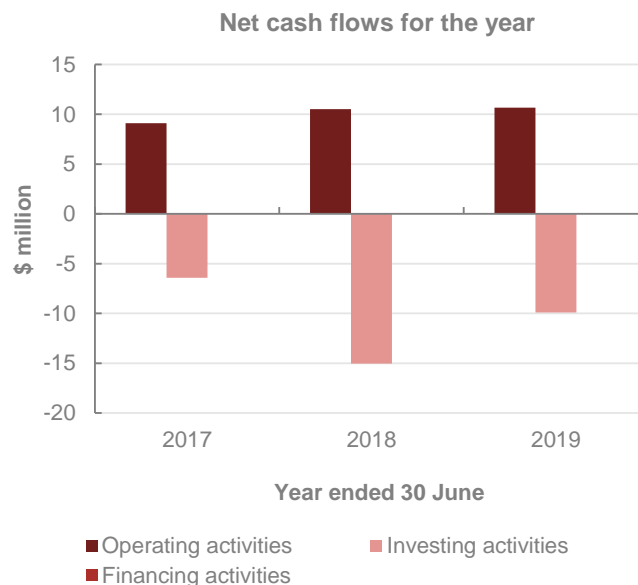
	2019	2018	Variance
	\$m	\$m	%
Rates and annual charges revenue	5.2	5.0	↑ 4.0
User Chargers and fees	17.3	16.1	↑ 7.4
Grants and contributions revenue	0.9	2.1	↓ 57.1
Operating result for the year	2.1	3.7	↓ 43.2
Net operating result before capital grants and contributions	1.2	1.7	↓ 29.4

The following comments are made in respect of Council’s operating result for the year:

- Council’s operating result was a surplus of \$2.1 million (\$3.7 million for the year ended 30 June 2018). The Council budgeted for a surplus of \$4.1 million.
- The Council’s net operating result before capital grants and contributions was a surplus of \$1.2 million (\$1.7 million for the year ended 30 June 2018).
- User charges and fees increased by \$1.2 million (7.4%) to \$17.3 million. The increase can be attributed to the dry and hot weather over the summer period which resulted in higher water sales (specific actual use charges) and bulk water sales to Councils compared to the previous year.
- Rates and annual charges revenue increased by \$0.2 million (4.0%) to \$5.2 million.
- Grants and contributions revenue decreased by \$1.2 million (57.1%) to \$0.9 million. The decrease is due to high augmentation contributions largely from the Manadamah development stage 1 not recurring in 2019.
- Council’s depreciation and amortisation expense increased by \$0.3 million (4.4%) to \$7.1 million (\$6.8 million for the year ended 30 June 2018). The increase can be attributed to the current year asset additions and revaluation increments in 2017–18.

STATEMENT OF CASH FLOWS

- Council recorded a net increase in cash and cash equivalents of \$0.7 million at 30 June 2019 (net decrease of \$4.9 million at 30 June 2018).
- Net cash provided by operating activities amounted to \$10.7 million. Council recorded cash receipts from rates and annual charges of \$5.1 million and user fees and charges of \$17.5 million. Council recorded \$6.6 million of cash payments for employee benefits and on-costs and \$4.1 million for materials and contracts.
- Net cash used in investing activities amounted to \$9.9 million. This is largely due to the net cash outflow of \$9.7 million for the purchase of infrastructure, property, plant and equipment during the year.



FINANCIAL POSITION

Cash and investments

Cash and investments	2019	2018	Commentary
	\$m	\$m	
External restrictions	-	-	<ul style="list-style-type: none"> Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect identified programs of works and any forward plans identified by Council. The movement in the internally restricted cash balance is predominantly due to a decrease in infrastructure replacement restrictions and carry over works. Unrestricted cash has increased due to the decrease in internal restrictions from the prior year explained above.
Internal restrictions	41.3	44.8	
Unrestricted	9.6	4.3	
Cash and investments	50.9	49.1	

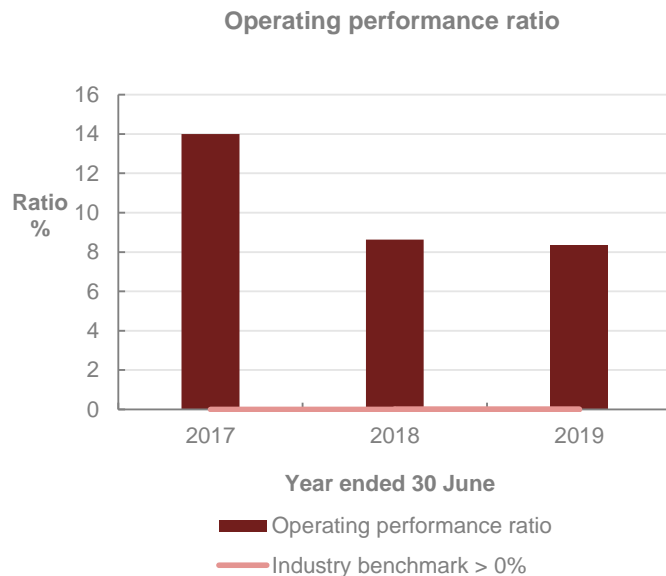
Debt

Council maintains a bank overdraft facility of \$0.5 million. As at 30 June 2019, Council has reported a bank overdraft of nil (2018: \$13,000).

PERFORMANCE

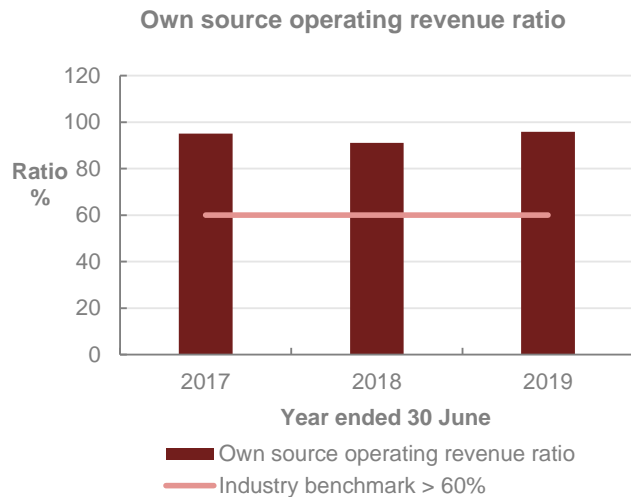
Operating performance ratio

- The operating performance ratio of 8.35 per cent is above the industry benchmark of greater than zero percent.
- The operating performance ratio has remained steady from 2018.
- 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 the former Office of Local Government (OLG) is greater than zero per cent.



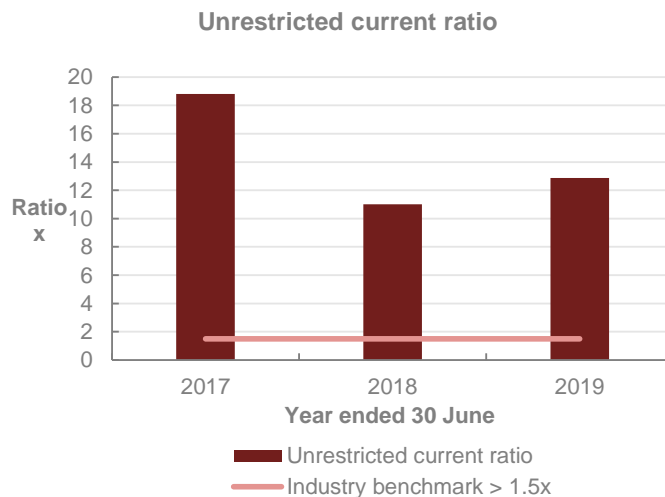
Own source operating revenue ratio

- The Council's own source operating revenue ratio of 95.8 per cent is above the industry benchmark of 60 per cent.
- The own source operating revenue ratio increased from 91.1 per cent in the 2018 financial year due to the increase in user charges and fees during 2018–19.
- Council has met this benchmark as its main source of income is from water sales, rather than reliance on operating grants and contributions.
- 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 the former OLG is greater than 60 per cent.



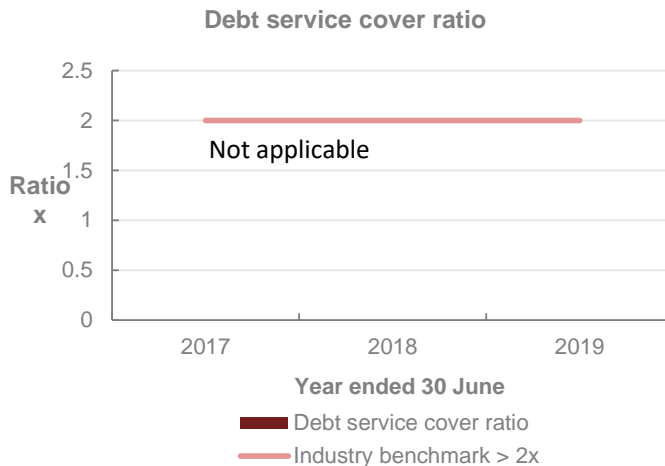
Unrestricted current ratio

- The Council's liquidity ratio of 12.9 times is greater than the industry benchmark set by OLG.
- The increase in the ratio compared with prior year is due to an increase in cash and investment holdings impacted by the movement of longer term investments to shorter term investments.
- Overall, this ratio indicates that Council has sufficient liquidity to meet its current liabilities as and when they fall due.
- 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 the former OLG is greater than 1.5 times.



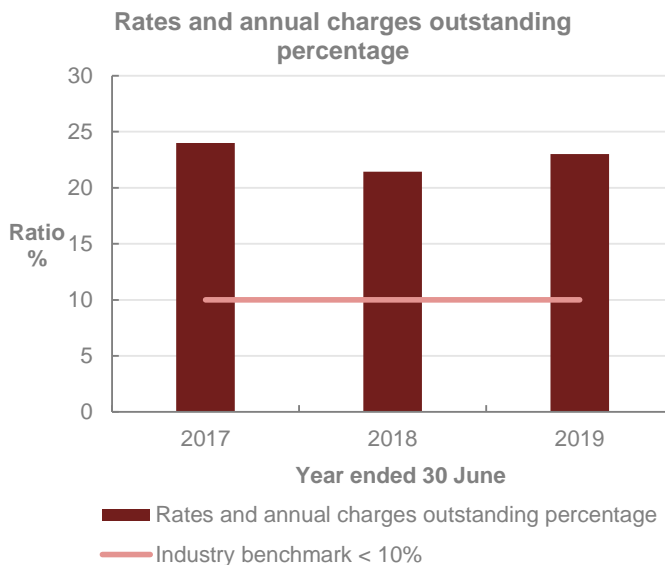
Debt service cover ratio

- Council has a bank overdraft of nil at 30 June 2019 (\$13,000 at 30 June 2018).
- The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by the former OLG is greater than two times.



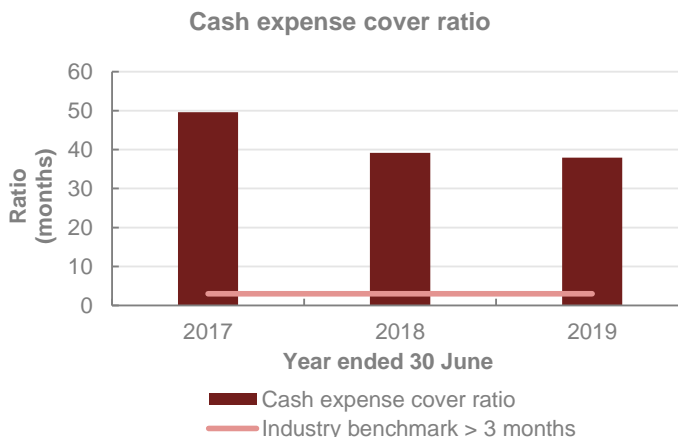
Rates and annual charges outstanding percentage

- The Council's rates and annual charges outstanding ratio of 23 per cent is outside the industry benchmark of less than 10 per cent for rural councils.
- Council continues to remain outside this benchmark and the result remains consistent with the prior periods due to rolling quarterly billing arrangements.
- The billing cycle of water county councils needs to be considered when assessing this ratio against other Councils.
- The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by the former OLG is less than 10 per cent for regional and rural councils.



Cash expense cover ratio

- Council has performed comfortably above the benchmark in both the current and prior periods, indicating a strong liquidity position.
- 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 the former OLG is greater than three months.



Infrastructure, property, plant and equipment renewals

The Council has renewed \$2.9 million of assets in the 2018–19 financial year, compared to \$4.2 million of assets in the 2017–18 financial year. The decrease is primarily due to the transfer of work in progress renewals in the 2017–18 financial year to water mains infrastructure in the 2018–19 financial year on completion of project works. Renewal of reservoirs infrastructure has increased by \$1 million on the 2017–18 financial year to \$1.3 million due to various reservoir treatment works in the 2018–19 financial year.

OTHER MATTERS

New accounting standards implemented

Application period	Overview
AASB 9 'Financial Instruments' and revised AASB 7 'Financial Instruments: Disclosures'	
For the year ended 30 June 2019	<p>AASB 9 replaces AASB 139 'Financial Instruments: Recognition and Measurement' and changes the way financial instruments are treated for financial reporting.</p> <p>Key changes include:</p> <ul style="list-style-type: none"> • a simplified model for classifying and measuring financial assets • a new method for calculating impairment • a new type of hedge accounting that more closely aligns with risk management. <p>The revised AASB 7 includes new disclosures as a result of AASB 9.</p> <p>Council's disclosure of the impact of adopting AASB 9 is disclosed in Note 1 (a).</p>

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.



Min Lee
A/Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

cc: Aaron Drenovski, General Manager
Peter McLean, Chair of Audit, Risk and Improvement Committee
Michelle Curran, Corporate Services Manager
Jim Betts, Secretary of the Department of Planning, Industry and Environment

Goldenfields Water County Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2019

To be innovative leaders in the supply and distribution of water through regional efficiency, technical excellence and customer service.



Goldenfields Water County Council

Special Purpose Financial Statements 2019

Special Purpose Financial Statements for the year ended 30 June 2019

Contents	Page
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Income Statement – Water Supply Business Activity	4
Statement of Financial Position – Water Supply Business Activity	5
Note 1 – Significant Accounting Policies	6
Auditor’s Report on Special Purpose Financial Statements	9

Background

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

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

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

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

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

Goldenfields Water County Council

Special Purpose Financial Statements 2019

Special Purpose Financial Statements for the year ended 30 June 2019

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 22 August 2019.



Dennis Palmer
Chairman
22 August 2019



David McCann
Deputy Chairman
22 August 2019



Aaron Drenovski
General Manager
22 August 2019



Michele Curran
Responsible Accounting Officer
22 August 2019

Goldenfields Water County Council

Special Purpose Financial Statements 2019

Income Statement – Water Supply Business Activity
for the year ended 30 June 2019

\$ '000	2019	2018
Income from continuing operations		
Access charges	5,243	4,968
User charges	16,922	15,419
Fees	413	627
Interest	1,447	1,500
Grants and contributions provided for non-capital purposes	30	302
Other income	169	119
Total income from continuing operations	24,224	22,935
Expenses from continuing operations		
Employee benefits and on-costs	6,587	7,028
Materials and contracts	3,287	2,346
Depreciation, amortisation and impairment	7,065	6,783
Water purchase charges	116	80
Loss on sale of assets	819	244
Calculated taxation equivalents	35	30
Other expenses	5,146	4,716
Total expenses from continuing operations	23,055	21,227
Surplus (deficit) from continuing operations before capital amounts	1,169	1,708
Grants and contributions provided for capital purposes	940	2,009
Surplus (deficit) from continuing operations after capital amounts	2,109	3,717
Surplus (deficit) from all operations before tax	2,109	3,717
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(321)	(470)
SURPLUS (DEFICIT) AFTER TAX	1,788	3,247
Plus accumulated surplus	91,357	87,610
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	35	30
– Corporate taxation equivalent	321	470
Closing accumulated surplus	93,501	91,357
Return on capital %	0.4%	0.7%
Subsidy from Council	–	5,128
Calculation of dividend payable:		
Surplus (deficit) after tax	1,788	3,247
Less: capital grants and contributions (excluding developer contributions)	(940)	(2,009)
Surplus for dividend calculation purposes	848	1,238
Potential dividend calculated from surplus	424	619

Goldenfields Water County Council

Special Purpose Financial Statements 2019

Statement of Financial Position – Water Supply Business Activity
as at 30 June 2019

\$ '000	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents	1,888	1,151
Investments	22,000	12,000
Receivables	6,706	6,538
Inventories	548	540
Other	–	40
Total current assets	31,142	20,269
Non-current assets		
Investments	27,000	36,000
Infrastructure, property, plant and equipment	264,678	259,936
Total non-current assets	291,678	295,936
TOTAL ASSETS	322,820	316,205
LIABILITIES		
Current liabilities		
Bank overdraft	–	13
Payables	1,657	1,112
Income received in advance	332	159
Provisions	1,797	1,801
Total current liabilities	3,786	3,085
Non-current liabilities		
Payables	7	2
Provisions	80	23
Total non-current liabilities	87	25
TOTAL LIABILITIES	3,873	3,110
NET ASSETS	318,947	313,095
EQUITY		
Accumulated surplus	93,501	91,357
Revaluation reserves	225,446	221,738
TOTAL EQUITY	318,947	313,095

Goldenfields Water County Council

Special Purpose Financial Statements 2019

Notes to the Special Purpose Financial Statements for the year ended 30 June 2019

Note 1. 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 (NSW), the *Local Government (General) Regulation 2005*, 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, current values of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

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

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 NSW government policy statement titled 'Application of National Competition Policy to Local Government'.

The *Pricing and Costing for Council Businesses, A Guide to Competitive Neutrality* issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements.

These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return 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)

Goldenfields Water County Council (whole of Council operation)

Supply water within the Local Government areas of Bland, Coolamon, Jumea, Temora and part of Narrandera, Hilltops Council and Cootamundra Gundagai Regional Council - excluding the provision of retail water distribution in Cootamundra and Hilltops Council.

Monetary amounts

Amounts shown in the financial statements are in Australian dollars and rounded to the nearest one thousand dollars.

Goldenfields Water County Council

Special Purpose Financial Statements 2019

Notes to the Special Purpose Financial Statements for the year ended 30 June 2019

Note 1. Significant Accounting Policies (continued)

(i) 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 – 30%

Land tax – the first \$692,000 of combined land values attracts 0%. For the combined land values in excess of \$692,001 up to \$4,231,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$4,231,000 a premium marginal rate of 2.0% applies.

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$850,000.

Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

Income tax is only applied where a gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional – that is, it is payable to 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 30% is not 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 payable on all category 1 businesses has been applied to all land 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.

(ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Goldenfields Water County Council

Special Purpose Financial Statements 2019

Notes to the Special Purpose Financial Statements for the year ended 30 June 2019

Note 1. Significant Accounting Policies (continued)

Subsidies occur when 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.

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

(iii) 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'.

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 1.32% at 30/6/19.

(iv) Dividends

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

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

Each dividend must be calculated and approved in accordance with the DPIW guidelines and must not exceed:

- 50% of this surplus in any one year, or
- the number of water supply assessments at 30/06/2019 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

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



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Goldenfields Water County Council

To the Councillors of the Goldenfields Water County Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Goldenfields Water County Council's (the Council) declared business activity, Water Supply Business Activity, which comprise the Income Statement of the declared business activity for the year ended 30 June 2019, the Statement of Financial Position of the declared business activity as at 30 June 2019, Note 1 Significant accounting policies for the business activity declared by Council, and the Statement by Councillors and Management.

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 2019, and its financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting – update number 27 (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' (APES 110).

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

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

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

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

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 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 2019 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.

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 Note 1 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, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does not 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.



Min Lee
A/Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

4 October 2019
SYDNEY

Goldenfields Water County Council

SPECIAL SCHEDULES
for the year ended 30 June 2019

To be innovative leaders in the supply and distribution of water through regional efficiency, technical excellence and customer service.



Goldenfields Water County Council

Special Schedules 2019

Special Schedules for the year ended 30 June 2019

Contents	Page
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Report on Infrastructure Assets - Values	3

Goldenfields Water County Council

Report on Infrastructure Assets

as at 30 June 2019

Asset Class	Asset Category	Estimated cost			2018/19 Required maintenance ^a	2018/19 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council						1	2	3	4	5
(a) Report on Infrastructure Assets - Values													
Buildings	Council Office	–	–	16	16	1,480	1,826	95.0%	0.0%	5.0%	0.0%	0.0%	
	Council Works Depots	–	–	11	11	1,963	2,496	91.0%	3.0%	3.0%	3.0%	0.0%	
	Council Houses	–	–	14	14	1,557	2,752	37.0%	28.0%	35.0%	0.0%	0.0%	
	Sub-total	–	–	41	41	5,000	7,074	71.0%	12.0%	16.0%	1.1%	(0.1%)	
Water supply network	Mains	18,063	28,889	2,180	1,273	152,690	295,011	25.0%	34.0%	24.0%	9.0%	8.0%	
	Reservoirs	96	678	139	131	59,741	85,552	41.0%	54.0%	5.0%	0.0%	0.0%	
	Pumping Stations	48	509	400	559	14,564	22,827	28.0%	58.0%	13.0%	1.0%	0.0%	
	Treatment	–	119	193	195	16,515	23,274	71.0%	25.0%	4.0%	0.0%	0.0%	
	Bores	–	53	–	133	2,210	2,940	28.0%	58.0%	13.0%	1.0%	0.0%	
	Sub-total	18,207	30,248	2,912	2,291	245,720	429,604	30.9%	38.9%	18.5%	6.2%	5.5%	
TOTAL - ALL ASSETS		18,207	30,248	2,953	2,332	250,720	436,678	31.5%	38.5%	18.4%	6.2%	5.4%	

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

Infrastructure asset condition assessment 'key'

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

Goldenfields Water County Council

Special Schedules 2019

Report on Infrastructure Assets (continued)
as at 30 June 2019

\$ '000	Amounts 2019	Indicator 2019	Prior periods 2018	2017	Benchmark
Infrastructure asset performance indicators (consolidated) *					
Buildings and infrastructure renewals ratio ¹					
Asset renewals ²	2,949	85.23%	74.25%	–	>=100.00%
Depreciation, amortisation and impairment	3,460				
Infrastructure backlog ratio ¹					
Estimated cost to bring assets to a satisfactory standard	18,207	11.55%	11.27%	–	<2.00%
Net carrying amount of infrastructure assets	157,690				
Asset maintenance ratio					
Actual asset maintenance	2,332	78.97%	147.01%	–	>100.00%
Required asset maintenance	2,953				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	30,248	6.93%	6.96%	–	
Gross replacement cost	436,678				

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

(1) Excludes Work In Progress (WIP)

(2) 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.

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

COUNCIL INVESTMENTS

Report prepared by Corporate Services Manager

COUNCIL OFFICER RECOMMENDATION

That the report detailing Council Investments as at 30th September 2019 be received and noted.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

09 Financially Sustainable

BACKGROUND

A report on Council's Investments is required to be presented for Council's consideration in accordance with Clause 212 of the Local Government (General) Regulation 2005.

REPORT

Council's investment portfolio decreased by \$500,000 from \$51,250,000 as at 31st July 2019 to \$50,750,000 as at 30th September 2019. This drop in cash was primarily due to a timing issue in redeeming a term deposit and re-investing with a different institution, which involved drawing on the on call account in the meantime.

Investment Portfolio

Type	Rating	Issuer	Frequency	Purchase	Maturity	Days	Rate	Benchmark*	Principal
TD	A-	AMP Bank	At Maturity	16/05/2019	12/11/2019	180	2.60	1.32	\$1,000,000
TD	A-	AMP Bank	At Maturity	16/05/2019	12/11/2019	180	2.60	1.32	\$2,000,000
TD	A	ING Direct	Annual	11/12/2017	9/12/2019	728	2.91	1.65	\$3,000,000
TD	A	ING Direct	Annual	20/12/2017	23/12/2019	733	2.87	1.65	\$3,000,000
TD	BBB+	Rural Bank	Annual	14/02/2018	14/02/2020	730	2.86	1.65	\$3,000,000
TD	A-	AMP Bank	At Maturity	26/02/2019	26/02/2020	365	2.75	1.65	\$1,000,000
TD	A-	Macquarie Bank	At Maturity	16/09/2019	17/03/2020	183	1.75	1.32	\$2,000,000
TD	A-	AMP Bank	At Maturity	20/03/2019	19/03/2020	365	2.75	1.65	\$1,000,000
TD	NR	Police Credit Union SA	Annual	21/03/2018	23/03/2020	733	3.02	1.65	\$1,000,000
TD	A-	AMP Bank	Annual	16/05/2019	15/05/2020	365	2.35	1.65	\$1,000,000
FRTD	BBB	Newcastle Permanent	Quarterly	8/06/2017	9/06/2020	1097	3.21	1.06	\$2,000,000
TD	BBB	Auswide Bank	At Maturity	20/06/2018	22/06/2020	733	3.00	1.65	\$1,000,000
TD	AA-	Westpac	Annual	12/07/2017	13/07/2020	1097	3.01	1.65	\$2,000,000
TD	AA-	Westpac	Quarterly	25/09/2017	28/09/2020	1099	3.06	1.65	\$1,000,000
TD	BBB+	BOQ	Annual	7/11/2017	9/11/2020	1098	3.00	1.65	\$3,000,000
TD	BBB+	Rural Bank	Annual	6/12/2017	7/12/2020	1097	2.95	1.65	\$3,000,000
TD	BBB+	Rural Bank	Annual	9/01/2018	11/01/2021	1098	3.10	1.65	\$3,000,000
TD	NR	Police Credit Union SA	Annual	21/03/2018	22/03/2021	1097	3.15	1.65	\$2,000,000
TD	NR	Australian Military Bank	Annual	29/03/2018	29/03/2021	1096	3.20	1.65	\$1,000,000
TD	AA-	Westpac	Quarterly	24/04/2018	27/04/2021	1099	3.13	1.65	\$3,000,000
TD	BBB	P&N Bank	Annual	27/06/2018	28/06/2021	1097	3.15	1.65	\$3,000,000
TD	BOQ	BOQ	Annual	12/07/2017	12/07/2021	1461	3.45	1.65	\$2,000,000
TD	BBB+	BOQ	Annual	29/10/2018	29/10/2021	1096	3.00	1.65	\$3,000,000
TD	BBB+	BOQ	Annual	12/07/2018	12/07/2022	1461	3.50	1.65	\$1,000,000
CASH	AA-	CBA	Monthly				0.95	1.00	\$2,750,000
TOTAL:									\$50,750,000

*Benchmarks

On Call - RBA Cash

Floating Rate Deposit - 3m BBSW

Term Deposit - BBSW

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

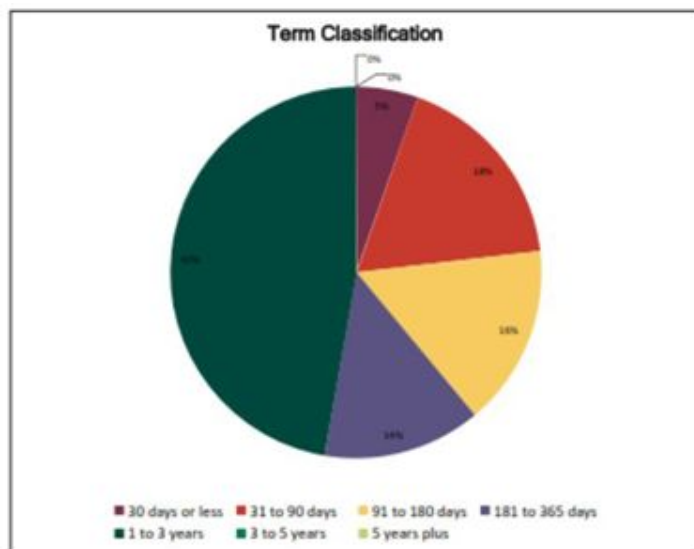
Performance

Goldenfields Water County Council’s investment portfolio outperformed the relevant BBSW Index benchmark by 80%. The average weighted yield for September was 2.81%, over an average weighted term of 346 days, with a benchmark of 1.56%. This strong performance continues to be driven by those deposits still yielding above 3% p.a. However, these deposits are fast maturing and will be reinvested at lower rates, due to the drop in cash rates since these deposits were last invested.

Total Cost 50,750,000	Total Accrued Interest 752,738	Average Weighted Yield 2.81%
Total Current Value 50,750,000	Total Monthly Accrued Interest 109,981	Average Weighted Term in Days 346
Unrealised Capital Gain/Loss 0	Total Interest Received for the Month 21,521	Total Interest Received for the Financial Year 52,621

Term to Maturity

Council’s investment portfolio maturities shown graphically below:

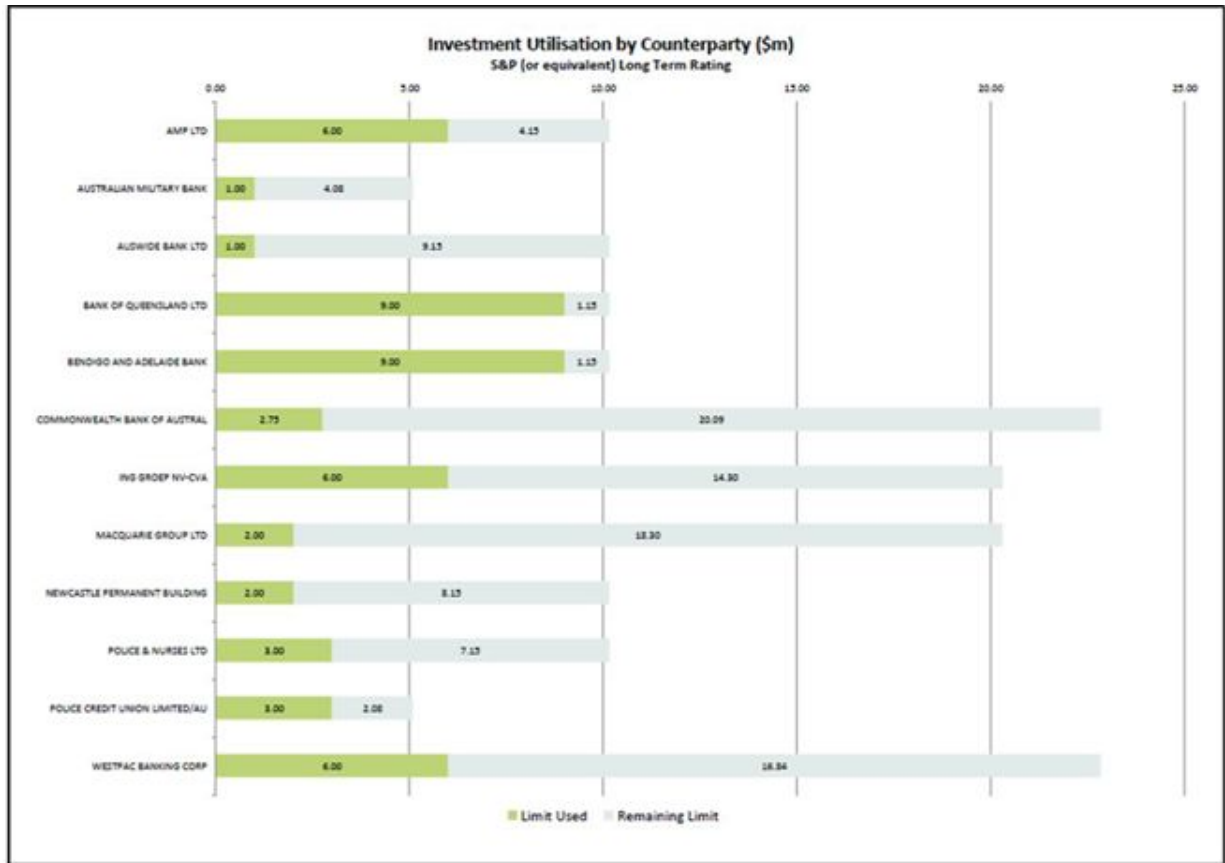


Counter Party Compliance

As at the end of September, Council was compliant with policy in terms of individual financial institution capacity limits. BoQ (BBB+) and Bendigo (BBB+) remain close to capacity. It is worth noting that capacity limits are affected by changes in the on call account balance compared to the total portfolio balance.

Overall, the portfolio is diversified across a variety of credit ratings, including some exposure to unrated ADIs.

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019



APPLICATION OF INVESTMENT FUNDS

The table below details the allocation of cash balances in terms of restricted funds, noting restrictions are all internal rather than external.

Restricted Funds:	
- Plant & Vehicle Replacement	886,000
- Infrastructure Replacement	36,347,000
- Employee Leave Entitlement	1,575,000
- Deposits, Retentions & Bonds	28,000
- Sales Fluctuation Reserve	2,000,000
- Property Reserve	423,000
Unrestricted Funds:	9,491,000
TOTAL	50,750,000

FINANCIAL IMPACT STATEMENT

Council’s investment portfolio decreased by \$500,000 from \$51,250,000 as at 31st July 2019 to \$50,750,000 as at 30th September 2019.

DECLARATION

I hereby certify that investments listed in the report have been made in accordance with Section 625 of the Local Government Act 1993, Clause 212 of the Local Government (General) Regulation 2005 and Council’s Investment Policy PP004.

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

Signed:



Michele Curran – Manager Corporate Services

ATTACHMENTS: Nil

TABLED ITEMS: Nil

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

PROGRESS REPORT – CAPITAL WORKS EXPENDITURE

Report prepared by Corporate Services Manager

COUNCIL OFFICER RECOMMENDATION

That the report detailing Council's Capital Works Program as at 30 September 2019 be received and noted.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

09 Financially Sustainable

BACKGROUND

Capital Works represents a significant part of Council's activities and expenditure. This report details progress year to date on programmed and emergent capital works.

REPORT

This report is presented for information on the Capital Works Program year to date progress as at 30 September 2019.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position.

ATTACHMENTS: Capital Works Progress Report as at 30 September 2019.

TABLED ITEMS: Nil.

Goldenfields Water County Council CAPITAL WORKS PROGRESS								
AS AT 30TH SEPTEMBER 2019	2019/20 BUDGET	PROPOSED QBR 30/9/19	2019/20 TOTAL BUDGET	ACTUAL YTD	COMMITTED YTD	TOTAL ACTUAL & COMMITTED YTD	VARIANCE YTD	% ACTUAL TO BUDGET
CAPITAL INCOME:	\$	\$	\$	\$	\$	\$	\$	%
Total Capital Income:	(473,700)	-	(473,700)	(172,846)	-	(172,846)	(300,854)	36%
CAPITAL EXPENDITURE								
NEW SYSTEM ASSETS:	\$	\$	\$	\$	\$	\$	\$	%
Plant & Equipment New	243,000	40,000	283,000	87,876	76,322	164,198	118,802	58%
IT Equipment	100,000	-	100,000	473	34,335	34,807	65,193	35%
Intangibles	100,000	-	100,000	13,562	-	13,562	86,438	14%
Land & Buildings	150,000	-	150,000	24,083	-	24,083	125,917	16%
Developer Paid Mains	40,000	-	40,000	11,473	1,389	12,863	27,137	32%
Mains	1,850,000	-	1,850,000	288,172	733,078	1,021,251	828,749	55%
Backflow Devices	750,000	-	750,000	91,380	121,699	213,079	536,921	28%
Pump Stations	-	-	-	69,442	40,354	109,796	(109,796)	0%
Reservoirs	-	-	-	-	11,916	11,916	(11,916)	0%
SCADA	-	550,000	550,000	-	640,360	640,360	(90,360)	116%
TOTAL NEW SYSTEM ASSETS:	3,233,000	590,000	3,823,000	586,462	1,659,452	2,245,914	1,577,086	59%
RENEWALS:	\$	\$	\$	\$	\$	\$	\$	%
Future Capital Project Investigations	250,000	(10,000)	240,000	391	-	391	239,609	0%
Plant & Equipment Replacement	888,000	10,000	898,000	185,432	232,058	417,490	480,510	46%
IT Equipment	50,000	-	50,000	6,011	-	6,011	43,989	12%
Office Equipment	10,000	-	10,000	-	-	-	10,000	0%
Intangibles	50,000	-	50,000	-	-	-	50,000	0%
Land & Buildings	150,000	-	150,000	-	-	-	150,000	0%
Mains - Renewal & Replacement	1,300,000	-	1,300,000	393,051	48,466	441,517	858,483	34%
Thanowring Road Pipeline Investigation & Design	400,000	-	400,000	14,870	3,367	18,237	381,763	5%

Goldenfields Water County Council CAPITAL WORKS PROGRESS								
AS AT 30TH SEPTEMBER 2019	2019/20 BUDGET	PROPOSED QBR 30/9/19	2019/20 TOTAL BUDGET	ACTUAL YTD	COMMITTED YTD	TOTAL ACTUAL & COMMITTED YTD	VARIANCE YTD	% ACTUAL TO BUDGET
Rosehill Pipeline Renewal	1,500,000	-	1,500,000	8,691	-	8,691	1,491,309	1%
Meter and Taggle Renewal	170,000	-	170,000	6,728	-	6,728	163,272	4%
Service Renewals	45,000	-	45,000	30,083	1,276	31,359	13,641	70%
Water Treatment Plant	1,000,000	-	1,000,000	164	145,305	145,469	854,531	15%
Pump Stations	1,725,000	-	1,725,000	98,926	76,551	175,477	1,549,523	10%
Reservoirs	365,000	-	365,000	12,498	1,560	14,058	350,942	4%
Bores	400,000	-	400,000	8,656	65,877	74,533	325,467	19%
Water Quality	50,000	-	50,000	-	-	-	50,000	0%
SCADA	1,100,000	(550,000)	550,000	82,782	58,100	140,882	409,118	26%
Emergency Works	200,000	-	200,000	-	-	-	200,000	0%
TOTAL RENEWALS ASSETS:	9,653,000	(550,000)	9,103,000	848,282	632,560	1,480,842	7,622,158	16%
TOTAL CAPITAL EXPENDITURE:	12,886,000	40,000	12,926,000	1,434,744	2,292,012	3,726,756	9,199,244	29%

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

QUARTERLY BUDGET REVIEW 30 SEPTEMBER 2019

Report prepared by Corporate Services Manager

COUNCIL OFFICER RECOMMENDATION

That the Board receives and adopts the Quarterly Budget Review for the period ended 30 September 2019.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

09 Financially Sustainable

BACKGROUND

The Quarterly Budget Review Statement is presented to Council in accordance with Clause 203(2) of the Local Government (General) Regulations 2005, for the purpose of periodically reviewing and revising estimates of income and expenditure.

REPORT

The Quarterly Review of Council's Budget for the period ended 30 September 2019 is submitted for examination by Council.

The anticipated Operating Result for 2019/20 is a surplus of \$717,000. The Operating Result was originally budgeted for a surplus of \$722,000. Proposed adjustments are detailed below.

The Capital Works expenditure is not included in the Operating Result and is an additional outlay. Further detail about Capital Works Progress can be found in the Capital Works Progress Report item of the business paper.

Proposed September 2019 quarterly review adjustments:

Operational Expenditure

- \$5,000 additional donation for Farmlink Ball

Capital Expenditure

- \$40,000 increase for replacing a Milling Machine. The existing machine is 40-50 years old and does not meet safety requirements
- \$550,000 transfer of SCADA projects from Replacement to New categorisation
- \$10,000 decrease in Future Capital Project Investigation, transfer budget allocation to Plant & Equipment
- \$10,000 increase in Plant & Equipment for 5 Pressure Data Loggers

FINANCIAL IMPACT STATEMENT

The recommendation reduces Council's operating result by \$5,000, increases the capital works budget by \$40,000 and reduces Council's overall anticipated cash position by \$45,000.

ATTACHMENTS: Quarterly Budget Review 30-9-19.

TABLED ITEMS: Nil.

Goldenfields Water County Council

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

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Goldenfields Water County Council

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

Report by Responsible Accounting Officer

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

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

Signed: 

Date: 15/10/2019

Michele Curran
Manager Corporate Services

Goldenfields Water County Council

Quarterly Budget Review Statement

for the period 01/07/19 to 30/09/19

Income & Expenses Budget Review Statement

Budget review for the quarter ended 30 September 2019

Income & Expenses

(\$000's)	Original Budget 2019/20	Variations for this Sep Qtr	Notes	Projected Year End Result	Actual YTD figures
Income					
Rates and Annual Charges	5,335	-		5,335	388
User Charges and Fees	15,717	-		15,717	1,290
Interest and Investment Revenues	1,248	-		1,248	371
Other Revenues	210	-		210	62
Grants & Contributions - Operating	219	-		219	27
Grants & Contributions - Capital	800	-		800	132
Total Income from Continuing Operations	23,529	-		23,529	2,270
Expenses					
Employee Costs	7,627	-		7,627	1,749
Materials & Contracts	3,181	-		3,181	811
Depreciation	6,914	-		6,914	1,729
Other Expenses	4,285	5	2.1	4,290	1,056
Total Expenses from Continuing Operations	22,007	5		22,012	5,345
Net Operating Result from Continuing Operations	1,522	(5)		1,517	(3,075)
Net Operating Result from All Operations	1,522	(5)		1,517	(3,075)
Net Operating Result before Capital Items	722	(5)		717	(3,207)

Goldenfields Water County Council

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

Income & Expenses Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details	\$
2.1	Donation to the farmlink ball	\$5,000

Goldenfields Water County Council

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

Capital Budget Review Statement

Budget review for the quarter ended 30 September 2019

Capital Budget

(\$000's)	Original Budget 2019/20	Variations for this Sep Qtr	Notes	Projected Year End Result	Actual YTD figures
Capital Expenditure					
New Assets					
- IT Equipment	100	-		100	-
- Plant & Equipment	243	40	3.1	283	88
- Intangibles	100	-		100	14
- Land & Buildings	150	-		150	24
- Water Supply Infrastructure	2,640	550	3.2	3,190	460
Renewal Assets (Replacement)					
- IT Equipment	50	-		50	6
- Office Equipment	10	-		10	-
- Plant & Equipment	888	10	3.3	898	185
- Intangibles	50	-		50	-
- Land & Buildings	150	-		150	-
- Water Supply Infrastructure	8,505	(560)	3.4	7,945	656
Total Capital Expenditure	12,886	40		12,926	1,433
Capital Funding					
Fees, Charges & Other Untied Funding	722	-		722	-
Capital Grants & Contributions	800	-		800	132
Proceeds from Sale - IPP&E	474	-		474	173
Internal Restrictions/Reserves	10,890	40		10,930	1,128
Total Capital Funding	12,886	40		12,926	1,433
Net Capital Funding - Surplus/(Deficit)	-	-		-	-

Goldenfields Water County Council

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

Capital Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details	\$
	Refer to Capital Works Progress report for more detail on Capital Projects	
3.1	Replacement Milling Machine. Existing machine 40-50 years old and doesn't meet safety requirements.	\$40,000
3.2	Recategorise SCADA Communication & Oura Clear SCADA to New from Replacement	\$550,000
3.3	5 x Pressure Data Loggers	\$10,000
3.4	Transfer \$10,000 from Future Capital Project Investigation to Plant & Equipment Transfer \$550,000 SCADA projects to New from Replacement category	-\$560,000

Goldenfields Water County Council

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

Cash & Investments Budget Review Statement

Budget review for the quarter ended 30 September 2019

Cash & Investments

(\$000's)	Original Budget 2019/20	Variations for this Sep Qtr	Notes	Projected Year End Result	Actual YTD figures
Internally Restricted ⁽²⁾					
Plant & Vehicle Replacement	1,185	(40)	4.1	1,145	1,007
Infrastructure Replacement	26,012	-		26,012	35,363
Employees Leave Entitlement	1,614	-		1,614	1,614
Deposits, Retentions & Bonds	28	-		28	28
Sales Fluctuation Reserve	2,000	-		2,000	2,000
Property Reserve	423	-		423	423
Total Internally Restricted	31,262	(40)		31,222	40,435
(2) Funds that Council has earmarked for a specific purpose					
Unrestricted (ie. available after the above Restrictions)	20,008	(5)	4.2	20,003	11,777
Total Cash & Investments	51,270	(45)		51,225	52,212

Goldenfields Water County Council

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

Cash & Investments Budget Review Statement

Investments

Investments have been invested in accordance with Council's Investment Policy.

Cash

This Cash at Bank amount has been reconciled to Council's physical Bank Statements.
The date of completion of this bank reconciliation is 30/09/19

The YTD Cash & Investment figure reconciles to the actual balances held as follows: **\$ 000's**

Cash at Bank (as per bank statements)		1,487
Investments on Hand		50,750
less: Unpresented Cheques	(Timing Difference)	(2)
add: Undeposited Funds	(Timing Difference)	31
Less: receipts not yet updated	(Timing Difference)	(54)

Reconciled Cash at Bank & Investments		52,212
--	--	--------

Balance as per Review Statement:		52,212
---	--	--------

Difference:		-
-------------	--	---

Recommended changes to revised budget

Budget Variations being recommended include the following material items:

	Notes	Details	\$
4.1	Milling Machine replacement		-\$40,000
4.2	Donation		-\$5,000

Goldenfields Water County Council

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

Key Performance Indicators Budget Review Statement - Industry KPI's (OLG)

Budget review for the quarter ended 30 September 2019

(\$000's)	Current Projection		Original Budget 19/20	Actuals Prior Periods	
	Amounts	Indicator		18/19	17/18
	19/20	19/20			

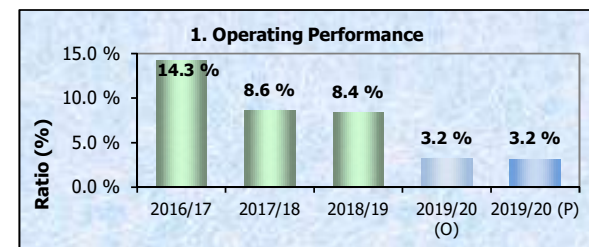
NSW Local Government Industry Key Performance Indicators (OLG):

1. Operating Performance

Operating Revenue (excl Capital) - Operating Expenses	717	3.2 %	3.2 %	8.4 %	8.6 %
Operating Revenue (excl Capital Grants & Contributions)	22,729				

This ratio measures Council's achievement of containing operating expenditure within operating revenue. A positive result indicates a surplus. Operating deficits cannot be sustained in the long term.

Benchmark >0%

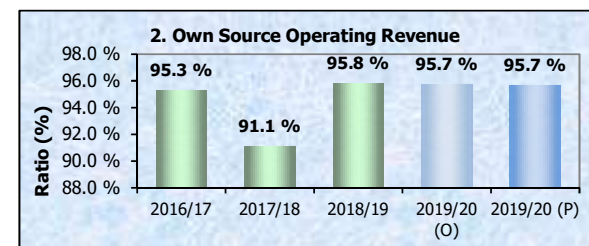


2. Own Source Operating Revenue

Operating Revenue (excl all Grants & Contributions)	22,510	95.7 %	95.7 %	95.8 %	91.1 %
Total Continuing Operating Revenue	23,529				

This ratio measures Council's dependence on external funding sources such as operating grants & contributions.

Benchmark >60%

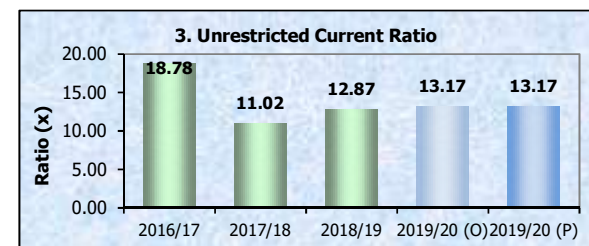


3. Unrestricted Current Ratio

Current Assets less all External Restrictions	31,859	13.17	13.17	12.87	11.02
Current Liabilities less Specific Purpose Liabilities	2,419				

This measures Council's ability to pay existing liabilities in the next 12 months from unrestricted activities of Council.

Benchmark >1.5x



Goldenfields Water County Council

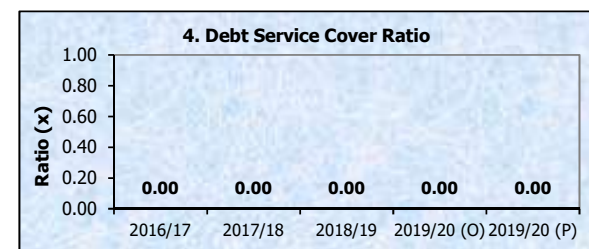
Quarterly Budget Review Statement
for the period 01/07/19 to 30/09/19

Key Performance Indicators Budget Review Statement - Industry KPI's (OLG)

Budget review for the quarter ended 30 September 2019

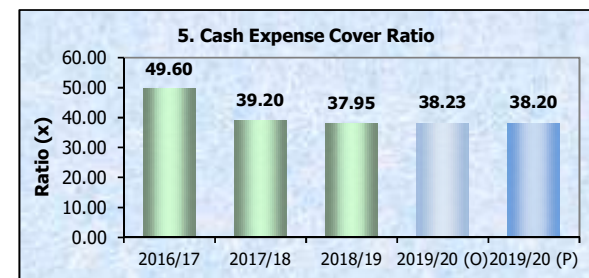
(\$000's)	Current Projection		Original Budget 19/20	Actuals Prior Periods	
	Amounts	Indicator		18/19	17/18
	19/20	19/20			
4. Debt Service Cover Ratio					
Operating Result before Capital (excl Interest & Depn)	7631	0.00	0.00	0.00	0.00
Principal Repayments + Borrowing Interest Costs	0				

This ratio measures Council's ability to service debt, including interest and principal payments.
Benchmark >2x



5. Cash Expense Cover Ratio					
Current Year's Cash & Cash Equivalentents (incl. Term Deposits)	51225				
Monthly payments from cash flow of operating and financing activities	1341	38.20	38.23	37.95	39.20
		mths	mths	mths	mths

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.
Benchmark >3mths



Goldenfields Water County Council

Quarterly Budget Review Statement

for the period 01/07/19 to 30/09/19

Contracts Budget Review Statement

Budget review for the quarter ended 30 September 2019

Part A - Contracts Listing - contracts entered into during the quarter

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

Notes:

1. Minimum reporting level is 1% of estimated income from continuing operations of Council or \$50,000 - whatever is the lesser.
2. Contracts listed are those entered into during the quarter being reported and exclude contractors on Council's Preferred Supplier list.
3. Contracts for employment are not required to be included.

Goldenfields Water County Council

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

Consultancy & Legal Expenses Budget Review Statement

Consultancy & Legal Expenses Overview

Expense	YTD Expenditure (Actual Dollars)	Budgeted (Y/N)
Consultancies	51,751	Y
Legal Expenses	11,564	Y

Definition of a consultant:

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high level specialist or professional advice to assist decision making by management. Generally it is the advisory nature of the work that differentiates a consultant from other contractors.

Comments

Expenditure included in the above YTD figure but not budgeted includes:

Details

N/A

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

AUDIT RISK AND IMPROVEMENT COMMITTEE

Report prepared by Corporate Services Manager

COUNCIL OFFICER RECOMMENDATION

That the Board;

1. Receives and notes the minutes of the Audit, Risk & Improvement Committee meeting held on 3 October 2019;
2. Receives and notes the annual report from the Chair of the Audit, Risk & Improvement Committee;
3. Adopts the Audit, Risk & Improvement Committee Charter, as endorsed by the Audit, Risk & Improvement Committee;
4. Rescinds PP015 Audit Committee Policy and;
5. Extends current terms of the Audit, Risk & Improvement Committee members to the next Council elections in 2020.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

09 Financially Sustainable

BACKGROUND

Goldenfields Water County Council Audit, Risk & Improvement Committee is an advisory committee in accordance with section 355 of the Local Government Act 1993, and the Local Government Regulations 2012. The Committee was established by Council Res 17/008 on 23 February 2017. In accordance with the draft Audit, Risk & Improvement Committee Charter, meeting minutes will be reported regularly to Council.

REPORT

The Goldenfields Water County Council Audit, Risk & Improvement Committee met on 3 October 2019. Minutes of the meeting are attached for the information of the Board.

The Chair of the Committee submitted an annual report on the progress of the Committee, which is also attached.

The draft Audit, Risk & Improvement Committee Charter was reviewed and endorsed by the Committee on 3 October 2019. The Charter is based on the current OLG Internal Audit Committee Guidelines. This Charter, in addition to the Internal Audit Charter, render PP015 Audit Committee Policy obsolete, and the Committee recommends rescinding the policy.

Committee members were appointed in August 2017 for a period of two years. To ensure consistency until the next Council term, the Committee has recommended to extend their appointment until the next Council elections in 2020.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position.

ATTACHMENTS:

1. Minutes of ARIC Meeting 3-10-19
2. ARIC Chairperson Annual Report;
3. Audit Risk & Improvement Committee Charter.

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

TABLED ITEMS: Nil.



ARIC Meeting Minutes

Meeting Ref. ARIC		Minute taker: Annie Coleman
Date: 3 October 2019	Time: 10am	Location: 84 Parkes Street, Temora
Attendees: Peter McLean (Chairperson), Geoff Twomey, Cr David McCann, Michele Curran, Aaron Drenovski, Steve Prowse (National Audits Group), Brad Bohun (Crowe)(via conference call)		
Apologies: Zac Mahon, Phil Swaffield (National Audits Group)		

1. Welcome and Apologies

The meeting was opened at 10.01am.

A change to the order of business was noted. Item 7 – Interim Management Letter, and 8 – Draft Financial Statements, are to be considered first to enable Brad Bohun to conference call in and discuss.

2. Declarations of Pecuniary and Non-Pecuniary Interests

No pecuniary or non-pecuniary interests were declared.

3. Confirmation of Previous Minutes

RECOMMENDATION on the motion of David McCann and Geoff Twomey that the minutes of the meeting held 14 June 2019 having been circulated to members be confirmed as a true and accurate record.

4. Business Arising from Minutes

Items 8 and 9 were discussed by the Committee.

5. Chairperson Report

The Committee received and noted the Chairperson's verbal report.

6. General Manager Report

The Committee received and noted the General Manager's verbal report.

7. Interim Management Letter

Brad Bohun conference called in and provided an overview of Item 7 and Item 8.

RECOMMENDATION on the motion of Geoff Twomey and David McCann that the Committee receive and note the Audit Office Interim Management Letter issued 23 July 2019.

8. Draft Financial Statements

RECOMMENDATION on the motion of Geoff Twomey and David McCann that the Committee:



- i. Review the 2018/19 Financial Statements
- ii. Recommend to Council that the Committee is unaware of any matter that would prevent Council from adopting the 2018/19 Financial Statements
- iii. Recommend that Council adopt the 2018/19 Financial Statements based on items i and ii at the October 2019 Council meeting
- iv. Acknowledge staff for their work in preparing the Financial Statements

9. ARIC Charter, Policy & Extension of Member Term

RECOMMENDATION on the motion of David McCann and Geoff Twomey that the Committee:

- i. Endorse the Draft Audit, Risk & Improvement Committee Charter for adoption at the October 2019 Council meeting; and
- ii. Recommend to Council that PP015 Audit Committee Policy be rescinded at the October 2019 Council meeting; and
- iii. Recommend to Council that the current Committee members terms be extended to the next Council elections

10. Review of Internal Audits

RECOMMENDATION on the motion of David McCann and Geoff Twomey that the Committee receive and note the Internal Audit Reports for:

- i. Water Quality Systems and Monitoring
- ii. Corporate Governance Review

11. Review of Internal Audit Priorities (GWCC Audit Universe)

RECOMMENDATION on the motion of David McCann and Geoff Twomey that the Committee:

- i. Receive and note the updated Audit Universe
- ii. Endorse the next scheduled Internal Audits:
 - a. Disposal of Assets
 - b. Small plant and equipment / attractive devices

12. Review of Action Items Progress Report

RECOMMENDATION on the motion of Geoff Twomey and David McCann that the Committee receive and note the Action Items Progress Report.

13. ARIC Forward Meeting Plan Schedule

RECOMMENDATION on the motion of Geoff Twomey and David McCann that the Committee endorse the ARIC Forward Meeting Plan Schedule as follows:

- 10am – Wednesday 4 December 2019
- 10am – Thursday 6 February 2020
- 10am – Thursday 7 May 2020
- 10am – Thursday 6 August 2020

There being no further matters requiring the attention of the Committee the meeting was declared closed at 12.15pm

Mr Dennis Palmer
Chairperson
Goldenfields Water County Council
PO Box 220
Temora NSW 2666

8th October 2019

RE: ANNUAL ARIC REPORT BACK TO COUNCIL

Dear Mr Palmer

On behalf of the Goldenfields Water County Council Audit, Risk and Improvement Committee, I wish to submit our report for 2019 to council.

The purpose of the Audit, Risk & Improvement Committee is to provide independent assurance and assistance to Goldenfields Water County Council on risk management, control, governance, and external accountability responsibilities.

I believe that the committee has been fulfilling its responsibilities by:

- Understanding councils operating environment and risks
- Investing the time to study and analyse issues and papers prepared for the committee
- Providing frank opinions, exercising independent inquiry and showing sound judgement
- Providing improvement suggestions and enhancement ideas to council
- Meeting at least four times annually

On top of ordinary business including reviewing the financial statements and annual audits, the committee has recently reviewed and analysed audits in the following:

- Water Quality Systems and Monitoring
- Corporate Governance Review
- Payroll
- Tendering
- WHS

Although there is much work still to be done including the council approval of the Fraud Prevention Strategy and the development of a fraud prevention manual, the committee and myself are generally satisfied that Goldenfields Water County Council is meeting its external responsibilities, continuing to improve its controls, reduce their risk and enhance their corporate governance.

Yours sincerely,

Peter McLean
Chairperson –
Audit Risk and Improvement Committee for Goldenfields Water County Council

Cc: Aaron Drenovski- General Manager



Policy No. TBA

Audit, Risk & Improvement Committee Charter



Audit, Risk & Improvement Committee Charter

1 INFORMATION ABOUT THIS CHARTER

POLICY INFORMATION

Date Adopted by Board 24 October 2019	Board Resolution No.
Policy Responsibility: Corporate Services Manager	
Review Timeframe: Once per Council Term (4 yearly)	
Last Review 24/10/2019	Next Scheduled Review 24/10/23

DOCUMENT HISTORY

DOCUMENT NO.	DATE AMENDED	SUMMARY OF CHANGES
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	

FURTHER DOCUMENT INFORMATION AND RELATIONSHIPS

Related Legislation	Local Government Act 1993 Local Government (General) Regulation 2005
Related Policies	Internal Audit Charter Code of Conduct
Related Procedures, Protocols, Statements and Documents	



Audit, Risk & Improvement Committee Charter

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Audit, Risk & Improvement Committee Charter

3 OBJECTIVE

The purpose of the Audit, Risk & Improvement Committee (Committee) is to provide independent assurance and assistance to Goldenfields Water County Council on risk management, control, governance, and external accountability responsibilities.

4 AUTHORITY

The Committee shall be known as 'Goldenfields Water County Council Audit, Risk & Improvement Committee' and is an advisory committee to Goldenfields Water County Council pursuant to and in accordance with provisions contained in Section 355 of the Local Government Act 1993, and the Local Government Regulations 2012.

The Committee was established by Council Res 17/008 on 23 February 2017.

The Council authorises the Committee, within the scope of its role and responsibilities, to:

- Obtain any information it needs from any employee or external party (subject to their legal obligations to protect information).
- Discuss any matters with the external auditor or other external parties (subject to confidentiality considerations).
- Request the attendance of any employee or councillor at Committee meetings.
- Obtain external legal or other professional advice considered necessary to meet its responsibilities.

5 COMPOSITION AND TENURE

The Committee will consist of:

5.1 Members (voting)

- Councillor
- Independent external member (not a member of the Council).
- Independent external member (not a member of the Council to be the chairperson).

5.2 Attendee (non-voting)

- General Manager
- Internal Auditor
- Corporate Services Manager

Audit, Risk & Improvement Committee Charter

5.3 Invitees (non-voting) for specific Agenda items

- Representatives of the external auditor.
- Other officers may attend by invitation as requested by the Committee.

The independent external member will be appointed for the term of council, after which they will be eligible for extension or re-appointment following a formal review of their performance.

The members of the Committee, taken collectively, will have a broad range of skills and experience relevant to the operations of Goldenfields Water County Council. At least one member of the Committee shall have accounting or related financial management experience, with understanding of accounting and auditing standards in a public sector environment.

6 ROLE AND RESPONSIBILITIES

The Committee has no executive powers, except those expressly provided by the Council.

In carrying out its responsibilities, the Committee must at all times recognise that primary responsibility for management of Council rests with the Council and the General Manager as defined by the Local Government Act.

The responsibilities of the Committee may be revised or expanded by the Council from time to time. The Committee's responsibilities are:

6.1 Risk Management

- Review whether management has in place a current and comprehensive risk management framework, and associated procedures for effective identification and management of business and financial risks, including fraud.
- Review whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings;
- Review the impact of the risk management framework on its control environment and insurance arrangements; and
- Review whether a sound and effective approach has been followed in establishing business continuity planning arrangements, including whether plans have been tested periodically.

6.2 Control Framework

- Review whether management has adequate internal controls in place, including over external parties such as contractors and advisors;
- Review whether management has in place relevant policies and procedures, and these are periodically reviewed and updated;
- Progressively review whether appropriate processes are in place to assess whether policies and procedures are complied with;

Audit, Risk & Improvement Committee Charter

- Review whether appropriate policies and procedures are in place for the management and exercise of delegations; and
- Review whether management has taken steps to embed a culture which is committed to ethical and lawful behaviour.

6.3 External Accountability

- Satisfy itself the annual financial reports comply with applicable Australian Accounting Standards and supported by appropriate management sign-off on the statements and the adequacy of internal controls.
- Review the external audit opinion, including whether appropriate action has been taken in response to audit recommendations and adjustments.
- To consider contentious financial reporting matters in conjunction with council's management and external auditors.
- Review the processes in place designed to ensure financial information included in the annual report is consistent with the signed financial statements.
- Satisfy itself there are appropriate mechanisms in place to review and implement, where appropriate, relevant State Government reports and recommendations.
- Satisfy itself there is a performance management framework linked to organisational objectives and outcomes.

6.4 Legislative Compliance

- Determine whether management has appropriately considered legal and compliance risks as part of risk assessment and management arrangements.
- Review the effectiveness of the system for monitoring compliance with relevant laws, regulations and associated government policies.

6.5 Internal Audit

- Act as a forum for communication between the Council, General Manager, senior management, internal audit and external audit.
- Review the internal audit coverage and Internal Audit Plan, ensure the plan has considered the Risk Management Plan, and approve the plan.
- Consider the adequacy of internal audit resources to carry out its responsibilities, including completion of the approved Internal Audit Plan.
- Review all audit reports and consider significant issues identified in audit reports and action taken on issues raised, including identification and dissemination of better practices.
- Monitor the implementation of internal audit recommendations by management.
- Periodically review the Internal Audit Charter to ensure appropriate organisational structures, authority, access and reporting arrangements are in place.
- Periodically review the performance of Internal Audit.

Audit, Risk & Improvement Committee Charter

6.6 External Audit

- Act as a forum for communication between the Council, General Manager, senior management, internal audit and external audit.
- Provide input and feedback on the financial statement and performance audit coverage proposed by external audit, and provide feedback on the external audit services provided.
- Review all external plans and reports in respect of planned or completed external audits, and monitor the implementation of audit recommendations by management.
- Consider significant issues raised in relevant external audit reports and better practice guides, and ensure appropriate action is taken.

6.7 Responsibilities of Members

Members of the Committee are expected to:

- Understand the relevant legislative and regulatory requirements appropriate to Goldenfields Water County Council.
- Contribute the time needed to study and understand the papers provided.
- Apply good analytical skills, objectivity and good judgment.
- Express opinions frankly, ask questions that go to the fundamental core of issues, and pursue independent lines of enquiry.

7 REPORTING

At the first Committee meeting after 30 June each year, Internal Audit will provide a performance report of:

- The performance of Internal Audit for the financial year as measured against agreed key performance indicators.
- The approved Internal Audit Plan of work for the previous financial year showing the current status of each audit.

The Committee may, at any time, consider any other matter it deems of sufficient importance to do so. In addition, at any time an individual Committee member may request a meeting with the Chair of the Committee.

The Committee will report regularly, and at least annually, to the governing body of council on the management of risk and internal controls.

Audit, Risk & Improvement Committee Charter

8 ADMINISTRATIVE ARRANGEMENTS

8.1 Meetings

The Committee will meet at least four times per year, with one of these meetings to include review and endorsement of the annual audited financial reports and external audit opinion.

The need for any additional meetings will be decided by the Chair of the Committee, though other Committee members may make requests to the Chair for additional meetings.

A forward meeting plan, including meeting dates and agenda items, will be agreed by the Committee each year. The forward meeting plan will cover all Committee responsibilities as detailed in this Audit, Risk & Improvement Committee Charter.

8.2 Attendance at Meetings and Quorums

A quorum will consist of a majority of Committee members, including at least one independent member. Meetings can be held in person, by telephone or by video conference.

The Internal Auditor will be invited to attend each meeting unless requested not to do so by the Chair of the Committee. The Committee may also request the Corporate Services Manager or any other employees to participate for certain agenda items, as well as the external auditor.

The General Manager may attend each meeting but will permit the Committee to meet separately with each of the Internal Auditor and the External Auditor in the absence of management on at least one occasion per year.

8.3 Secretariat

The Committee has appointed the Internal Auditor to be responsible for ensuring that the Committee has adequate secretariat support. The Secretariat will ensure the agenda for each meeting and supporting papers are circulated, at least one week before the meeting, and ensure minutes of the meetings are prepared and maintained. Minutes shall be approved by the Chair and circulated to each member within three weeks of the meeting being held.

8.4 Conflict of Interests

Councillors, council staff and members of council committees must comply with the applicable provisions of Council's code of conduct in carrying out the functions as council officials. It is the personal responsibility of council officials to comply with the standards in the code of conduct and regularly review their personal circumstances with this in mind.

Committee members must declare any conflict of interests at the start of each meeting or before discussion of a relevant agenda item or topic. Details of any conflicts of interest should be appropriately minuted.

Where members or invitees at Committee meetings are deemed to have a real or perceived conflict of interest, it may be appropriate they be excused from Committee deliberations on the



Audit, Risk & Improvement Committee Charter

issue where the conflict of interest may exist. The final arbiter of such a decision is the Chair of the Committee.

8.5 Induction

New members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities.

8.6 Assessment Arrangements

The Chair of the Committee will initiate a review of the performance of the Committee at least once every four years. The review will be conducted on a self-assessment basis (unless otherwise determined by the Chair), with appropriate input from management and any other relevant stakeholders, as determined by the Chair.

8.7 Review of Audit Committee Charter

At least once every two years the Audit Committee will review this Audit Committee Charter.

The Audit Committee will approve any changes to this Audit Committee Charter.

Approved: ARIC Committee Meeting Date: 3 October 2019

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

FRAUD PREVENTION STRATEGY

Report prepared by Corporate Services Manager

COUNCIL OFFICER RECOMMENDATION

That the Board considers and adopts the Fraud Prevention Strategy.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

09 Financially Sustainable

BACKGROUND

The proposed Fraud Prevention Strategy forms part of Council's overall governance framework and supports PP024 Fraud Prevention Policy.

REPORT

The draft Fraud Prevention Strategy was reviewed and endorsed for Council adoption by the Audit, Risk & Improvement Committee on 14 June 2019. The Strategy has also been circulated for consultation with the Staff Consultative Committee.

The purpose of this strategy is to provide:

1. An integrated and overarching strategy to control Fraud and Corruption risk at Council.
2. Context to guide and align all Fraud and Corruption management activities.
3. Context for evaluation and continuous improvement of Fraud and Corruption management activities at Council.

This strategy sets out Council's commitment to Fraud and Corruption control. It details Council's approach to planning and resourcing, prevention, detection, reporting and responding to Fraud and Corruption.

Effective implementation of this strategy will help to ensure public confidence in the integrity of Council.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position.

ATTACHMENTS: Fraud Prevention Strategy.

TABLED ITEMS: Nil.



Strategy No. TBA

Fraud Prevention Strategy



Fraud Prevention Strategy

1 INFORMATION ABOUT THIS STRATEGY

POLICY INFORMATION

Date Adopted by Board 24 October 2019	Resolution No.
Responsibility General Manager	
Review Timeframe 4 yearly	
Last Review 24/10/2019	Next Scheduled Review 24/10/2023

DOCUMENT HISTORY

DOCUMENT NO.	DATE AMENDED	SUMMARY OF CHANGES
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	

FURTHER DOCUMENT INFORMATION AND RELATIONSHIPS

Related Legislation	NSW Local Government Act 1993 NSW Local Government General Regulation 2005
Related Policies	Fraud Prevention Policy PP024 Code of Conduct Internal Reporting Policy PP021
Related Procedures, Protocols, Statements and Documents	ICAC "Fighting Fraud: Guidelines for State and Local Government" Audit Office of NSW – "Fraud Control Improvement Kit" and "Fraud Control, Developing and Effective Strategy"



Fraud Prevention Strategy

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3 PURPOSE

The purpose of this strategy is to provide:

1. An integrated and overarching strategy to control Fraud and Corruption risk at Council.
2. Context to guide and align all Fraud and Corruption management activities.
3. Context for evaluation and continuous improvement of Fraud and Corruption management activities at Council.

This strategy sets out Council's commitment to Fraud and Corruption control. It details Council's approach to planning and resourcing, prevention, detection, reporting and responding to Fraud and Corruption.

Effective implementation of this strategy will help to ensure public confidence in the integrity of Council.

4 SCOPE

This strategy sets out the commitment of the General Manager and Senior Management team to a Council that is free from fraud and corruption.

Everyone at Goldenfields Water (Councillors, Council staff, volunteers and contractors) is responsible and can contribute to ensuring Council business and operations are free from fraud and corruption.

5 PRINCIPLES

- **Accountability and transparency** - this strategy provides a framework for transparency and a system of accountability.
- **Prevention** – Council commits to ensuring that policies, procedures, processes and systems are in place to minimise the opportunity for fraudulent or corrupt activities by Councillors, Council staff, contractors and volunteers.
- **Detection and investigation** – Council is committed to investigating and taking appropriate disciplinary action where Fraud and Corruption is detected.
- **Reporting** – employees as well as members of the public are encouraged to report all reasonable suspicions of Corruption to the Independent Commission Against Corruption.
- **Resourcing** – Council is committed to ensuring appropriate resourcing is available to take proactive action to prevent Fraud and Corruption.
- **Risk management** – Council is committed to a risk management approach in the identification and management of Corruption risks.

6 DEFINITIONS

- **Corruption** - conduct that adversely affects the honest and impartial exercise of official functions, a breach of public trust by public officials and the misuse of public office for private gain. Fraud and Corruption are interrelated and represent the misuse of public office for private gain.
- **Council** - Goldenfields Water County Council.
- **Council Official** - defined in the Internal Reporting Policy.
- **Fraud** - an intentional dishonest act or omission done with the purpose of obtaining a financial or other benefit by deception.

The following are examples of fraud and corruption, but note that this list is not exhaustive:

1. Theft of Council plant or equipment,
2. Unauthorised use of Council plant, equipment or materials for private purposes,
3. Unauthorised disposal of Council assets,
4. Misuse of delegations of authority,
5. Inappropriate claims for allowances,
6. Claiming unworked time on timesheets,
7. Theft or misuse of confidential Council information,
8. False invoicing (creation of a fictitious invoice claiming payment for goods or services),
9. Obtaining benefits by use of a false identity or false qualifications,
10. Inappropriate solicitation or acceptance of gifts and benefits,
11. Payment or receipt of secret commissions (bribes),
12. Serious conflict of interest involving a Councillor or employee acting in his or her own self-interest rather than the interests of Council,
13. Manipulation of the tendering process by favouring one tenderer over another or selectively providing information to some tenderers,
14. Theft of Council materials, funds or cash,
15. Unauthorised use of Council corporate credit card.

7 COUNCIL'S ATTITUDE TO FRAUD AND CORRUPTION

Council aims to promote an organisational culture that will not tolerate any act of Fraud or Corruption. This strategy is designed to ensure this principle is put into practice.

The prevention of Fraud and Corruption requires that all Councillors, Council staff, volunteers and contractors act ethically, appropriately and in accordance with Council's Code of Conduct.



Fraud Prevention Strategy

8 RESPONSIBILITIES

Person(s):	Responsibilities:
All Council Staff	<ul style="list-style-type: none"> • Performing their functions and duties in a professional and ethical manner, with care, diligence, honesty and integrity and in accordance with Council's Code of Conduct. • Completing training in accordance with adopted training schedule. • Reporting Corruption in accordance with Council's Internal Reporting Policy. • Following Council policies, procedures and systems. • Cooperating, participating and maintaining confidentiality in any Fraud and Corruption investigation to the best of their ability and responding to requests with a high priority.
Managers/Coordinators/Team Leaders – additional responsibilities	<ul style="list-style-type: none"> • Maintaining the strategic focus of Council's Fraud and Corruption strategy. • Leading by example and cultivating a culture within their team that supports high standards of ethical behaviour. • Ensuring that staff receive appropriate training. • Setting Council's Fraud and Corruption control priorities and approving Council's Fraud Prevention Policy and Fraud Prevention Strategy. • Ensuring Fraud and Corruption control management activities are effectively implemented. • Ensuring Fraud and Corruption control strategies are effectively communicated across the organisation. • Ensuring adequate resources are allocated to manage Fraud and Corruption, including monitoring, evaluation and reporting. • Ensuring that Council's Fraud Prevention Strategy is effectively implemented within their area of responsibility.
General Manager – additional responsibilities	<ul style="list-style-type: none"> • Ensuring this strategy, Council's Fraud Prevention Strategy and associated policies and procedures are effectively implemented. • Reporting any matter to the Independent Commission Against Corruption where there is a reasonable suspicion of corruption.



Fraud Prevention Strategy

Person(s):	Responsibilities:
<p>Councillors</p>	<ul style="list-style-type: none"> • Performing their civic duties in a professional and ethical manner, with care, diligence, honesty and integrity and in accordance with Council's Code of Conduct. • Completing training at induction and throughout the Council term as required by the General Manager. • Reporting Pecuniary and Non-Pecuniary Interests as required. • Reporting Corruption in accordance with Council's Internal Reporting Policy. • Following Council policies, procedures and systems relevant to Councillors. • Cooperating, participating and maintaining confidentiality in any matters reported to them on a confidential basis.
<p>Committees & Other Groups</p>	
<p>Audit & Risk Improvement Committee</p>	<ul style="list-style-type: none"> • Oversee Council's Fraud Policy and Fraud Prevention Strategy. • Reviewing the Internal Audit Plan annually to ensure it appropriate addresses key Fraud and Corruption risks and that there is appropriate coordination with the external and internal auditors. • Submit recommendations to the General Manager to approve the Internal Audit Plan, reviewing its scope and progress and any significant changes to it, including any potential difficulties or restrictions on the scope of activities or implementing audit recommendations. • Receive annual and other periodic reports from Management and ensure findings contained within the reports are appropriately dealt with in future Internal Audit Plans.

9 FRAUD & CORRUPTION RISK REGISTER

All Managers will undertake a Fraud and Corruption risk assessment for their department every two (2) years with a view to maintaining a Fraud and Corruption Risk Register.

The Fraud and Corruption Risk Register aims to quantify the level, nature, and form of the risks to be managed and supports development of the Fraud and Corruption Control Plan and Internal Audit Plan.

10 COMMUNICATION AND AWARENESS

Council aims to ensure all Councillors and Council staff understand the minimum standards of behaviour required of them in accordance with Council's Code of Conduct as well as understand how to report suspected Fraud and Corruption in accordance with Council's Internal Reporting Policy.

Council will ensure a range of communication and awareness strategies are engaged to effectively communicate with Councillors, Council staff, volunteers and contractors about Fraud and Corruption prevention.

11 ETHICAL CULTURE

Council aims to ensure that:

- Managers lead a culture of ethical behaviour in the workplace
- All staff understand the ethical behaviours expected of them in the workplace
- Guidance material deals with the real-life situations, conflicts, and Fraud risks that staff face in their work areas.
- Regular employee surveys are conducted around culture and ethics and appropriate actions are taken to address findings and outcomes.
- Council aims to ensure it employs a workforce committed to ethical conduct.
- Council will ensure appropriate policy is in place requiring pre-employment screening, relevant to the role and position, for all prospective employees joining the organisation, including checking and enquiring as to confirm any information contained within a resume', including stated qualifications.

12 CUSTOMER, COMMUNITY AND SUPPLIER AWARENESS

Council aims to ensure that:

- There is awareness by customers, the community, and suppliers that the Council will not tolerate fraudulent or corrupt behaviour in its dealings
- The community, customers, and suppliers are aware of the consequences of such fraudulent or corrupt behaviour.
- Background checks of suppliers and customers are completed prior to doing business.

13 NOTIFICATION & DETECTION INITIATIVES

Notification Systems: Council has a fully implemented Internal Reporting Policy to ensure there are adequate means for reporting suspicious or known illegal/unethical/dishonest conduct, and that these means of reporting are widely known and available.

While the Internal Reporting Policy encourages internal reporting, it also provides information on external reporting to the NSW Ombudsman and Independent Commission Against Corruption.

If a Councillor, employee, volunteer or contractor has information or evidence which shows or tends to show Corruption by another Council Official, they should report it in accordance with Council's Internal Reporting Policy.

If a member of the public has evidence which shows corrupt conduct at Council, they should report it in writing to the General Manager or the Independent Commission Against Corruption.

Detection Systems: Council aims to detect Fraud and Corruption wherever possible and will continually look to implement systems aimed at quickly identifying instances of Fraud and Corruption, such as:

- Data mining,
- Ongoing fraud risk assessment,
- Ongoing internal audit processes,
- Ongoing review of internal controls,
- Ongoing review of documentation (contracts etc.),
- Identification of asset locations,
- Post transactional reviews.

14 INVESTIGATION

Where the General Manager receives information of alleged Fraud or Corruption or suspects Fraud or Corruption, the following actions may be taken:

- Investigating the matter as appropriate and ensuring procedural fairness (this may involve the use of both internal and external resources);
- Making a report to the Independent Commission Against Corruption and the Police, where appropriate.

Review of controls and processes:

- Where an investigation establishes Fraud or Corruption, the General Manager will ensure a review of internal controls directly relating to the Fraud or Corruption is conducted and improvements implemented where necessary.
- The General Manager will report the proposed improvements to the Audit & Risk Improvement Committee.

Insurance Policy and civil action:

- Council maintains an insurance policy for Fidelity Guarantee (Crime).
- The General Manager will ensure all appropriate claims (including insurance and civil action) are made to mitigate Council's losses.

Conduct and disciplinary action:

- All outcomes of Fraud and Corruption investigations are referred to Council's Human Resources for a decision on appropriate action.
- All disciplinary action to be conducted in accordance with the award or relevant contracts of employment.
- Confirmed serious instances of Fraud or Corruption may result in termination of employment and prosecution by police.



Fraud Prevention Strategy

15 FRAUD & CORRUPTION CONTROL PLAN

Council will regularly assess its Fraud and Corruption control measures through a Fraud and Corruption Control Plan which documents:

- What Council is currently doing to prevent and manage Fraud and Corruption, and
- What Council plans to do to further prevent and manage Fraud and Corruption.

The Fraud Policy and Fraud Strategy will be reviewed every four years.

GOLDENFIELDS WATER COUNTY COUNCIL – October 2019

WATER PRODUCTION REPORT

Report prepared by Production and Services Manager

COUNCIL OFFICER RECOMMENDATION

That the Water Production Report be received and noted.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

03 Strategic Water Management

BACKGROUND

Goldenfields Water provides the essential water requirements of about 40,000 people spread over an area in excess of 20,000 square kilometres between the Lachlan & Murrumbidgee Rivers in the South West of NSW.

Goldenfields Waters' supply system consists of five separate water schemes, Jugiong, Oura, Mt Arthur, Mt Daylight and Hylands Bridge. Goldenfields Water carries out water supply functions within the Local Government areas of Bland, Coolamon, Cootamundra, Hilltops, Junee, Temora, and parts of Narrandera and Wagga Wagga.

Hilltops Shire Council, Cootamundra Gundagai Shire Council and Riverina Water County Council are retailers, who purchase bulk water from Goldenfields and supply the water to retail customers in their respective local government areas.

REPORT

Jugiong drinking Water Scheme

The Jugiong drinking water scheme sources water from the Murrumbidgee River and has an extraction licence entitlement of 5590ML per annum. Water from the Murrumbidgee River is treated through a 40ML/day, conventional Water Treatment Plant that consists of: Coagulation, Flocculation, Clarification, Filtration, Disinfection and Fluoridation.

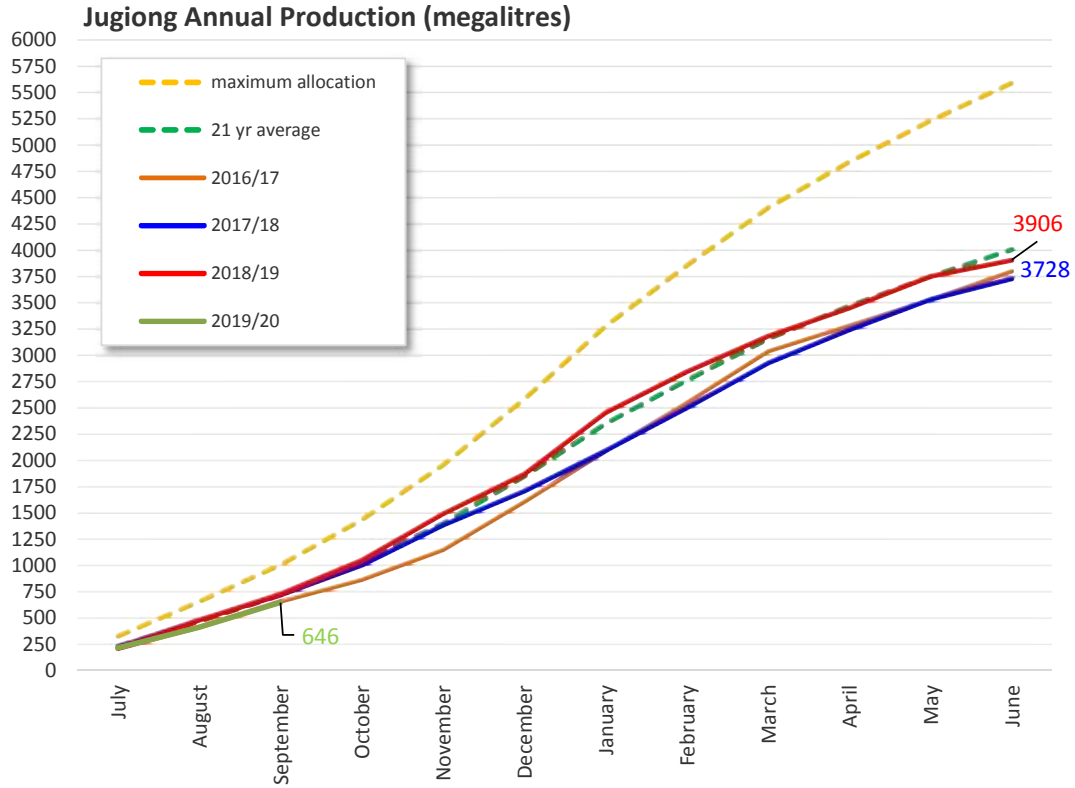
The Jugiong Scheme has 14 sets of reservoirs and 8 pumping stations. The Jugiong Scheme supplies bulk water to the Hilltops and Cootamundra-Gundagai Regional Councils for supply to the townships of Cootamundra, Harden and Young with a population of approximately 6800, 2200 and 8000 respectively.

Goldenfields Water also provides additional retail supply to approximately 600 customers in the villages of Stockinbingal, Wallendbeen and Springdale.

GOLDENFIELDS WATER COUNTY COUNCIL – October 2019

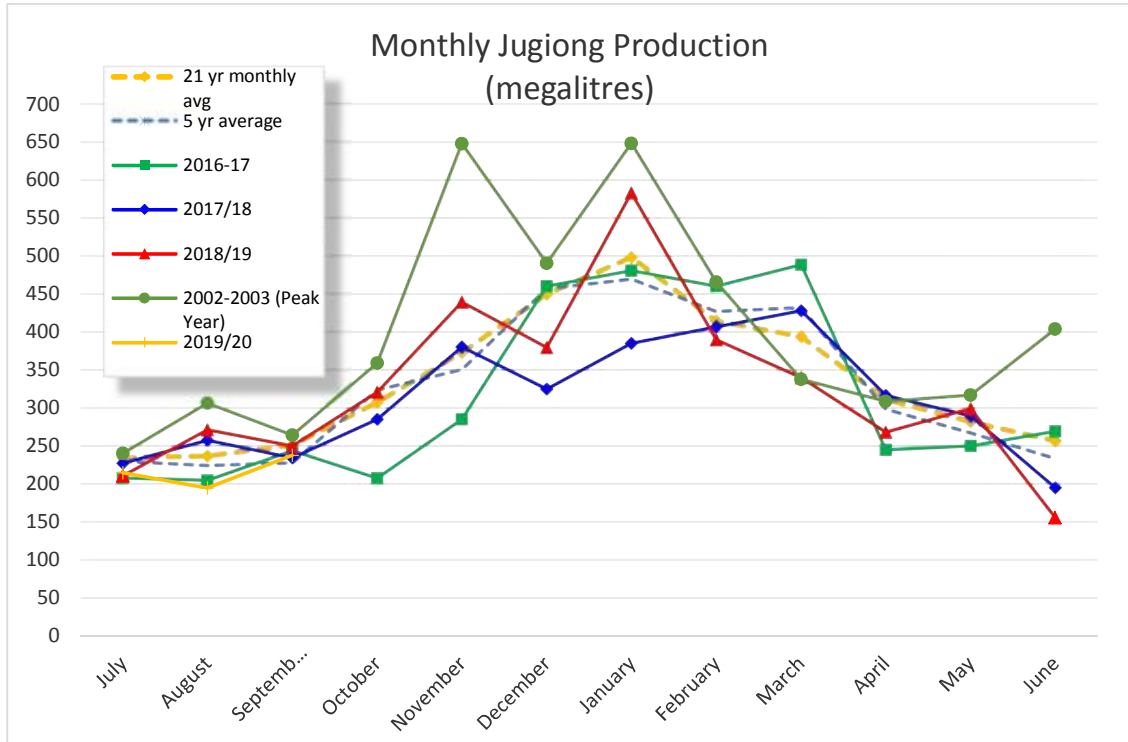
Jugiong annual water production is trending in a similar fashion to previous years.

For the period July to September 2019. Water production was 646 ML, this is trending in a similar fashion to the 2017/18 period. Water production was 732ML during the previous financial year providing a reduction of 86ML for the same period.



GOLDENFIELDS WATER COUNTY COUNCIL – October 2019

Jugiong monthly water production for July was 214.35ML, August was 194.26ML and September 237.06 ML. As can be seen in the below graph, a small increase as the weather starts to get warmer.



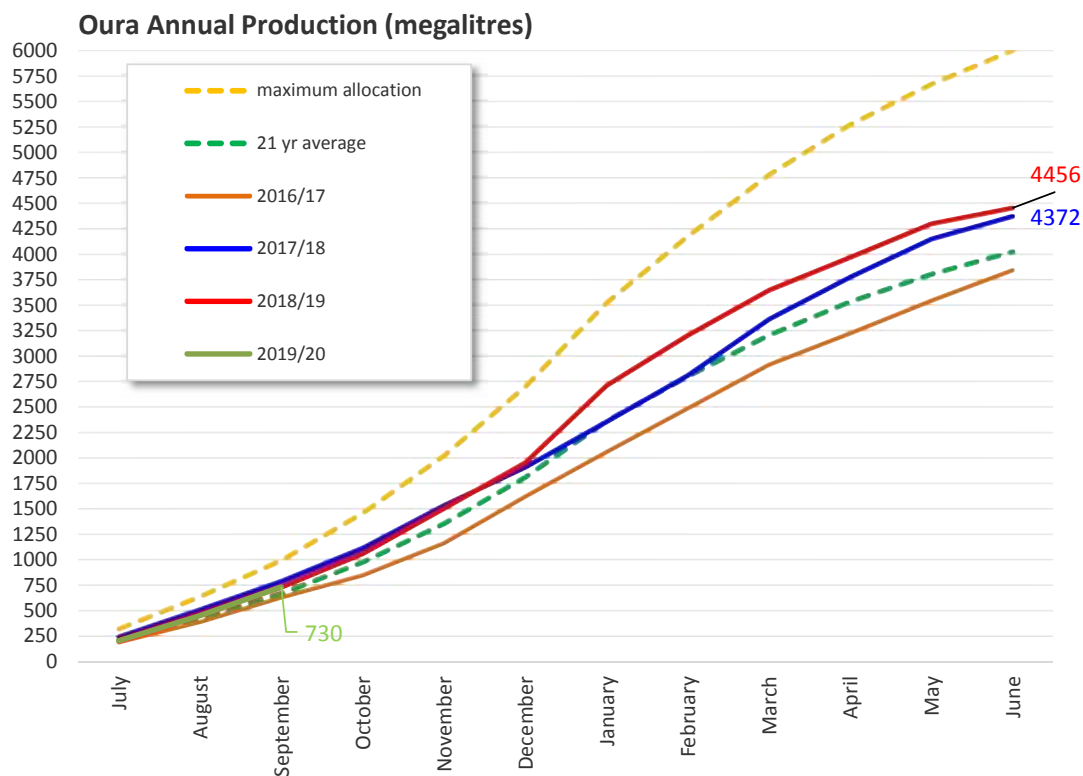
GOLDENFIELDS WATER COUNTY COUNCIL – October 2019

Oura Drinking Water Scheme

The water source at Oura is the Murrumbidgee inland alluvial aquifer, this water is extracted from 3 bores namely: Bores 3, 4 and 6. The raw water then goes through a treatment process at the Oura Water Treatment Plant that includes Aeration, Disinfection and Fluoridation.

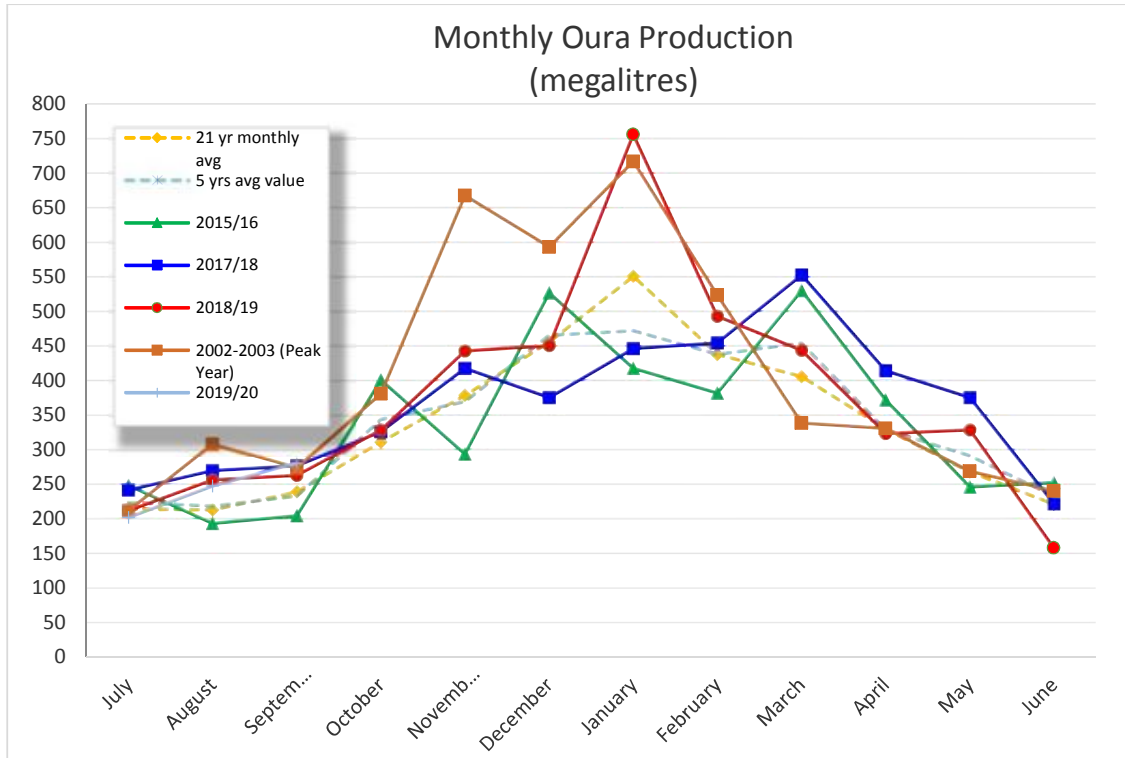
The Oura scheme has 33 sets of reservoirs and 19 pumping stations, produces drinking water for approximately 14,600 people in the Bland, Coolamon, Junee, Narrandera and Temora Shires. The Oura scheme can also supply water to the Northern side of the rural area of Wagga Wagga City when required.

For the period of July to September 2019. Water production from the Oura bores was 730 ML, this is trending in a very similar fashion as the same period last year (2018/19) which was 731ML. A reduction of only 1ML.



GOLDENFIELDS WATER COUNTY COUNCIL – October 2019

Oura production for July 2019 was 201.85ML, August was 247.44ML and September 281.15ML. A total 730 ML for this period. As can be seen in the below graph, production is trending upwards as the weather becomes warmer.



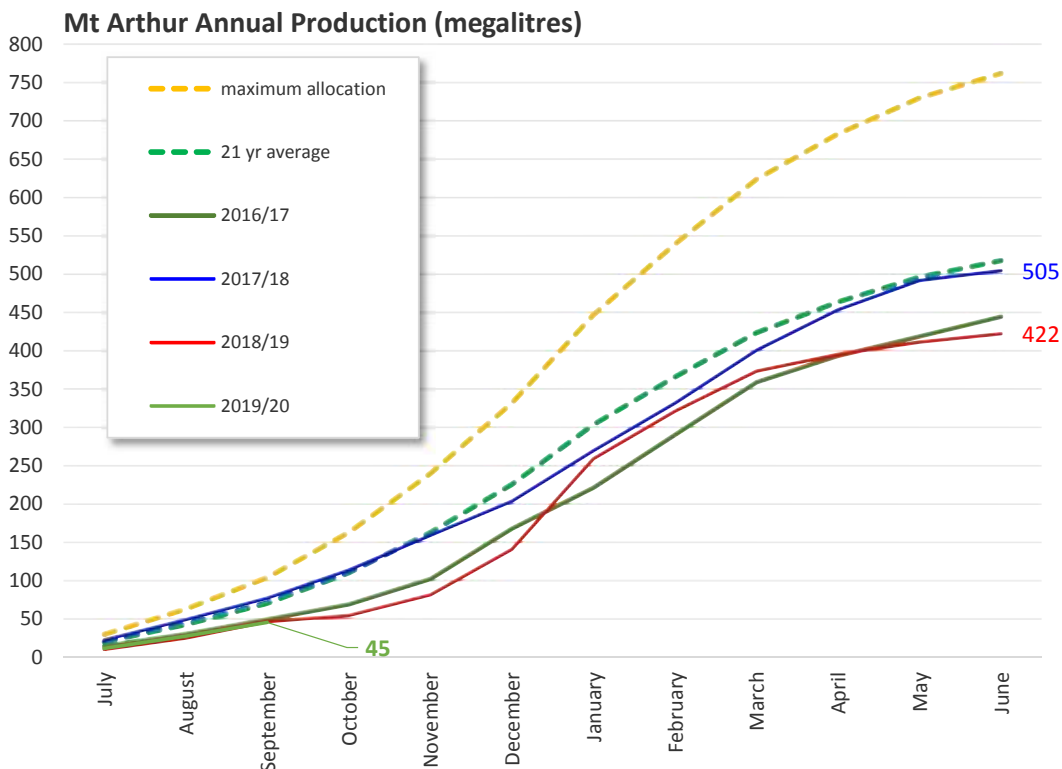
GOLDENFIELDS WATER COUNTY COUNCIL – October 2019

Mount Arthur Drinking Water Scheme

The Mount Arthur Water Source is from the Lachlan Fold belt Aquifer System. The water is extracted via two bores, bores 1 and 2 located in the Wagga Wagga City Council area South of Matong. The water is disinfected before distribution through 9 sets of reservoirs supplying approximately 2400 people with water in the Coolamon shire.

It should be noted that Staff have recognised that Bore 2 flow meter appears to be reading lower than expected. Initial investigations have identified that there is a potential decrease of 9l/s when compared to a portable ultrasonic meter that was utilised to validate flows. This means that there is an estimated 15% potential variation of production in Bore 2. The below monthly graphs have included the differences in production for the same year as a comparison to previous year’s production. The replacement of a new production meter and new pipeline arrangement will commence in the 2019/20 financial year.

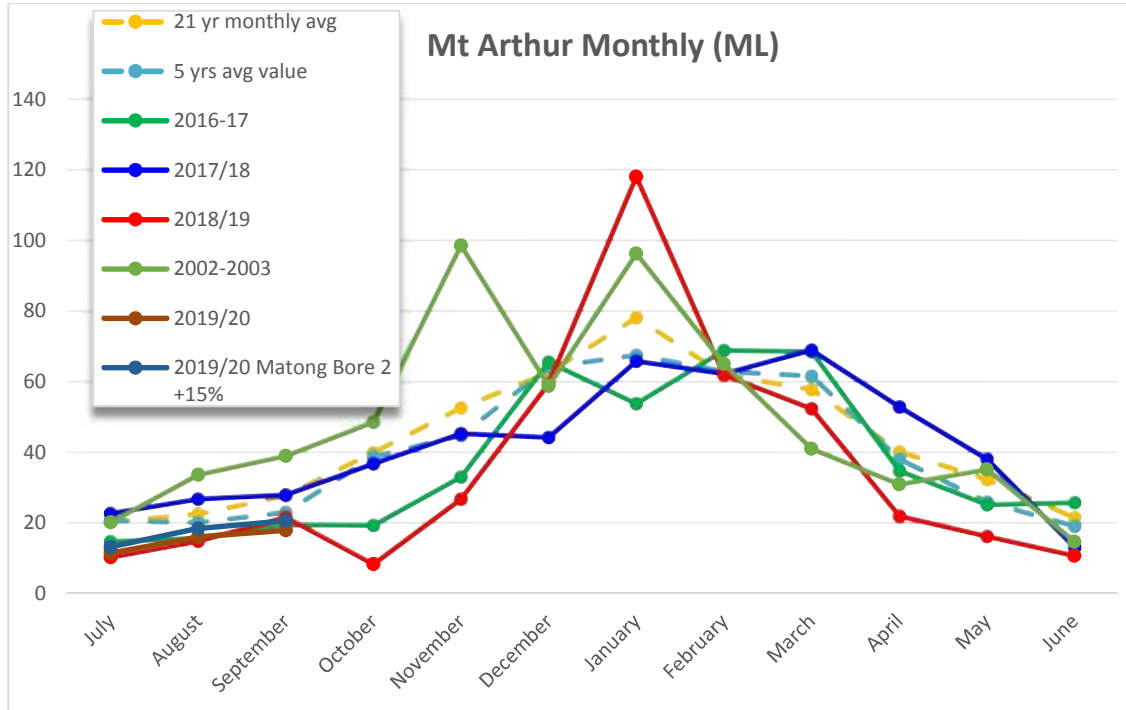
For the period July to September 2019, 45ML of water has been extracted from the Mt Arthur Bores this is fractionally lower than for the same period in 2018/19 (44ML). A decrease of 1ML. As can be seen trending in a similar fashion to previous years.



GOLDENFIELDS WATER COUNTY COUNCIL – October 2019

Mount Arthur monthly water production for July was 11.39ML, August was 15.96ML and September 17.89ML.

With the inclusion of an estimated 15% variation, Mount Arthur monthly water production for July 2019 was 13.10ML, August 18.35ML and September was 20.57ML. Similarly, the Mt Arthur monthly production is trending upwards heading into the warmer months.

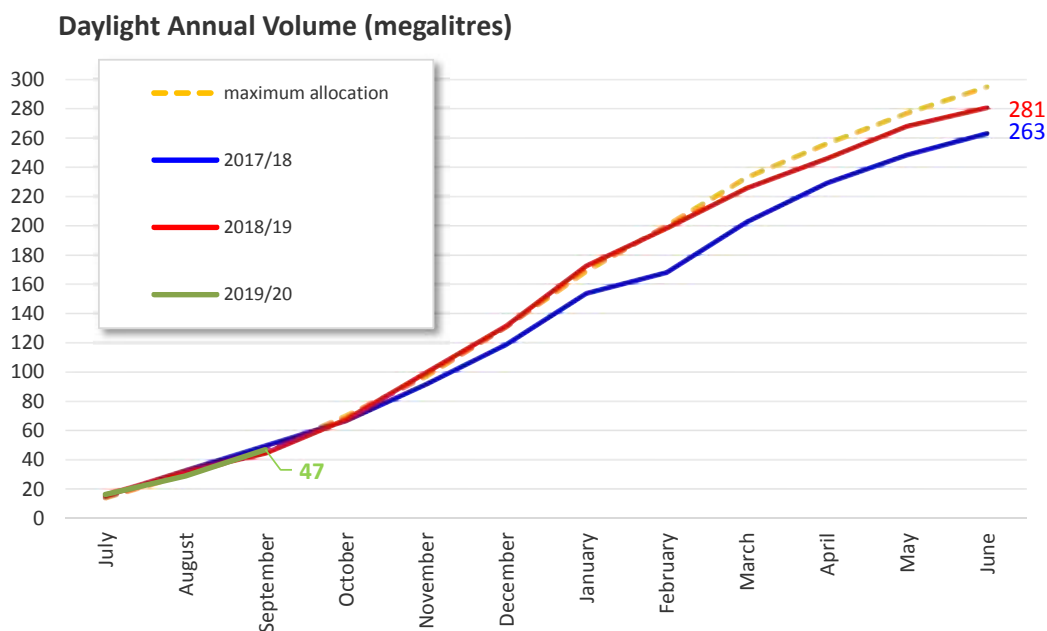


GOLDENFIELDS WATER COUNTY COUNCIL – October 2019

Mount Daylight Drinking Water Scheme

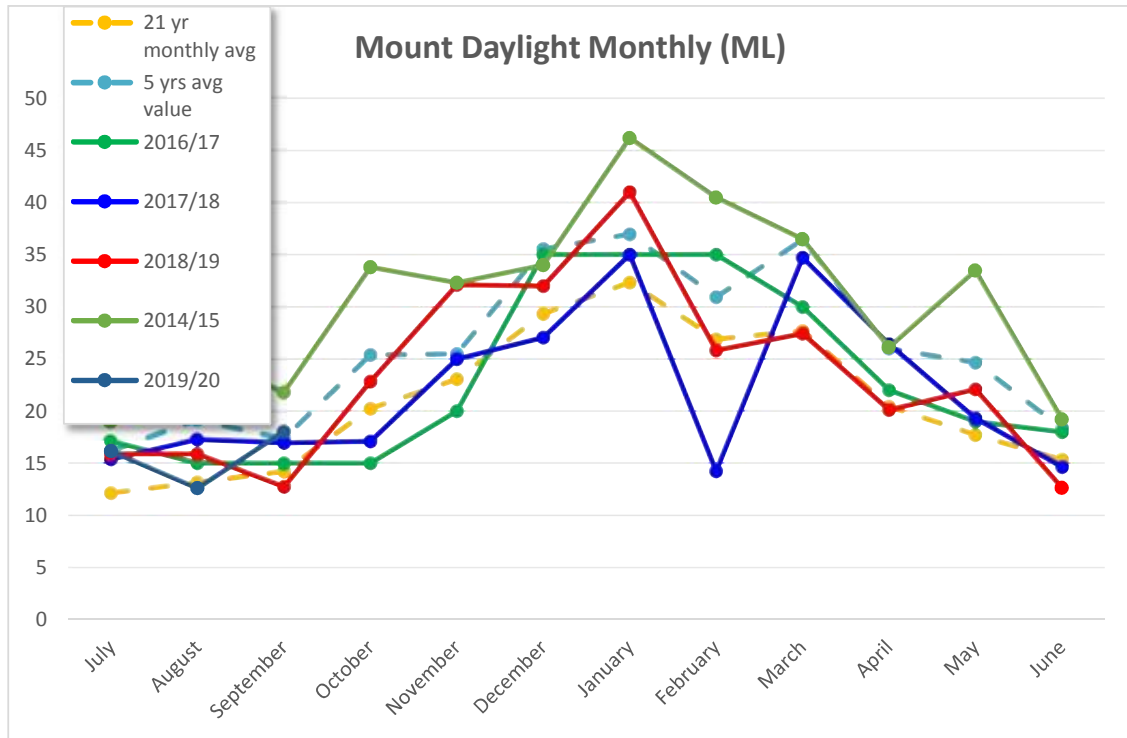
The Mount Daylight water source is from the Lower Lachlan alluvium aquifer. The Mount Daylight bores are jointly operated with Carathool Shire Council. Carathool Shire Council is responsible for bore management. There are 7 sets of reservoirs in the Mt Daylight scheme. Mt Daylight supplies water to approximately 125 people in the villages of Naradhan Weethalle and Tallimba in the Bland Shire Council

For the period July 2019 to September 2019, 47ML of water has been extracted from the Mt Daylight Bores. This is higher than the same period in 2018/19 (45ML). Indicating an increase of 2ML for the same period from the previous year.



GOLDENFIELDS WATER COUNTY COUNCIL – October 2019

Mount Daylight monthly water production for July 16.15ML, for August was 12.6ML and September was 18.06ML. After a slight drop in production in August 2019 water production from the Mt Daylight Bores is trending upwards heading into the warmer months.



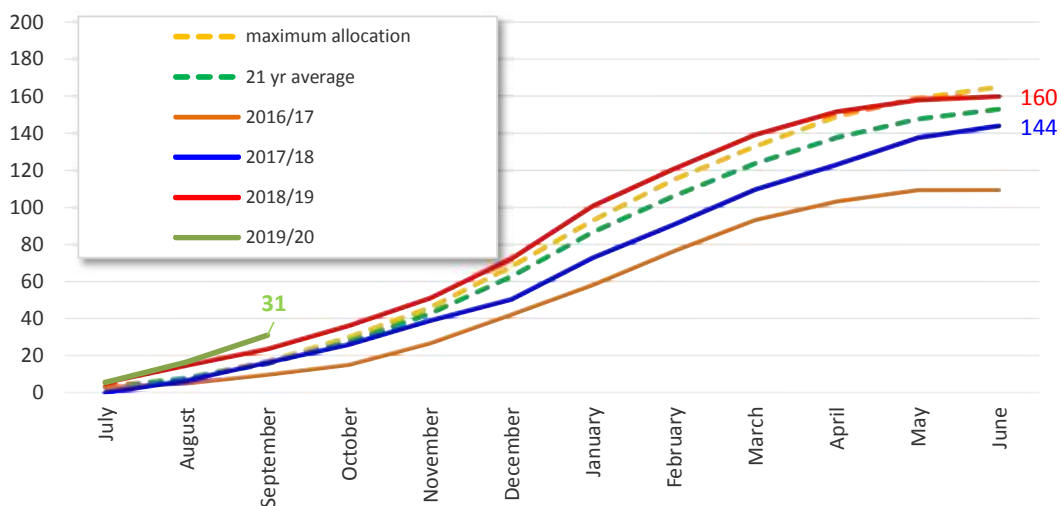
GOLDENFIELDS WATER COUNTY COUNCIL – October 2019

Hylands Bridge - Non Potable

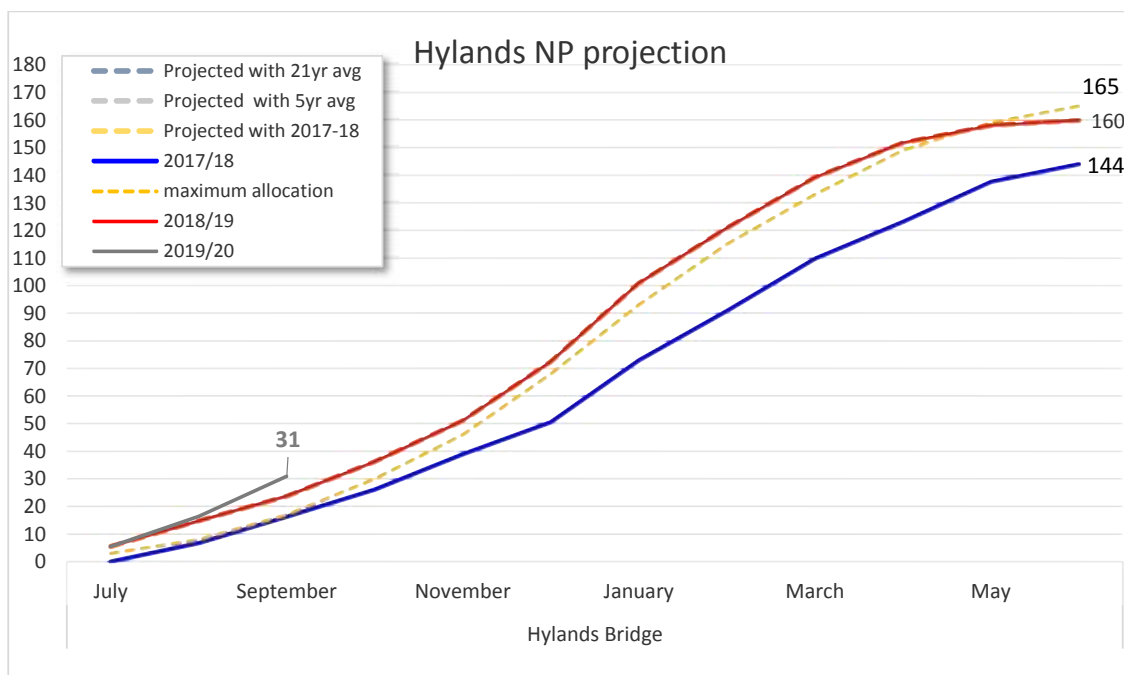
Hylands Bridge supplies Non Potable water to Barellan and Binya.

For the period June to September 2019, 31ML of water has been extracted from the Hylands Bridge scheme, this is higher than for the same period in 2018/19 (24ML). An increase in production of 7ML compared to the same period last year. This increase is most likely due to the recovery of the storage reservoirs that were utilised at the end of financial year to ensure that no breaches of excess extraction occurred.

Hylands Bridge Annual Volume (megalitres)



Hylands Bridge Projections are as per the graph below. For the period of July 28th to September 28th 2019, water production from the Hylands Bridge scheme is 7ML more than for the same period last year.



GOLDENFIELDS WATER COUNTY COUNCIL – October 2019

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position.

ATTACHMENTS: Nil

TABLED ITEMS: Nil

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

VOLUNTARY WATER CONSERVATION MEASURES

Report prepared by Production & Services Manager

COUNCIL OFFICER RECOMMENDATION

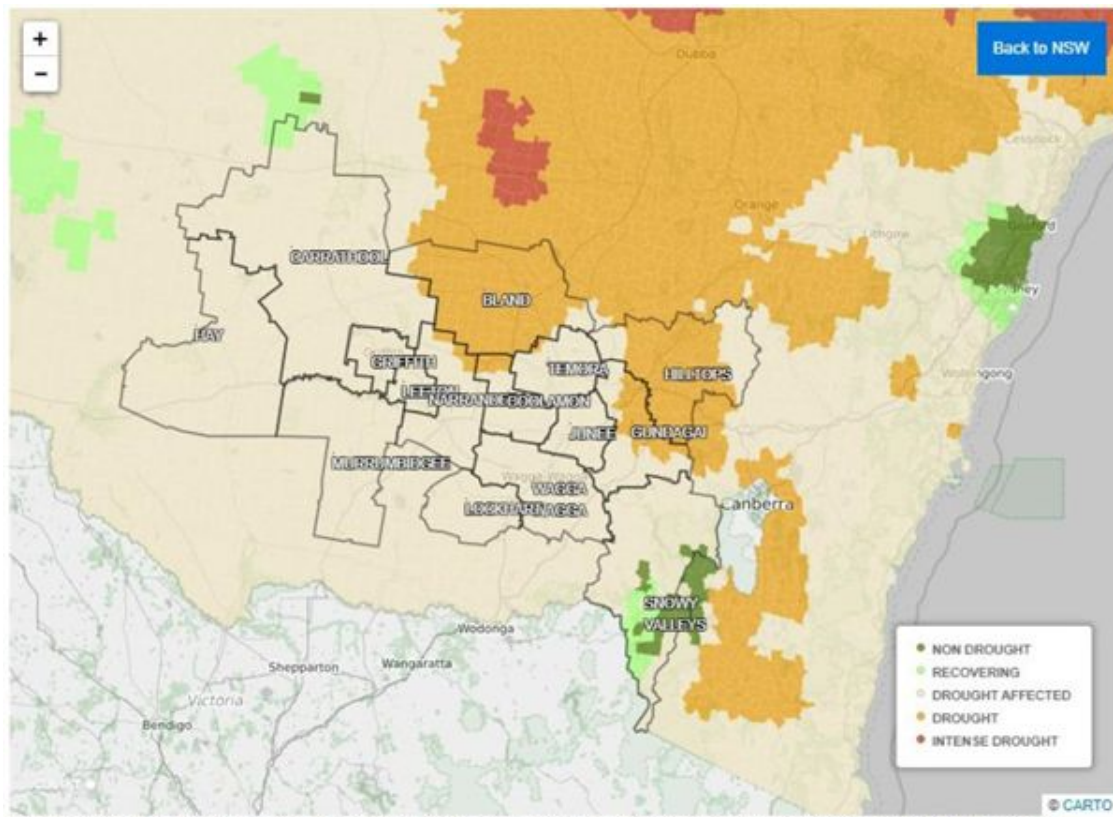
That the Board note the information within this report and approve the General Manager through his delegations to implement voluntary water conservation measures across all of Goldenfields Water’s supply schemes.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

- 01 Excellence in Service Provision
- 02 Maximising Regional Water Supply
- 03 Strategic Water Management
- 05 Proactive Customer Relations
- 06 Environmental Protection and Sustainability

BACKGROUND

As per the below map illustrating current drought conditions for southern NSW, over 97% of the area is impacted by drought. Both Hilltops and Cootamundra Gundagai Regional Councils have implemented some form of water restrictions for their specific localities under their Authority.



CDI = Combined Drought Indicator. RI = Rainfall Index. SWI = Soil Water Index. PGI = Pasture Growth Index. DDI = Drought Direction Index
Data current to 06/10/2019 (AEST)

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

REPORT

Goldenfields Water has a current Demand & Drought Management Plan (2013) that provides specific criteria and measures for managing its water supply operations. Current drought conditions within the State have still not yet required Goldenfields Water to impose any required restrictions for its customers.

However, given the current drought situation within the State and the long term forecast of low rainfall, staff are recommending voluntary ‘Water Conservation Measures’ be implemented. These measures are being recommended on the basis of engaging with the community to begin education on Councils restriction procedures prior to any future impositions being required from State Government decisions, as has happened in the past.

As per the below table of Goldenfields Water’s restrictions, Level 1 is aimed at Water Conservation, Level 2 & 3 Demand Management, Level 4 Drought Management and Level 5 Emergency Supply. The table provides actions and limitations for users to be made aware of in times of enforcement by Goldenfields Water staff.

Water Restrictions Table 1					
	Water Conservation	Demand Management		Drought Management	Critical Water Supply
	Level 1	Level 2	Level 3	Level 4	Level 5 Emergency Supply
Consumption L/person/day	180	160	140	120	<100
Watering Days	Any Day	Any Day	Odd Numbers (&unnumbered)– Tuesday, Thursday, Saturday Even Numbers – Wednesday, Friday, Sunday		No External Water Use
Residential Watering Hours	5:00-9:00am 5:00-7:00pm	6:00-8:00am 5:00-7:00pm	5:00-7:00pm	6:00-7:00pm <i>Buckets Only</i>	N/A
Rural & Commercial Watering Hours	8:00-11:00am 3:00-6:00pm	8:00-10:00am 3:00-5:00pm	3:00-4:00pm	3:00-4:00pm <i>Buckets Only</i>	N/A
<i>Gardens & Lawns</i>					
1.1 Hand-held hosing	Any Day Unlimited Hours	Specified Days/Hours	Specified Days/Hours	Banned	Banned
1.2 Sprinklers and Soaker Hoses	One Sprinkler or Soaker Hose	Banned	Banned	Banned	Banned
1.3 Buckets/ Watering Cans	Any Day Unlimited Hours	Specified Days Unlimited Hours	Specified Days Unlimited Hours	Specified Days/Hours	Banned
1.4 New Turf	As Per Section 1.1 to 1.3	One Sprinkler- Specified Hours	Must Seek Approval	Banned	Banned
1.5 Approved drip and Micro sprinkler irrigation systems	Specified Hours	Specified Hours	Specified Hours	Banned	Banned
2.0 Hosing of pavement/concrete	Specified Hours	Specified Hours	Banned	Banned	Banned
3.0 Residential Pools and Spas	Specified Hours Filling/Topping up Allowed	Specified Hours Filling/Topping up Allowed	NO Filling Topping up Allowed	NO Filling OR topping up allowed	NO Filling OR topping up allowed

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

4.0 Motor Vehicle Washing, Truck panels	Trigger Hose or pressure cleaners	Trigger hose or pressure cleaners for rinsing	Bucket washing, Trigger hose or pressure cleaners for rinsing	Bucket for washing and rinsing	Only mirrors and windscreens
5.0 Domestic Pets Drinking water ok Washing Bucket	Pens trigger nozzle/ pressure cleaner specified hours	Pens trigger nozzle/ pressure cleaner specified hours	Pens trigger nozzle or pressure cleaner specified hours	Pens trigger nozzle or pressure cleaner specified hours	pens trigger nozzle or pressure cleaner – 15 min per day
6.0 Cleaning of BBQ's and Rubbish Bins	Unrestricted	Unrestricted	Bucket for washing, trigger hose for rinsing anytime	Bucket Anytime	Bucket Anytime
7.0 External Building cleaning	Pressure Cleaner	Pressure Cleaners	Buckets for windows only	Banned	Banned
8.0 Construction Activities – Occupier	Hose with trigger nozzle	Hose with trigger nozzle	Bucket Only	With Council Approval	Banned
8.1 Construction	Unrestricted	Unrestricted	Council approval	Council approval	Council approval
9.0 Hygiene Schools and Child Care Centres, Trucks	Trigger hose or pressure cleaner for hygiene	Trigger hose or pressure cleaner for hygiene	Trigger hose or pressure cleaner for hygiene	Trigger hose or pressure cleaner for hygiene	Trigger hose or pressure cleaner for hygiene
10.0 Stock Anytime for drinking, washing with trigger nozzle	Pens trigger hose or pressure cleaner specified hours	Pens trigger hose or pressure cleaner specified hours	Pens trigger hose or pressure cleaner specified hours	GWCC advise volume	GWCC advise volume
11.0 Crop spraying	Unrestricted	Unrestricted	GWCC advise volume	GWCC advise volume	GWCC advise volume
12.0 Bulk Water Consumers	Contract	Contract	GWCC advise volume	GWCC advise volume	GWCC advise volume

FINANCIAL IMPACT STATEMENT

It is unknown at this stage as to what precise financial impacts could be borne by implementing voluntary water conservation measures.

ATTACHMENTS: Nil

TABLED ITEMS: Nil

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

GOLDENFIELDS WATER IWCM UPDATE

Report prepared by Production & Services Manager

COUNCIL OFFICER RECOMMENDATION

That the Board note and accept the information provided

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

- 01 Excellence in Service Provision
- 02 Maximising Regional Water Supply
- 03 Strategic Water Management
- 04 Best Practice Pricing
- 09 Financially Sustainable

BACKGROUND

The NSW Government is required to demonstrate compliance with the Australian Government's National Competition Policy and National Water Initiative. The approach adopted since 1995 is to progressively encourage best-practice management by Local Water Utilities (LWUs) to ensure effective, efficient and sustainable water supply and sewerage businesses.

Best-practice management of water supply and sewerage involves the following 6 criteria:

- Strategic Business Planning
- Pricing (including Developer Charges, Liquid Trade Waste Policy and Approvals)
- Water Conservation & Drought Management (now combined)
- Performance Reporting
- Integrated Water Cycle Management

The NSW Government requires the development of an Integrated Water Cycle Management Plan (IWCM) as it is a LWU's resourcing strategy for the provision of appropriate, affordable, cost-effective and sustainable urban water services that meet community needs and protect public health and the environment. A LWU's IWCM Strategy:

- Sets the objectives, performance standards and associated performance indicators for the water & sewer business;
- Identifies the needs and issues based on evidence and sound analysis;
- 'Right sizes' infrastructure;
- Determines the investment priority in consultation with the community and stakeholders; and
- Identifies the 'best value 30-year' IWCM scenario on a triple bottom line (TBL) basis.

REPORT

An IWCM Plan/Strategy is required from any NSW local water utility to demonstrate that it addresses the NSW Governments best practice management expectations. The IWCM Strategy has been established to address complex linkages between elements of the urban water cycle (water supply, sewage and stormwater) and community expectations. This is done within the urban area and between its water related physical and legislative operating environment. The IWCM strategy is expected to facilitate the provision of appropriate,

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

affordable, cost-effective and sustainable urban water services that meet community needs and protect public health and the environment.

The key outcomes of an IWCM Strategy are:

- 30-year total asset management plan (TAMP);
- 30-year financial plan (FP); and
- Drought and emergency response contingency plan (DERCP)

Staff have been working on an IWCM Strategy for Goldenfields Water since 2017. Progress has been very slow and arduous noting that input from all constituent councils is required and the element requirements to be considered has been updated.

Council has engaged Public Works to currently finalise an Issues Paper which will be utilised to develop the final strategy. The Draft Issues Paper is expected to be completed over the coming weeks with a Project Reference Group (PRG) meeting expected to be held in Late November early December.

The PRG consists of staff from all constituent councils and any relevant NSW State Government department. The PRG or working group is established to help provide input and review of all considerations that need to be documented by Goldenfields Water for its long term planning and operating requirements. This includes elements such as the establishment of appropriate levels of service and what is considered as value for money.

Upon completion and adoption (DPIE Approval) of the Draft Issues Paper and scope for the 'Strategy' in January 2020, the formalisation of the final requirements will be undertaken with the expected completion date to be around October 2020. In addition to obtaining approval for the Issues Paper and scope of works, staff will be submitting a funding request for the IWCM Strategy through the Safe & Secure Funding Stream 2.

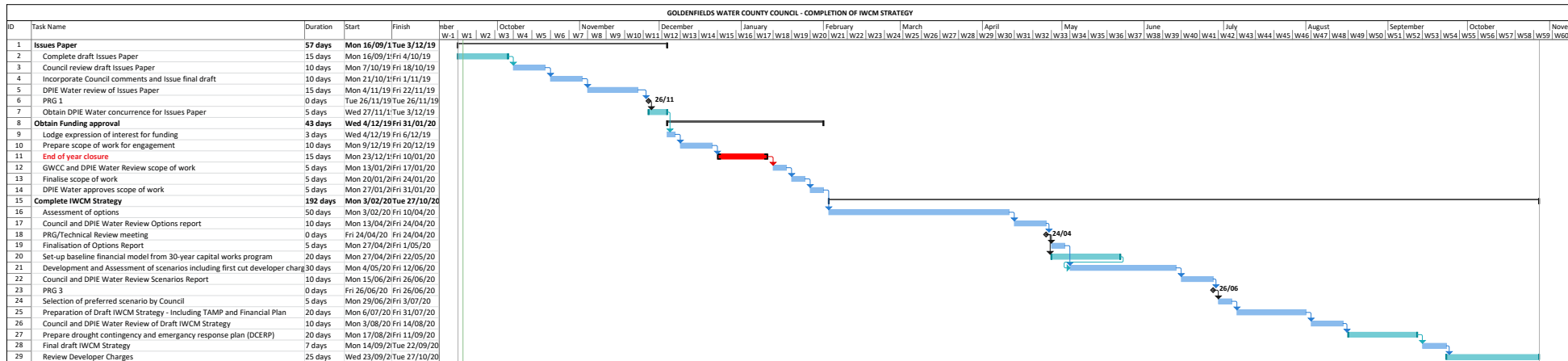
FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position.

ATTACHMENTS: IWCM Program GANTT chart.

TABLED ITEMS: Nil

PUBLIC - Goldenfields Water County Council Agenda - 24 October 2019 - MATTERS TO BE SUBMITTED TO OPEN COUNCIL



Project: PWCC_IWCM_Program1
 Date: Wed 18/09/19

Task Split | Milestone Summary | Project Summary External Tasks | External Milestone Inactive Task | Inactive Milestone Inactive Summary | Manual Task Duration-only | Manual Summary Rollup Manual Summary | Start-only Finish-only | Deadline Progress | Manual Progress

Page 1

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

BACKFLOW PREVENTION POLICY

Report prepared by Acting Engineering Manager

COUNCIL OFFICER RECOMMENDATION

That the Board adopts the revised Backflow Policy.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

07 Efficient Operations

BACKGROUND

Goldenfields Water PP006 Backflow Prevention Policy is due for its 2 yearly review.

REPORT

In order to maintain a safe drinking water supply, staff have reviewed PP006 Backflow Prevention Policy. This policy outlines requirements for the backflow hazard identification and the required level of hazard control required on each service connection.

The review changes include;

- Updated reference to related policies
- Updated legislation documents
- Inclusion of certified Goldenfields Water Staff undertaking works on backflow devices.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's current financial position.

ATTACHMENTS: Draft PP006 Backflow Prevention Policy

TABLED ITEMS: Nil



Policy No. PP006

Backflow Prevention Policy



Backflow Prevention Policy

1 INFORMATION ABOUT THIS POLICY

POLICY INFORMATION

Date Adopted by Board 25 August 2016	Resolution No. 16/082
Policy Responsibility General Manager	
Review Timeframe 2 yearly	
Last Review 2019	Next Scheduled Review August 2021

DOCUMENT HISTORY

DOCUMENT NO.	DATE AMENDED	SUMMARY OF CHANGES
	14/10/2019	<ul style="list-style-type: none"> • Related policies added • Related Legislation updated • Inclusion of Goldenfields staff undertaking works
	DD/MM/YYYY	

FURTHER DOCUMENT INFORMATION AND RELATIONSHIPS

Related Legislation	AS 3500.1:2019 Plumbing and Drainage – Water Services: Part 1.
Related Policies	PP007 Water Service Connection Policy
Related Procedures, Protocols, Statements and Documents	Water Directorate Backflow Prevention and Cross Connection Control Guidelines July 2013.



Backflow Prevention Policy

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Backflow Prevention Policy

3 PURPOSE

To protect the quality of Goldenfields Water County Council (GWCC) water supply, by identifying hazards, and reducing the risk of contamination from backflow.

4 SCOPE

This policy applies to all new and existing customers within the GWCC supply system.

5 DEFINITIONS

Backflow – The unplanned reverse flow of water or mixtures of water and contaminants into the reticulated water supply system.

Backflow Prevention Containment Device – A device fitted at the property boundary to prevent the reverse flow of potentially polluted water into the drinking water system.

6 POLICY

All properties connected to the GWCC water supply network require a backflow prevention device. The specific device required will depend on the hazard rating of the property. Hazard ratings are defined in AS/NZS 3500.1 Plumbing and Drainage as;

- **High Hazard** – Any condition, device or practice that, in connection with the water supply system, has the potential to cause death.
- **Medium Hazard** – Any condition, device or practice that, in connection with the Water supply system, has the potential to endanger health
- **Low Hazard** – Any condition, device or practice that, in connection with the water supply systems, constitutes a nuisance but does not endanger health or cause injury.

GWCC will assign hazard ratings to all properties based on activities to be conducted. Industrial property owners are required to disclose current and/or intended operations to GWCC to assess risk. If the hazard varies due to multiple activities the highest hazard rating will apply.

Properties with a medium or high hazard risk rating must have a testable backflow prevention device installed at or near the property boundary. No connections may bypass the containment device. GWCC will maintain a database of devices and test results.

Properties with a low hazard rating will be fitted with a double check valve contained within the water meter for 20 and 25mm connections. Properties with a connection greater than 25mm will be fitted with a non-testable double check valve after the meter.

Fire service connections will be fitted with a testable double detector check valve and low flow bypass meter.

Properties that have both potable and non-potable water supplies are required to install a backflow prevention device on the potable water supply connection.



Backflow Prevention Policy

Compliant backflow prevention shall be achieved with installation of one of the following registered devices;

Registered device	Hazard Rating
Registered break tank with air gap	High/Medium/Low
Reduced pressure zone device	High/Medium/Low
Double detector check valve	Medium/low
Double check valve	Medium/low

Goldenfields Water requires all plumbing works to be undertaken in accordance with AS 3500.1:2019 Plumbing and Drainage – Water Services: Part 1. This requirement mandates that all devices must be installed, commissioned and tested by a licensed plumber with backflow prevention accreditation.

Any works specifically being undertaken via Goldenfields Water staff, will be done so via staff whom have obtained backflow prevention accreditation. In a case where GWCC becomes aware of a property that does not have a suitable backflow prevention device installed GWCC will advise the property owner to comply with this policy within 90 days. In the event that compliance is not reached within the timeframe, GWCC reserve the right to disconnect the property until such time as compliance is achieved.

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

REVISED DRAFT EASEMENT AND ACQUISITION POLICY

Report prepared by Acting Engineering Manager

COUNCIL OFFICER RECOMMENDATION

That the Board adopts the revised draft Easement and Acquisition Policy.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

07 Efficient Operations

BACKGROUND

Council owns and operates a significant amount of assets within private property. Historically not all assets are within an easement or on land owned by Goldenfields Water.

The purpose of this policy is to provide a definitive solution, ensuring all easements are dealt with consistently.

REPORT

In order to maintain access to infrastructure new and existing, staff have developed an Easement and Acquisition policy. The policy outlines requirements for acquiring land and/or easements for infrastructure.

Goldenfields Water do have right to access infrastructure under the Local Government Act 1993 and Water Management Act 2000. An easement gives further protection where conditions are put on the property title and outline what can and can't be done within the limits of the easement. The draft policy outlines easement conditions, of significance is the limitations on building within the easement which is not clearly defined in the above mentioned Acts.

Acquisition of land for reservoir and pump station assets, mitigates potential issues surrounding changes of ownership. Agreed access conditions and locations as well as operating procedures don't always transfer well with ownership. Land acquisition and access easements with their conditions, eliminate future problems.

A draft Easement and Acquisition Policy was tabled at the August 2019 Council Board meeting and it was resolved that the policy be brought to the next meeting and suggested changes accommodated. The policy has been altered to address these concerns.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's current financial position. Once adopted staff will include the associated costs in budget forecasts

ATTACHMENTS: Revised Draft Easement and Acquisition Policy

TABLED ITEMS: Nil



Policy No. PP032

Easement and Acquisition Policy



Easement and Acquisition Policy

1 INFORMATION ABOUT THIS POLICY

POLICY INFORMATION

Date Adopted by Board	Board Resolution No. OR
Policy Responsibility: Engineering Manager	
Review Timeframe: 4 yearly	
Last Review: N/A	Next Scheduled Review October 2023

DOCUMENT HISTORY

DOCUMENT NO.	DATE AMENDED	SUMMARY OF CHANGES
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	

FURTHER DOCUMENT INFORMATION AND RELATIONSHIPS

Related Legislation	Land Acquisition (Just Terms Compensation) Act 1991 Local Government Act 1993 Water Management Act 2000
Related Policies	
Related Procedures, Protocols, Statements and Documents	



Easement and Acquisition Policy

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DRAFT

Easement and Acquisition Policy

3 PURPOSE

To ensure access to and protection of Goldenfields Water County Council's infrastructure by means of an easement.

4 SCOPE

This policy applies to all existing, new or renewed infrastructure owned and operated by GWCC.

5 DEFINITIONS

Acquisition – To acquire land from a landowner

Burdened Lot – A lot that is to be burdened by an easement in favour of the GWCC.

Easement – An easement is a legal right that attaches to land or a part of land (the Burdened Lot) and allows a benefiting party (GWCC) to use the land in a particular manner.

GWCC – Goldenfields Water County Council.

Landowner – The registered proprietor of the land

6 POLICY

6.1 New or renewed infrastructure

Council will seek to create an easement or acquire property for placement of assets in or on land that is not the property of GWCC. Generally, GWCC will seek to acquire lands for assets such as reservoirs and pump stations and will seek to create easements for subterranean assets such as pipelines.

6.1.1 Landowner easement or land acquisition agreement

Prior to the commencement of works GWCC will seek agreement with landowners for acquisition and / or vesting of an easement for water pipeline under sect 30 of the Land Acquisition (Just Terms Compensation) Act 1991. Such agreement shall include a draft plan of the works to be undertaken.

6.1.2 Easement or acquisition

Upon completion of the proposed works GWCC will proceed to finalisation of easement creation or land acquisition. GWCC will meet all reasonable legal costs associated with the preparation and completion of the acquisition or the granting or vesting of the easement (including stamp duty registration fees and fees)

6.1.3 Compulsory acquisition

Acquisition by means of Compulsory Acquisition shall be undertaken where landowner agreement is not achieved and Council is able to demonstrate a site specific need for the property. Such acquisition shall proceed in accordance with the relevant legislation.

Easement and Acquisition Policy

6.2 Existing infrastructure without an easement

Where existing infrastructure exists GWCC may or may not seek to gain an easement over the land in retrospect. Reasons to consider obtaining an easement for existing infrastructure include assets of high criticality, as part of development consent when development or subdivision of land occurs and other reasons considered reasonable and justifiable by staff.

Where an easement does not exist GWCC has right to access land and enter any premises to carry out water supply work on, above or below the surface of the land in accordance with the following legislation:

- Local Government Act 1993
- Water Management Act 2000

6.3 Compensation

GWCC reserves the right to negotiate a form of compensation that is agreeable to both Landowners and GWCC, within the scope of governing legislation and guidelines as provided by the State.

6.4 Terms of easement for pipeline and water supply

Full and free right title liberty and licence for Goldenfields Water County Council its successor and assigns to construct, lay, maintain, repair, renew, cleanse, inspect, replace and divert or alter the position of a water main or pipeline with apparatus and appurtenances thereof in or under the surface of such part of the land herein indicated as the servient tenement and to carry and convey water through the said water main or pipeline and for the purposes aforesaid or any of them by its officers servants and or contractors with or without motor or other vehicles, plant and machinery to enter upon and break open the surface of the servient tenement and to deposit soil temporarily on the servient tenement but subject to a liability to replace the soil and upon completion of the work restore the surface area of the said servient tenement to its former condition as far as reasonably practical. No building shall be erected nor any structures fences or improvements of any kind shall be placed over or under that part of the lot burdened as is affected by the easement for pipeline and water supply except with the prior consent in writing of Goldenfields Water County Council and expect in compliance with any conditions which Goldenfields Water County Council may specify in such consent.

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

PECUNIARY INTEREST RETURNS

Report prepared by General Manager

COUNCIL OFFICER RECOMMENDATION

That Council note the report and the tabling of the Pecuniary Interest returns for the year ended 30 June 2019.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

07 Efficient Operations

BACKGROUND

Under section 6.21 of the Code of Conduct, councillors and designated persons must provide a declaration of pecuniary interest as contained in the prescribed form.

REPORT

Declaration of Pecuniary interest returns must be completed and lodged with the General Manager within three (3) months after becoming a councillor or designated person, 30 June of each year and upon becoming aware of an interest they are required to disclose as per the Code of Conduct.

Returns must be tabled at the first meeting held after the required lodgement date.

In accordance with the Local Government Act 1993, these returns are now tabled before Council as public documents.

Councillors and staff are reminded that it is imperative their honesty and transparency is maintained at all times. A pecuniary interest return may be lodged at any time during the year should circumstances deem it necessary.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position.

ATTACHMENTS: Nil

TABLED ITEMS: Pecuniary Interest Returns

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

2018/19 ANNUAL REPORT

Report prepared by General Manager

COUNCIL OFFICER RECOMMENDATION

That Council's 2018/19 Annual Report be received and noted.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

07 Efficient Operations

BACKGROUND

Section 428 of the Local Government Act 1993, requires Council to prepare an Annual Report. The report details Goldenfields' achievements in implementing the Delivery Program and the effectiveness of the principles undertaken in achieving the objectives at which those principal activities are directed.

REPORT

Goldenfields Waters' 2018/19 Annual Report is the second report within the four year reporting period for the 2017 – 2021 Delivery Program.

The results and outcomes are a reflection of the efforts of all staff within the organisation, undertaking a variety of roles from the front office in Temora to the remote areas within our 22,500 square kilometre footprint.

The Annual Report has been prepared in accordance with the guidelines under section 406 of the Local Government Act – *Integrated Planning and Reporting Guidelines*.

A copy Council's audited financial reports is included as an Appendix to the annual report.

The annual report will be posted on Council's website and provided to the Minister for Local Government as per requirements.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position.

ATTACHMENTS:

1. 2018/19 Annual Report
2. Schedule A – Audited Financial Statements

TABLED ITEMS: Nil



ANNUAL REPORT

2018 - 2019

INTEGRITY

TRUST

RESPECT

TEAMWORK

CONTINUOUS IMPROVEMENT



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Mission

Mission Statement

To provide regional economic opportunity and lifestyle choices through provision of a quality water supply by innovative leadership showing environmental responsibility in cooperation with the community, constituent councils and governments

Values

Integrity

All staff act in the best interest of the communities that we serve, demonstrating and promoting moral and ethical principles in all that we do.

Trust

Built on from the value of Integrity, mutual trust is established between teams and staff at all levels. Open communication lines and transparency in our operations reflects and further builds on this trust.

Respect

All staff treat others with courtesy, politeness and kindness. Differences in viewpoints and beliefs are recognised and considered, with all people being treated fairly and equally.

Teamwork

All staff work together collaboratively and support one another in achieving the operational objectives of GWCC. Our staff understand the importance of working with each other to achieve our objectives.

Continuous Improvement

Staff feel confident and comfortable to offer ideas and suggestions to ensure that GWCC is continually working to deliver better services to our community and finding more efficient ways of undertaking business.



Chairperson's Message

It has been my pleasure to represent Goldenfields Water in the role of Chairperson during the 2018/19 Financial Year.

Goldenfields has reached for, and achieved the essence of our mission statement during the 2018/19 financial year, through the collaborative efforts of all our stakeholders.

Delivering the community's essential water supply services each day requires a firm commitment to innovative, long term planning. The recruitment of Aaron Drenovski as General Manager has provided the stability for the organisation to plan for the future.

Capital works has featured heavily during the 2018/19 financial year, with a total investment of close to \$10 million dollars. Of note is the completion of Stage 1 of the Mandamah Scheme, delivering much needed water to the area's farmers.

The dry times have created a difficult financial environment for many in the region. Goldenfields increased flow rates and access to key bulk filling stations while reducing the charges by 25% for 6 months in an effort to lessen the financial impact.

Goldenfields understands the importance of connecting with our residents and has provided an innovative way of staying connected through the MyH2O app – empowering customers to monitor usage and conserve water.

Deputy Chairperson David McCann, General Manager Aaron Drenovski and I have spent considerable time speaking with Ministers and local representatives in an effort to secure funding for Goldenfields Water. While this campaigning has so far been without success, Goldenfields is proud to be self-funded, relying on own source income for ongoing operations.

Achieving ambitious goals is never done in isolation. The successes of the organisation throughout 2018/19 are a credit to all of Goldenfields Water's stakeholders; the Board, Management, Staff and largely the Community. I would like to extend my gratitude to all that have contributed to the success of the organisation during 2018/19.

Dennis Palmer

Chairperson



General Manager's message

I am pleased to have joined Goldenfields Water as General Manager in the last quarter of the 2018/19 Financial Year, finding an organisation that is well governed by a committed and proactive Board, and driven by dedicated, knowledgeable staff.

Despite the changes in leadership over the last 12 months, the collective effort of all stakeholders has ensured the organisations objectives have been achieved during the 2018/19 financial year.

There has been a strong focus on community education and engagement and the delivery of an ambitious Capital works program, with some of the key results and highlights including:

- Completion of Stage 1 of the Mandamah Scheme featuring 60km of pipeline, 2 new reservoirs and a pump station upgrade
- Proactive identification and restoration of high risk mains including Bussenschutts Lane mains replacement
- Implementation of the Backflow Installation Program to safeguard against contamination
- Successful delivery of the inaugural 'Depth Days', a student educational program aligning with the curriculum

- Development and successful rollout of the Goldenfields Water App to our customers, promoting water conservation and providing an essential point of collaborative community contact.
- Installation of bulk filling stations, effectively increasing access to water, and reducing fill times, which aims to mitigate the impact of the dry times being experienced.

I am keen to foster an organisational culture that promotes an innovative and strategic environment in order for Goldenfields to continue to meet the community's expectations and to find solutions to the challenges that arise in the delivery of a continued secure water supply.

I am appreciative of the support of the Board, and grateful for the efforts of staff, both have been instrumental in achieving the results detailed within this report.

Aaron Drenovski

General Manager



Profile

Goldenfields Water is a single-purpose county council that has been responsible for providing water supply services to many communities in the South West Slopes and Riverina regions of NSW since 1997.

Goldenfields Water's supply system covers 22,500 square kilometres between the Lachlan and Murrumbidgee rivers. It services over 46,000 people and includes more than 2,400 kilometres of water mains (the longest in NSW).

Water is sourced from protected natural catchments at Jugiong, Oura, Mt Arthur, Mt Daylight and Hylands Bridge before undergoing a world-class purification process at either of its two water treatment plants.

As a county council Goldenfields Water is a unique organisation given it is made up of seven constituent councils that each depend on it to deliver essential drinking water for their communities.

Goldenfields Water's seven constituent councils are:

- Bland Shire Council
- Coolamon Shire Council
- Junee Shire Council
- Temora Shire Council
- Cootamundra-Gundagai Regional Council
- Narrandera Shire Council
- Hilltops Council
-

Currently, Goldenfields Water supplies all drinking water directly to the almost 11,000 rural, residential, commercial and other properties in the local government areas of Bland, Coolamon, Junee, Temora, and parts of Cootamundra-Gundagai and Narrandera.

Goldenfields Water supplies water in bulk to Cootamundra-Gundagai and Hilltops councils, which then distribute water directly to their residents (except those already supplied directly by Goldenfields Water in parts of Cootamundra-Gundagai).

It also provides non-potable water (untreated water for non-drinking purposes) directly to 250 properties as well as water in bulk to Riverina Water County Council.



The Board

The Goldenfields Water Board is the governing body responsible for managing the affairs of Goldenfields Water County Council.

Goldenfields Water’s constituent councils elect the Board members from among their councillors. The Board is currently comprised of eight members – one elected from six on the constituent councils and two elected from Hilltops Council.

Ordinary meetings of the Board are currently held six times a year (on the fourth Thursday of every second month). Meetings of a county council are subject to the requirements of the Local Government Act 1993 (NSW).

The Board elects a Chairperson from amongst its members. The Chairperson holds office for one year and is responsible for presiding at Board meetings as well as exercising other functions of the county council as the Board determines. The Board also elects a deputy Chairperson.





Annual Report Explained

As a NSW county council, Goldenfields Water is required as part of the Integrated Planning and Reporting framework for NSW local government to implement a suite of interrelated strategic planning documents.

The documents include a long-term Business Activity Strategic Plan, a four-year Delivery Program as well as an annual Operational Plan. These documents are supported by the Resourcing Strategy, which comprises a Long Term Financial Plan, Workforce Management Plan and an Asset Management Plan.

At the end of each financial year, an annual report must be produced that provides information to the community about Goldenfields Water's achievements in implementing its Delivery Program. It also needs to report on the effectiveness of the principal activities Goldenfields Water has undertaken to achieve the objectives in the Business Activity Strategic Plan. These details can be found in the Delivery Program Progress section of this Annual Report.

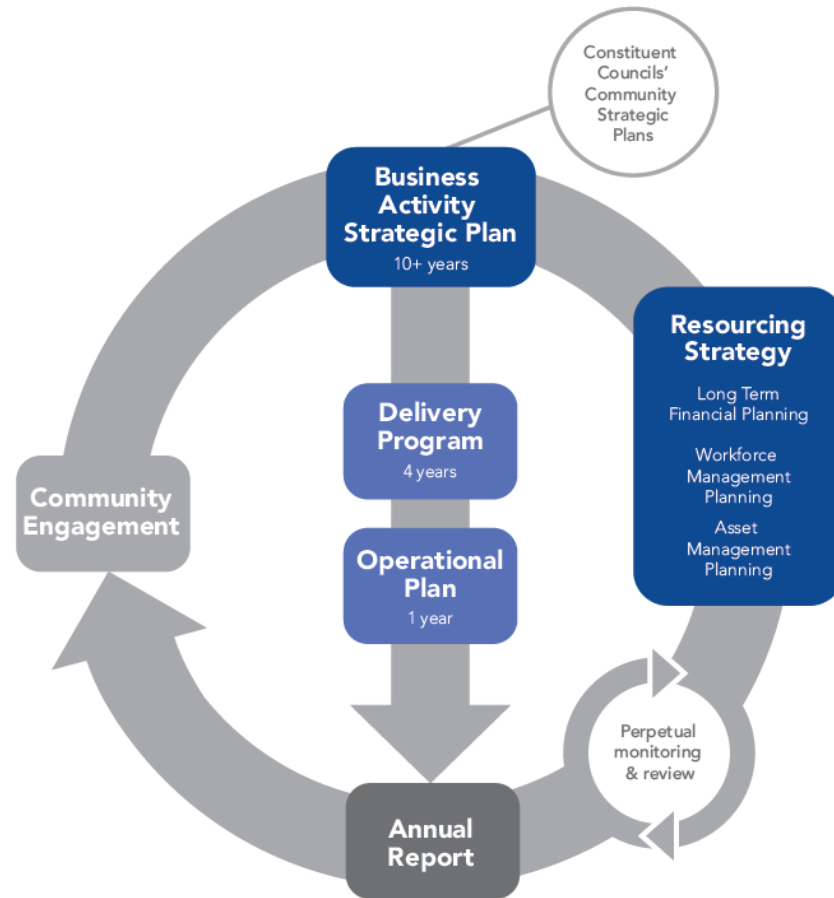
Goldenfields Water's Annual Report must also include financial, asset and other information that is prescribed by the Local Government (General) Regulation 2005 (NSW) and the Integrated Planning and

Reporting Guidelines. This information aims to help community members understand how Goldenfields Water has been performing both as a service provider and a community leader. It can be found in Section 3: Statutory Reporting of this Annual Report.

Goldenfields Water is also required to include a copy of its audited financial reports. These are reported in the Financial Statements section of this Annual Report.



Integrated Planning and Reporting framework

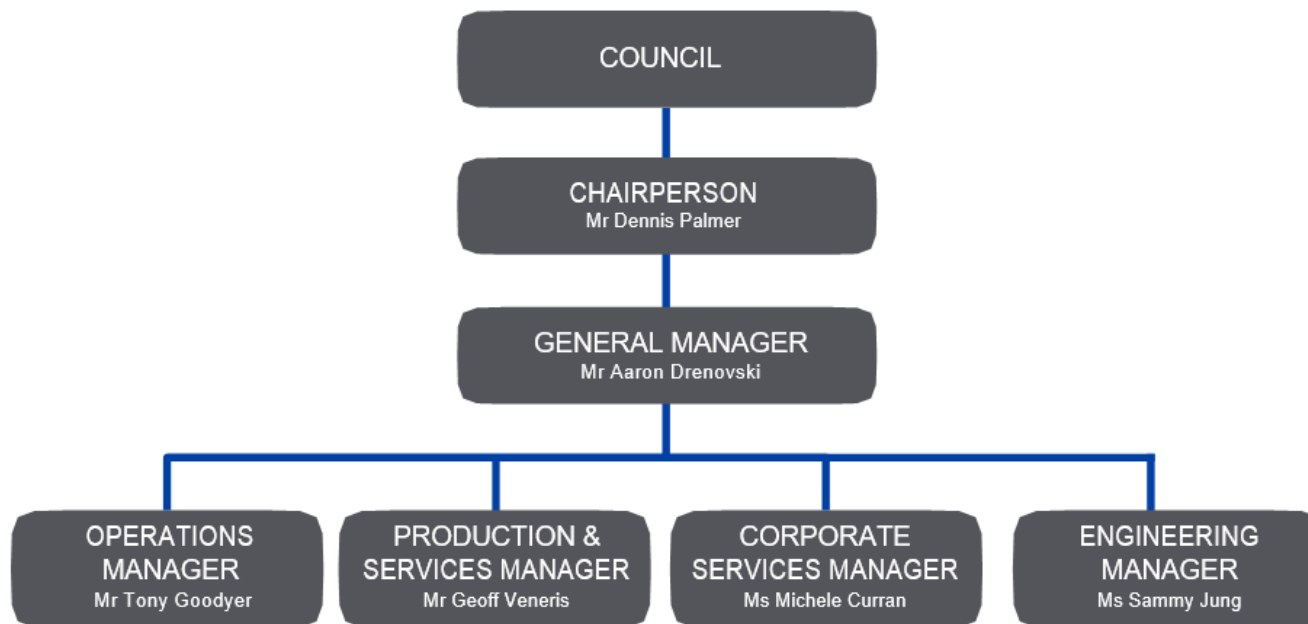




Organisational Structure

Goldenfields Water’s organisational structure operates under the direction of its Board. The Board must appoint a General Manager to lead Goldenfields Water’s day-to-day operations.

The organisational structure consists of five business units – the General Manager’s Office, Operations, Production & Services, Engineering, and Corporate Services





DELIVERY PROGRAM PROGRESS

2017-2021

REPORTING ON PROGRESS

Under the Integrated Planning and Reporting framework the main focus of the Annual Report is Goldenfields Water's progress in implementing its four year Delivery Program and annual Operational Plan.

This section contains the report on Goldenfields Water's Delivery Program progress for 2018/19.

It is categorised in-line with the nine strategic priorities established by its long-term Business Activity Strategic Plan and the strategic objectives, strategies and actions outlined in its 2017/21 Delivery Program and 2018/19 Operational Plan to achieve those priorities.



Green – Completed



Blue – Progressing



Red – Not yet started



1: Excellence in service provision

1.1: Monitor and report compliance with regulatory, service and other organisational requirements

1.1.1: Monitoring of organisation and operational performance is regular, accessible and understandable

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
1.1.1.1	Monitoring of organisational and operational performance is regular, accessible and understandable.	Efficient processes implemented to ensure compliance with Local Government regulations.	Corporate Services Manager	●	100%	Corporate planning and reporting undertaken in accordance with Local Government requirements. Operational plan adopted by Council, progress reviewed 6 monthly, quarterly budget reviews undertaken. Annual report not yet due, but on target for completion.


1.1.3: Clearly defined levels of service for our customers

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
1.1.3.1	Ensure levels of service for residential customers are identified within the strategic business plan and are monitored as part of benchmark reporting.	Benchmark reporting completed. Strategic business plan to be reviewed every 4 years.	General Manager	●	100%	Levels of service have been identified and reported on as part of the required benchmark reporting.



1.2: Provide a reliable and quality drinking water supply

1.2.1: Water quality meets or exceeds the Australian Drinking Water Guidelines

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
1.2.1.1	Monitor water quality management plan	Water quality management plan developed and implemented	Production & Services Manager		100%	A review of Goldenfields Water's Drinking Water Management System was completed in October 2018. The review confirmed that all Public Health water quality results have conformed to the Drinking Water Management System requirements for the previous financial year. The Annual review and Report is completed in October every year and submitted to NSW Public Health for review.



1.2.2: Assets are managed strategically, across whole of life to improve delivery of services and financial management

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
1.2.2.1	Annually review asset performance data	Asset renewals are reprioritised based on performance data	Engineering Manager	●	100%	3yr asset renewal program developed following work shop. 12 month budget approved by the Board
1.2.2.2	Revise and implement Asset Management Plan	Asset Management Plan adopted	Engineering Manager	●	25%	Significant groundwork undertaken to better understand asset base and classes. Prioritisation framework developed to aid the development of capital works program for inclusion in Asset Management Plan.
1.2.2.3	Undertake capital works program	Achieve greater than 85% of program	Engineering Manager	●	100%	94% of capital budget expenditure
1.2.2.4	Undertake maintenance program	Achieve greater than 85% of program	Operations Manager	●	100%	High priority areas re air valves, stop valves & hydrants was targeted by the Distribution Group. In excess of 100 of these assets were replaced and/or refurbished thus resulting in a reduction of bursts and asset failures within these targeted areas. Operations is currently undertaking an audit to identify other high priority areas where maintenance works can commence in the next quarter
1.2.2.5	Strategic review of water treatment facilities	30 Year strategic review completed at all water treatment facilities	Production & Services Manager	●	100%	The Oura 30 year Strategic Asset Management Plan has now been completed.



Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
1.2.2.6	Review valuation of assets	Valuation completed and asset register updated	Engineering Manager		100%	More work to be completed as part of Asset Management Plan and associated tasks

1.2.3: Contamination resulting from backflow is minimised

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
1.2.3.1	Develop and implement backflow prevention installation program	Achieve greater than 85% of program	Engineering Manager		85%	On track to complete per 3yr program
1.2.3.2	Identify strategic locations with our key stakeholders for fixed standpipes	Fixed standpipe locations identified in each constituent council area	Engineering Manager		75%	Further location identified in Ardlethan pending Grant Funding

1.2.4: Water mains are systematically renewed and extended, based on asset performance data

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
1.2.4.1	Develop and implement a water main renewal program	Achieve greater than 85% of program	Engineering Manager		100%	Problem areas identified. Prioritisation and program developed and will be included in asset management plan and long term financial plan



1.2.5: Water Pumping Stations are systematically renewed based on asset performance data

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
1.2.5.1	Develop and implement a water pumping station renewal program	Achieve greater than 85% of program	Production & Services Manager		100%	All water pump stations have been identified and included into a manual register for maintenance based on hours ran and time. Ad-hoc renewals have been undertaken in the past due to immature asset failure. Staff will be working towards developing a more automated asset reporting system in future years to increase administrative efficiencies and data quality

1.2.6: Trunk mains are systematically renewed based on asset performance data

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
1.2.6.1	Develop and implement a trunk main renewal program	Achieve greater than 85% of program	Engineering Manager		85%	Further program developed as part of asset management plan and capital works program next financial year

1.2.7: Reservoir relining is planned and programmed based on asset performance data

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
1.2.7.1	Develop and implement a reservoir relining program	Achieve greater than 85% of the program	Engineering Manager		100%	Program will be further updated in Asset Management Plan



1.2.8: Telemetry system is systematically renewed and extended, based on asset performance data

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
1.2.8.1	Develop and implement a telemetry renewal program	Achieve greater than 85% of program	Production & Services Manager		80%	An audit has been completed for the existing telemetry communication network and associated assets. The design of a new network has been completed with four new sites being setup for new tower installations. Current network failures of the old system have obstructed the delivery of a strategic renewal program. It is proposed that once the high risk, imminent failure assets have been corrected, staff will complete a formalised proactive renewal program during the 2019/2020 financial year.
1.2.8.2	Develop and implement a Telemetry expansion program	Achieve greater than 85% of program	Production & Services Manager		100%	New Telemetry sites are being installed across the scheme at locations where there is a high risk of failure of water quality parameters. New water quality analysers have been installed at critical locations across the scheme including the Jugiong Water Treatment Plant. These analysers include Chlorine and Turbidity meters which allows staff to maintain a live visual of water quality parameters through remote login access.



1.2.9: Flow meters are systematically renewed and extended, based on asset performance data

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
1.2.9.1	Develop and implement a flow meter renewal program	Achieve greater than 85% of program	Engineering Manager	●	30%	Meter replacement program in development and part of asset management planning
1.2.9.2	Develop and implement a flow meter expansion program	Achieve greater than 85% of program	Engineering Manager	●	20%	Ongoing

1.2.10: System valves are systematically renewed and extended, based on asset performance data

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
1.2.10.1	Develop and implement a air valve, scour, reflux renewal program	Achieve greater than 85% of program	Engineering Manager	●	50%	Further development for inclusion in asset management plan
1.2.10.2	Develop and implement a pressure reducing valve and surge tank renewal program	Achieve greater than 85% of the program	Engineering Manager	●	85%	Requires further development of program. Some surge tanks will be removed due to system modifications and/or operational changes with future main replacements
1.2.10.4	Develop and implement a control valve renewal program	Achieve greater than 85% of program	Engineering Manager	●	30%	New control valve to be installed at Wyalong to allow pump station to be taken off line during low demand period. Standardisation of valves taking place to reduce spares. Identification of valves for replacement/standardisation ongoing



Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
1.2.10.6	Develop and implement a stop valve renewal program	Achieve greater than 85% of program	Engineering Manager		50%	Finalize for inclusion in asset management plan

1.2.11: Hydrants are systematically renewed based on asset performance data

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
1.2.11.1	Develop and implement a hydrant renewal program	Achieve greater than 85% of program	Engineering Manager		0%	Finalise for inclusion in asset management plan



1.2.12: Instrumentation installations are systematically renewed and extended, based on asset performance data

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
1.2.12.1	Develop and implement an instrumentation renewal program	Achieve greater than 85% of program	Production & Services Manager		100%	Instrumentation at the Jugiong and Oura Water Treatment Plants are reviewed and replaced when required on an annual basis. Additional mobile Chlorine and Turbidity analysers for field testing have been purchased this year to replace the old units for field staff.
1.2.12.2	Develop and implement an instrumentation expansion program	Achieve greater than 85% of program	Production & Services Manager		100%	The review and identification of new laboratory instrumentation is being undertaken on an ongoing basis for increasing Goldenfields Water's capability of in house monitoring of core water quality parameters, such as Iron and Manganese. The purchase of a new spectrophotometer unit has been purchased to undertake operational testing for Iron and Manganese.



1.2.13: We inform and involve our community about projects, programs and other activities

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
1.2.13.1	Maintain and publish information on Council website	Provision of timely, accurate and relevant information	General Manager	●	100%	Goldenfields continues to utilise their website as one of the main methods of communicating and distributing information to their customers and community.
1.2.13.2	Proactively provide project specific information to relevant stakeholders as required	Provision of timely, accurate and relevant information	General Manager	●	100%	Information has been provided to our relevant stakeholders through emails, face to face meetings, digital media and community presentations and meetings.
1.2.13.3	Report financial information internally	To ensure all internal financial reporting is compliant with the Act and Regulations.	Corporate Services Manager	●	100%	Monthly reports provided to management. Reporting within the new Authority system will be refined to ensure useful information is being produced for decision making and budget development purposes.
1.2.13.4	Report financial performance to regulators and the community	To ensure all external financial reporting is compliant with the Act and Regulations	Corporate Services Manager	●	100%	Quarterly budget reviews completed per requirements. Annual financial statements have been drafted, submitted to the auditor and audit reports will be issued in accordance with the audit timetable so that they can be submitted by the due date.



Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
1.2.13.5	Report compliance information to regulators	Provision of timely, accurate and relevant information	Production & Services Manager	●	100%	All reporting has been completed for the financial year. Reports included the Jugiong Water Treatment Plant Environmental Protection License Annual Return, The NSW Benchmark Reporting and the Annual Drinking Water Management System Report has been completed and submitted to the relevant Authorities.

1.2.14: We have a recognised culture of customer service excellence

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
1.2.14.1	Develop and monitor performance targets for customer enquiries	Develop and implement customer service strategy.	Corporate Services Manager	●	100%	Customer enquiry service levels set as per Customer Service Charter.
1.2.14.2	Develop and monitor performance targets for customer applications	Develop and implement customer service strategy	Corporate Services Manager	●	100%	MyH2O application successfully completed and launched. Customers now able to sign up to the application.



2: Maximising regional water supply

2.2: Plan for the region's future growth

2.2.1: Our water supply network is able to respond to community growth and development

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
2.2.1.1	Liaise closely with constituent councils regarding growth and development	Council documents and policies are updated to reflect changes	General Manager		100%	Liaised with Constituent Councils during the 2018/19 year.
2.2.1.2	Review and update development servicing plans	Development servicing plan revised and adopted.	Engineering Manager		0%	Need to finalise 4 10 & 30 yr capital works plan and asset management plan

2.2.2: Water supply system constraints are identified

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
2.2.2.1	Enhance the system-wide hydraulic model	Hydraulic model is enhanced.	Engineering Manager		0%	Yet to commence enhancement works
2.2.2.2	Calibrate the hydraulic model with water meter and SCADA data.	Enhancements are made to improve the model.	Production & Services Manager		0%	The Water model has been developed; however it requires practical validation before undertaking any additional expansions of its capability. The works for connecting the model to SCADA have been re-allocated to future years.



3: Strategic water management

3.1: Become an industry leader in the water sector

3.1.1: We are open to emerging technology and water cycle management methods

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
3.1.1.1	Monitor emerging technology and incorporate into future plans.	Viable emerging technologies are incorporated into current and future programs	Production & Services Manager		100%	Goldenfields Water Staff are now representatives and members of water industry specialist groups such as AWA, WSAA and the NSW Water Directorate. These groups pool together new technologies and innovations that may be deemed beneficial in future years of the industry. Goldenfields Water is currently a leader within the industry for adopting Automated Meter Readers and an operational monitoring software system for water quality operations (WaterOutlook).



3.1.2: We have the capacity to influence water industry direction

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
3.1.2.1	Explore opportunities to influence water industry policy and direction through participation in industry groups and bodies	Participate in industry groups, bodies and make submissions	General Manager		100%	Goldenfields have continued representation on the Board of NSW Water Directorate, and members of AWA and WSAA. In addition the Deputy Chairperson is a representative on the Local Water Utility Policy Advisory Group.

3.1.3: We follow best practice strategic planning

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
3.1.3.1	Adopt new Strategic Business Plan	Completed Integrated Water Cycle Management Strategy.	Engineering Manager		45%	Issues paper near completion

4: Best practice pricing

4.1: Ensure water metering is accurate

4.1.1: There is a high level of confidence in accuracy of water metering internally and amongst stakeholders

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
4.1.1.1	Develop and implement a water meter replacement program	Achieve greater than 85% of program	Operations Manager		10%	Approximately 6000 meters were replaced in 2015/2016 and until an audit is completed this program will be on hold



4.2: Levy and collect water charges

4.2.1: Water meters are read accurately and water account notices issued correctly

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
4.2.1.1	Read water meters by using the AMR network	Achieve greater than 98% of meter reads through AMR's	Corporate Services Manager	●	100%	Target being achieved. Accounts being issued monthly or quarterly primarily utilising AMR network.
4.2.1.2	Issue water account notices within agreed timeframes	Quarterly accounts are issued within 4 weeks	Corporate Services Manager	●	100%	Full year's accounts issued within timeframe, meeting set targets.

4.3: Deliver a consistent price path

4.3.1: We have a published price path to ensure financial sustainability

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
4.3.1.1	Establish a multi-year price path.	A multi year price path is adopted	Corporate Services Manager	●	100%	Goldenfields Waters' Fees and Charges were adopted in June 2018 in accordance with the four year price path set in 2015/16.



5: Proactive customer relations

5.1: Improve customer and community engagement

5.1.1: Feedback from customers is regularly captured and used in decision-making

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
5.1.1.1	Undertake customer survey	Undertake customer survey and results provided to Council	Corporate Services Manager	●	0%	Next Customer Survey to be undertaken in 2020/21 as per Community Engagement Strategy.
5.1.1.2	Review and action customer survey feedback	Survey results are incorporated into future Operational Plans	Corporate Services Manager	●	0%	Next Customer Survey to be undertaken in 2020/21 as per Community Engagement Strategy.



5.1.2: Our community understands what we do and has regular opportunities to be involved with us

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
5.1.2.1	Implement the Community and Engagement Strategy	Community Engagement Strategy is being delivered to the community.	General Manager	●	65%	The following key actions were implemented in line with the Strategy; the annual donation towards educational institutions in the Goldenfields supply area, our curriculum based "Depth Day", the distribution of drinking water refill stations to our constituent councils, representation at community events, the ongoing presence on our social media platforms, release of bi-annual customer newsletter, launch of the Goldenfields Water App and installation of updated signage on outdoor assets.



5.1.4: We participate in improving understanding of water management and sustainable water practices in our community

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
5.1.4.1	Provide relevant information to the community through a variety of channels	Variety of channels utilised when communicating to the community	General Manager		70%	Information is provided to stakeholders via social media platforms, customer newsletters, community events such as local shows and career days, Goldenfields Water website and traditional media methods such as newspaper media releases, news interviews, radio commercials and interviews and TV advertisement.
5.1.4.2	Develop public education information about water management and sustainable water practice	A range of educational resources developed	General Manager		70%	Goldenfields developed and hosted their first educational program, known as 'Depth Day' during May 2019. Students from the GW supply area were invited to attend the Jugiong WTP and were provided a guided tour of the plant, hands on water testing experiments in the lab and a curriculum based workbook. Through the launch of the Goldenfields Water App in June, Goldenfields have offered its stakeholders a very useful tool that encourages sustainable water management.



5.2: Develop and maintain strong links with stakeholders

5.2.1: We have close relationships with the Riverina Eastern Regional Organisation of Councils (REROC)

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
5.2.1.1	Participate in opportunities for resource, expertise and knowledge sharing with REROC	GWCC actively attends REROC meetings	General Manager		100%	REROC and JO meetings are regularly attended.
5.2.1.2	Work closely with REROC to improve service efficiency and effectiveness and promote matters of common interest	GWCC participates in all projects with a joint interest	General Manager		100%	Regularly attending REROC and JO meetings.

5.2.2: We have close relationships with our constituent councils

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
5.2.2.1	Communicate and engage with constituent councils regularly	Regular meetings between GWCC and constituent councils	General Manager		100%	Goldenfields have continued to engage with our constituent councils including presenting at the June meeting of Bland Shire Council.
5.2.2.2	Identify where we can partner with constituent councils to attract growth and new business to the region	Joint projects undertaken where viable	General Manager		100%	Joint projects considered where viable including collaboration with Cootamundra Gundagai Regional Council regarding Nangus.



5.2.3: We have a positive corporate reputation within our community and wider industry

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
5.2.3.1	Keep the community, media and internal and other stakeholders informed with relevant and timely information via the most appropriate channels	Variety of communication channels utilised to ensure stakeholders are informed	General Manager		100%	Information is continuing to be provided to stakeholders via social media, customer newsletters, Goldenfields Water webpage, traditional media methods, mobile phone app, outdoor advertising and other appropriate methods.

6: Environmental protection and sustainability

6.1: Develop social responsibility for the water cycle

6.1.1: We provide a water supply that provides the best value for money considering social, environmental and economic considerations

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
6.1.1.1	Develop and implement an Integrated Water Cycle Management Plan using established community expectations and asset management information	Develop and implement an Integrated Water Cycle Management Plan using established community expectations and asset management information	Production & Services Manager		25%	Public Works Advisory has now been engaged to complete the initial issues paper report for approval by Department of Industry & Water. Following the adoption of the issues paper a full IWCM strategy will then be completed. The Strategy is expected to be completed by the end of 2019/2020 financial year.



6.2: Ensure natural resources are used efficiently

6.2.1: We regularly review energy use to proactively identify and implement usage reduction activities to lower costs and reduce carbon foot print

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
6.2.1.2	Educate operators responsible for sites with highest energy consumption	Usage in high tariff periods are minimised where possible	Production & Services Manager	●	100%	Operations for large energy usage sites are continually monitored and adjusted to reflect appropriate tariff charges and off peak operations. All key operational staff are educated in the operating windows for energy use.
6.2.1.3	Renewable energy sources are utilised where viable	Viable renewable energy projects implemented	Corporate Services Manager	●	100%	Audit of all sites complete. Future year projects to review potential power purchasing agreements.
6.2.1.4	Carbon Footprint is monitored and regularly reported	Viable renewable energy projects implemented	Corporate Services Manager	●	100%	Monitored and reported annually as part of statutory benchmark reporting.



6.2.2: Water use efficiency is increased across the network

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
6.2.2.2	Customers have access to data portal	Customers have access to data portal	Corporate Services Manager	●	100%	MyH2O web portal and application fully functional.



6.3: Manage the water supply's sustainability and security

6.3.1: Risks to the water supply's sustainability and security are identified and monitored

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
6.3.1.1	Continue to monitor the water resource environment	Monitor and provide submissions when appropriate	Production & Services Manager		100%	Goldenfields Water staff continually liaise with State Government regulators regarding source water supply risks and opportunities. Staff actively monitor both access and quality of water supply to ensure its levels of service can be maintained for its customers.
6.3.1.2	Educate and provide water efficiency information	A range of water efficiency resources are developed	General Manager		75%	Information is continued to be provided to the community through digital media about water management and sustainable water practices. The launch of the water monitoring app in June also provides up to date information to customers.



6.3.3: We gather and use reliable data from water treatment facilities as part of our risk management approach

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
6.3.3.1	Automate and improve the reliability of processes at, and data available from, water treatment facilities	Data is utilised in strategic decision making	Production & Services Manager		100%	Staff continually seek improvements for automation of its Water Treatment Plants and associated instrumentation. Significant investment through the new ClearSCADA upgrade project will see additional improvements and access to information available for future reporting remotely.

7: Efficient operations

7.1: Improve business efficiency

7.1.2: Information management is integrated across the organisation

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
7.1.2.1	Develop and implement ICT strategy	ICT strategy is developed and implemented.	Corporate Services Manager		90%	Draft strategy 90% complete. Review to be undertaken before management approval.
7.1.2.2	Continually update and improve the Geographic Information System	GIS enhancements are implemented	Corporate Services Manager		100%	Geographic information system operational, maintained on an ongoing basis.



7.1.3: Corporate systems are implemented to support improvements in business efficiency

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
7.1.3.1	Implement a electronic records system	Electronic records system has been implemented	General Manager	●	100%	Completed and being utilised. Digitisation of archive records is ongoing.
7.1.3.3	Complete implementation of WaterOutlook.	Functional water quality database is in use.	Production & Services Manager	●	100%	The implementation of WaterOutlook has been completed; however continual improvements to the system will be ongoing in order to provide greater access to information and provide automated reporting to gain greater efficiencies in administrative requirements.



7.1.5: Fleet management is optimised

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
7.1.5.1	Review fleet requirements annually	Fleet procurement decisions are based on whole of life costing	Corporate Services Manager	●	100%	Review of annual fleet requirement completed.



7.2: Promote responsible and accountable corporate governance

7.2.1: Internal audits are regularly conducted and findings reported as appropriate

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
7.2.1.1	Formalise audit processes for procurement, stores and contractor management	Implement adopted internal audit plan	Corporate Services Manager		45%	Stores, procurement and contractor management processes currently under review.
7.2.1.2	Review audit processes for governance and compliance management	Internal audit plan and policies reviewed	Corporate Services Manager		60%	Audit processes for governance and compliance currently under review and action as per Audit and Risk Improvement Committee (ARIC) action items list. Internal audit engagements continuing as per ARIC prioritisation.



7.3: Reduce exposure to business risks

7.3.4: Systems and processes are in place to safeguard business continuity

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
7.3.4.1	Develop and implement a business wide continuity/disaster recovery plan	Business continuity/disaster recovery plan has been developed	Corporate Services Manager		95%	Draft Business Continuity/Disaster Plan 95% complete. Disaster scenario exercise undertaken in December 2018. Requires final review and adoption.
7.3.4.2	Develop and implement a information technology strategy	IT strategy developed and implemented	Corporate Services Manager		90%	Draft strategy 90% complete. Review to be undertaken before management approval.

7.4: Improve the efficiency of operations in the field

7.4.1: We have an efficient, mobile workforce

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
7.4.1.3	Implement mobile platform for Work, Health and Safety	Mobile platform for WHS is developed and implemented.	General Manager		100%	WHS information is available on the intranet, accessible on mobile devices.



8: Highly skilled and energetic workforce

8.1: Improve the management of human resources

8.1.1: Our workforce is motivated, skilled and flexible

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
8.1.1.2	Provide staff with professional development opportunities that meet future needs	Annual staff development plans completed, training undertaken for identified gaps	General Manager		100%	Staff Development Plans completed as per schedule. Training Plan updated and required training completed.
8.1.1.3	Undertake an annual employee survey	Annual Survey undertake and results reviewed and actioned	General Manager		100%	Annual staff survey completed and reported to the December 2018 Council Meeting.

9: Financially sustainable

9.1: Deliver responsible financial management

9.1.1: Our organisation is financially sustainable

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
9.1.1.1	Develop a long-term financial management plan	Long term financial plan updated annually	Corporate Services Manager		75%	Long term financial plan and updated Asset Management Plan with forward capital projects plan is due to be reviewed and developed in 2019/20 financial year.



Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
9.1.1.3	Review schedule of fees and charges in-line with the annual operational plan	Revised scheduled of fees and charges adopted by Council	Corporate Services Manager		100%	Goldenfields Waters' Fees and Charges were adopted in June 2018 in accordance with the four year price path adopted in 2015/16. Annual fees and charges reviewed in-line with annual operational plan.
9.1.1.4	Develop capital works programs in-line with the planned price path	Capital works program adopted by Council and reflected in LTFP	Corporate Services Manager		0%	Updated Asset Management Plan and forward capital projects plan to be developed in 2019/20 financial year.

9.1.3: The viability of projects are established through the use of a business cases process

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
9.1.3.1	Develop a business case for any proposed project or other activity to inform decision-making about whether to proceed	Capital project gateway framework developed	Engineering Manager		100%	Will be used to develop prioritised project list for capital works program and fed into asset management plan and long term financial planning documents.



9.2: Generate income through diversification

9.2.1: Fee for service opportunities identified

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
9.2.1.1	Explore fee for service opportunities within the region	Works undertaken as opportunities present	General Manager		0%	Goldenfields focus is on completion of capital works. Fee for service opportunities are not being explored.



STATUTORY REPORTING

Financial, asset and other reporting requirements

Under the Local Government Act 1993 (NSW), Goldenfields Water's Annual Report must contain:

- A copy of its audited financial report prepared in accordance with the Local Government Code of Accounting Practice and Financial Reporting published by the NSW Government's Office of Local Government.
- Such other information or material as the Local Government (General) Regulation 2005 (NSW) or the Integrated Planning and Reporting Guidelines may require.

This section contains information about those items that Goldenfields Water as a single purpose county council is statutorily obligated to report on.



Total rates and charges written off

Clause 132 Local Government (General) Regulation 2005

During the 2018/19 year, Goldenfields Water County Council wrote off a total of \$1,001.93.

Overseas visits by Goldenfields Water representatives

Clause 217(1) (a) Local Government (General) Regulation 2005

During the 2018/19 year, no overseas visits were undertaken by Goldenfields Water representatives.

Councillor remuneration, expenses and provision of facilities

Clause 217(1) (a1) Local Government (General) Regulation 2005

Chairpersons fees	\$15,849.96
Members fees	\$76,907.88
Total	\$92,757.84

Provision of dedicated office equipment	nil
Telephone call allowance	\$845.00
Attendance of councillors at conferences and seminars	\$1,504.38
Attendance of councillors spouse at conferences	\$210.00
Travel expenses	\$8,213.71
Total	\$10,773.09

Contracts awarded with a value of \$150,000.00 or more

Clause 217 (1) (a2) Local Government (General) Regulation 2005

Contractor Name	Name of goods/ services provided	Total amount payable under the contract
Origin Energy	Electricity	\$316,958.50
ERM Pty Ltd	Electricity	\$3,367,768.30
Caltex Australia Petroleum	Fuel	\$355,050.10
SAFEgroup Automation Pty Ltd	SCADA Hardware Radios and RTUs, Consultancy (Integrator)Service	\$1,004,389.48
Hillis Motor Group	Vehicles	\$283,819.55
Palmer Ford	Vehicles	\$608,357.61
MAC Coatings	Recoating and Repairs – Junee and Wyalong	\$1,098,497.00
Total		\$7,034,840.54



Legal Proceedings: Expenses & Progress

Clause 217(1) (a3) Local Government (General) Regulation 2005

During the 2018/19 year Goldenfields Water incurred \$11,568.18 in legal fees for general legal issues and debt recovery.

Section 67 Works on private land

Clause 217(1) (a4) Local Government (General) Regulation 2005

During the 2018/19 year Goldenfields Water did not carry out any works on private land.

Section 356 contributions

Clause 217(1) (a5) Local Government (General) Regulation 2005

Section 365 of the Local Government Act 1993 enables a council to contribute money to persons for the purpose of exercising its functions. Goldenfields Water grants concessions and donations to Schools, Community Groups and Service Organisations located within its distribution area.

The following groups and service organisations are eligible to be granted the following concessions:

- All Schools (State and Church), colleges and pre-schools within Council's service area - on application, a donation of \$200 per annum each, to be applied towards the cost of prizes and/or awards to students or any other approved purpose;
- Premises owned by recognised Churches - a donation equal to the value of access charges for any connection which serves, in whole or part, a place of public worship, residence occupied by a minister of religion and/or member of a recognised religious order, and/or welfare facility operated by that church (not including commercial operations);
- Premises owned (or held in trust) and used by the following community organisations, together with others which may be accepted from time to time - a donation equal to the value of access charges for any connection which serves premises primarily utilised to further the objectives of such organisation:
 - Scouting & Guiding movement
 - Rescue and disaster response groups
 - Masonic Lodge meeting places
 - Community halls / recreation facilities
 - Country Women's Association
 - Red Cross
 - Local history societies / museums
 - Local senior citizens' groups
 - Agricultural showgrounds
 - Unlicensed RSL halls or similar premises
- Constituent General Purpose Councils - a donation equal to the value of access charges levied on the first connection to "community" land, together with any connections within road reserves (where such connection is used for public beautification) and crown reserves (where such reserves are not leased or otherwise subject to restrictions on public access);



During 2018/19, Goldenfields Water provided the following donations:

- Access Charge Donation - \$150,004.61
- Donation of Drinking Water re-fill stations - \$47,540.40
- Schools - \$13,800.00

Goldenfields Water functions delegated to external bodies

Clause 217(1) (a6) Local Government (General) Regulation 2005.

During the 2018/19 year, Goldenfields Water has delegated building inspections related to onsite water functions to retail councils: Bland, Coolamon, Junee and Temora.

Goldenfields Water’s controlling interest in corporations, partnerships, trusts, joint ventures, syndicates or other bodies

Clause 217(1) (a7) Local Government (General) Regulation.

During the 2018/19 year, Goldenfields Water held no controlling interests under this section.

Participation in partnerships, trusts, joint ventures, syndicates or other bodies

Clause 217(1) (a8) Local Government (General) Regulation

Goldenfields Water was a party to the following partnerships, co-operatives or joint ventures during the 2018/19 financial year:

- Statewide Mutual - a self-insurance mutual providing public liability and professional indemnity cover for Council.
- Statewide Property Mutual - a self-insurance mutual providing property insurance for Council.

- StateCover - a self-insurance mutual providing workers compensation insurance for Council.
- Riverina Eastern Regional Organisation of Councils (REROC) - a collective of 7 General Purpose Councils and 2 Water County Councils whose objectives are as follows:
 - To participate in activities which promote effective regional development.
 - To enhance the collective status of Local Government within the eastern Riverina.
- MOU with Riverina Water – Goldenfields Water developed MOU to encourage resource and technical advice sharing.

Equal Employment Opportunity Statement of Activities

Clause 217(1) (a9) Local Government (General) Regulation 2005

It is Council’s policy to provide equal employment opportunity for all persons in accordance with relevant legislation. An Equal Employment Opportunity policy and accompanying Management Plan has been established which provides a comprehensive overview of EEO while outlining the actions Goldenfields Water will undertake to ensure compliance.

Through staff training and awareness, policy development and implementation, key messaging has been provided to reinforce Council’s position against discrimination and harassment in any form.



Total remuneration for general managers and senior staff

Clause 217(1) (b) & (c) Local Government (General) Regulation 2005

During the 2018/19 financial year the general manager was the only position on a senior staff contract. During the year there was a resignation, an acting role and appointment of new General Manager. The remuneration total includes salaries paid, employer superannuation contributions, fringe benefits tax and termination payments for exiting general managers.

General Manager \$492,587.00

Staff conducted a total of 1296 microbial water samples, 114 Chemical samples issued to NATA laboratories and over 4100 in situ field samples. All microbial samples were compliant throughout the reporting, with 35 chemical results highlighting elevated levels of Iron Manganese within the Oura and Mt Arthur water supply schemes. A majority of these 35 results were from raw water samples, meaning they were prior to treatment and distribution for public consumption.

The DWMS is a public document and can be accessed through the following link.

<http://www.gwcc.nsw.gov.au/Plans-policies/Plans-and-reports>

Compliance with the Australian Drinking Water Guidelines (ADWG)

Government Information (Public Access) Act 2009

Section 125 of the Government Information (Public Access) Act 2009 & clause 7 of the Government Information (Public Access) Regulation 2009.

Goldenfields Water reviewed, has maintained an updated Drinking Water Management System (DWMS) since the 2017/18 financial year. The DWMS demonstrates Goldenfields Waters' compliance with the requirement of s25 Public Health Act 2010 which requires a utility to develop a Quality Assurance Program in line with the Framework for Drinking Water Quality Management in the Australian Drinking Water Guidelines 2011 v3.4 (NHMRC 2017). This DWMS and its associated documents, act as a roadmap of the activities that Council undertakes to ensure the provision of safe drinking water to its customers.

Throughout the reporting year Council staff collect and test water samples for Physical, Chemical and Microbial properties within the water.



Review of proactive release program – Clause 7 (a)

Under section 7 of the GIPA Act, Council must review its program for the release of government information to identify the kinds of information that can be made public. This must be undertaken every year. Council’s program for the release of information is on a case by case basis as little information is discretionally unavailable.

Number of access applications received - Clause 7(b)

During the reporting period, Council received 1 formal access application.

Number of refused applications for Schedule 1 information – Clause 7(c)

During the reporting period, Council did not refuse any formal access applications.

Statistical information about access applications – Clause 7(d) and Schedule 2

Table A: Number of applications by type of applicant and outcome*								
	Access granted in full	Access granted in part	Access re-fused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	1	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	0	0	0	0	0	0	0	0

*More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.



Table B: Number of applications by type of application and outcome								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	0	1	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

**A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual). The total number of decisions in Table B should be the same as Table A.*

Table C: Invalid applications	
Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0



Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

**More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.*

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act

	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	1
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	1
Environment, culture, economy and general matters	1
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0



Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
Total	0	0	0

**The Information Commissioner does not have the authority to vary decisions, but can make recommendation to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.*

Table H: Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

Public interest disclosures

Section 31 of the Public Interest Disclosures Act 1994 (PID Act) & clause 4 of the Public Interest Disclosures Regulation 2011

Goldenfields Water is required to report annually on statistical information in accordance with the Public Interest Disclosures Act 1994 (PID Act).

Statistical information for 2018/19 can be found in the following table:

1 July 2018 - 30 June 2019	Made by public officials performing their day to day functions	Under a statutory or other legal obligation	All other PIDs
Number of public officials who made PIDs directly	0	0	0
Number of PIDs received	0	0	0
Of PIDs received, number primarily about: Corrupt conduct	N/A	N/A	N/A
Maladministration	N/A	N/A	N/A
Serious and substantial waste	N/A	N/A	N/A
Government information contravention	N/A	N/A	N/A
Local government pecuniary interest contravention	N/A	N/A	N/A
Number of PIDs finalised	0		



Financial Statements

Goldenfields' audited financial reports for the year 2018/19 are included below.

Goldenfields Water County Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2019

To be innovative leaders in the supply and distribution of water through regional efficiency, technical excellence and customer service.



Goldenfields Water County Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2019

To be innovative leaders in the supply and distribution of water through regional efficiency, technical excellence and customer service.



Goldenfields Water County Council

Financial Statements 2019

General Purpose Financial Statements

for the year ended 30 June 2019

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Overview

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

84 Parkes Street
Temora NSW 266

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 2(b).

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.gwcc.nsw.gov.au.

Goldenfields Water County Council

Financial Statements 2019

General Purpose Financial Statements

for the year ended 30 June 2019

Understanding Council's Financial Statements

Introduction

Each year, individual Local Governments across NSW are required to present a set of 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 2019.

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.

Goldenfields Water County Council

Financial Statements 2019

General Purpose Financial Statements for the year ended 30 June 2019

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

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

- the *Local Government Act 1993 (NSW)* (as amended) and the regulations made thereunder,
- the Australian Accounting Standards and professional pronouncements, and
- the *Local Government Code of Accounting Practice and Financial Reporting*.

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

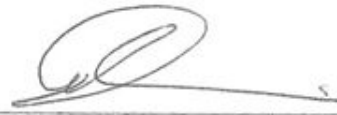
- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

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 22 August 2019.



Dennis Palmer
Chairman
22 August 2019



David McCann
Deputy Chairman
22 August 2019



Aaron Drenovski
General Manager
22 August 2019



Michele Curran
Responsible Accounting Officer
22 August 2019

Goldenfields Water County Council

Financial Statements 2019

Income Statement

for the year ended 30 June 2019

Original unaudited budget 2019	\$ '000	Notes	Actual 2019	Actual 2018 ¹
Income from continuing operations				
Revenue:				
5,056	Rates and annual charges	3a	5,243	5,052
14,844	User charges and fees	3b	17,335	16,129
1,488	Interest and investment revenue	3c	1,447	1,500
106	Other revenues	3d	169	119
–	Grants and contributions provided for operating purposes	3e,3f	30	134
1,885	Grants and contributions provided for capital purposes	3e,3f	940	2,009
23,379	Total income from continuing operations		25,164	24,943
Expenses from continuing operations				
5,904	Employee benefits and on-costs	4a	6,587	7,028
2,501	Materials and contracts	4b	3,403	2,425
6,251	Depreciation and amortisation	4c	7,065	6,783
4,612	Other expenses	4d	5,146	4,716
–	Net losses from the disposal of assets	5	819	244
19,268	Total expenses from continuing operations		23,020	21,196
4,111	Operating result from continuing operations		2,144	3,747
4,111	Net operating result for the year		2,144	3,747
4,111	Net operating result attributable to council		2,144	3,747
2,226	Net operating result for the year before grants and contributions provided for capital purposes		1,204	1,738

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

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

Goldenfields Water County Council

Financial Statements 2019

Statement of Comprehensive Income
for the year ended 30 June 2019

\$ '000	Notes	2019	2018 ¹
Net operating result for the year (as per Income Statement)		2,144	3,747
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	9	3,708	5,023
Total items which will not be reclassified subsequently to the operating result		3,708	5,023
Total other comprehensive income for the year		3,708	5,023
Total comprehensive income for the year		5,852	8,770
Total comprehensive income attributable to Council		5,852	8,770

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

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

Goldenfields Water County Council

Financial Statements 2019

Statement of Financial Position
as at 30 June 2019

\$ '000	Notes	2019	2018 ¹
ASSETS			
Current assets			
Cash and cash equivalent assets	6(a)	1,888	1,151
Investments	6(b)	22,000	12,000
Receivables	7	6,706	6,538
Inventories	8a	548	540
Other	8b	–	40
Total current assets		<u>31,142</u>	<u>20,269</u>
Non-current assets			
Investments	6(b)	27,000	36,000
Infrastructure, property, plant and equipment	9	264,678	259,936
Total non-current assets		<u>291,678</u>	<u>295,936</u>
TOTAL ASSETS		<u>322,820</u>	<u>316,205</u>
LIABILITIES			
Current liabilities			
Payables	10	1,657	1,113
Income received in advance	10	332	158
Borrowings	10	–	13
Provisions	11	1,797	1,801
Total current liabilities		<u>3,786</u>	<u>3,085</u>
Non-current liabilities			
Payables	10	7	2
Provisions	11	80	23
Total non-current liabilities		<u>87</u>	<u>25</u>
TOTAL LIABILITIES		<u>3,873</u>	<u>3,110</u>
Net assets		<u>318,947</u>	<u>313,095</u>
EQUITY			
Accumulated surplus	12	93,501	91,357
Revaluation reserves	12	225,446	221,738
Council equity interest		<u>318,947</u>	<u>313,095</u>
Total equity		<u>318,947</u>	<u>313,095</u>

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

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

Goldenfields Water County Council

Financial Statements 2019

Statement of Changes in Equity
for the year ended 30 June 2019

\$ '000	Notes	2019			2018 ¹		
		Accumulated surplus	IPP&E revaluation reserve	Total equity	Accumulated surplus	IPP&E revaluation reserve	Total equity
Opening balance		91,357	221,738	313,095	87,610	216,715	304,325
Net operating result for the year		2,144	–	2,144	3,747	–	3,747
Other comprehensive income							
– Gain (loss) on revaluation of IPP&E	9	–	3,708	3,708	–	5,023	5,023
Other comprehensive income		–	3,708	3,708	–	5,023	5,023
Total comprehensive income		2,144	3,708	5,852	3,747	5,023	8,770
Equity – balance at end of the reporting period		93,501	225,446	318,947	91,357	221,738	313,095

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

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

Goldenfields Water County Council

Financial Statements 2019

Statement of Cash Flows

for the year ended 30 June 2019

Original unaudited budget 2019	\$ '000	Notes	Actual 2019	Actual 2018
Cash flows from operating activities				
Receipts				
5,056	Annual charges		5,126	5,036
14,844	User charges and fees		17,534	15,080
1,488	Investment and interest revenue received		1,421	1,404
1,885	Grants and contributions		985	2,222
–	Bonds, deposits and retention amounts received		–	20
106	Other		1,695	1,335
Payments				
(5,904)	Employee benefits and on-costs		(6,579)	(6,682)
(2,874)	Materials and contracts		(4,162)	(3,146)
–	Bonds, deposits and retention amounts refunded		(1)	–
(4,239)	Other		(5,351)	(5,218)
10,362	Net cash provided (or used in) operating activities	13b	10,668	10,051
Cash flows from investing activities				
Receipts				
–	Sale of investment securities		12,000	22,000
1,066	Sale of infrastructure, property, plant and equipment		839	781
Payments				
–	Purchase of investment securities		(13,000)	(29,000)
(11,046)	Purchase of infrastructure, property, plant and equipment		(9,757)	(8,823)
(9,980)	Net cash provided (or used in) investing activities		(9,918)	(15,042)
382	Net increase/(decrease) in cash and cash equivalents		750	(4,991)
1,500	Plus: cash and cash equivalents – beginning of year	13a	1,138	6,129
1,882	Cash and cash equivalents – end of the year	13a	1,888	1,138
Additional Information:				
46,500	plus: Investments on hand – end of year	6(b)	49,000	48,000
48,382	Total cash, cash equivalents and investments		50,888	49,138

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

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

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Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements for the year ended 30 June 2019

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 04 October 2019. Council has the power to amend and reissue these 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 (NSW)* and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting.

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

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts. Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

- Income statement
- Statement of cash flows
- Note 17 – Material budget variations

and are clearly marked.

(a) New and amended standards adopted by Council

During the year, Council adopted all standards which were mandatorily effective for the first time at 30 June 2019.

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* from 1 July 2018. The adoption of AASB 9 has impacted the following areas:

Classification and measurement of financial assets

AASB 9 allows for three classification categories for financial assets - amortised cost, fair value through other comprehensive income and fair value through profit or loss. Classification is based on the business model in which a financial asset is managed and the related contractual cashflows. AASB 9 eliminates previous categories of held to maturity, loans and receivables and available for sale. Classification of financial liabilities is largely unchanged.

All financial assets and financial liabilities of Council have remained at amortised cost, with the exception of the equity instruments. These equity instruments have transitioned from being held at cost (as an 'available-for-sale asset') under AASB 139

None of Council's financial assets are impacted by this new standard.

Impairment of financial assets

Council's financial assets carried at amortised cost are now subject to AASB 9's new three-stage expected credit loss model, from an incurred loss model. This means earlier recognition of expected credit losses.

Council has reviewed its receivables and does not anticipate losses greater than the current provision for impairment. The majority of receivables other than rates and charges are current and due from government. Rates and charges are secured against the property. As such, there was no transitional adjustment requirement as at 1 July 2018.

(b) 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 and investment property.

(c) 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.

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

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 9
- (ii) employee benefit provisions – refer Note 11.

Significant judgements in applying the council's accounting policies

- (i) Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables – refer Note 7.

Monies and other assets received by Council

(a) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the Local Government Act 1993 (NSW), all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

Cash and other assets of the following entities have been included as part of the Consolidated Fund:

General Purpose operations (Water services)

Goods and Services Tax (GST)

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

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

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

New accounting standards and interpretations issued not yet effective

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods (and which have not been early adopted by Council).

As at the date of authorisation of these financial statements, Council does not consider that any of those standards are likely to have a material impact on the Council's future financial statements, financial position, financial performance or cash flows.

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

Goldenfields Water County Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 2(a). Council functions/activities – financial information

Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note 2(b).										
\$ '000	Income from continuing operations		Expenses from continuing operations		Operating result from continuing operations		Grants included in income from continuing operations		Total assets held (current and non-current)	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Functions or activities										
Water supplies	25,164	24,943	23,020	21,196	2,144	3,747	30	60	322,820	316,205
Total functions and activities	25,164	24,943	23,020	21,196	2,144	3,747	30	60	322,820	316,205

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 2(b). Council functions/activities - component descriptions

Details relating to the Council's functions/activities as reported in Note 2(a) are as follows:

Water supplies

Council is responsible for water supply functions within the Local Government areas of Bland, Coolamon, Cootamundra (rural only), Junee, Temora and part of Narrandera.

Council also supplies bulk water to Cootamundra (town) and Hilltops Shire Council.

Council does not undertake any other functions.

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations

\$ '000	2019	2018
(a) Rates and annual charges		
Annual charges		
<small>(pursuant to s.496, s.496A, s.496B, s.501 & s.611)</small>		
– Residential	1,554	1,488
– Non-residential	941	908
– Rural	1,388	1,359
– Bulk supplies to councils	1,444	1,366
Less: pensioner rebates (mandatory)	(168)	(153)
Annual charges levied	5,159	4,968
Pensioner subsidies received:		
– Water	84	84
Total annual charges	5,243	5,052
<u>TOTAL RATES AND ANNUAL CHARGES</u>	<u>5,243</u>	<u>5,052</u>

Accounting policy for rates and charges

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

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

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

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

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
(b) User charges and fees		
Specific user charges		
<small>(per s.502 - specific 'actual use' charges)</small>		
Residential	5,248	4,735
Non residential	3,406	2,281
Rural	3,377	3,901
Bulk supplies to councils	4,891	4,502
Total specific user charges	16,922	15,419
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Inspection services	1	14
Private works	91	296
Section 603 certificates	43	48
Tapping fees	104	153
Connection application fees	56	45
Disconnection fees	–	70
Special meter reading fee	5	–
Other	13	–
Total fees and charges – statutory/regulatory	313	626
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Leaseback fees – Council vehicles	100	84
Total fees and charges – other	100	84
TOTAL USER CHARGES AND FEES	17,335	16,129

Accounting policy for user charges and fees

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

(c) Interest and investment revenue (including losses)**Interest on financial assets measured at amortised cost**

– Overdue rates and annual charges (incl. special purpose rates)	61	47
– Cash and investments	1,386	1,453
TOTAL INTEREST AND INVESTMENT REVENUE	1,447	1,500

Interest revenue is attributable to:**Unrestricted investments/financial assets:**

Overdue rates and annual charges (general fund)	61	47
General Council cash and investments	1,386	1,453
Total interest and investment revenue	1,447	1,500

Accounting policy for interest and investment revenue

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

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
(d) Other revenues		
Rental income – other council properties	64	64
Legal fees recovery – other	5	–
Diesel rebate	9	6
Employment / training incentives	12	–
New data networks	13	17
Sale of old materials	–	3
Statecover insurance rebates	30	21
Statewide insurance rebates	–	6
Procurement Rebate	7	–
Workers Compensation reimbursements	7	–
Triple O refund	7	–
Other	15	2
<u>TOTAL OTHER REVENUE</u>	<u>169</u>	<u>119</u>

Accounting policy for other revenue

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Council and specific criteria have been met for each of the Council's activities as described below. Council bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Rental income is accounted for on a straight-line basis over the lease term.

Miscellaneous sales are recognised when physical possession has transferred to the customer which is deemed to be the point of transfer of risks and rewards.

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

Rental income is accounted for on a straight-line basis over the lease term.

Miscellaneous sales are recognised when physical possession has transferred to the customer which is deemed to be the point of transfer of risks and rewards.

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

\$ '000	Operating 2019	Operating 2018	Capital 2019	Capital 2018
(e) Grants				
Specific purpose				
Smarter Communities	30	60	–	–
Total specific purpose	<u>30</u>	<u>60</u>	<u>–</u>	<u>–</u>
Total grants	<u>30</u>	<u>60</u>	<u>–</u>	<u>–</u>
Grant revenue is attributable to:				
– State funding	30	60	–	–
	<u>30</u>	<u>60</u>	<u>–</u>	<u>–</u>

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Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	Notes	Operating 2019	Operating 2018	Capital 2019	Capital 2018
(f) Contributions					
Other contributions:					
Cash contributions					
LSL contributions from other councils		–	74	–	–
Water supplies – headworks contributions		–	–	940	2,009
Total other contributions – cash		–	74	940	2,009
Total other contributions		–	74	940	2,009
Total contributions		–	74	940	2,009
TOTAL GRANTS AND CONTRIBUTIONS		30	134	940	2,009

Accounting policy for grants and contributions

Control over grants and contributions is normally obtained upon their receipt (or acquittal) and is valued at the fair value of the granted or contributed asset at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner, or used over a particular period, and those conditions were un-discharged at reporting date, the unused grant or contribution is disclosed above.

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

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations

\$ '000	2019	2018
(a) Employee benefits and on-costs		
Salaries and wages	5,347	4,595
Employee termination costs (where material – other than vested leave paid)	141	11
Travel expenses	20	341
Employee leave entitlements (ELE)	454	819
Superannuation	807	851
Workers' compensation insurance	179	102
Fringe benefit tax (FBT)	100	119
Payroll tax	340	283
Training costs (other than salaries and wages)	127	174
Protective clothing	68	43
Recruitment costs	83	96
Other	89	157
Total employee costs	7,755	7,591
Less: capitalised costs	(1,168)	(563)
TOTAL EMPLOYEE COSTS EXPENSED	6,587	7,028
Number of 'full-time equivalent' employees (FTE) at year end	61	57

Accounting policy for employee benefits and on-costs

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

Retirement benefit obligations

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

Superannuation plans

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 15 for more information.

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	2019	2018
(b) Materials and contracts		
Raw materials and consumables	6,359	8,202
Contractor and consultancy costs	5,326	93
– Temporary staff costs	120	104
Auditors remuneration ¹	59	54
Legal expenses:		
– Legal expenses: debt recovery	–	63
– Legal expenses: other	11	69
Purchase of water	116	80
Total materials and contracts	11,991	8,665
Less: capitalised costs	(8,588)	(6,240)
TOTAL MATERIALS AND CONTRACTS	3,403	2,425

1. Auditor remuneration

During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

Auditors of the Council - NSW Auditor-General:**(i) Audit and other assurance services**

Audit and review of financial statements	30	28
Remuneration for audit and other assurance services	30	28

Total Auditor-General remuneration

	30	28
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Non NSW Auditor-General audit firms**(i) Audit and other assurance services**

Internal Audit costs	22	17
Other audit and assurance services	7	9
Remuneration for audit and other assurance services	29	26

Total remuneration of non NSW Auditor-General audit firms

	29	26
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Total Auditor remuneration

	59	54
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Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	2019	2018
(c) Depreciation, amortisation and impairment of intangible assets and IPP&E		
Depreciation and amortisation		
Plant and equipment	696	687
Office equipment	334	91
Furniture and fittings	11	11
Infrastructure:		
– Buildings – non-specialised	122	94
– Water mains	3,338	3,354
– Reservoirs	1,399	1,394
– Pumping stations	523	521
– Treatment plants	573	561
– Bores	69	70
Total gross depreciation and amortisation costs	7,065	6,783
Total depreciation and amortisation costs	7,065	6,783
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT FOR INTANGIBLES AND IPP&E	7,065	6,783

Accounting policy for depreciation, amortisation and impairment expenses of intangibles and IPP&E**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. Useful lives are included in Note 9 for IPPE assets.

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 no longer required to be tested for impairment under AASB 136. This is because 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.

Other 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). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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.

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	2019	2018
(d) Other expenses		
Advertising	27	92
Bad and doubtful debts	–	1
Bank charges	29	11
Cleaning	14	49
Collection agencies	46	71
Computer software charges	322	160
Contributions/levies to other levels of government		
Members expenses – chairperson's fee	16	17
Members expenses – members fees	77	78
Members expenses (incl. chairperson) – other (excluding fees above)	12	19
Donations, contributions and assistance to other organisations (Section 356)	215	278
Electricity and heating	3,367	3,231
Insurance	371	236
Postage	42	57
Printing and stationery	43	61
Subscriptions and publications	120	91
Telephone and communications	325	201
Council land rates	67	38
Early payment discount	48	–
Other	5	25
Total other expenses	5,146	4,716
TOTAL OTHER EXPENSES	5,146	4,716

Accounting policy for other expenses

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

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 5. Gains or losses from the disposal, replacement and de-recognition of assets

\$ '000	Notes	2019	2018
Property (excl. investment property)			
Proceeds from disposal – property		–	117
Less: carrying amount of property assets sold/written off		–	(93)
Net gain/(loss) on disposal		–	24
Plant and equipment			
	9		
Proceeds from disposal – plant and equipment		839	664
Less: carrying amount of plant and equipment assets sold/written off		(1,035)	(763)
Net gain/(loss) on disposal		(196)	(99)
Infrastructure			
	9		
Less: carrying amount of infrastructure assets sold/written off		(623)	(169)
Net gain/(loss) on disposal		(623)	(169)
Investments			
	6(b)		
Proceeds from disposal/redemptions/maturities – investments		12,000	22,000
Less: carrying amount of investments sold/redeemed/matured		(12,000)	(22,000)
Net gain/(loss) on disposal		–	–
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(819)	(244)

Accounting policy for disposal of assets

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

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.

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(a). Cash and cash equivalent assets

\$ '000	2019	2018
Cash and cash equivalents		
Cash on hand and at bank	388	1
Cash-equivalent assets		
– Deposits at call	1,500	1,150
Total cash and cash equivalents	1,888	1,151

Accounting policy for cash and cash equivalents

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; and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

Note 6(b). Investments

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Investments				
'Financial assets at amortised cost' / 'held to maturity' (2018)	22,000	27,000	12,000	36,000
Total Investments	22,000	27,000	12,000	36,000
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	23,888	27,000	13,151	36,000
Financial assets at amortised cost / held to maturity (2018)				
Long term deposits	22,000	27,000	12,000	36,000
Total	22,000	27,000	12,000	36,000

Accounting policy for investments**Accounting policy under AASB 9 – applicable from 1 July 2018**

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
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income – equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Assets measured at amortised cost are financial assets where:

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

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(b). Investments (continued)

Council's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Statement of Financial Position.

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.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Council's financial assets measured at fair value through profit or loss comprise investments in FRNs and NCDs in the Statement of Financial Position.

Accounting policy under AASB 139 – applicable for 2018 comparatives only

Classification

Council classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

Held to maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council's management has the positive intention and ability to hold to maturity. Assets in this category are measured at amortised cost.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date: the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Investments are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the Income Statement as gains and losses from investment securities.

Impairment of financial assets

Council assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(c). Restricted cash, cash equivalents and investments – details

\$ '000	2019		2018	
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	23,888	27,000	13,151	36,000
attributable to:				
External restrictions	–	–	–	–
Internal restrictions	14,259	27,000	8,831	36,000
Unrestricted	9,629	–	4,320	–
	23,888	27,000	13,151	36,000

\$ '000	2019	2018
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Details of restrictions

Internal restrictions

Plant and vehicle replacement	886	1,005
Infrastructure replacement	36,347	37,064
Employees leave entitlement	1,575	1,608
Carry over works	–	3,125
Deposits, retentions and bonds	28	29
Sales fluctuation reserve	2,000	2,000
Property Asset Reserve	423	–
Total internal restrictions	41,259	44,831
TOTAL RESTRICTIONS	41,259	44,831

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 7. Receivables

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Purpose				
Availability (access) charges	1,428	–	1,311	–
Interest and extra charges	92	–	77	–
User charges and fees	3,790	–	3,797	–
Accrued revenues				
– Interest on investments	658	–	647	–
Deferred developer contributions	508	–	504	–
Government grants and subsidies	84	–	99	–
Net GST receivable	161	–	115	–
Other debtors	–	–	4	–
Total	6,721	–	6,554	–
Less: provision of impairment				
User charges and fees	(15)	–	(16)	–
Total provision for impairment – receivables	(15)	–	(16)	–
TOTAL NET RECEIVABLES	6,706	–	6,538	–
Unrestricted receivables	6,706	–	6,538	–
TOTAL NET RECEIVABLES	6,706	–	6,538	–

\$ '000	2019	2018
Movement in provision for impairment of receivables		
Balance at the beginning of the year (calculated in accordance with AASB 139)	16	23
+ new provisions recognised during the year	–	14
– amounts already provided for and written off this year	(1)	(21)
Balance at the end of the period	15	16

Accounting policy for receivables**Recognition and measurement**

Receivables are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

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.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Impairment**Accounting policy under AASB 9 applicable from 1 July 2018**

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECL, the 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.

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 7. Receivables (continued)

When considering the ECL for rates 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. For non-rates debtors,

The Council uses the presentation that a financial asset is in default when:
the other party is unlikely to pay its credit obligations to the Council in full, without recourse by the Council to actions such as realising security (if any is held) or the financial assets (for non-rates debtors) are more than 90 days past due.

Credit losses are measured as 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.

On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Council writes off a trade 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..

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

Where the 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.

Accounting policy under AASB 139 – applicable for 2018 comparatives only

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

Collectability of receivables is reviewed on an ongoing basis. Debts that are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. When a receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Income Statement.

Rates and annual charges outstanding are secured against the property.

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 8. Inventories and other assets

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
(a) Inventories				
(i) Inventories at cost				
Stores and materials	548	–	540	–
Total inventories at cost	548	–	540	–
<u>TOTAL INVENTORIES</u>	<u>548</u>	<u>–</u>	<u>540</u>	<u>–</u>
(b) Other assets				
Prepayments	–	–	40	–
<u>TOTAL OTHER ASSETS</u>	<u>–</u>	<u>–</u>	<u>40</u>	<u>–</u>

Accounting policy for inventories and other assets**Raw materials and stores, work in progress and finished goods**

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. 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. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventory held for distribution

Inventory held for distribution is held at cost, adjusted where applicable for any loss of service potential.

Goldenfields Water County Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 9. Infrastructure, property, plant and equipment

\$ '000	as at 30/6/2018			Asset movements during the reporting period						as at 30/6/2019		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	4,893	–	4,893	380	1,210	–	–	(2,769)	–	3,714	–	3,714
Plant and equipment	8,884	(2,980)	5,904	–	1,734	(1,035)	(696)	–	–	9,328	(3,421)	5,907
Office equipment	710	(249)	461	–	292	–	(334)	1,040	–	2,042	(583)	1,459
Furniture and fittings	140	(58)	82	–	–	–	(11)	–	–	140	(69)	71
Land:												
– Operational land	2,737	–	2,737	–	70	–	–	–	–	2,807	–	2,807
Infrastructure:												
– Buildings – non-specialised	6,574	(1,952)	4,622	19	481	–	(122)	–	–	7,074	(2,074)	5,000
– Water mains	286,837	(137,218)	149,619	845	1,750	(84)	(3,338)	1,550	2,348	295,011	(142,321)	152,690
– Reservoirs	82,862	(24,235)	58,627	1,252	509	(243)	(1,399)	74	920	85,552	(25,811)	59,741
– Pumping stations	21,927	(7,702)	14,225	403	508	(238)	(523)	16	174	22,827	(8,263)	14,564
– Treatment plants	22,666	(6,093)	16,573	50	203	–	(573)	–	263	23,274	(6,759)	16,515
– Bores	2,817	(624)	2,193	–	51	(58)	(69)	89	3	2,940	(730)	2,210
Total Infrastructure, property, plant and equipment	441,047	(181,111)	259,936	2,949	6,808	(1,658)	(7,065)	–	3,708	454,709	(190,031)	264,678

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

Goldenfields Water County Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 9. Infrastructure, property, plant and equipment (continued)

\$ '000	as at 30/6/2017			Asset movements during the reporting period					as at 30/6/2018		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	–	–	–	1,213	3,680	–	–	–	4,893	–	4,893
Plant and equipment	8,481	(2,462)	6,019	1,335	–	(763)	(687)	–	8,884	(2,980)	5,904
Office equipment	495	(158)	337	215	–	–	(91)	–	710	(249)	461
Furniture and fittings	140	(47)	93	–	–	–	(11)	–	140	(58)	82
Land:											
– Operational land	2,409	–	2,409	95	–	(29)	–	262	2,737	–	2,737
Infrastructure:											
– Buildings – non-specialised	5,690	(1,391)	4,299	–	659	(64)	(94)	(178)	6,574	(1,952)	4,622
– Water supply network	280,354	(131,760)	148,594	270	279	–	(3,354)	3,830	286,837	(137,218)	149,619
– Reservoirs	81,158	(22,382)	58,776	234	–	–	(1,394)	1,011	82,862	(24,235)	58,627
– Pumping stations	21,476	(7,086)	14,390	416	–	(107)	(521)	47	21,927	(7,702)	14,225
– Treatment plants	22,200	(5,418)	16,782	290	–	–	(561)	62	22,666	(6,093)	16,573
– Bores	2,759	(560)	2,199	137	–	(62)	(70)	(11)	2,817	(624)	2,193
Total Infrastructure, property, plant and equipment	425,162	(171,264)	253,898	4,205	4,618	(1,025)	(6,783)	5,023	441,047	(181,111)	259,936

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

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 9. Infrastructure, property, plant and equipment (continued)

Accounting policy for infrastructure, property, plant and equipment

Infrastructure, property, plant and equipment are held at fair value. Independent comprehensive valuations are performed at least every five 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 Industry (DoI) – Water.

Increases in the carrying amounts arising on revaluation are credited to the 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 revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

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.

When infrastructure, property, plant and equipment are acquired by Council for nil or nominal consideration, the assets are initially recognised at their fair value at acquisition date.

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	Buildings	Years
Office equipment	5 to 10	Buildings: masonry	50 to 100
Office furniture	10 to 20	Buildings: other	20 to 40
Computer equipment	5		
Vehicles	5 to 8		
Heavy plant	5 to 8		
Other plant and equipment	5 to 15		
Water and sewer assets			
Dams and reservoirs	80 to 100		
Bores	20 to 40		
Reticulation pipes: PVC	70 to 80		
Reticulation pipes: other	25 to 75		
Pumps and telemetry	15 to 20		

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

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 10. Payables and borrowings

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Payables				
Goods and services – operating expenditure	909	–	698	–
Accrued expenses:				
– Salaries and wages	245	–	248	–
– Employee expense on-costs	149	7	124	2
– Other expenditure accruals	260	–	14	–
Security bonds, deposits and retentions	28	–	29	–
Other	66	–	–	–
Total payables	1,657	7	1,113	2
Income received in advance				
Payments received in advance	332	–	158	–
Total income received in advance	332	–	158	–
Borrowings				
Bank overdraft	–	–	13	–
Total borrowings	–	–	13	–
<u>TOTAL PAYABLES AND BORROWINGS</u>	<u>1,989</u>	<u>7</u>	<u>1,284</u>	<u>2</u>

\$ '000	2019	2018
Financing arrangements		
(i) Unrestricted access was available at balance date to the following lines of credit:		
Bank overdraft facilities ¹	500	500
Credit cards/purchase cards	65	80
Total financing arrangements	565	580
Undrawn facilities as at balance date:		
– Bank overdraft facilities	500	500
– Credit cards/purchase cards	39	80
Total undrawn financing arrangements	539	580

(1) The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.

Accounting policy for payables and borrowings

Council measures all financial liabilities initially at fair value less transaction costs.

The financial liabilities of the Council comprise trade payables.

Payables

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

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 11. Provisions

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Provisions				
Employee benefits				
Annual leave	660	–	586	–
Long service leave	1,069	80	1,149	23
Accrued leave	68	–	66	–
Sub-total – aggregate employee benefits	<u>1,797</u>	<u>80</u>	<u>1,801</u>	<u>23</u>
TOTAL PROVISIONS	<u>1,797</u>	<u>80</u>	<u>1,801</u>	<u>23</u>

\$ '000	2019	2018
---------	------	------

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

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

Provisions – employees benefits	1,367	1,271
	<u>1,367</u>	<u>1,271</u>

Accounting policy for provisions

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Employee benefits**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.

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 11. Provisions (continued)

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.

The obligations are presented as current liabilities in the Statement of Financial Position if the 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.

Note 12. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

The infrastructure, property, plant and equipment revaluation reserve is used to record increments / decrements of non-current asset values due to their revaluation.

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Statement of cash flows - additional information

\$ '000	Notes	2019	2018
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6(a)	1,888	1,151
Less bank overdraft	10	–	(13)
Balance as per the Statement of Cash Flows		1,888	1,138
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		2,144	3,747
Adjust for non-cash items:			
Depreciation and amortisation		7,065	6,783
Net losses/(gains) on disposal of assets		819	244
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		(167)	(664)
Increase/(decrease) in provision for impairment of receivables		(1)	(7)
Decrease/(increase) in inventories		(8)	97
Decrease/(increase) in other current assets		40	76
Increase/(decrease) in payables		211	62
Increase/(decrease) in other accrued expenses payable		243	124
Increase/(decrease) in other liabilities		269	(611)
Increase/(decrease) in provision for employee benefits		53	200
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		10,668	10,051

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Commitments

\$ '000	2019	2018
Capital commitments (exclusive of GST)		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Plant and equipment	–	50
Design & Construct Reservoirs	378	945
Backflow Devices	245	–
Total commitments	623	995
These expenditures are payable as follows:		
Within the next year	623	525
Later than one year and not later than 5 years	–	470
Total payable	623	995
Sources for funding of capital commitments:		
Unrestricted general funds	623	945
Internally restricted reserves	–	50
Total sources of funding	623	995
Details of capital commitments		
Mandamah Scheme \$378,000		
Backflow Devices \$245,000		

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 15. Contingencies and other assets/liabilities not recognised

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

1. Guarantees

(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 standard employer contributions and additional lump sum contributions to the fund.

The standard 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 standard employer contribution rates are:

Division B	1.9 times employee contributions
Division C	2.5% salaries
Division D	1.64 times employee contributions

The additional lump sum contribution for each Pooled Employer is a share of the total additional contributions of \$40 million per annum from 1 July 2018 for 3 years to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2019. These additional lump sum contributions are used to fund the deficit of assets to accrued liabilities as at 30 June 2019.

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 2019 was \$ 63,465.89. The last valuation of the Scheme was performed by [Richard Boyfield, FIAA, on 31 December 2018], and covers the period ended 30 June 2018.

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 15. Contingencies and other assets/liabilities not recognised (continued)

The amount of additional contributions included in the total employer contribution advised above is \$34,328. Council's expected contribution to the plan for the next annual reporting period is \$103,709.56

The estimated employer reserves financial position for the Pooled Employers at 30 June 2019 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	1,798.7	
Past Service Liabilities	1,784.2	100.8%
Vested Benefits	1,792.0	100.4%

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

Based on Past Service Liabilities methodology, the share of any surplus that can be attributed to council is .19%.

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

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

* Plus promotional increases

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

(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 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.

(iv) Other guarantees

Council has provided no other guarantees other than those listed above.

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 15. Contingencies and other assets/liabilities not recognised (continued)

2. Other liabilities

(i) Third party claims

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

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

Goldenfields Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Financial risk management

Risk management

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 finance section under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Council's financial assets and financial liabilities recognised in the financial statements is presented below.

\$ '000	Carrying value 2019	Carrying value 2018	Fair value 2019	Fair value 2018
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	1,888	1,151	1,888	1,151
Receivables	6,706	6,538	6,706	6,538
Investments				
– 'Financial assets at amortised cost' / 'held to maturity' (2018)	49,000	48,000	49,000	48,000
Total financial assets	57,594	55,689	57,594	55,689
Financial liabilities				
Bank overdraft	–	13	–	13
Payables	1,664	1,115	1,664	1,115
Total financial liabilities	1,664	1,128	1,664	1,128

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value
- **Held-to-maturity investments** – are based upon estimated future cash flows discounted by the current mkt interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital.

Council's finance area manages the cash and Investments portfolio.

Council has an investment policy which complies with the Local Government Act 1993 and Minister's investment order 625. This policy is regularly reviewed by Council and it's staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Financial risk management (continued)

• **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature. Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

(a) Market risk – price risk and interest rate risk

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.

\$ '000	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2019				
Possible impact of a 1% movement in interest rates	502	502	(502)	(502)
2018				
Possible impact of a 1% movement in interest rates	500	500	(500)	(500)

(b) Credit risk

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

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures. Council also encourages ratepayers to pay their rates by the due date through incentives.

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

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

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.

Credit risk profile**Receivables – rates and annual charges**

Credit risk on rates and annual 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 rates and annual charges at higher than market rates which further encourages the payment of debt.

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2019						
Gross carrying amount	739	689	–	–	–	1,428
2018						
Gross carrying amount	1,079	132	39	61	–	1,311

continued on next page ...

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Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Financial risk management (continued)

Receivables - non-rates and annual charges

Council applies the simplified approach for non-rates and annual charges debtors to provide for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, non-rates and annual charges debtors have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision as at 30 June 2019 is determined as follows. The expected credit losses incorporate forward-looking information.

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
2019						
Gross carrying amount	4,638	655	–	–	–	5,293
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ECL provision	–	–	–	–	–	–
2018						
Gross carrying amount	4,224	656	–	–	363	5,243
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ECL provision	–	–	–	–	–	–

(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 finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in:		Total cash outflows	Actual carrying values
				1 - 5 Years	> 5 Years		
2019							
Trade/other payables	0.00%	28	1,636	–	–	1,664	1,664
Total financial liabilities		28	1,636	–	–	1,664	1,664
2018							
Bank overdraft	0.00%	13	–	–	–	13	13
Trade/other payables	0.00%	29	1,086	–	–	1,115	1,115
Total financial liabilities		42	1,086	–	–	1,128	1,128

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Material budget variations

Council's original financial budget for 18/19 was adopted by the Council on 29/06/2018 and is unaudited.

While the Income Statement included in this General Purpose Financial Statements must disclose the original budget adopted by Council, the Local Government Act 1993 requires Council to review its financial budget on a quarterly basis, so that it is able to manage the various variations between actuals versus budget that invariably occur throughout the year.

This note sets out the details of **material variations** between Council's original budget and its actual results for the year as per the Income Statement – even though such variations may have been adjusted for during each quarterly budget review.

Material variations represent those variances between the original budget figure and the actual result that amount to **10%** or more.

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

\$ '000	2019 Budget	2019 Actual	2019 ----- Variance -----	
REVENUES				
Rates and annual charges	5,056	5,243	187	4% F
User charges and fees	14,844	17,335	2,491	17% F
Water usage charges were \$2.2m higher than budget due to demand.				
Interest and investment revenue	1,488	1,447	(41)	(3)% U
Other revenues	106	169	63	59% F
Additional insurance rebates and incentives, \$8k, training incentives, \$12k plus various other rebates and reimbursements.				
Operating grants and contributions	-	30	30	∞ F
Smart Cities & Suburbs grant of \$30k not budgeted.				
Capital grants and contributions	1,885	940	(945)	(50)% U
Developer contributions were significantly down on budget estimate.				

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Material budget variations

\$ '000	2019 Budget	2019 Actual	2019 ----- Variance -----	
EXPENSES				
Employee benefits and on-costs	5,904	6,587	(683)	(12)% U
Payroll Tax \$105k, Superannuation \$17k, Workers Compensation Insurance \$19k, Fringe Benefits Tax \$20k, Employee Leave Entitlements \$44k were all higher than budget. Salary and Wage costs were also higher due to recruitment of additional staff.				
Materials and contracts	2,501	3,403	(902)	(36)% U
Materials and Contracts were higher than budget due to a number of factors including purchases originally show in the capital budgets that were subsequently expensed such as software.				
Depreciation and amortisation	6,251	7,065	(814)	(13)% U
Office Equipment was \$289k higher due to installation of new IT System, Plant & Equipment under estimated by \$376k plus additional depreciation on water infrastructure assets \$190k due to new assets.				
Other expenses	4,612	5,146	(534)	(12)% U
Net losses from disposal of assets	–	819	(819)	∞ U

Council incurred losses on disposal of plant & equipment \$196k and assets renewed which has not been fully written down at time of replacement, \$623k.

STATEMENT OF CASH FLOWS

Net cash provided from (used in) operating activities	10,362	10,668	306	3% F
Net cash provided from (used in) investing activities	(9,980)	(9,918)	62	(1)% F

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. 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).

(1) Assets and liabilities that have been measured and recognised at fair values

2019	Notes	Fair value measurement hierarchy			Total
		Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	
Recurring fair value measurements					
Infrastructure, property, plant and equipment					
	9				
Plant and Equipment		30/06/19	–	–	5,907
Office Equipment		30/06/19	–	–	1,459
Furniture and Fittings		30/06/19	–	–	71
Operational Land		30/06/18	–	2,807	–
Buildings – Non Specialised		30/06/18	–	5,000	–
Water Mains		30/06/17	–	–	152,690
Reservoirs		30/06/17	–	–	59,741
Pumping Stations		30/06/17	–	–	14,564
Treatment Plants		30/06/17	–	–	16,515
Bores		30/06/17	–	–	2,210
Total infrastructure, property, plant and equipment			–	7,807	253,157
					260,964

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Fair Value Measurement (continued)

2018	Notes	Date of latest valuation	Fair value measurement hierarchy			Total
			Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements						
Infrastructure, property, plant and equipment						
	9					
Plant and Equipment		30/06/18	–	–	5,904	5,904
Office Equipment		30/06/18	–	–	461	461
Furniture and Fittings		30/06/18	–	–	82	82
Operational Land		30/06/18	–	2,737	–	2,737
Buildings – Non Specialised		30/06/18	–	4,622	–	4,622
Water Mains		30/06/17	–	–	149,619	149,619
Reservoirs		30/06/17	–	–	58,627	58,627
Pumping Stations		30/06/17	–	–	14,225	14,225
Treatment Plants		30/06/17	–	–	16,573	16,573
Bores		30/06/17	–	–	2,193	2,193
Total infrastructure, property, plant and equipment			–	7,359	247,684	255,043

Note that capital WIP is not included above since it is carried at cost.

(2) Transfers between level 1 and level 2 fair value hierarchies

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

(3) Valuation techniques used to derive level 2 and level 3 fair values

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 (IPP&E)**Plant & Equipment, Office Equipment and Furniture & Fittings**

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at depreciated historical cost.

The carrying amount of these assets approximates fair value due to the nature of the items. Council values Plant & Equipment, Office Equipment and Furniture & Fittings using unobservable Level 3 inputs including gross historical cost, estimated useful life of the asset and residual value.

Land - Operational

This asset class comprises of all of Council's land classified as Operational Land under the NSW Local Government Act 1993. Land was revalued as at 30 June 2018 by Asset Val Pty Ltd.

Where direct comparable sales evidence is used to value a parcel of land it is classed as a Level 2 input.

Buildings - Non Specialised

Buildings were valued at 30 June 2018 by Asset Val Pty Ltd.

Where direct comparable sales evidence is available the building is valued using observable Level 2 inputs.

Water Infrastructure

This asset class comprises of water mains, reservoirs, pumping stations, treatment plants & bores.

These asset classes were valued by Australis Pty Ltd as at 30 June 2017 using data unobservable in the market.

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Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Fair Value Measurement (continued)

(4) Fair value measurements using significant unobservable inputs (level 3)

a. The following tables present the changes in level 3 fair value asset classes.

\$ '000	IPP&E
2018	
Opening balance	247,190
Purchases (GBV)	3,176
Disposals (WDV)	(932)
Depreciation and impairment	(6,689)
FV gains – other comprehensive income	4,939
Closing balance	247,684
2019	
Opening balance	247,684
Purchases (GBV)	10,366
Disposals (WDV)	(1,658)
Depreciation and impairment	(6,943)
FV gains – other comprehensive income	3,708
Closing balance	253,157

(5) Highest and best use

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

Goldenfields Water County Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 19. Related Party Transactions

(a) Key management personnel

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	2019	2018
Compensation:		
Short-term benefits	666	689
Post-employment benefits	76	73
Other long-term benefits	12	166
Termination benefits	141	46
Total	895	974

(b) Other transactions with KMP and their related parties

Nature of the transaction	Ref	Value of transactions during year	Outstanding balance (incl. loans and commitments)	Terms and conditions	Provisions for impairment of receivables outstanding	Expense recognised for impairment of receivables
\$ '000						
2019						
Supply and Service of Council vehicles < Enter Description >	1	662	-		-	-
2018						
Supply and Service of Council vehicles < Enter Description >	1	709	-		-	-

1 Council purchased vehicles during the year from a company which has a member of Council's KMP as a director. The contract of supply of Council vehicles was awarded through a competitive tender process. Amounts were due payable under normal payment terms following procurement processes.

Goldenfields Water County Council

Financial Statements 2019

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20(a). Statement of performance measures – consolidated results

\$ '000	Amounts 2019	Indicator 2019	Prior periods		Benchmark
			2018	2017	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	<u>2,023</u>	8.35%	8.64%	14.25%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	<u>24,224</u>				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	<u>24,110</u>	95.81%	91.07%	95.29%	>60.00%
Total continuing operating revenue ¹	<u>25,164</u>				
3. Unrestricted current ratio					
Current assets less all external restrictions	<u>31,142</u>	12.87x	11.02x	18.78x	>1.50x
Current liabilities less specific purpose liabilities	<u>2,419</u>				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	<u>9,088</u>	∞	∞	∞	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<u>-</u>				
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	<u>1,520</u>	23.00%	21.43%	23.84%	<10.00%
Rates, annual and extra charges collectible	<u>6,608</u>				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	<u>50,888</u>	37.95	39.20	49.60	>3.00
Monthly payments from cash flow of operating and financing activities	<u>1,341</u>	mths	mths	mths	mths

(1) Excludes fair value adjustments, reversal of revaluation decrements, net gain on sale of assets, and net loss of interests in joint ventures and associates.

(2) Excludes impairment/revaluation decrements, net loss on sale of assets, and net loss on share of interests in joint ventures and associates



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Goldenfields Water County Council

To the Councillors of the Goldenfields Water County Council

Opinion

I have audited the accompanying financial statements of Goldenfields Water County Council (the Council), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Councillors and Management.

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 presented, 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 2019, 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' (APES 110).

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

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

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

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

Other Information

The Council's annual report for the year ended 30 June 2019 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.

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 except where the Council will be dissolved or amalgamated by an Act of Parliament, or otherwise cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does not 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 17 Material budget variations
- 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.



Min Lee
A/Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

4 October 2019
SYDNEY



Cr Dennis Palmer
Chairperson
Goldenfields Water County Council
PO Box 220
TEMORA NSW 2666

Contact: Min Lee
Phone no: (02) 9275 7151
Our ref: D1921492/1819

4 October 2019

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2019
Goldenfields Water County Council**

I have audited the general purpose financial statements (GPFS) of the Goldenfields Water County Council (the Council) for the year ended 30 June 2019 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 2019 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

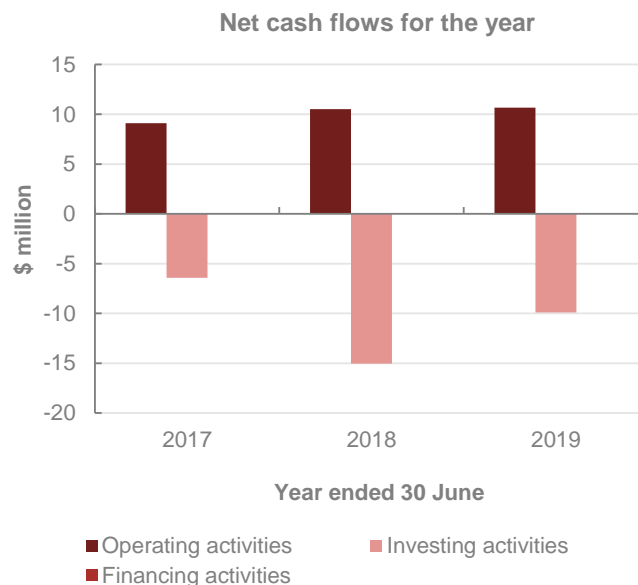
	2019	2018	Variance
	\$m	\$m	%
Rates and annual charges revenue	5.2	5.0	↑ 4.0
User Chargers and fees	17.3	16.1	↑ 7.4
Grants and contributions revenue	0.9	2.1	↓ 57.1
Operating result for the year	2.1	3.7	↓ 43.2
Net operating result before capital grants and contributions	1.2	1.7	↓ 29.4

The following comments are made in respect of Council’s operating result for the year:

- Council’s operating result was a surplus of \$2.1 million (\$3.7 million for the year ended 30 June 2018). The Council budgeted for a surplus of \$4.1 million.
- The Council’s net operating result before capital grants and contributions was a surplus of \$1.2 million (\$1.7 million for the year ended 30 June 2018).
- User charges and fees increased by \$1.2 million (7.4%) to \$17.3 million. The increase can be attributed to the dry and hot weather over the summer period which resulted in higher water sales (specific actual use charges) and bulk water sales to Councils compared to the previous year.
- Rates and annual charges revenue increased by \$0.2 million (4.0%) to \$5.2 million.
- Grants and contributions revenue decreased by \$1.2 million (57.1%) to \$0.9 million. The decrease is due to high augmentation contributions largely from the Manadamah development stage 1 not recurring in 2019.
- Council’s depreciation and amortisation expense increased by \$0.3 million (4.4%) to \$7.1 million (\$6.8 million for the year ended 30 June 2018). The increase can be attributed to the current year asset additions and revaluation increments in 2017–18.

STATEMENT OF CASH FLOWS

- Council recorded a net increase in cash and cash equivalents of \$0.7 million at 30 June 2019 (net decrease of \$4.9 million at 30 June 2018).
- Net cash provided by operating activities amounted to \$10.7 million. Council recorded cash receipts from rates and annual charges of \$5.1 million and user fees and charges of \$17.5 million. Council recorded \$6.6 million of cash payments for employee benefits and on-costs and \$4.1 million for materials and contracts.
- Net cash used in investing activities amounted to \$9.9 million. This is largely due to the net cash outflow of \$9.7 million for the purchase of infrastructure, property, plant and equipment during the year.



FINANCIAL POSITION

Cash and investments

Cash and investments	2019	2018	Commentary
	\$m	\$m	
External restrictions	-	-	<ul style="list-style-type: none"> Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect identified programs of works and any forward plans identified by Council. The movement in the internally restricted cash balance is predominantly due to a decrease in infrastructure replacement restrictions and carry over works. Unrestricted cash has increased due to the decrease in internal restrictions from the prior year explained above.
Internal restrictions	41.3	44.8	
Unrestricted	9.6	4.3	
Cash and investments	50.9	49.1	

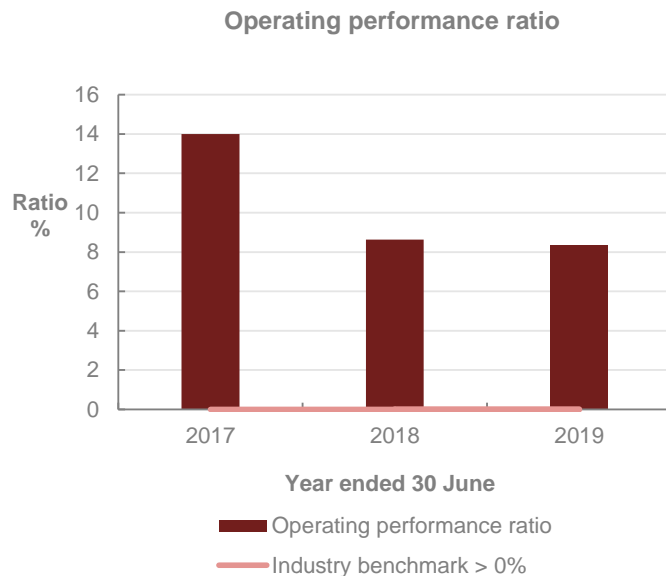
Debt

Council maintains a bank overdraft facility of \$0.5 million. As at 30 June 2019, Council has reported a bank overdraft of nil (2018: \$13,000).

PERFORMANCE

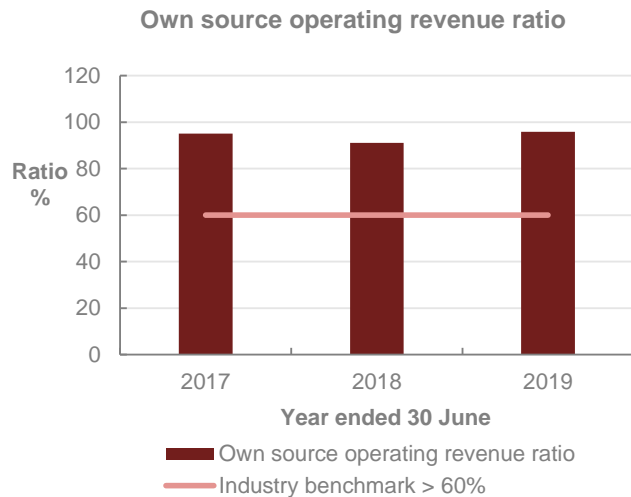
Operating performance ratio

- The operating performance ratio of 8.35 per cent is above the industry benchmark of greater than zero percent.
- The operating performance ratio has remained steady from 2018.
- 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 the former Office of Local Government (OLG) is greater than zero per cent.



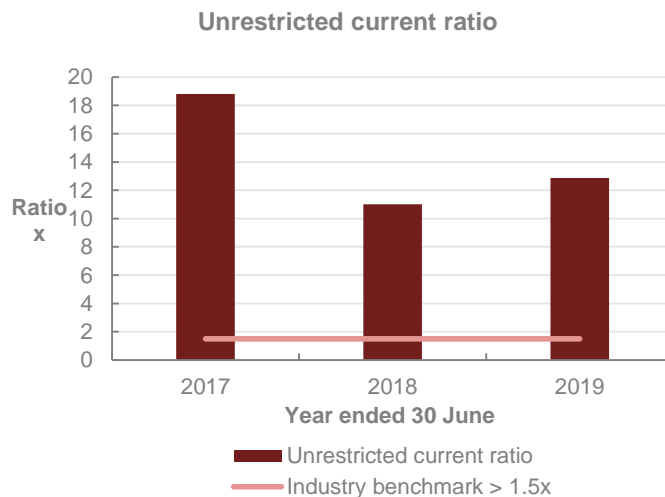
Own source operating revenue ratio

- The Council's own source operating revenue ratio of 95.8 per cent is above the industry benchmark of 60 per cent.
- The own source operating revenue ratio increased from 91.1 per cent in the 2018 financial year due to the increase in user charges and fees during 2018–19.
- Council has met this benchmark as its main source of income is from water sales, rather than reliance on operating grants and contributions.
- 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 the former OLG is greater than 60 per cent.



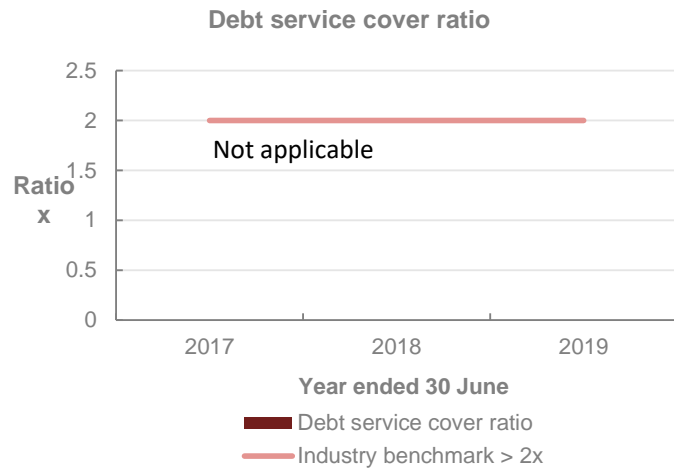
Unrestricted current ratio

- The Council's liquidity ratio of 12.9 times is greater than the industry benchmark set by OLG.
- The increase in the ratio compared with prior year is due to an increase in cash and investment holdings impacted by the movement of longer term investments to shorter term investments.
- Overall, this ratio indicates that Council has sufficient liquidity to meet its current liabilities as and when they fall due.
- 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 the former OLG is greater than 1.5 times.



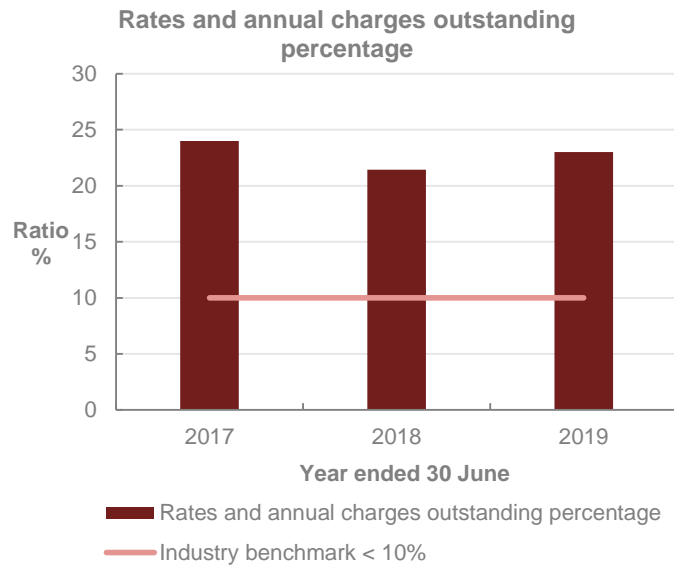
Debt service cover ratio

- Council has a bank overdraft of nil at 30 June 2019 (\$13,000 at 30 June 2018).
- The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by the former OLG is greater than two times.



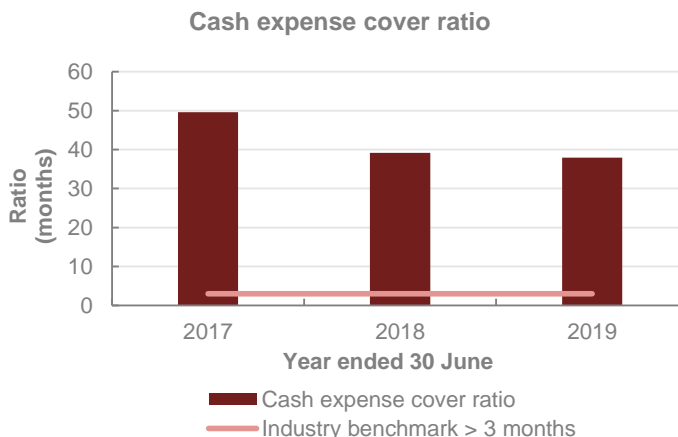
Rates and annual charges outstanding percentage

- The Council's rates and annual charges outstanding ratio of 23 per cent is outside the industry benchmark of less than 10 per cent for rural councils.
- Council continues to remain outside this benchmark and the result remains consistent with the prior periods due to rolling quarterly billing arrangements.
- The billing cycle of water county councils needs to be considered when assessing this ratio against other Councils.
- The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by the former OLG is less than 10 per cent for regional and rural councils.



Cash expense cover ratio

- Council has performed comfortably above the benchmark in both the current and prior periods, indicating a strong liquidity position.
- 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 the former OLG is greater than three months.



Infrastructure, property, plant and equipment renewals

The Council has renewed \$2.9 million of assets in the 2018–19 financial year, compared to \$4.2 million of assets in the 2017–18 financial year. The decrease is primarily due to the transfer of work in progress renewals in the 2017–18 financial year to water mains infrastructure in the 2018–19 financial year on completion of project works. Renewal of reservoirs infrastructure has increased by \$1 million on the 2017–18 financial year to \$1.3 million due to various reservoir treatment works in the 2018–19 financial year.

OTHER MATTERS

New accounting standards implemented

Application period	Overview
AASB 9 'Financial Instruments' and revised AASB 7 'Financial Instruments: Disclosures'	
For the year ended 30 June 2019	<p>AASB 9 replaces AASB 139 'Financial Instruments: Recognition and Measurement' and changes the way financial instruments are treated for financial reporting.</p> <p>Key changes include:</p> <ul style="list-style-type: none"> • a simplified model for classifying and measuring financial assets • a new method for calculating impairment • a new type of hedge accounting that more closely aligns with risk management. <p>The revised AASB 7 includes new disclosures as a result of AASB 9.</p> <p>Council's disclosure of the impact of adopting AASB 9 is disclosed in Note 1 (a).</p>

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.



Min Lee
A/Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

cc: Aaron Drenovski, General Manager
Peter McLean, Chair of Audit, Risk and Improvement Committee
Michelle Curran, Corporate Services Manager
Jim Betts, Secretary of the Department of Planning, Industry and Environment

Goldenfields Water County Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2019

To be innovative leaders in the supply and distribution of water through regional efficiency, technical excellence and customer service.



Goldenfields Water County Council

Special Purpose Financial Statements 2019

Special Purpose Financial Statements for the year ended 30 June 2019

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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).

Goldenfields Water County Council

Special Purpose Financial Statements 2019

Special Purpose Financial Statements for the year ended 30 June 2019

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 22 August 2019.



Dennis Palmer
Chairman
22 August 2019



David McCann
Deputy Chairman
22 August 2019



Aaron Drenovski
General Manager
22 August 2019



Michele Curran
Responsible Accounting Officer
22 August 2019

Goldenfields Water County Council

Special Purpose Financial Statements 2019

Income Statement – Water Supply Business Activity
for the year ended 30 June 2019

\$ '000	2019	2018
Income from continuing operations		
Access charges	5,243	4,968
User charges	16,922	15,419
Fees	413	627
Interest	1,447	1,500
Grants and contributions provided for non-capital purposes	30	302
Other income	169	119
Total income from continuing operations	24,224	22,935
Expenses from continuing operations		
Employee benefits and on-costs	6,587	7,028
Materials and contracts	3,287	2,346
Depreciation, amortisation and impairment	7,065	6,783
Water purchase charges	116	80
Loss on sale of assets	819	244
Calculated taxation equivalents	35	30
Other expenses	5,146	4,716
Total expenses from continuing operations	23,055	21,227
Surplus (deficit) from continuing operations before capital amounts	1,169	1,708
Grants and contributions provided for capital purposes	940	2,009
Surplus (deficit) from continuing operations after capital amounts	2,109	3,717
Surplus (deficit) from all operations before tax	2,109	3,717
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(321)	(470)
SURPLUS (DEFICIT) AFTER TAX	1,788	3,247
Plus accumulated surplus	91,357	87,610
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	35	30
– Corporate taxation equivalent	321	470
Closing accumulated surplus	93,501	91,357
Return on capital %	0.4%	0.7%
Subsidy from Council	–	5,128
Calculation of dividend payable:		
Surplus (deficit) after tax	1,788	3,247
Less: capital grants and contributions (excluding developer contributions)	(940)	(2,009)
Surplus for dividend calculation purposes	848	1,238
Potential dividend calculated from surplus	424	619

Goldenfields Water County Council

Special Purpose Financial Statements 2019

Statement of Financial Position – Water Supply Business Activity

as at 30 June 2019

\$ '000	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents	1,888	1,151
Investments	22,000	12,000
Receivables	6,706	6,538
Inventories	548	540
Other	–	40
Total current assets	31,142	20,269
Non-current assets		
Investments	27,000	36,000
Infrastructure, property, plant and equipment	264,678	259,936
Total non-current assets	291,678	295,936
TOTAL ASSETS	322,820	316,205
LIABILITIES		
Current liabilities		
Bank overdraft	–	13
Payables	1,657	1,112
Income received in advance	332	159
Provisions	1,797	1,801
Total current liabilities	3,786	3,085
Non-current liabilities		
Payables	7	2
Provisions	80	23
Total non-current liabilities	87	25
TOTAL LIABILITIES	3,873	3,110
NET ASSETS	318,947	313,095
EQUITY		
Accumulated surplus	93,501	91,357
Revaluation reserves	225,446	221,738
TOTAL EQUITY	318,947	313,095

Goldenfields Water County Council

Special Purpose Financial Statements 2019

Notes to the Special Purpose Financial Statements for the year ended 30 June 2019

Note 1. 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 (NSW), the *Local Government (General) Regulation 2005*, 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, current values of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

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

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 NSW government policy statement titled 'Application of National Competition Policy to Local Government'.

The *Pricing and Costing for Council Businesses, A Guide to Competitive Neutrality* issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements.

These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return 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)

Goldenfields Water County Council (whole of Council operation)

Supply water within the Local Government areas of Bland, Coolamon, Jumea, Temora and part of Narrandera, Hilltops Council and Cootamundra Gundagai Regional Council - excluding the provision of retail water distribution in Cootamundra and Hilltops Council.

Monetary amounts

Amounts shown in the financial statements are in Australian dollars and rounded to the nearest one thousand dollars.

Goldenfields Water County Council

Special Purpose Financial Statements 2019

Notes to the Special Purpose Financial Statements for the year ended 30 June 2019

Note 1. Significant Accounting Policies (continued)

(i) 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 – 30%

Land tax – the first \$692,000 of combined land values attracts 0%. For the combined land values in excess of \$692,001 up to \$4,231,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$4,231,000 a premium marginal rate of 2.0% applies.

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$850,000.

Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

Income tax is only applied where a gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional – that is, it is payable to 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 30% is not 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 payable on all category 1 businesses has been applied to all land 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.

(ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Goldenfields Water County Council

Special Purpose Financial Statements 2019

Notes to the Special Purpose Financial Statements for the year ended 30 June 2019

Note 1. Significant Accounting Policies (continued)

Subsidies occur when 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.

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

(iii) 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'.

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 1.32% at 30/6/19.

(iv) Dividends

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

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

Each dividend must be calculated and approved in accordance with the DPIW guidelines and must not exceed:

- 50% of this surplus in any one year, or
- the number of water supply assessments at 30/06/2019 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

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



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Goldenfields Water County Council

To the Councillors of the Goldenfields Water County Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Goldenfields Water County Council's (the Council) declared business activity, Water Supply Business Activity, which comprise the Income Statement of the declared business activity for the year ended 30 June 2019, the Statement of Financial Position of the declared business activity as at 30 June 2019, Note 1 Significant accounting policies for the business activity declared by Council, and the Statement by Councillors and Management.

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 2019, and its financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting – update number 27 (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' (APES 110).

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

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

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

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

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 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 2019 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.

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 Note 1 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, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does not 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, appearing to read 'MML'.

Min Lee
A/Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

4 October 2019
SYDNEY

Goldenfields Water County Council

SPECIAL SCHEDULES
for the year ended 30 June 2019

To be innovative leaders in the supply and distribution of water through regional efficiency, technical excellence and customer service.



Goldenfields Water County Council

Special Schedules 2019

Special Schedules for the year ended 30 June 2019

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Goldenfields Water County Council

Report on Infrastructure Assets

as at 30 June 2019

Asset Class	Asset Category	Estimated cost		2018/19 Required maintenance ^a	2018/19 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
(a) Report on Infrastructure Assets - Values												
Buildings	Council Office	–	–	16	16	1,480	1,826	95.0%	0.0%	5.0%	0.0%	0.0%
	Council Works Depots	–	–	11	11	1,963	2,496	91.0%	3.0%	3.0%	3.0%	0.0%
	Council Houses	–	–	14	14	1,557	2,752	37.0%	28.0%	35.0%	0.0%	0.0%
	Sub-total	–	–	41	41	5,000	7,074	71.0%	12.0%	16.0%	1.1%	(0.1%)
Water supply network	Mains	18,063	28,889	2,180	1,273	152,690	295,011	25.0%	34.0%	24.0%	9.0%	8.0%
	Reservoirs	96	678	139	131	59,741	85,552	41.0%	54.0%	5.0%	0.0%	0.0%
	Pumping Stations	48	509	400	559	14,564	22,827	28.0%	58.0%	13.0%	1.0%	0.0%
	Treatment	–	119	193	195	16,515	23,274	71.0%	25.0%	4.0%	0.0%	0.0%
	Bores	–	53	–	133	2,210	2,940	28.0%	58.0%	13.0%	1.0%	0.0%
Sub-total	18,207	30,248	2,912	2,291	245,720	429,604	30.9%	38.9%	18.5%	6.2%	5.5%	
TOTAL - ALL ASSETS		18,207	30,248	2,953	2,332	250,720	436,678	31.5%	38.5%	18.4%	6.2%	5.4%

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

Infrastructure asset condition assessment 'key'

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

Goldenfields Water County Council

Special Schedules 2019

Report on Infrastructure Assets (continued)
as at 30 June 2019

\$ '000	Amounts 2019	Indicator 2019	Prior periods 2018	2017	Benchmark
Infrastructure asset performance indicators (consolidated) *					
Buildings and infrastructure renewals ratio ¹					
Asset renewals ²	2,949	85.23%	74.25%	—	>=100.00%
Depreciation, amortisation and impairment	3,460				
Infrastructure backlog ratio ¹					
Estimated cost to bring assets to a satisfactory standard	18,207	11.55%	11.27%	—	<2.00%
Net carrying amount of infrastructure assets	157,690				
Asset maintenance ratio					
Actual asset maintenance	2,332	78.97%	147.01%	—	>100.00%
Required asset maintenance	2,953				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	30,248	6.93%	6.96%	—	
Gross replacement cost	436,678				

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

(1) Excludes Work In Progress (WIP)

(2) 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.

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

DELIVERY PROGRAM PROGRESS REPORT – JANUARY TO JUNE 2019

Report prepared by General Manager

COUNCIL OFFICER RECOMMENDATION

That Council's January – June 2019 Delivery Program Progress Report be received and noted.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

07 Efficient Operations

BACKGROUND

Section 404 of the Local Government Act 1993 - *Delivery Program*, stipulates that regular progress reports (at least 6 monthly) be provided to Council to report on progress toward the principal activities detailed in the Delivery Program.

REPORT

Council's January to June 2019 Delivery Program Progress Report has been created, measuring the organisations progress toward the Delivery Program. The report is attached for Council's information.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position.

ATTACHMENTS: Delivery Program Progress Report

TABLED ITEMS: Nil



DELIVERY PROGRAM UPDATE

January - June 2019



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Message from the General Manager

Delivering the community's essential water supply services each day requires a firm commitment to innovative, long-term planning.

The January to June 2019 period represented the final six months of the 2018/19 Operational Plan, derived from the Delivery Program covering the period 2017/2021.

Our Delivery Program sets the clear strategic direction needed to support the local region's residents, economy, environment and growth with a quality, reliable and value for money water supply.

During the first six months of 2019 we continued work on our Delivery Program's key priorities – protecting and enhancing water quality as well as renewing ageing infrastructure.

Investment in a range of programs commenced to assure the quality of our water from the natural catchments where it is sourced through to our customers' taps. Providing the community with water that meets or exceeds the Australian Drinking Water Guidelines is one of our major Delivery Program commitments.

We also set about significantly increasing the renewal of key water supply infrastructure including treatment plants, pump stations, pipelines, bores and other vital equipment. This work aims to boost the reliability of the water services customers depend on today as well as meet future performance and capacity demands.

A detailed update on the outcomes we delivered during January to June 2019, as well as the status of other initiatives we will be continuing to implement over the next four years, is included as part of this latest Delivery Program Progress Report.

Aaron Drenovski
General Manager



Progress Report Explained

As a NSW county council, Goldenfields Water is required as part of the Integrated Planning and Reporting framework for NSW local government to implement a suite of interrelated strategic planning documents.

The documents include a long-term Business Activity Strategic Plan, four-year Delivery Program and annual Operational Plan. These documents are supported by the Resourcing Strategy, which comprises a Long Term Financial Plan, Workforce Management Plan and Asset Management Plan.

At least every six months, a progress report must be produced that provides information to the community about Goldenfields Water's progress towards achieving the objectives set out in its four-year Delivery Program.

This current progress report is for the period from January to June 2019, which covers the last six months of Goldenfields Water's Operational Plan, derived from the Delivery Program for 2017–2021.

Highlights of Goldenfields Water's key achievements for the January to June 2019 period are provided in Section 2 of this progress report.

The detailed progress report in Section 3 uses the icons below to show the status of each project, program or action. A comment is also provided about the specific progress made so far in completing each project, program or action.



Green – Completed



Blue – Progressing



Red – Not yet started



Profile

Goldenfields Water is a single-purpose county council that has been responsible for providing water supply services to many communities in the South West Slopes and Riverina regions of NSW since 1997.

Goldenfields Water's supply system covers 22,500 square kilometres between the Lachlan and Murrumbidgee rivers. It services over 46,000 people and includes more than 2,400 kilometres of water mains (the longest in NSW).

Water is sourced from protected natural catchments at Jugiong, Oura, Mt Arthur, Mt Daylight and Hylands Bridge before undergoing a world-class treatment process at either of Goldenfields Water's two water treatment plants.

As a county council, Goldenfields Water is a unique organisation given it is made up of seven constituent councils that each depend on it to deliver essential drinking water for their communities.

Goldenfields Water's seven constituent councils are:

- Bland Shire Council
- Coolamon Shire Council
- Junee Shire Council
- Temora Shire Council
- Cootamundra-Gundagai Regional Council
- Narrandera Shire Council
- Hilltops Council

Currently, Goldenfields Water supplies all drinking water directly to the almost 11,000 rural, residential, commercial and other properties in the local government areas of Bland, Coolamon, Junee, Temora, and parts of Cootamundra-Gundagai and Narrandera.

Goldenfields Water supplies water in bulk to Cootamundra-Gundagai and Hilltops councils, which then distribute water directly to their residents (except those already supplied directly by Goldenfields Water in parts of Cootamundra-Gundagai).

It also provides water in bulk to Riverina Water County Council as well as non-potable water (untreated water for non-drinking purposes) directly to 250 properties.

Mission Statement

To provide regional economic opportunity and lifestyle choices through provision of a quality water supply by innovative leadership showing environmental responsibility in cooperation with the community, constituent councils and governments.

Vision

To be innovative leaders in the supply and distribution of water through regional efficiency, technical excellence and customer service.

Values

Integrity

All staff act in the best interest of the communities that we serve, demonstrating and promoting moral and ethical principles in all that we do.

Trust

Built on from the value of Integrity, mutual trust is established between teams and staff at all levels. Open communication lines and transparency in our operations reflects and further builds on this trust.

Respect

All staff treat others with courtesy, politeness and kindness. Differences in viewpoints and beliefs are recognised and considered, with all people being treated fairly and equally.

Teamwork

All staff work together collaboratively and support one another in achieving the operational objectives of GWCC. Our staff understand the importance of working with each other to achieve our objectives.

Continuous Improvement

Staff feel confident and comfortable to offer ideas and suggestions to ensure that GWCC is continually working to deliver better services to our community and finding more efficient ways of undertaking business.



Strategic Priorities

This progress report is categorised in-line with the nine strategic priorities established by Goldenfields Water's long-term Business Activity Strategic Plan and the strategic objectives and strategies outlined in its 2017–2021 Delivery Program to achieve those priorities.

Strategic Priority 01: Excellence in Service Provision

Objective: Provision of excellence in delivery of water supply and customer service to all stakeholders.

Strategic Priority 02: Maximising Regional Water Supply

Objective: Planning of water supply for regional development through network analysis and partnerships with constituent councils.

Strategic Priority 03: Strategic Water Management

Objective: Demand management and efficiency improvements through customer awareness and selective asset enhancement.

Strategic Priority 04: Best Practice Pricing

Objective: Generation of income through transparent, equitable and solution driven pricing structures.

Strategic Priority 05: Proactive Customer Relations

Objective: Promotion of customer relations through communication, customer orientation of staff and targeted information delivery.

Strategic Priority 06: Environmental Protection and Sustainability

Objective: Environmental stewardship in carrying out of construction and operational activities.

Strategic Priority 07: Efficient Operations

Objective: Efficiency driven by use of technology, monitoring and performance analysis.

Strategic Priority 08: Highly Skilled and Energetic Workforce

Objective: Highly skilled and driven workforce encouraged by challenging positions and reward for effort and innovation.

Strategic Priority 09: Financially Sustainable

Objective: Financial planning based upon delivery of efficiencies and recovery of costs with growth built upon customer focused solutions.



Highlights and Achievements

The following is a snapshot of some of Goldenfields Water's major achievements for the period January to June 2019.

Strategic Priority 01: Excellence in Service Provision

Bulk Filling Stations alleviate dry times hardship

Goldenfields Water has installed bulk filling stations at high use locations within the scheme.

Heavily relied upon by the regions farmers to maintain farming operations and for personal water use during dry times, the filling stations significantly reduce the time required to fill trucks, with a typical 10,000L truck filling in under 30 minutes. In addition, the new stations are operated by use of an electronic key, ensuring they are accessible 24/7.

To further assist the region's farming families undergoing hardship, the Board endorsed a 25% reduction in stand pipe water charges for the period 1 October 2018 to 30 June 2019.

Strategically planned works on high risk infrastructure

Goldenfields has been utilising burst data to proactively identify pipelines at high risk of failure, ensuring capital works are focused where they are most needed. Two projects identified using this process were:

Bussenschutts Lane pipeline renewal. The project was not scheduled until 2019/2020, however with data revealing 6.5 bursts/km staff made a

recommendation to the Board for the project to be brought forward and completed within the 2018/19 financial year.

Cartwrights Hill air valve replacement program saw the programmed replacement of approximately 55 air valves during the 2018/19 financial year. This area of pipework was susceptible to bursts due to high pressure. The air valve replacement program successfully mitigated the effects of the high pressure and therefore the instances of disruptive failures.

Strategic Priority 02: Maximising Regional Water Supply

Water flows to Mandamah

The construction of the Mandamah Rural Water Supply scheme is one of Goldenfields Waters largest undertakings in recent history, with a total investment of \$10.9 million.

The construction of the new scheme will significantly expand the regions water supply network, providing farmers and residents across more than 90,000 hectares in the Mandamah region with their first ever reliable water supply.

In June 2019, Goldenfields Water completed Stage 1 of the Mandamah Rural Water Supply Scheme. The Stage 1 development included the construction of two reservoirs; capable of holding half a million litres of water each, a pump station upgrade and 60 kilometres of pipeline.



Strategic Priority 06: Environmental Protection and Sustainability & 05 Proactive Customer Relations

Water Usage and Conservation in the hand of our customers

Goldenfields Water customers have become the first water utility consumers in Australia to have the ability to access and monitor real time data about their water consumption via a mobile phone app.

The 'Goldenfields Water' App is a free service and allows customers to:

- View daily or monthly water consumption readings
- Set consumption targets and receive notifications if these targets are exceeded
- Receive potential leak notifications
- View their water bill at any stage of the quarter
- Submit service requests, such a burst pipe, broken meter, low water pressure etc

The App is a useful tool in promoting water conservation and providing an essential point of collaborative community contact.

DELIVERY PROGRAM PROGRESS REPORT January to June 2019

The following is Goldenfields Water's detailed report on its progress towards achieving the strategic objectives and implementing the strategies in its Delivery Program during the period January - June 2019

Progress is reported under Goldenfields Water's nine strategic priorities.

It also provides the status of Goldenfields Water's key programs, projects and other actions as at June 2019, which signals the completion of the 2018/19 Operational Plan derived from the four-year Delivery Program for 2017-2021.



1: Excellence in service provision

1.1: Monitor and report compliance with regulatory, service and other organisational requirements

1.1.1: Monitoring of organisation and operational performance is regular, accessible and understandable

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
1.1.1.1	Monitoring of organisational and operational performance is regular, accessible and understandable.	Efficient processes implemented to ensure compliance with Local Government regulations.	Corporate Services Manager		100%	Corporate planning and reporting undertaken in accordance with Local Government requirements. Operational plan adopted by Council, progress reviewed 6 monthly, quarterly budget reviews undertaken. Annual report not yet due, but on target for completion.

1.1.3: Clearly defined levels of service for our customers

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
1.1.3.1	Ensure levels of service for residential customers are identified within the strategic business plan and are monitored as part of benchmark reporting.	Benchmark reporting completed. Strategic business plan to be reviewed every 4 years.	General Manager		100%	Levels of service have been identified and reported on as part of the required benchmark reporting.



1.2: Provide a reliable and quality drinking water supply

1.2.1: Water quality meets or exceeds the Australian Drinking Water Guidelines

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
1.2.1.1	Monitor water quality management plan	Water quality management plan developed and implemented	Production & Services Manager		100%	A review of Goldenfields Water's Drinking Water Management System was completed in October 2018. The review confirmed that all Public Health water quality results have conformed to the Drinking Water Management System requirements for the previous financial year. The Annual review and Report is completed in October every year and submitted to NSW Public Health for review.



1.2.2: Assets are managed strategically, across whole of life to improve delivery of services and financial management

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
1.2.2.1	Annually review asset performance data	Asset renewals are reprioritised based on performance data	Engineering Manager		100%	3yr asset renewal program developed following work shop. 12 month budget approved by the board
1.2.2.2	Revise and implement Asset Management Plan	Asset Management Plan adopted	Engineering Manager		25%	Asset system design and implementation strategy developed. Asset register structure defined. Condition monitoring manual developed. RFQ doc developed for consultant support
1.2.2.3	Undertake capital works program	Achieve greater than 85% of program	Engineering Manager		100%	94% of capital budget expenditure
1.2.2.4	Undertake maintenance program	Achieve greater than 85% of program	Operations Manager		100%	Maintenance program re air valves, stop valves & hydrants successfully undertaken and completed
1.2.2.5	Strategic review of water treatment facilities	30 Year strategic review completed at all water treatment facilities	Production & Services Manager		100%	The Oura 30 year Strategic Asset Management Plan has now been completed.
1.2.2.6	Review valuation of assets	Valuation completed and asset register updated	Engineering Manager		100%	Asset register updated and values confirmed



1.2.3: Contamination resulting from backflow is minimised

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
1.2.3.1	Develop and implement backflow prevention installation program	Achieve greater than 85% of program	Engineering Manager		85%	On track to complete per 3yr program
1.2.3.2	Identify strategic locations with our key stakeholders for fixed standpipes	Fixed standpipe locations identified in each constituent council area	Engineering Manager		75%	West Wyalong, Barmedman, and Temora complete

1.2.4: Water mains are systematically renewed and extended, based on asset performance data

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
1.2.4.1	Develop and implement a water main renewal program	Achieve greater than 85% of program	Engineering Manager		100%	Complete



1.2.5: Water Pumping Stations are systematically renewed based on asset performance data

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
1.2.5.1	Develop and implement a water pumping station renewal program	Achieve greater than 85% of program	Production & Services Manager		100%	All water pump stations have been identified and included into a manual register for maintenance based on hours ran and time. Ad-hoc renewals have been undertaken in the past due to immature asset failure. Staff will be working towards developing a more automated asset reporting system in future years to increase administrative efficiencies and data quality

1.2.6: Trunk mains are systematically renewed based on asset performance data

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
1.2.6.1	Develop and implement a trunk main renewal program	Achieve greater than 85% of program	Engineering Manager		85%	Program developed. 2 sections to be replaced between Rosehill P/S and Harden. Design 90% complete finalise once landowner construction permission received

1.2.7: Reservoir relining is planned and programmed based on asset performance data

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
1.2.7.1	Develop and implement a reservoir relining program	Achieve greater than 85% of the program	Engineering Manager		100%	Junee and Wyalong Balance complete. Coolamon North High Level Reservoir inspected and added to program in 3yrs



1.2.8: Telemetry system is systematically renewed and extended, based on asset performance data

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
1.2.8.1	Develop and implement a telemetry renewal program	Achieve greater than 85% of program	Production & Services Manager		80%	An audit has been completed for the existing telemetry communication network and associated assets. The design of a new network has been completed with four new sites being setup for new tower installations. Current network failures of the old system have obstructed the delivery of a strategic renewal program. It is proposed that once the high risk, imminent failure assets have been corrected, staff will begin to establish a more proactive renewal program.
1.2.8.2	Develop and implement a Telemetry expansion program	Achieve greater than 85% of program	Production & Services Manager		100%	New Telemetry sites are being installed across the scheme at locations where there is a high risk of failure of water quality parameters. New chlorine analysers have been installed at Ganmain, Oura and Cootamundra and connected to the new ClearSCADA system. Additional works are still required at each site prior to the units becoming fully operational.



1.2.9: Flow meters are systematically renewed and extended, based on asset performance data

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
1.2.9.1	Develop and implement a flow meter renewal program	Achieve greater than 85% of program	Engineering Manager	●	30%	Matong and Rosehill meters identified and designs complete. Installs to be programed as part of main replacement program
1.2.9.2	Develop and implement a flow meter expansion program	Achieve greater than 85% of program	Engineering Manager	●	20%	New meters added as part of pump station renewal program.

1.2.10: System valves are systematically renewed and extended, based on asset performance data

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
1.2.10.1	Develop and implement an air valve, scour, reflux renewal program	Achieve greater than 85% of program	Engineering Manager	●	50%	Draft replacement program developed and is under review.
1.2.10.2	Develop and implement a pressure reducing valve and surge tank renewal program	Achieve greater than 85% of the program	Engineering Manager	●	85%	Scheduled maintenance completed
1.2.10.4	Develop and implement a control valve renewal program	Achieve greater than 85% of program	Engineering Manager	●	30%	New control valve to be installed at Wyalong to allow pump station to be taken off line during low demand period. Standardisation of valves taking place to reduce spares. Identification of valves for replacement/standardisation ongoing



Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
1.2.10.6	Develop and implement a stop valve renewal program	Achieve greater than 85% of program	Engineering Manager		50%	Draft replacement program developed and under review

1.2.11: Hydrants are systematically renewed based on asset performance data

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
1.2.11.1	Develop and implement a hydrant renewal program	Achieve greater than 85% of program	Engineering Manager		0%	Draft replacement program developed and under review



1.2.12: Instrumentation installations are systematically renewed and extended, based on asset performance data

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
1.2.12.1	Develop and implement an instrumentation renewal program	Achieve greater than 85% of program	Production & Services Manager		100%	Instrumentation at the Jugiong and Oura Water Treatment Plants are reviewed and replaced when required on an annual basis. Additional mobile Chlorine analysers for field testing have been purchased this year to replace the old units for field staff.
1.2.12.2	Develop and implement an instrumentation expansion program	Achieve greater than 85% of program	Production & Services Manager		100%	The review and identification of new laboratory instrumentation is being undertaken on an ongoing basis for increasing Goldenfields Water's capability of in house monitoring of core water quality parameters, such as Iron and Manganese. The purchase of a new spectrophotometer unit has been purchased to undertake operational testing for Iron and Manganese.



1.2.13: We inform and involve our community about projects, programs and other activities

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
1.2.13.1	Maintain and publish information on Council website	Provision of timely, accurate and relevant information	General Manager	●	100%	Relevant information is maintained and updated as required.
1.2.13.2	Proactively provide project specific information to relevant stakeholders as required	Provision of timely, accurate and relevant information	General Manager	●	100%	Information has been presented to our relevant stakeholders through emails, face to face meetings, digital media and community presentations and meetings.
1.2.13.3	Report financial information internally	To ensure all internal financial reporting is compliant with the Act and Regulations.	Corporate Services Manager	●	100%	Monthly reports provided to management. Reporting within the new Authority system will be refined to ensure useful information is being produced for decision making and budget development purposes.
1.2.13.4	Report financial performance to regulators and the community	To ensure all external financial reporting is compliant with the Act and Regulations	Corporate Services Manager	●	100%	Quarterly budget reviews completed per requirements. Annual financial statements have been drafted, submitted to the auditor and audit reports will be issued in accordance with the audit timetable so that they can be submitted by the due date.
1.2.13.5	Report compliance information to regulators	Provision of timely, accurate and relevant information	Production & Services Manager	●	100%	All reporting has been completed for the financial year. Reports included the Jugiong Water Treatment Plant Environmental Protection License Annual Return, The NSW Benchmark Reporting and the Annual Drinking Water Management System Report has been completed and submitted to the relevant Authorities.



1.2.14: We have a recognised culture of customer service excellence

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
1.2.14.1	Develop and monitor performance targets for customer enquiries	Develop and implement customer service strategy.	Corporate Services Manager		100%	Customer enquiry service levels set as per Customer Service Charter.
1.2.14.2	Develop and monitor performance targets for customer applications	Develop and implement customer service strategy	Corporate Services Manager		100%	MyH2O application successfully completed and launched. Customers now able to sign up to the application.

2: Maximising regional water supply

2.2: Plan for the region's future growth

2.2.1: Our water supply network is able to respond to community growth and development

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
2.2.1.1	Liaise closely with constituent councils regarding growth and development	Council documents and policies are updated to reflect changes	General Manager		100%	Liaised with Constituent Councils during the January to June reporting period.
2.2.1.2	Review and update development servicing plans	Development servicing plan revised and adopted.	Engineering Manager		0%	Need to finalise 4 10 & 30 yr capital works plan and asset management plan



2.2.2: Water supply system constraints are identified

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
2.2.2.1	Enhance the system-wide hydraulic model	Hydraulic model is enhanced.	Engineering Manager	●	0%	Yet to commence enhancement works
2.2.2.2	Calibrate the hydraulic model with water meter and SCADA data.	Enhancements are made to improve the model.	Production & Services Manager	●	0%	The Water model has been developed; however it requires practical validation before undertaking any additional expansions of its capability. The works for connecting the model to SCADA have been re-allocated to future years.

3: Strategic water management

3.1: Become an industry leader in the water sector

3.1.1: We are open to emerging technology and water cycle management methods

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
3.1.1.1	Monitor emerging technology and incorporate into future plans.	Viable emerging technologies are incorporated into current and future programs	Production & Services Manager	●	100%	Goldenfields Water Staff are now representatives and members of water industry specialist groups such as AWA, WSAA and the NSW Water Directorate. These groups pool together new technologies and innovations that may be deemed beneficial in future years of the industry. Goldenfields Water is currently a leader within the industry for adopting Automated Meter Readers and an operational monitoring software system for water quality operations (WaterOutlook).



3.1.2: We have the capacity to influence water industry direction

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
3.1.2.1	Explore opportunities to influence water industry policy and direction through participation in industry groups and bodies	Participate in industry groups, bodies and make submissions	General Manager		100%	Goldenfields have continued representation on the Board of NSW Water Directorate, and members of AWA and WSAA. In addition the Deputy Chairperson is a representative on the Local Water Utility Policy Advisory Group.

3.1.3: We follow best practice strategic planning

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
3.1.3.1	Adopt new Strategic Business Plan	Completed Integrated Water Cycle Management Strategy.	Engineering Manager		45%	Issues paper near completion

4: Best practice pricing

4.1: Ensure water metering is accurate

4.1.1: There is a high level of confidence in accuracy of water metering internally and amongst stakeholders

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
4.1.1.1	Develop and implement a water meter replacement program	Achieve greater than 85% of program	Operations Manager		10%	Unable to progress any further until meter audit is conducted



4.2: Levy and collect water charges

4.2.1: Water meters are read accurately and water account notices issued correctly

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
4.2.1.1	Read water meters by using the AMR network	Achieve greater than 98% of meter reads through AMR's	Corporate Services Manager		100%	Target being achieved. Accounts being issued monthly or quarterly primarily utilising AMR network.
4.2.1.2	Issue water account notices within agreed timeframes	Quarterly accounts are issued within 4 weeks	Corporate Services Manager		100%	Full year's accounts issued within timeframe, meeting set targets.

4.3: Deliver a consistent price path

4.3.1: We have a published price path to ensure financial sustainability

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
4.3.1.1	Establish a multi-year price path.	A multiyear price path is adopted	Corporate Services Manager		100%	Goldenfields Waters' Fees and Charges were adopted in June 2018 in accordance with the four year price path set in 2015/16.



5: Proactive customer relations

5.1: Improve customer and community engagement

5.1.1: Feedback from customers is regularly captured and used in decision-making

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
5.1.1.1	Undertake customer survey	Undertake customer survey and results provided to Council	Corporate Services Manager	●	0%	Next Customer Survey to be undertaken in 2020/21 as per Community Engagement Strategy.
5.1.1.2	Review and action customer survey feedback	Survey results are incorporated into future Operational Plans	Corporate Services Manager	●	0%	Next Customer Survey to be undertaken in 2020/21 as per Community Engagement Strategy.

5.1.2: Our community understands what we do and has regular opportunities to be involved with us

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
5.1.2.1	Implement the Community and Engagement Strategy	Community Engagement Strategy is being delivered to the community.	General Manager	●	65%	Certain key actions of the four year Community Engagement Strategy have been implemented and/or planned to commence in 2019/20. Objectives that occur annually, such as the schools engagement session took place in May, and in June the Goldenfields Water App was launched.



5.1.4: We participate in improving understanding of water management and sustainable water practices in our community

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
5.1.4.1	Provide relevant information to the community through a variety of channels	Variety of channels utilised when communicating to the community	General Manager	●	70%	Goldenfields have continued to provide information to the community through a variety of channels suitable to all demographics. Communication via our social media platforms has significantly increased in the last six months, aiming to increase the awareness of the service that Goldenfields Water provides to its communities.
5.1.4.2	Develop public education information about water management and sustainable water practice	A range of educational resources developed	General Manager	●	70%	Designed to educate youth about the drinking water cycle, sustainability and benefits of choosing tap, the launch of our annual study day at the Jugiong Water Treatment Plant (Depth Days) commenced in May 2019 and will be offered annually to schools in the Goldenfields supply area. Goldenfields continues to utilise social media to communicate water sustainability. Through the launch of the Goldenfields App in June 2019, we have been able to promote water management services to our customers.



5.2: Develop and maintain strong links with stakeholders

5.2.1: We have close relationships with the Riverina Eastern Regional Organisation of Councils (REROC)

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
5.2.1.1	Participate in opportunities for resource, expertise and knowledge sharing with REROC	GWCC actively attends REROC meetings	General Manager	●	100%	REROC and JO meetings are regularly attended.
5.2.1.2	Work closely with REROC to improve service efficiency and effectiveness and promote matters of common interest	GWCC participates in all projects with a joint interest	General Manager	●	100%	Regularly attending REROC and JO meetings.

5.2.2: We have close relationships with our constituent councils

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
5.2.2.1	Communicate and engage with constituent councils regularly	Regular meetings between GWCC and constituent councils	General Manager	●	100%	Goldenfields have continued to engage with our constituent councils including presenting at the June meeting of Bland Shire Council.
5.2.2.2	Identify where we can partner with constituent councils to attract growth and new business to the region	Joint projects undertaken where viable	General Manager	●	100%	Joint projects considered where viable including collaboration with Cootamundra Gundagai Regional Council regarding Nangus.



5.2.3: We have a positive corporate reputation within our community and wider industry

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
5.2.3.1	Keep the community, media and internal and other stakeholders informed with relevant and timely information via the most appropriate channels	Variety of communication channels utilised to ensure stakeholders are informed	General Manager		100%	A variety of communication channels have been utilised to ensure stakeholders are informed with up to date information in a timely manner.

6: Environmental protection and sustainability

6.1: Develop social responsibility for the water cycle

6.1.1: We provide a water supply that provides the best value for money considering social, environmental and economic considerations

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
6.1.1.1	Develop and implement an Integrated Water Cycle Management Plan using established community expectations and asset management information	Develop and implement an Integrated Water Cycle Management Plan using established community expectations and asset management information	Production & Services Manager		25%	Public Works Advisory has now been engaged to complete the initial issues paper report for approval by Department of Industry & Water. Following the adoption of the issues paper a full IWCM strategy will then be completed. The Strategy is expected to be completed by the end of 2019/2020 financial year.



6.2: Ensure natural resources are used efficiently

6.2.1: We regularly review energy use to proactively identify and implement usage reduction activities to lower costs and reduce carbon foot print

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
6.2.1.2	Educate operators responsible for sites with highest energy consumption	Usage in high tariff periods are minimised where possible	Production & Services Manager		100%	Operations for large energy usage sites are continually monitored and adjusted to reflect appropriate tariff charges and off peak operations. All key operational staff are educated in the operating windows for energy use.
6.2.1.3	Renewable energy sources are utilised where viable	Viable renewable energy projects implemented	Corporate Services Manager		100%	Audit of all sites complete. Future year projects to review potential power purchasing agreements.
6.2.1.4	Carbon Footprint is monitored and regularly reported	Viable renewable energy projects implemented	Corporate Services Manager		100%	Monitored and reported annually as part of statutory benchmark reporting.

6.2.2: Water use efficiency is increased across the network

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
6.2.2.2	Customers have access to data portal	Customers have access to data portal	Corporate Services Manager		100%	My H2O web portal and application fully functional.



6.3: Manage the water supply's sustainability and security

6.3.1: Risks to the water supply's sustainability and security are identified and monitored

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
6.3.1.1	Continue to monitor the water resource environment	Monitor and provide submissions when appropriate	Production & Services Manager		100%	Goldenfields Water staff continually liaise with State Government regulators regarding source water supply risks and opportunities. Staff actively monitor both access and quality of water supply to ensure its levels of service can be maintained for its customers.
6.3.1.2	Educate and provide water efficiency information	A range of water efficiency resources are developed	General Manager		75%	Information is continued to be provided to the community through digital media about water management and sustainable water practices. The launch of the water monitoring app in June also provides customers with up to date water usage information.

6.3.3: We gather and use reliable data from water treatment facilities as part of our risk management approach

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
6.3.3.1	Automate and improve the reliability of processes at, and data available from, water treatment facilities	Data is utilised in strategic decision making	Production & Services Manager		100%	Staff continually seek improvements for automation of its Water Treatment Plants and associated instrumentation. Significant investment through the new ClearSCADA upgrade project will see additional improvements and access to information available for future reporting remotely.



7: Efficient operations

7.1: Improve business efficiency

7.1.2: Information management is integrated across the organisation

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
7.1.2.1	Develop and implement ICT strategy	ICT strategy is developed and implemented.	Corporate Services Manager		90%	Draft strategy 90% complete. Review to be undertaken before management approval.
7.1.2.2	Continually update and improve the Geographic Information System	GIS enhancements are implemented	Corporate Services Manager		100%	Geographic information system operational, maintained on an ongoing basis.

7.1.3: Corporate systems are implemented to support improvements in business efficiency

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
7.1.3.1	Implement an electronic records system	Electronic records system has been implemented	General Manager		100%	Completed and being utilised. Digitisation of archive records is ongoing.
7.1.3.3	Complete implementation of WaterOutlook.	Functional water quality database is in use.	Production & Services Manager		100%	The implementation of WaterOutlook has been completed; however continual improvements to the system will be ongoing in order to provide greater access to information and provide automated reporting to gain greater efficiencies in administrative requirements.



7.1.5: Fleet management is optimised

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
7.1.5.1	Review fleet requirements annually	Fleet procurement decisions are based on whole of life costing	Corporate Services Manager		100%	Review of annual fleet requirement completed.

7.2: Promote responsible and accountable corporate governance

7.2.1: Internal audits are regularly conducted and findings reported as appropriate

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
7.2.1.1	Formalise audit processes for procurement, stores and contractor management	Implement adopted internal audit plan	Corporate Services Manager		45%	Stores, procurement and contractor management processes currently under review.
7.2.1.2	Review audit processes for governance and compliance management	Internal audit plan and policies reviewed	Corporate Services Manager		60%	Audit processes for governance and compliance currently under review and action as per Audit and Risk Improvement Committee (ARIC) action items list. Internal audit engagements continuing as per ARIC prioritisation.



7.3: Reduce exposure to business risks

7.3.4: Systems and processes are in place to safeguard business continuity

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
7.3.4.1	Develop and implement a business wide continuity/disaster recovery plan	Business continuity/disaster recovery plan has been developed	Corporate Services Manager		95%	Draft Business Continuity/Disaster Plan 95% complete. Disaster scenario exercise undertaken in December 2018. Required final review and adoption.
7.3.4.2	Develop and implement an information technology strategy	IT strategy developed and implemented	Corporate Services Manager		90%	Draft strategy 90% complete. Review to be undertaken before management approval.

7.4: Improve the efficiency of operations in the field

7.4.1: We have an efficient, mobile workforce

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
7.4.1.3	Implement mobile platform for Work, Health and Safety	Mobile platform for WHS is developed and implemented.	General Manager		100%	WHS information is available on the intranet, accessible on mobile devices.



8: Highly skilled and energetic workforce

8.1: Improve the management of human resources

8.1.1: Our workforce is motivated, skilled and flexible

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
8.1.1.2	Provide staff with professional development opportunities that meet future needs	Annual staff development plans completed, training undertaken for identified gaps	General Manager		100%	2019 staff development plans were commenced in March 2019 and will be reviewed in September 2019. Training completed as per Training Plan.
8.1.1.3	Undertake an annual employee survey	Annual Survey undertake and results reviewed and actioned	General Manager		100%	Annual staff survey completed and reported to the December 2018 Council Meeting.

9: Financially sustainable

9.1: Deliver responsible financial management

9.1.1: Our organisation is financially sustainable

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
9.1.1.1	Develop a long-term financial management plan	Long term financial plan updated annually	Corporate Services Manager		75%	Long term financial plan and updated Asset Management Plan with forward capital projects plan is due to be reviewed and developed in 2019/20 financial year.



Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
9.1.1.3	Review schedule of fees and charges in-line with the annual operational plan	Revised scheduled of fees and charges adopted by Council	Corporate Services Manager		100%	Goldenfields Waters' Fees and Charges were adopted in June 2018 in accordance with the four year price path adopted in 2015/16. Annual fees and charges reviewed in-line with annual operational plan.
9.1.1.4	Develop capital works programs in-line with the planned price path	Capital works program adopted by Council and reflected in LTFP	Corporate Services Manager		0%	Updated Asset Management Plan and forward capital projects plan to be developed in 2019/20 financial year.

9.1.3: The viability of projects are established through the use of a business cases process

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
9.1.3.1	Develop a business case for any proposed project or other activity to inform decision-making about whether to proceed	Capital project gateway framework developed	Engineering Manager		100%	Complete



9.2: Generate income through diversification

9.2.1: Fee for service opportunities identified

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Comments
9.2.1.1	Explore fee for service opportunities within the region	Works undertaken as opportunities present	General Manager		0%	Goldenfields focus is on completion of capital works. Fee for service opportunities are not being explored.

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

DELEGATIONS OF AUTHORITY

Report prepared by Human Resources Coordinator

COUNCIL OFFICER RECOMMENDATION

That the Board;

1. Adopt the revised Delegations of Authority Policy
2. Rescind resolution 18/50

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

07 Efficient Operations

BACKGROUND

Section 377 of the Local Government Act 1993 Council may, by resolution, delegate functions of the Council to the General Manager.

REPORT

PP05 Delegations of Authority Policy was adopted by Council in October 2016. It has been determined that this document in its original format is not prescriptive enough for effective use. The policy has been updated to include specific delegations to the Chairperson, General Manager and Deputy Chairperson when acting in the role of Chairperson.

Adoption of this policy would supersede resolution 18/50, which set out that the amount of rates and charges above which any individual rate or charge may be written off only by resolution of the council is one thousand dollars (\$1,000.00).

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position.

ATTACHMENTS:

1. Draft PP005 Delegations of Authority Policy
2. PP005 Delegations of Authority Policy

TABLED ITEMS: Nil.



Policy No. PP005

Delegations of Authority Policy



Delegations of Authority Policy

1 INFORMATION ABOUT THIS POLICY

POLICY INFORMATION

Date Adopted by Board 27 October 2016	Resolution No. 16/098
Policy Responsibility General Manager	
Review Timeframe 4 yearly	
Last Review 2019	Next Scheduled Review October 2023

DOCUMENT HISTORY

DOCUMENT NO.	DATE AMENDED	SUMMARY OF CHANGES
	24/10/2019	Inclusion of specific delegations for the Chairperson and General Manager.
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	

FURTHER DOCUMENT INFORMATION AND RELATIONSHIPS

Related Legislation	Local Government Act 1993
Related Policies	
Related Procedures, Protocols, Statements and Documents	Procurement of Goods, Services & Materials



Delegations of Authority Policy

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Delegations of Authority Policy

3 DELEGATIONS

In accordance with Section 377 Local Government Act 1993 the Goldenfields Water County Council at a Meeting held on 24 October 2019 ratified and granted the delegations as set out in this Delegations of Authority Register to the Chairperson, Deputy Chairperson and General Manager.

3.1 Terms of Delegation

Delegations will remain in force until otherwise revised or revoked by resolution of Council in accordance with the Local Government Act 1993 ("the Act") (as amended).

Delegations will be reviewed within twelve months of a new Council term.

3.2 General

Council recognises that it cannot delegate those powers, authorities, duties and functions contained in Section 377 (1) of the Act (as amended), and that are required by legislation to be exercised by a resolution of Council.

Any function that is delegated by the Council may, notwithstanding the delegation, still be exercised by the Council.

Council may, by resolution, supervise, control and direct the Chairperson, General Manager, and Deputy Chairperson in the exercise of any delegated function.

The Chairperson, General Manager, Deputy Chairperson will exercise the powers, authorities, duties and functions delegated, in accordance with and subject to the provisions of any relevant legislation and in accordance with relevant policies of Council.

4 CHAIRPERSON

4.1 General

That the Chairperson, or Deputy Chairperson when acting for the Chairperson, be delegated authority under section 377 of the Act to exercise and/perform on behalf of the Council the powers, authorities, duties and functions as prescribed for the position of Chairperson under the Act, Schedules, Regulations, related Legislation, Councils own adopted Policies, Codes and Resolutions, provided that such delegations are not to be sub-delegated without specific approval by Council or as prescribed under the Act.

If, under any other Act, a function is conferred or imposed on the Chairperson of a County Council, the function is taken to be conferred or imposed on the Council and the Chairperson of the County Council will exercise and/or perform on behalf of the Council the powers, authorities, duties and functions as prescribed under that other Act.

4.2 Specific Delegations - Chairperson

4.2.1 Conferring Powers or Duties

To give effect to the provisions of the Act, including but not limited to Sections 225-231 of the Act and any other Act conferring powers or duties upon the Chairperson and to any resolution of direction given to the Chairperson by Council.

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4.2.2 Preside at Meetings of Council

To preside at all meetings of the Council, Committees, Community Committees and Public Meetings convened by the Council at which the Chairperson is present unless the Chairperson otherwise appoints another Councillor or person to perform this function.

4.2.3 Negotiations on behalf of Council

The Chairperson in conjunction with the General Manager, to participate in negotiations on behalf of the Council with third parties in relation with any significant matter associated with the operations of Goldenfields Water County Council.

4.2.4 Code of Conduct

To give direction to the Council, following consultation with the General Manager, in the application of the Code of Conduct as adopted by Council.

4.2.5 Represent Council-Government and Other Forums

To represent the Council, in conjunction with the General Manager in deputations to government enquiries and other forums where it is appropriate that the Chairperson should present the Council's position.

4.2.6 Sign and Execute Documents

To sign and execute documents under the Seal of Council in conjunction with the General Manager.

4.2.7 Media Releases

To make Media Statements and issue Press Releases in respect of Council's Resolutions/Recommendations and decisions.

4.2.8 Approval of Urgent Works

To authorise expenditure outside the Council approved budget and in consultation with the General Manager, to undertake urgent works in order to reduce or eliminate a significant safety hazard or critical matter affecting the operation of the water supply system up to an amount of \$100,000 subject to the action being reported to the next meeting of Council.

5 GENERAL MANAGER

5.1 General

That the General Manager of Goldenfields Water County Council be delegated authority under section 377 of the Act to exercise and /or perform on behalf of Council the powers, authorities, duties and functions of Council as prescribed under the Act, Schedules Regulations, and related legislation and including those powers, authorities, duties and functions as listed in this delegation excepting those powers, authorities, duties and functions of the Council that are expressly prohibited from delegation as listed under Section 377 of the Act.

If, under any other Act a function is conferred or imposed on the General Manager of Council, the function is taken to be conferred or imposed on the Council and the General Manager of the Council will exercise and/or perform on behalf of the Council, powers, authorities duties and functions as prescribed under the other Act pursuant to Section 381 of the Act.

Delegations of Authority Policy

For the purposes of Section 381 of the Act, the General Manager's delegated authority to act on behalf of Council includes all functions and powers conferred or imposed by any legislation set out from time to time in Section 22 of the Act, including but not limited to the following:

Legislation	Function/power
Conveyancing Act 1919	Placing covenants on council land
Fluoridation of Public Water Supplies Act 1957	Fluoridation of water supply by Council
Public Health Act 1991	Inspection of systems for purposes of microbial control
Roads Act 1993	Roads

The exercise by a council of its functions under this Act may also be modified by the provisions of another Act. Some of those Acts and some of the modifications they affect include:

Legislation	Modification
Government Information (Public Access) Act 2009	Council required to publish certain information and to grant access to certain documents
Privacy and Personal Information Protection Act 1998	Council required to amend certain records that are shown to be incomplete, incorrect, out of date, or misleading
Unclaimed Money Act 1995	Unclaimed money to be paid to Revenue NSW

That in the absence of the General Manager that his nominee as Acting General Manager assume all power and delegations of the General Manager for the period only of his absence.

In addition to the delegated authority conferred or imposed upon the General Manager by legislation, the General Manager is empowered to carry out his functions in reliance upon Section 335 of the Act and in accordance with the following delegated authorities, subject to any express limitations contained within this Register or restrictions imposed by Section 377 of the Act.

5.2 Specific Delegations – General Manager

5.2.1 Part A - Operational

- a) To establish, review and authorise operational and management policies and procedures in line with strategic directions set by Council.
- b) To implement any work, service or action provided for in the adopted budget without further reference to Council except for;
 - The acceptance of tenders which are required under the Local Government Act 1993 to be invited by the Council, and
 - The determination of priorities where lump sum funding only has been provided.
- c) To authorise destruction or disposal of any records of Goldenfields Water County Council, after the expiration of six (6) years from the last transaction thereon, other than those defined in the General Retention and Disposal Authority – Local Government Records (GA39).
- d) To negotiate arrangements for agencies and financial institution to collect payments relating to the operation of Goldenfields Water County Council.
- e) To write proposals or submissions to other levels of government on behalf of Goldenfields Water County Council.
- f) To deal with and determine applications for access to information under the Government Information (Public Access) Act and Regulation 2009.

Delegations of Authority Policy

- g) To execute any form of instrument necessary for the creation of easements that will benefit Goldenfields Water County Council for access to services , pipelines , structures and/or any other form of assistance essential in the performance of its objectives.
- h) To sign all correspondence relating to Goldenfields Water County Council.
- i) To approve the loan of Goldenfields Water County Council equipment to community groups in accordance with Council's Community Engagement Strategy.
- j) To impose water restrictions on fixed hoses and sprinklers and lift such restrictions when appropriate.
- k) To restrict or cut off supply of water to a property due to non-payment of water charges as provided under Clause 144 of the Local Government (General) Regulation 2005.
- l) To sign certificates issued in accordance with the provisions of Sections 603 (Certificate as to Rates and Charges) & 735A (Certificate as to Notices) of the Local Government Act 1993.

5.2.2 Part B - Finance

- a) Obtain quotations and to authorise the purchase of, and issue official orders for goods, works and services requiring the functioning of Council and to incur expenditure for such goods, works and services up to \$250,000, provided that provision has been made in the approved Budget for incurring of such expenditure. The delegation is limited in accordance with Section 377(1)(i) of the Act, with the exception of prescribed agency contracts under clause 163 of the Local Government (General) Regulation 2005 and section 55 of the Local Government Act 1993.
- b) To certify that the prices and computations on creditor payments have been checked and are correct as is best able to be ascertained, are fair and reasonable and are in accordance with any quotation /contract under which the goods /services were supplied.
- c) Authorise the payment of Councils Salaries and Wages.
- d) Approve final payment to contractors and/or direct creditors.
- e) To sign or countersign cheques and electronic payments drawn on Council's Bank accounts.
- f) Approve changes in Plant Hire Rate Charges for all council plant.
- g) To authorise expenditure outside the approved Council budget to enable urgent works to be undertaken to reduce or eliminate a significant safety hazard or critical matter affecting the operation of the water supply system up to an amount of \$50,000 subject to the action being reported to the next meeting of Council.
- h) The authority to require the lodgement of a cash bond or bank guarantee for work outstanding.
- i) To negotiate Council overdraft limit.
- j) To sell and/or dispose of old materials, spoilt or obsolete equipment.
- k) To authorise the writing off of uncollectible debts up to a maximum amount for a single debtor of \$3,000.
- l) To arrange the investment of money that is not, for the time being, required by Council for any other purpose. Funds may only be invested in accordance with the Local Government Act 1993, Local Government (General) Regulation 2005, Ministerial Investment Orders and Council Policy.

5.2.3 Part C - Legal

- a) To approve and settle statements of claim and insurance matters up to the level of Goldenfields Water's excess amounts payable under the respective insurance policies.
- b) To determine a response to approvals sought under Part 1, Division 3-making and determination of applications for approval-generally, under the Local Government Act 1993.
- c) To issue Orders under Chapter 7, Part 2 (Orders) of the Local Government Act 1993.

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- d) To affix the Common Seal of the Council and execute any documents requiring the signature of the General Manager in the company of the Chairperson, Deputy Chairperson, or other Councillor where Council has approved the documents intent.
- e) To authorise the institution of legal proceedings for the recovery of outstanding charges and other debts due to Goldenfields Water County Council and to take all necessary action to recover such charges and debts.
- f) Under Section 687 (Appearance in Local Court) of the Local Government Act 1993, as amended, be authorised to represent Goldenfields Water County Council in all proceedings in any Local Court or before any justice in all respects as though he were the party concerned and to institute and carry on proceedings which Goldenfields Water is authorised to institute and carry out under the said Act and shall extend to any proceedings under all other Acts.
- g) To accept service of legal documents on behalf of Goldenfields Water County Council.
- h) Contracts;
 - To terminate a contract where the conditions of the contract have been breached and provide for such action.
 - To approve extensions of time to contractor schedules except contracts subject to a tendering arrangement.
 - To issue Site instructions to the contractor and/or their staff.
 - To call for an audit of a contract using either internal or external audit staff.
 - To issue a Practical Completion Certificate for works or part thereof under a contract.
 - To sign contracts that have been approved by Council.
- i) To approve Power of Entry under the provisions of Sections 191-201 of the Local Government Act 1993 for the purpose of inspections, works, and other functions permitted under these sections. The power of entry is also granted for the purposes of inspecting premises under the Public Health Act 1991.
- j) To approve closure of roads or parts thereof, temporarily for repairs or construction and to approve applications to install pipelines within road reserves.
- k) To authorise action in regard to any complaints or requests received under Councils Internal Reporting Policy.

5.2.4 Part D - Environmental / Planning Matters

- a) To authorise all functions pursuant to Goldenfields Water County Council powers under the Environmental Planning & Assessment Act 1979 as amended in relation to development proposals including subdivisions.
- b) In relation to subdivision proposals;
 - To approve designs, plans and specifications for water supply works in subdivisions, subject to those designs, specifications and plans being in accordance with Council subdivision policies.
 - To certify that bonded works have been completed to Goldenfields Water County Council's satisfaction and then release the relevant bond.
 - To authorise the release of Certificates of Compliance for a subdivision when all conditions of relevant approvals relating to water supply have been met.
 - To authorise signing of linen plans of subdivisions when all water supply conditions have been met.

5.2.5 Part E - Staff

- a) To authorise the appointment of new staff within the adopted organisation's staff structure.
- b) To negotiate with staff and Unions in relation to all staffing matters.
- c) Reclassify staff and adjust salaries in accordance with Goldenfields Water County Council Enterprise Award.

Delegations of Authority Policy

- d) To determine all leave applications for all staff having regard to the proper functioning of the Council and maintenance of appropriate levels of service to customers.

6 SUB DELEGATIONS

In accordance with Section 378 (2) of the Local Government Act, the General Manager may sub delegate any of the functions delegated to the General Manager by Council to any person or body (including another employee of the Council).

DRAFT



Policy No. PP005

Delegations of Authority Register Policy



Delegations of Authority Register Policy

1 INFORMATION ABOUT THIS POLICY

POLICY INFORMATION

Date Adopted by Board 27 October 2016	Resolution No. 16/098
Policy Responsibility General Manager	
Review Timeframe 4 yearly	
Last Review 2016	Next Scheduled Review October 2020

DOCUMENT HISTORY

DOCUMENT NO.	DATE AMENDED	SUMMARY OF CHANGES
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	

FURTHER DOCUMENT INFORMATION AND RELATIONSHIPS

Related Legislation	Local Government Act 1993
Related Policies	
Related Procedures, Protocols, Statements and Documents	Procurement of Goods, Services & Materials



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3 DELEGATIONS

In accordance with Section 377 of the Local Government Act 1993 (as amended) the Council, at its meeting of 27 October 2016, granted the delegations as set out in this register, to the Chairperson, General Manager, Deputy Chairperson and Committees of Council.

3.1 Terms of Delegation

Delegations will remain in force until otherwise revised or revoked by resolution of Council in accordance with the Local Government Act 1993 (as amended).

Delegations will be reviewed within twelve months of a new Council term.

3.2 General

Council recognises that it cannot delegate those powers, authorities, duties and functions:

- a. contained in Section 377 (1) of the Local Government Act 1993 (as amended), and
- b. that are required by legislation to be exercised by a resolution of Council.

Any function that is delegated by the Council may, notwithstanding the delegation, still be exercised by the Council.

Council may, by resolution, supervise, control and direct the Chairperson, General Manager, Deputy Chairperson or relevant Committee in the exercise of any delegated function.

The Chairperson, General Manager, Deputy Chairperson or relevant Committee will exercise the powers, authorities, duties and functions delegated, in accordance with and subject to the provisions of any relevant legislation and in accordance with relevant policies of Council.

4 GENERAL POWER OF THE COUNCIL TO DELEGATE

Section 377 - General power of the council to delegate

A Council may, by resolution, delegate to the General Manager or any other person or body (not including another employee of the council) any of the functions of the council, other than the following:

- a. the appointment of a general manager,
- b. the making of a rate,
- c. a determination under section 549 as to the levying of a rate,
- d. the making of a charge,
- e. the fixing of a fee,
- f. the borrowing of money,
- g. the voting of money for expenditure on its works, services or operations,
- h. the compulsory acquisition, purchase, sale, exchange or surrender of any land or other property (but not including the sale of items of plant or equipment)
- i. the acceptance of tenders which are required under this Act to be invited by the council,
- j. the adoption of an operational plan under section 405,
- k. the adoption of a financial statement included in an annual financial report,

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- l. a decision to classify or reclassify public land under Division 1 of Part 2 of Chapter 6,
- m. the fixing of an amount or rate for the carrying out by the council of work on private land,
- n. the decision to carry out work on private land for an amount that is less than the amount or rate fixed by the council for the carrying out of any such work,
- o. the review of a determination made by the council, and not by a delegate of the council, of an application for approval or an application that may be reviewed under section 82A of the Environmental Planning and Assessment Act 1979 ,
- p. the power of the council to authorise the use of reasonable force for the purpose of gaining entry to premises under section 194,
- q. a decision under section 356 to contribute money or otherwise grant financial assistance to persons,
- r. a decision under section 234 to grant leave of absence to the holder of a civic office,
- s. the making of an application, or the giving of a notice, to the Governor or Minister,
- t. this power of delegation,
- u. any function under this or any other Act that is expressly required to be exercised by resolution of the council.

A Council may, by resolution, sub-delegate to the General Manager or any other person or body (not including another employee of the Council) any function delegated to the Council by the Director-General except as provided by the instrument of delegation to the Council.

5 CHAIRPERSON

Section 226

Section 226 of the Local Government Act 1993 outlines the authority of delegations to the Chairperson as the following:-

- a. The role of the Chairperson
- b. The role of the Chairperson is:
- c. to be the leader of the council and a leader in the local community,
- d. (to advance community cohesion and promote civic awareness,
- e. (to be the principal member and spokesperson of the governing body, including representing the views of the council as to its local priorities,
- f. to exercise, in cases of necessity, the policy-making functions of the governing body of the council between meetings of the council,
- g. to preside at meetings of the council,
- h. to ensure that meetings of the council are conducted efficiently, effectively and in accordance with this Act,
- i. to ensure the timely development and adoption of the strategic plans, programs and policies of the council,
- j. to promote the effective and consistent implementation of the strategic plans, programs and policies of the council,
- k. to promote partnerships between the council and key stakeholders,
- l. to advise, consult with and provide strategic direction to the general manager in relation to the implementation of the strategic plans and policies of the council,

Delegations of Authority Register Policy

- m. in conjunction with the general manager, to ensure adequate opportunities and mechanisms for engagement between the council and the local community,
- n. to carry out the civic and ceremonial functions of the Chair personal office,
- o. to represent the council on regional organisations and at inter-governmental forums at regional, State and Commonwealth level,
- p. in consultation with the councillors, to lead performance appraisals of the general manager,
- q. to exercise any other functions of the council that the council determines

Pursuant to Section 377 and 379 of the Local Government Act 1993 (as amended), and subject to the limitations and stipulations which these Sections impose, Council authorises the Chairperson to exercise on behalf of the Council, the powers, authorities, duties and functions of the Council as specified hereunder:

- a. Authority to deal, in cases of emergency, with any matter not precluded by Section 377 of the Local Government Act and not being otherwise delegated or development/building applications.
- b. Other powers of delegation as specifically provided for in adopted Council policies.
- c. Authority in accordance with the Procurement of Goods, Services & Materials Procedure to determine all claims submitted by the General Manager seeking payment or reimbursement of legitimate and reasonable expenses incurred by the General Manager whilst attending to the formal business of the Council.
- d. Authority to approve annual leave for the General Manager.
- e. Authority to authorise press releases and the like in furthering the objectives and fostering the image of the Council and to make public statements on matters of official Council attitude or interpretation of Council policy or concerning Council's resolutions and proposals.
- f. The Chairperson has the following authority with respect to Council's Christmas Break/Recess during the period between the last Council meeting of the year to the first Council meeting of the new calendar year when Council resumes:-
 - i. That in respect of matters that are not excluded by Section 377 of the Local Government Act 1993 and normally referred to Council or other Committees that the Chairperson or Deputy Chairperson or in the absence of both, the General Manager or Acting General Manager as the case may be, are authorised and delegated authority to determine matters deemed by them to be matters of urgency.
 - ii. The Chairperson or Deputy Chairperson or in the absence of both, the General Manager or Acting General Manager as the case may be are hereby authorised and delegated authority pursuant to Section 377 of the Local Government Act 1993 to approve, with or without amendment, or disapprove, applications for Development Consent or activity under section 68 of the local Government Act 1993, where such delegation has not been given by Council to the General Manager to sub-delegate.
 - iii. A minimum of three (3) days written notice of business be given to all Councillors prior to exercise of these delegations and that all Councillors are invited to participate in consideration of the agenda items.
 - iv. All matters dealt with under delegation during this recess period shall be reported to the next available meeting of the Council.

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- g. Power to expel any person (whether a Councillor or another person), under clause 10 of the Local Government Act, from a Council or Committee meeting if that person commits an act of disorder or engages in disorderly conduct at the meeting, pursuant to Clause 258 of the Local Government (General) Regulation, 2005.
- h. Approval to host minor functions within the overall budget set by Council, and named major functions that have a specific budget allocation.
- i. Authority to make Council corporate gifts available for presentation to visitors on appropriate occasions.
- j. The Chairperson and General Manager have delegation to determine specific development applications under certain circumstances. This delegation applies where there are extenuating circumstances e.g. emergency repair work required, work required to make a building safe in response to Council order, etc. and allows such applications to bypass notification requirements.
- k. To authorise the invitation of tenders for urgent works involving security and/or public safety which have not been provided for in the adopted budget.
- l. To have the authority to sign correspondence on Chairperson letterhead as determined by Council resolution or as determined to be deemed appropriate

6 DEPUTY CHAIRPERSON

The Deputy Chairperson may exercise any function, power, duty and authority of the Chairperson at the request of the Chairperson or if the Chairperson is prevented by illness, absence or otherwise from exercising the function or if there is a casual vacancy in the office of the Chairperson.

The Deputy Chairperson shall exercise the Delegation of Authority of the Chairperson in those cases where the General Manager certifies that the matter is of such an urgent nature that it will not wait until the return of the Chairperson.

7 GENERAL MANAGER

Under Section 335 of the Local Government Act 1993 (as amended), the functions of the General Manager are as follows:

- a. to conduct the day-to-day management of the council in accordance with the strategic plans, programs, strategies and policies of the council,
- b. to implement, without undue delay, lawful decisions of the council,
- c. to advise the Chairperson and the governing body on the development and implementation of the strategic plans, programs, strategies and policies of the council,
- d. to advise the Chairperson and the governing body on the appropriate form of community consultation on the strategic plans, programs, strategies and policies of the council and other matters related to the council,
- e. to prepare, in consultation with the Chairperson and the governing body, the council's community strategic plan, community engagement strategy, resourcing strategy, delivery program, operational plan and annual report,

Delegations of Authority Register Policy

- f. to ensure that the Chairperson and other councillors are given timely information and advice and the administrative and professional support necessary to effectively discharge their functions,
- g. to exercise any of the functions of the council that are delegated by the council to the general manager,
- h. to appoint staff in accordance with the organisation structure determined under this Chapter and the resources approved by the council,
- i. to direct and dismiss staff,
- j. to implement the council's workforce management strategy,
- k. any other functions that are conferred or imposed on the general manager by or under this or any other Act.

Delegations to the General Manager

The following delegations to the General Manager will remain in force until otherwise revised or revoked by resolution of Council in accordance with the Local Government Act 1993 (as amended).

The Council delegates to the General Manager the powers, authorities, duties and functions specified in:

- a. The Local Government Act 1993 (as amended), subject to Section 377 of the Local Government Act 1993.
- b. All other Acts and subordinate legislation (as amended) under which Council has powers, authorities, duties and functions, subject to Section 381 of The Local Government Act 1993 (as amended).

The Chairperson and General Manager have delegation to determine specific development applications under certain circumstances. This delegation applies where there are extenuating circumstances e.g. emergency repair work required, work required to make a building safe in response to Council order, etc. and allows such applications to bypass notification requirements.

- a. The powers, authorities, duties and functions related to the following additional matters are not delegated to the General Manager.
- b. adoption of new policies or variation of existing Council policies outside of operational issues
- c. those matters delegated to Committees
- d. approval for commercial use of parks and reserves
- e. review and determination of Ward Boundaries
- f. adoption of Council's Code of Meeting Practice, Code of Conduct, Policy for Payment of Expenses and Facilities to Councillors, and Organisational Structure
- g. those matters delegated to the Chairperson
- h. adoption of Plans of Management for Community Land
- i. the appointment or dismissal of a "senior officer" without first referring the matter to the Council
- j. The permanent closure of roads



Delegations of Authority Register Policy

Under Section 378 of the Local Government Act, the General Manager may delegate any of the powers or authority given to the officer by the Act or Regulations or Council resolution except the power to delegate.

Under Sections 379 and 381 further delegations of regulatory functions and exercise of functions conferred or imposed on Council employees under other Acts may be delegated. The General Manager has delegated those matters set out in the document 'Staff Delegations'.

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

SOCIAL MEDIA AND MEDIA REPORT

Report prepared by Community Education and Engagement Officer

COUNCIL OFFICER RECOMMENDATION

Goldenfields Water Social Media and Media report be received and noted.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

05 Proactive Customer Relations

BACKGROUND

To ensure Councillors are kept informed of Goldenfields Waters media activity, a report detailing the organisations social media and media tracking will be delivered on a six monthly basis.

REPORT

Social Media Update, January 1 – June 30 2019

Facebook

Facebook remains Goldenfields Water's primary platform for communicating, advertising and promoting our organisation. Insight break downs are provided below:

- **Page likes** *(the number of people who have selected to like our page and see content from it in their news feed)*
January 1st 2019 – 879 likes
June 30th 2019 – 1077
Increase of 23%
- **Number of posts** *(the number of posts including videos, water interruption notices, announcements etc that have been posted on the organisations page)*
112
- **Reach** *(the number of people who had any posts from the GW page come up on their screen/mobile)*
105,153 (estimate)
- **Content engagements** *(the number of comments, reaction or shares on our posts)*
15,738
- **Top three highest reaching posts**
 1. Temora's bulk water filling station announcement – 8,044 views, 109 likes, 19 comments, 23 shares
 2. Mandamah reservoir construction time lapse video – 6,382 views, 28 likes, 2 comments, 5 shares, total 1,772 minutes viewed
 3. Meet Zac, Goldenfields Water Accountant – 5,801 views, 225 likes, 91 comments, 11 shares, total 1,700 minutes viewed

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

Instagram

- Number of posts – 82
- Total followers – 206
- Biggest audience – Temora, females aged 25 - 34
- Top posts – See below. Resulted in 40 likes and 1,426 views. Date: 24.7.19



Twitter

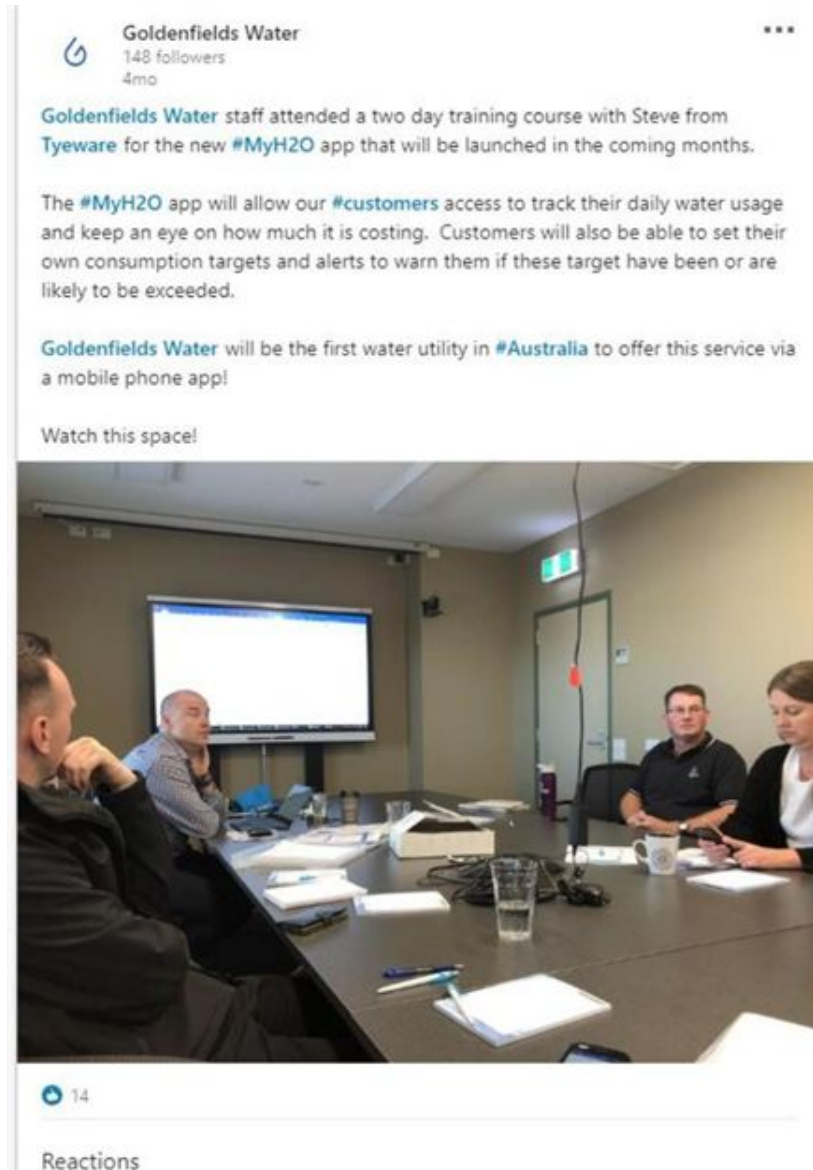
- Total followers – 66
- Number of tweets – 17
- Total Tweet Impressions – 12,699
- Total profile visits – 102
- Page Mentions – 11
- Top Tweet – See below. Resulted in 459 impressions and 8 engagements.



GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

LinkedIn

- Number of posts –24
- Total followers - 148
- New followers - +3
- Total impressions – 8701
- Total post engagements (likes and clicks) – 93
- Top post – See below. Resulted in 419 impressions, 29 clicks and 10.98 per cent engagement rate.



GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

Traditional Media

From 1st January 2019 – 30th June 2019, there was 11 media releases delivered through to local print and television media.

Date	Media Release	Coverage
25.1.19	Water Usage Warning	All local newspapers ABC Riverina
15.3.19	A new General Manager for Goldenfields Water announced	All local newspapers
24.4.19	Fill up at Goldenfields Bulk Water Station	All local newspapers
8.5.19	Hilltops Council Discoloured Water	All local newspapers ABC Riverina
9.5.19	Discoloured water in Young	All local newspapers
10.5.19	Capital Works Program a key focus	All local newspapers ABC Riverina
15.5.19	Planned Water Outage for residents located on Schlunkies Road to Newell Highway at Wyalong	All local newspapers
20.5.19	Local students diving into Goldenfields Water's Depth Day	All local newspapers
22.5.19	Goldenfields Water keeps the water flowing in Wyalong	All local newspapers
13.6.19	Goldenfields Water Accountant acknowledged by LG Professionals NSW	All local newspapers
21.6.19	Capital Works progress and success in Sydney for LG Professionals NSW Awards	All local newspapers

FINANCIAL IMPACT STATEMENT

All activities are funded within the operational budget

ATTACHMENTS: Nil

TABLED ITEMS: Nil

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

COUNCIL MEETING DATES 2019/20

Report prepared by General Manager

COUNCIL OFFICER RECOMMENDATION

That Council set the meeting schedule as described for the ensuing twelve months.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

07 Efficient Operations

BACKGROUND

Goldenfields Water County Council meetings are held on the fourth Thursday of every second month at the Temora Office, commencing at 10.00am.

REPORT

By reviewing the meeting schedule for the ensuing twelve months at the October meeting each year, a new Council and / or a new Chairperson can revise the meeting schedule after the annual Chair elections have been held.

Goldenfields Water Council meetings are generally held on the fourth Thursday of every second month, commencing at 10.00am.

In order to allow advance public notification of Council meeting dates for the next twelve months, the following program is put forward for consideration:

Friday 13 December 2019, commencing at 10am
Thursday 27 February 2020, commencing at 10am
Thursday 23 April 2020, commencing at 10am
Thursday 25 June 2020, commencing at 10am
Thursday 27 August 2020, commencing at 10am
Thursday 22 October 2020, commencing at 10am

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position.

ATTACHMENTS: Nil

TABLED ITEMS: Nil

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

COUNCIL CHRISTMAS FUNCTION

Report prepared by General Manager

COUNCIL OFFICER RECOMMENDATION

That:

1. Goldenfields Water hosts a Christmas function at the conclusion of the December Council meeting.
2. The Temora office be closed from 12.00pm Friday 13 December 2019 for the remainder of the day to facilitate the function.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

08 Highly Skilled and Energetic Workforce

BACKGROUND

Goldenfields Water traditionally hosts a Christmas function for the Board, staff, and their families to acknowledge the efforts of employees over the preceding year.

REPORT

Goldenfields Water December Council meeting is normally held with a Christmas function immediately following its conclusion.

The function will be held on Friday 13 December 2019 commencing 12.30pm at the Temora Bowling Club. Councillors, staff, and families will be invited to attend.

Transportation will be arranged as required for employees whose roles are based outside Temora.

To facilitate the hosting of the Christmas function the office will be closed from 12.00pm Friday 13 December 2019 for the remainder of the day.

FINANCIAL IMPACT STATEMENT

The cost of hosting a Christmas function has been allocated within the budget.

ATTACHMENTS: Nil

TABLED ITEMS: Nil

GOLDENFIELDS WATER COUNTY COUNCIL – OCTOBER 2019

OFFICE CLOSURE

Report prepared by General Manager

COUNCIL OFFICER RECOMMENDATION

That Council endorse the office to be closed commencing Monday 23 December 2019, reopening Monday 6 January 2020.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

08 Highly Skilled and Energetic Workforce

BACKGROUND

Council has previously closed its office for a period of two weeks during the Christmas and New Year Period, with minimal disruption to Council's normal operations.

REPORT

The office closure is proposed to be from Monday 23 December 2019, reopening Monday 6 January 2020.

Benefits are:

- The first week of the New Year is a quiet week for customer interaction,
- Many businesses that Council deals with are closed that week,
- Many staff take advantage of extending their Christmas/New Year break, and
- The additional closure assists annual leave liability management.

Rostered staff will be on call to attend to operational issues (water breaks, breakdowns etc) and for major emergencies key staff will be recalled.

Customers can pay accounts through Australia Post and Bpay facilities.

Notification of the office closure period would be advertised during December.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position.

ATTACHMENTS: Nil

TABLED ITEMS: Nil

NEXT MEETING

The next ordinary meeting of Council is scheduled to be held on Friday 13 December 2019 at 10.00am

CLOSE OF BUSINESS

There being no further business requiring the attention of Council the meeting may be declared closed.

**Minutes of the Meeting of GOLDENFIELDS WATER COUNTY COUNCIL held at
TEMORA OFFICE on 22 August 2019**

CONFIRMATION OF MINUTES

**Goldenfields Water County Council Meeting held
22 August 2019**

In accordance with the requirements of Section 375 (2) of the *Local Government Act 1993*, I hereby certify that the Minutes No. 19/062 to 19/074 being a record of the decisions of Council's meeting 22 August 2019, were confirmed as a correct record at Council's meeting 24 October 2019.

.....

Cr Dennis Palmer
Chairperson

.....

Mr Aaron Drenovski
General Manager

**Minutes of the Meeting of GOLDENFIELDS WATER COUNTY COUNCIL held at
TEMORA OFFICE on 22 August 2019**

The meeting commenced at 10.11am

PRESENT

Cr D Palmer, Cr G Armstrong, Cr B Callow, Cr D McCann, Cr L McGlynn, Cr K Morris, Cr M Stadtmiller, Cr G Sinclair.

ALSO IN ATTENDANCE

Mr A Drenovski (General Manager), Mr G Veneris (Production and Services Manager), Mr T Goodyer (Operations Manager), Ms M Curran (Corporate Services Manager) Mr P Goesch (Engineering Manager), Mrs A Coleman (Executive Assistant).

1. LEAVE OF ABSENCE/APOLOGIES

Greg Armstrong has requested a leave of absence for the October meeting.

BOARD RESOLUTION

19/062 RESOLVED on the motion of Crs Callow and Morris that Cr G Armstrong be granted a leave of absence from the October Council meeting.

2. ACKNOWLEDGEMENT OF COUNTRY

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

3. PRESENTATIONS

Nil

4. DECLARATION OF PECUNIARY INTERESTS

Nil

5. DECLARATION OF NON PECUNIARY INTERESTS

Nil

6. CONFIRMATION OF MINUTES OF MEETINGS HELD ON 27 June 2019

BOARD RESOLUTION

19/063 RESOLVED on the motion of Crs McCann and Armstrong that the minutes of the meeting held on the 27 June 2019, having been circulated and read by members be confirmed.

7. BUSINESS ARISING FROM MINUTES

Nil

**Minutes of the Meeting of GOLDENFIELDS WATER COUNTY COUNCIL held at
TEMORA OFFICE on 22 August 2019**

8. CORRESPONDENCE

Nil

9. ADMISSION OF LATE REPORTS

Nil

10. NOTICES OF MOTION / RESCISSION MOTIONS

Nil

11. CHAIRPERSON'S MINUTE

The Chairperson acknowledged staff, in particular Emma McAuley on the successful Mandamah Opening. The Chairperson commended the General Manager and staff for a professional and well run event.

12. MATTERS TO BE SUBMITTED TO OPEN COUNCIL

12.1. MATTERS SUBMITTED BY CORPORATE SERVICES MANAGER

12.1.1. COUNCIL INVESTMENTS

BOARD RESOLUTION

19/064 RESOLVED on the motion of Crs Armstrong and McGlynn that the report detailing Council Investments as at 31st July 2019 be received and noted.

Report prepared by Corporate Services Manager

COUNCIL OFFICER RECOMMENDATION

That the report detailing Council Investments as at 31st July 2019 be received and noted.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

09 Financially Sustainable

BACKGROUND

A report on Council's Investments is required to be presented for Council's consideration in accordance with Clause 212 of the Local Government (General) Regulation 2005.

REPORT

Council's investment portfolio decreased by \$1,000,000 from \$51,250,000 as at 31st May 2019 to \$50,250,000 as at 31st July 2019.

**Minutes of the Meeting of GOLDENFIELDS WATER COUNTY COUNCIL held at
TEMORA OFFICE on 22 August 2019**

Investment Portfolio:

Type	Rating	Issuer	Allocation	Frequency	Principal	Purchase	Maturity	Rate
TD	A-	AMP Bank	GENERAL	Annual	\$1,000,000	20/03/2019	16/09/2019	2.75
TD	A-	AMP Bank	GENERAL	At Maturity	\$1,000,000	16/05/2019	12/11/2019	2.60
TD	A-	AMP Bank	GENERAL	At Maturity	\$2,000,000	16/05/2019	12/11/2019	2.60
TD	A	ING Direct	GENERAL	Annual	\$3,000,000	11/12/2017	9/12/2019	2.91
TD	A	ING Direct	GENERAL	Annual	\$3,000,000	20/12/2017	23/12/2019	2.87
TD	BBB+	Rural Bank	GENERAL	Annual	\$3,000,000	14/02/2018	14/02/2020	2.86
TD	A-	AMP Bank	GENERAL	At Maturity	\$1,000,000	26/02/2019	26/02/2020	2.75
TD	A-	AMP Bank	GENERAL	At Maturity	\$1,000,000	20/03/2019	19/03/2020	2.75
TD	NR	Police Credit Union SA	GENERAL	Annual	\$1,000,000	21/03/2018	23/03/2020	3.02
TD	A-	AMP Bank	GENERAL	Annual	\$1,000,000	16/05/2019	15/05/2020	2.35
FRTD	BBB	Newcastle Permanent	GENERAL	Quarterly	\$2,000,000	8/06/2017	9/06/2020	3.21
TD	BBB	Auswide Bank	GENERAL	At Maturity	\$1,000,000	20/06/2018	22/06/2020	3.00
TD	AA-	Westpac	GENERAL	Annual	\$2,000,000	12/07/2017	13/07/2020	3.01
TD	AA-	Westpac	GENERAL	Quarterly	\$1,000,000	25/09/2017	28/09/2020	3.06
TD	BBB+	BOQ	GENERAL	Annual	\$3,000,000	7/11/2017	9/11/2020	3.00
TD	BBB+	Rural Bank	GENERAL	Annual	\$3,000,000	6/12/2017	7/12/2020	2.95
TD	BBB+	Rural Bank	GENERAL	Annual	\$3,000,000	9/01/2018	11/01/2021	3.10
TD	NR	Police Credit Union SA	GENERAL	Annual	\$2,000,000	21/03/2018	22/03/2021	3.15
TD	NR	Australian Military Bank	GENERAL	Annual	\$1,000,000	29/03/2018	29/03/2021	3.20
TD	AA-	Westpac	GENERAL	Quarterly	\$3,000,000	24/04/2018	27/04/2021	3.13
TD	BBB	P&N Bank	GENERAL	Annual	\$3,000,000	27/06/2018	28/06/2021	3.15
TD	BOQ	BOQ	GENERAL	Annual	\$2,000,000	12/07/2017	12/07/2021	3.45
TD	BBB+	BOQ	GENERAL	Annual	\$3,000,000	29/10/2018	29/10/2021	3.00
TD	BBB+	BOQ	GENERAL	Annual	\$1,000,000	12/07/2018	12/07/2022	3.50
CASH	AA-	CBA	GENERAL	Monthly	\$3,250,000	30/06/2016		0.95
TOTAL:					\$50,250,000			

For the month of July, the deposit portfolio provided a solid return of +0.25% (actual), outperforming the benchmark AusBond Bank Bill Index return by +0.13% (actual). The strong performance continues to be driven by those deposits still yielding above 3% p.a. However, some of these deposits are fast maturing and may be reinvested at lower prevailing rates unless a longer duration is maintained.

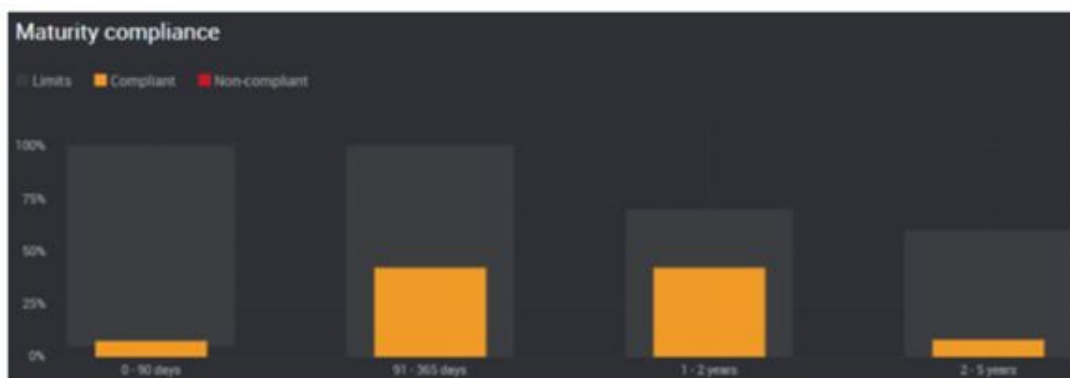
Over the past year, the deposit portfolio returned +3.03% p.a., strongly outperforming bank bills by 1.13% p.a., and triple the official cash rate. This is considered very strong given deposit rates reached their all-time lows and margins have generally contracted over the past 3 years.

As at the end of July 2019, Council's deposit portfolio was yielding 2.97% p.a. (up 1bp from the previous month), with an average duration of around 427 days (~1.2 years).

Term To Maturity

The percentage of investments maturing over the next ten (10) years is detailed below:

Minutes of the Meeting of GOLDENFIELDS WATER COUNTY COUNCIL held at TEMORA OFFICE on 22 August 2019



Counter Party Compliance

As at the end of July, Council did not have an overweight position to any single ADI although BoQ (BBB+) and Bendigo (BBB+) remain close to capacity. The capacity limits are also dependent on the balances in the overnight cash accounts.

Overall, the portfolio is mainly diversified across the entire credit spectrum, including some exposure to unrated ADIs.

Compliant	Issuer	Rating	Invested (\$)	Invested (%)	Max. Limit (%)	Available (\$)
✓	CBA	AA-	\$3,250,000	6.47%	45%	\$19,362,500
✓	WBC (St George)	AA-	\$6,000,000	11.94%	45%	\$16,612,500
✓	ING Bank	A	\$6,000,000	11.94%	40%	\$14,100,000
✓	AMP	A-	\$7,000,000	13.93%	40%	\$13,100,000
✓	BOQ	BBB+	\$9,000,000	17.91%	20%	\$1,050,000
✓	Bendigo	BBB+	\$9,000,000	17.91%	20%	\$1,050,000
✓	Auswide	BBB	\$1,000,000	1.99%	20%	\$9,050,000
✓	Newcastle PBS	BBB	\$2,000,000	3.98%	20%	\$8,050,000
✓	P&N Bank	BBB	\$3,000,000	5.97%	20%	\$7,050,000
✓	Australian Military	Unrated	\$1,000,000	1.99%	10%	\$4,025,000
✓	Police CU SA	Unrated	\$3,000,000	5.97%	10%	\$2,025,000
			\$50,250,000	100.00%		

Credit Quality Compliance

The portfolio remains well diversified from a credit ratings perspective. The portfolio is predominately invested amongst the investment grade ADIs (rated BBB- or higher), with a smaller allocation to the unrated ADIs (~8.04%).

Council’s adopted investment policy does not impose aggregate limits across the various ratings spectrum.

The table below is based on typical investment diversification by NSW local councils, as adopted as part of their policy limits:

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Compliant	Credit Rating	Invested (\$)	Invested (%)	Max. Limit (%)	Available (\$)
✓	AA Category	\$9,250,000	18.41%	100%	\$41,000,000
✓	A Category	\$13,000,000	25.87%	80%	\$27,200,000
✓	BBB Category	\$24,000,000	47.76%	60%	\$6,150,000
✓	Unrated ADIs	\$4,000,000	7.96%	10%	\$1,025,000
		\$50,250,000	100.00%		

FINANCIAL IMPACT STATEMENT

Council's investment portfolio decreased by \$1,000,000 from \$51,250,000 as at 31st May 2019 to \$50,250,000 as at 31st July 2019.

ATTACHMENTS: Nil.

TABLED ITEMS: Nil.

12.1.2. PROGRESS REPORT – CAPITAL WORKS EXPENDITURE

BOARD RESOLUTION

19/065 RESOLVED on the motion of Crs Callow and McCann that the report detailing Council's Capital Works Program as at 30th June 2019 and 31st July 2019 be received and noted.

Report prepared by Corporate Services Manager

COUNCIL OFFICER RECOMMENDATION

That the report detailing Council's Capital Works Program as at 30th June 2019 and 31st July 2019 be received and noted.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

09 Financially Sustainable

BACKGROUND

Capital Works represents an important part of Council's activities and expenditure. This report details progress year to date on programmed and emergent capital works.

REPORT

This report is presented for information on the Capital Works Program full year progress as at 30th June 2019 and year to date progress as at 31st July 2019.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position.

ATTACHMENTS: Capital Works Progress Report as at 30th June 2019; Capital Works Progress Report as at 31st July 2019.

TABLED ITEMS: Nil.

**Minutes of the Meeting of GOLDENFIELDS WATER COUNTY COUNCIL held at
TEMORA OFFICE on 22 August 2019**

12.1.3. PROJECT BUDGET CARRY-OVERS - 2018/19

BOARD RESOLUTION

19/066 RESOLVED on the motion of Crs Armstrong and Morris that the Board notes and endorses Management's recommendation that nil budget allocations be carried forward from 2018/19 to 2019/20.

Report prepared by Corporate Services Manager

COUNCIL OFFICER RECOMMENDATION

That the Board notes and endorses Management's recommendation that nil budget allocations be carried forward from 2018/19 to 2019/20.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

09 Financially Sustainable

BACKGROUND

Project budget carry-overs are amounts from the previous financial year carried forward to the current year's budget.

REPORT

Annual approval is generally sought from the Board in relation to carrying forward budget allocations from the prior year into the current year. 2018/19 budgets items have been reviewed and management advises that projects have either been completed in 2018/19, or 2019/20 budget allocations are adequate for undertaking this year's works program.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position.

ATTACHMENTS: Nil.

TABLED ITEMS: Nil.

12.1.4. 2018/19 DRAFT FINANCIAL STATEMENTS

BOARD RESOLUTION

19/067 RESOLVED on the motion of Crs McCann and Callow

1. The Financial Statements for the year ended 30th June 2019 be referred to Council's Auditor, Audit Office of New South Wales,

2. Council make a resolution in accordance with Section 413(2)(c) that the Financial Statements have been prepared in accordance with:

i. the Local Government Act 1993 (NSW) (as amended) and the Regulations made there under

ii. the Australian Accounting Standards and professional pronouncements

**Minutes of the Meeting of GOLDENFIELDS WATER COUNTY COUNCIL held at
TEMORA OFFICE on 22 August 2019**

- iii. the Local Government Code of Accounting Practice and Financial Reporting
 - iv. presents fairly the Council's operating results and financial position for the year
 - v. accords with Council's accounting and other records
 - vi. that Council is not aware of any matter that would render these statements false or misleading in any way
- 3. That Council adopt the abovementioned Statement and that the Chairperson, Deputy Chairperson, General Manager and Responsible Accounting Officer be authorised to sign the 'Statement by Councillors and Management' in relation to Council's 2018/19 Financial Statements and Special Purpose Financial Reports and be attached thereto.**
- 4. The General Manager be delegated the authority to issue the audited Financial Statements immediately upon receipt of the Auditor's Reports, subject to their being no material changes or audit issues.**
- 5. Council present the final audited Financial Statements and Auditor's Report to the public at its ordinary meeting to be held on 24th October 2019.**

Report prepared by Corporate Services Manager

COUNCIL OFFICER RECOMMENDATION

1. The Financial Statements for the year ended 30th June 2019 be referred to Council's Auditor, Audit Office of New South Wales,
2. Council make a resolution in accordance with Section 413(2)(c) that the Financial Statements have been prepared in accordance with:
 - i. the *Local Government Act 1993* (NSW) (as amended) and the Regulations made there under
 - ii. the Australian Accounting Standards and professional pronouncements
 - iii. the *Local Government Code of Accounting Practice and Financial Reporting*
 - iv. presents fairly the Council's operating results and financial position for the year
 - v. accords with Council's accounting and other records
 - vi. that Council is not aware of any matter that would render these statements false or misleading in any way
3. That Council adopt the abovementioned Statement and that the Chairperson, Deputy Chairperson, General Manager and Responsible Accounting Officer be authorised to sign the 'Statement by Councillors and Management' in relation to Council's 2018/19 Financial Statements and Special Purpose Financial Reports and be attached thereto.
4. The General Manager be delegated the authority to issue the audited Financial Statements immediately upon receipt of the Auditor's Reports, subject to their being no material changes or audit issues.
5. Council present the final audited Financial Statements and Auditor's Report to the public at its ordinary meeting to be held on 24th October 2019.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

09 Financially Sustainable

**Minutes of the Meeting of GOLDENFIELDS WATER COUNTY COUNCIL held at
TEMORA OFFICE on 22 August 2019**

BACKGROUND

Under Section 413(1) of the Local Government Act 1993, Council is required to prepare financial reports and must refer them for audit.

REPORT

Council's draft Financial Statements for the year ended 30th June 2019 have been completed and are ready to be forwarded to Council's Auditors.

Under the provisions of Section 413(2)(c) of the Local Government Act 1993, the Financial Statements and Special Purpose Financial Statements shall be accompanied by a statement made in accordance with a resolution by Council, signed by two Councillors, General Manager and Responsible Accounting Officer.

Following receipt of the Auditor's Report, it will be necessary to give public notice for a period of at least seven (7) days prior to the adoption of the Financial Statements.

It is anticipated that the complete set of Financial Statements, including the Auditor's Report will be submitted to Council's Ordinary Meeting on 24 October 2019.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position.

ATTACHMENTS: 2018/19 Draft Primary Financial Statements; GPFS Statement by Councillors and Management; SPFS Statement by Councillors and Management.

TABLED ITEMS: Nil.

10.25am - Cr Sinclair joined the meeting.

12.1.5. CONCEALED LEAK POLICY APPLICATIONS

BOARD RESOLUTION

19/068 RESOLVED on the motion of Crs McGlynn and Callow.

- 1. Rebate water account 44077221 \$2,046.83 for water charges incurred due to a concealed leak**
- 2. Rebate water account 44087394 \$2,099.80 for water charges incurred due to a concealed leak**

Report prepared by Corporate Services Manager

COUNCIL OFFICER RECOMMENDATION

1. Rebate water account 44077221 \$2,046.83 for water charges incurred due to a concealed leak
2. Rebate water account 44087394 \$2,099.80 for water charges incurred due to a concealed leak

**Minutes of the Meeting of GOLDENFIELDS WATER COUNTY COUNCIL held at
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ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

09 Financially Sustainable

BACKGROUND

Policy PP009 – Concealed Leak Detection was adopted 27 October 2016 and revised 27 June 2019. The policy was adopted to guide Council’s decision making in relation to reducing customer water accounts, where property owners have received a high water account as a result of a concealed leak.

REPORT

Council received two applications in the last quarter under Policy PP009 – Concealed Leak Detection. Both customers are seeking relief from their water accounts due to an undetectable leak. Both customers have had a certified plumber inspect and repair their leaks as required under the policy.

In accordance with the policy, actual water usage for the period has been determined utilising Taggle Meter data. Average 12 month usage has been calculated for corresponding prior periods during which a leak was not occurring. The recommended compensation is the difference between these two amounts. This in effect results in the customer being charged for their anticipated average usage, had the leak not occurred.

Details of each claim are outlined below:

Account: 44077221 (Jonee Residential Property)

Application Date: 23 May 2019

Actual water charges: \$3,479.70

Average water charges based on previous water usage: \$1,432.87

Recommended compensation: \$2,046.83 (862KL reduction over 12 months)

Account: 44087394 (Stockinbingal Residential Property)

Application Date: 11 August 2019

Actual water charges: \$2,330.59

Average water charges based on previous water usage: \$230.79

Recommended compensation: \$2,099.80 (874KL reduction over 6 months)

* this claim was made after Council updated its policy, limiting water reduction to 6 months

FINANCIAL IMPACT STATEMENT

The recommendation reduces Council’s water sales income by \$4,146.63.

ATTACHMENTS: Nil.

TABLED ITEMS: Nil.

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12.2. MATTERS SUBMITTED BY OPERATIONS MANAGER

12.2.1. BOOTOOWA ROAD NARADHAN WATER MAINS REPLACEMENT

BOARD RESOLUTION

19/069 RESOLVED on the motion of Crs McGlynn and McCann that the progress report on Bootoowa Road Naradhan water mains renewal be received and noted.

Report prepared by Operations Manager

COUNCIL OFFICER RECOMMENDATION

That the progress report on Bootoowa Road Naradhan water mains renewal be received and noted.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

01 Excellence in Service Provision
07 Efficient Operations

BACKGROUND

Bootoowa Road Naradhan pipeline renewal has been high on Councils priority list due to poor condition and age. This section of pipeline is also one of the highest problematic pipelines within our system.

The pipeline consists of approximately 4 kilometers of 80mm white PVC (poly vinyl chloride) and 4 kilometres of 50mm PVC and traverses private property, mainly crop land. The frequent pipeline breaks are a constant problem for the landholders, who suffer inconvenience and loss of revenue, especially during cropping season.

REPORT

Resources were allocated in March 2019 to replace this pipeline whilst not disrupting the landholders sowing season.

The new section of pipeline consists of 4 kilometres of 100mm OPVC and 4 Kilometres of 63mm PE.

Construction commenced Monday 15th July and was successfully completed on Tuesday 30th July. All works were undertaken by Councils construction team.

Taking into consideration the NSW Reference Rates provided by the Department of Primary Industries, the initial estimated budget was \$450,000. Further consideration and detailed costing, taking into account Goldenfields internal history of construction reduced this budget to \$220,000 including 10% contingency. The project was delivered significantly under this budget with a total cost of \$115,129, which equates to \$15 per metre.

FINANCIAL IMPACT STATEMENT

Total cost for the project was \$115,129, which equates to \$15 per metre, whereas the NSW Reference Rate is \$95 per metre.

ATTACHMENTS: Nil

TABLED ITEMS: Nil

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12.3. MATTERS SUBMITTED BY PRODUCTION AND SERVICES MANAGER

BOARD RESOLUTION

19/070 RESOLVED on the motion of Crs Callow and Sinclair that the Water Production Report be received and noted.

Report prepared by Production and Services Manager

COUNCIL OFFICER RECOMMENDATION

That the Water Production Report be received and noted.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

03 Strategic Water Management

BACKGROUND

Goldenfields Water provides the essential water requirements of about 40,000 people spread over an area in excess of 20,000 square kilometres between the Lachlan & Murrumbidgee Rivers in the South West of NSW.

Goldenfields Waters' supply system consists of five separate water schemes, Jugiong, Oura, Mt Arthur, Mt Daylight and Hylands Bridge. Goldenfields Water carries out water supply functions within the Local Government areas of Bland, Coolamon, Cootamundra, Hilltops, Junee, Temora, and parts of Narrandera and Wagga Wagga.

Hilltops Shire Council, Cootamundra Gundagai Shire Council and Riverina Water County Council are retailers, who purchase bulk water from Goldenfields and supply the water to retail customers in their respective local government areas.

REPORT

Jugiong drinking Water Scheme

The Jugiong drinking water scheme sources water from the Murrumbidgee River and has an extraction licence entitlement of 5590ML per annum. Water from the Murrumbidgee River is treated through a 40ML/day, conventional Water Treatment Plant that consists of: Coagulation, Flocculation, Clarification, Filtration, Disinfection and Fluoridation.

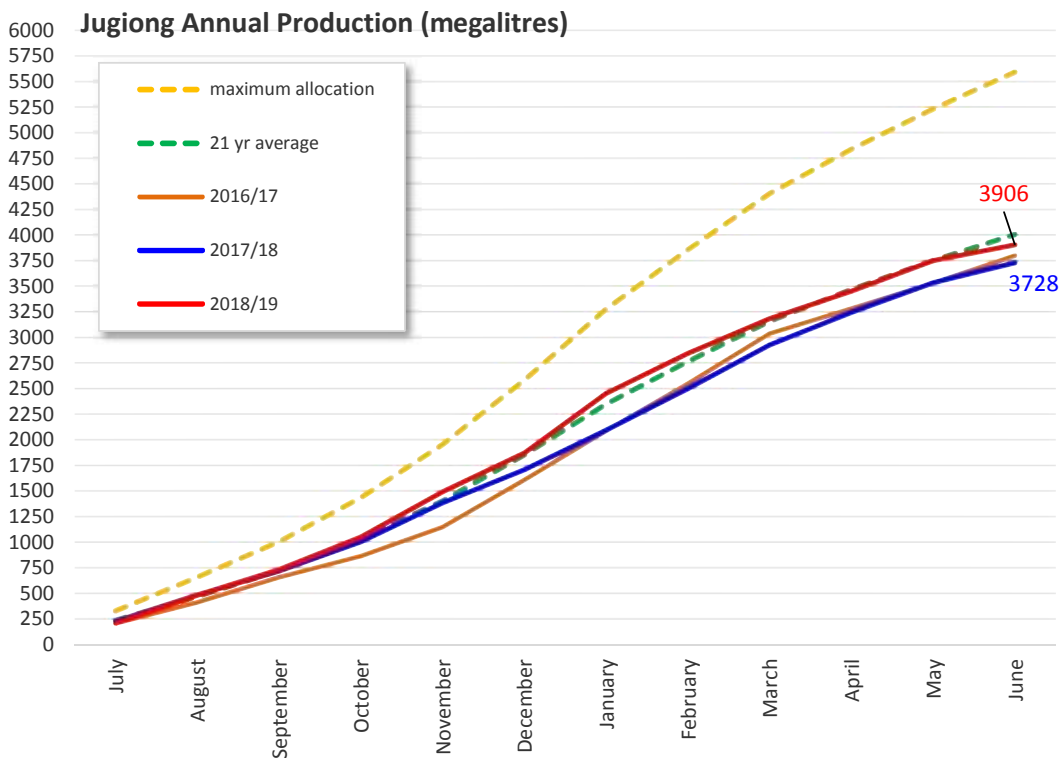
The Jugiong Scheme has 14 sets of reservoirs and 8 pumping stations. The Jugiong Scheme supplies bulk water to the Hilltops and Cootamundra-Gundagai Regional Councils for supply to the townships of Cootamundra, Harden and Young with a population of approximately 6800, 2200 and 8000 respectively.

Goldenfields Water also provides additional retail supply to approximately 600 customers in the villages of Stockinbingal, Wallendbeen and Springdale.

Jugiong annual water production is trending in a similar fashion to previous years.

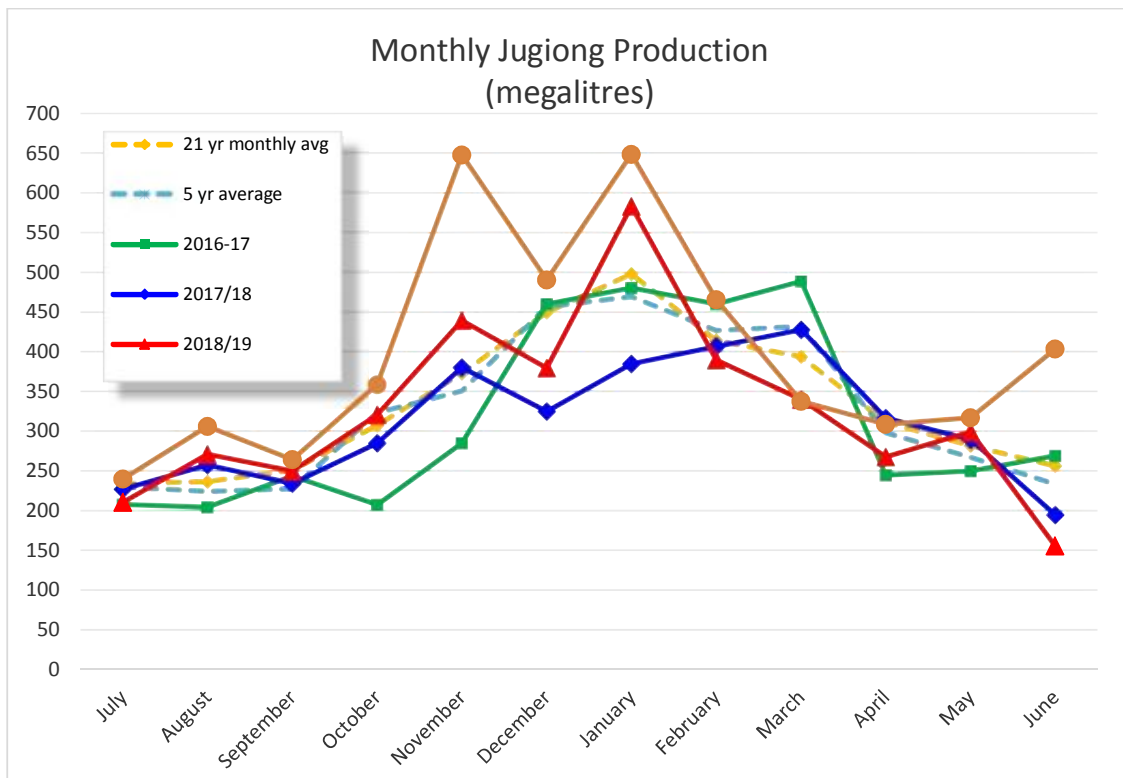
Up until June 28th 2019, Water production was 3906 ML, this is 178 ML higher than the same period last year which was 3728ML. An increase of 4.77%.

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Jugiong monthly water production for June was 155.35ML. This indicates a decrease of 39.35 ML compared to the same Month last year (194.7ML).



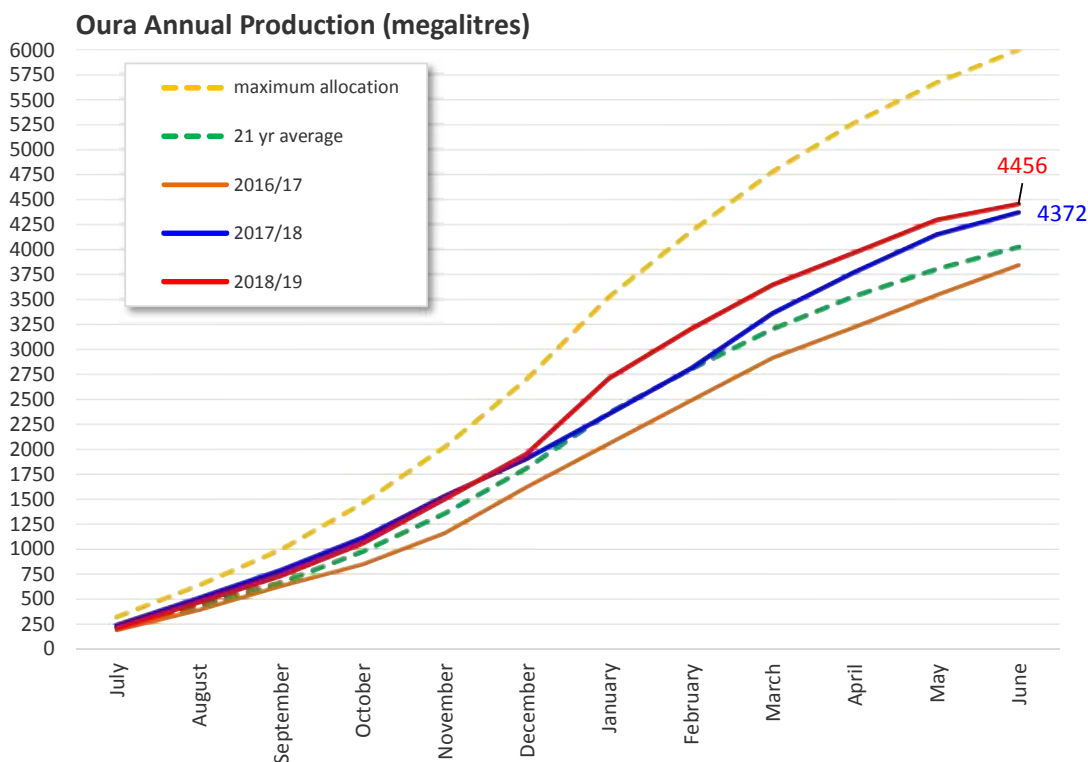
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Oura Drinking Water Scheme

The water source at Oura is the Murrumbidgee inland alluvial aquifer, this water is extracted from 3 bores namely: Bores 3, 4 and 6. The raw water then goes through a treatment process at the Oura Water Treatment Plant that includes Aeration, Disinfection and Fluoridation.

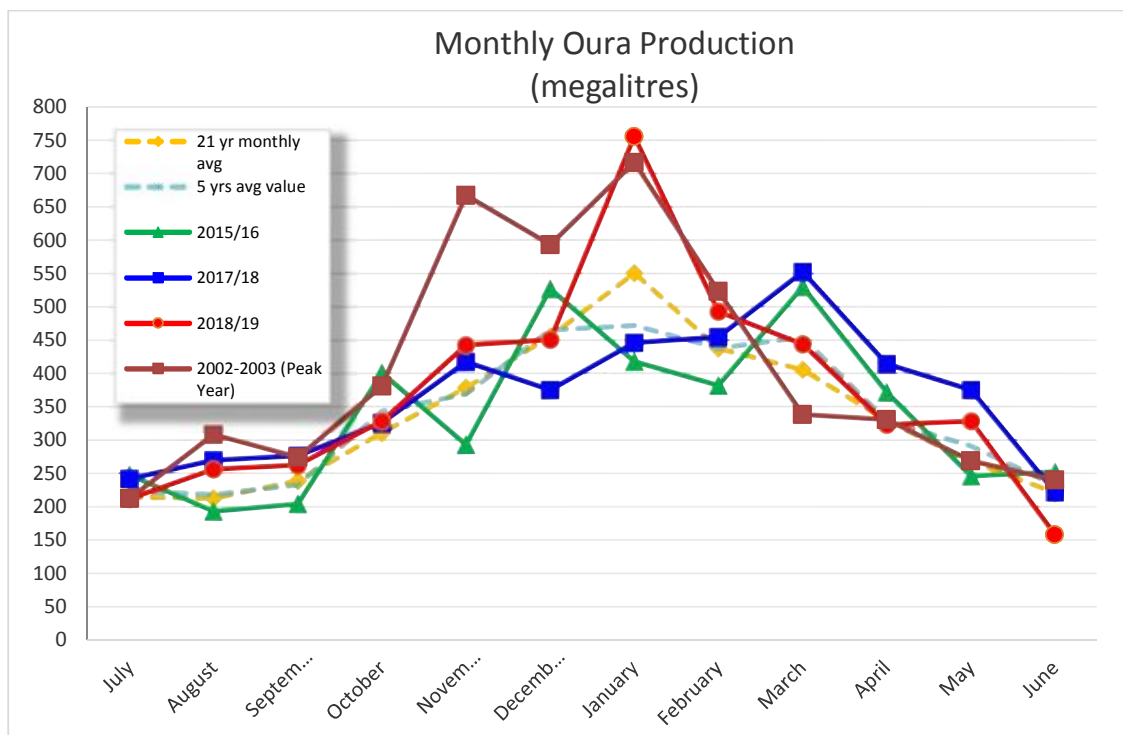
The Oura scheme has 33 sets of reservoirs and 19 pumping stations, produces drinking water for approximately 14,600 people in the Bland, Coolamon, Junee, Narrandera and Temora Shires. The Oura scheme can also supply water to the Northern side of the rural area of Wagga Wagga City when required.

Up until the 28th June 2019. Water production from the Oura bores was 4456 ML, this is 84ML more, than for the same period last year (2017/18) which was 4372ML. An increase of 1.91%.



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Oura production for June 2019 was 154ML a decrease of 68ML as compared to the period June in 2018, where production was 222ML.



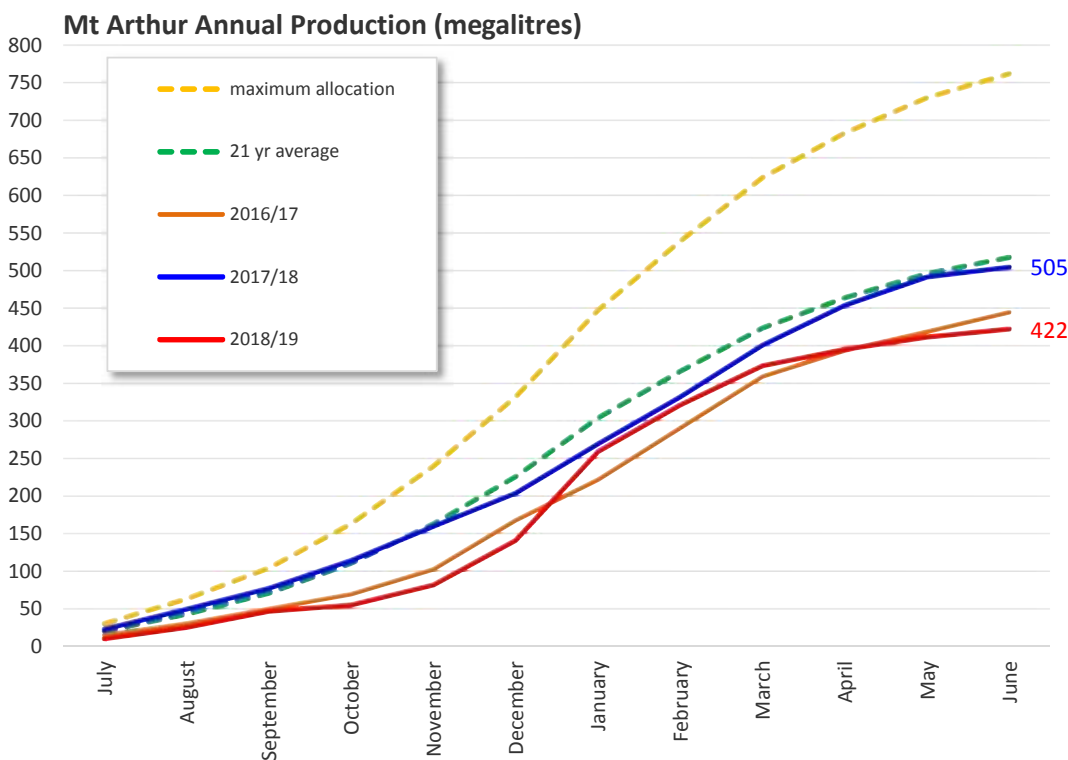
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Mount Arthur Drinking Water Scheme

The Mount Arthur Water Source is from the Lachlan Fold belt Aquifer System. The water is extracted via two bores. Bores 1 and 2 are located in the Wagga Wagga City Council area South of Matong. The water is disinfected before distribution through 9 sets of reservoirs supplying approximately 2400 people with water in the Coolamon shire.

It should be noted that Staff have recognised that Bore 2 flow meter appears to be reading lower than expected. Initial investigations have identified that there is a potential decrease of 9l/s when compared to a portable ultrasonic meter that was utilised to validate flows. This means that there is an estimated 15% potential variation of production in Bore 2. The replacement of a new production meter and new pipeline arrangement will commence in the 2019/20 financial year.

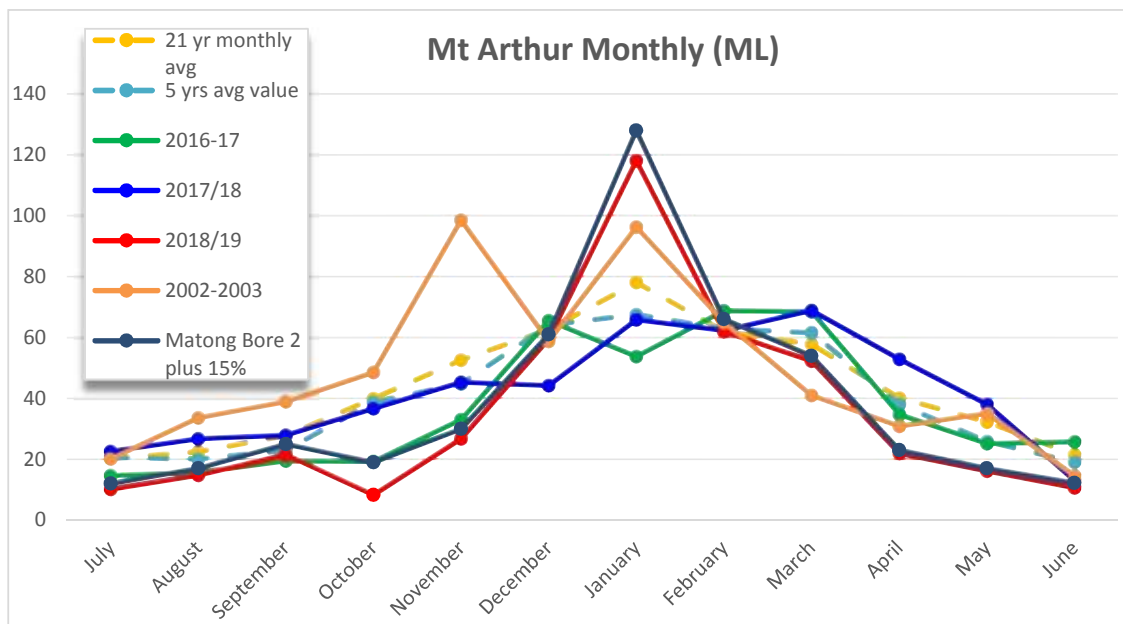
To the end of June 2019, 422ML of water has been extracted from the Mt Arthur Bores this is fractionally lower than for the same period in 2017/18 (505ML). A decrease of 83ML for the year 2018/19.



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Mount Arthur monthly water production for June was 10.66ML compared to the same period June in 2018 where production was 13.05ML. A decrease of 2.39ML.

With the 15% variation Mount Arthur monthly water production for June 2019 was 12.26ML.



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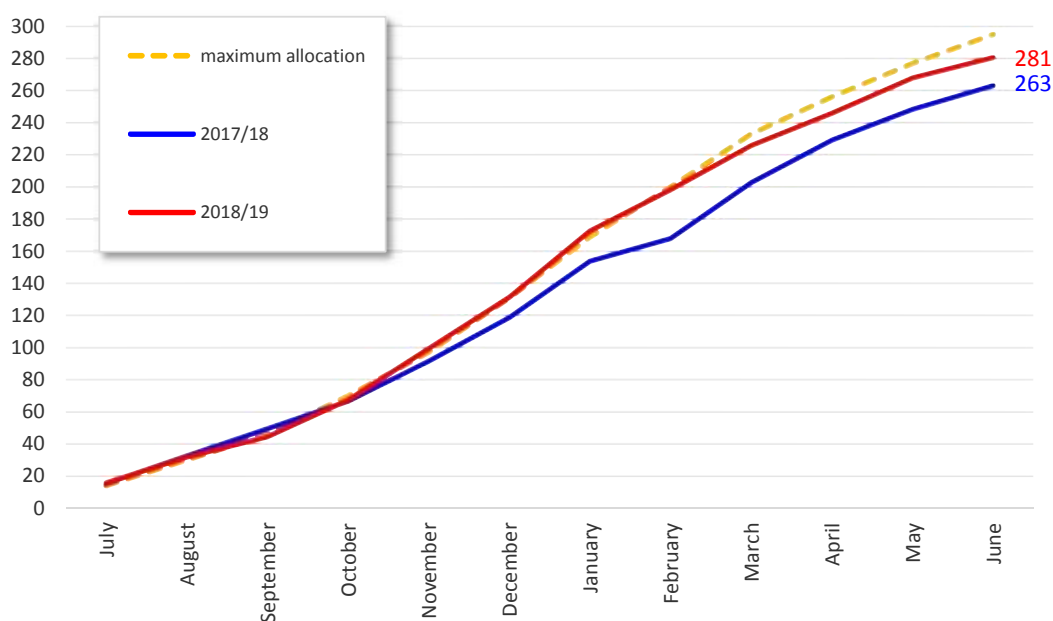
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Mount Daylight Drinking Water Scheme

The Mount Daylight water source is from the Lower Lachlan alluvium aquifer. The Mount Daylight bores are jointly operated with Carathool Shire Council. Carathool Shire Council is responsible for bore management. There are 7 sets of reservoirs in the Mt Daylight scheme. Mt Daylight supplies water to approximately 125 people in the villages of Naradhan Weethalle and Tallimba in the Bland Shire Council

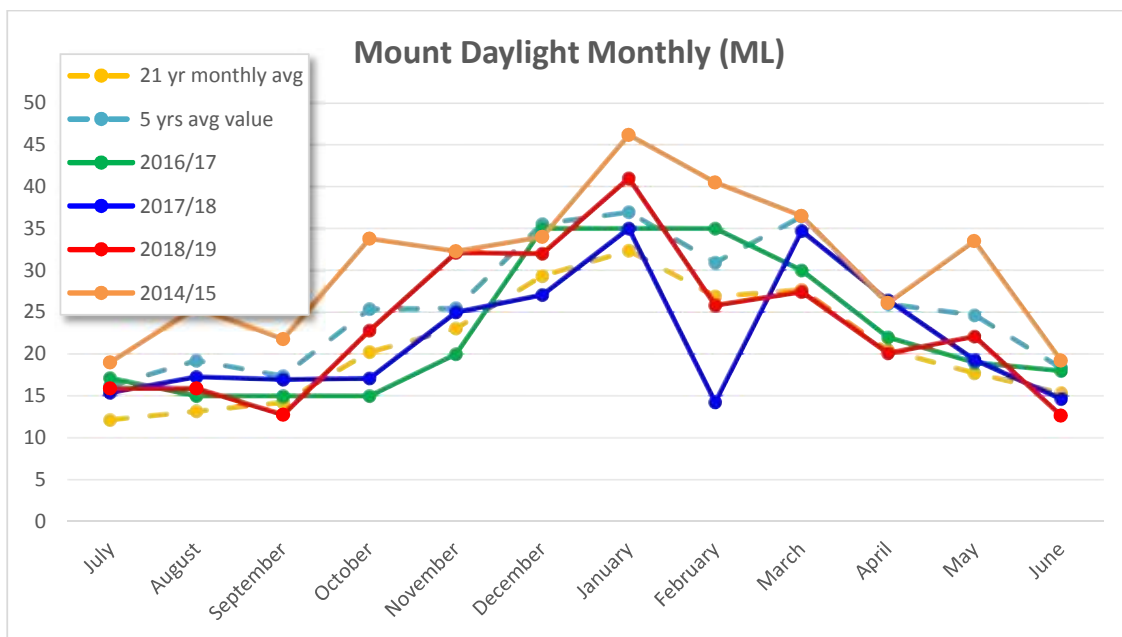
To the end of June 2019, 281ML of water has been extracted from the Mt Daylight Bores. This is higher than the same period in 2017/18 (263ML). Indicating an increase of 18ML for the 2018/19 year.

Daylight Annual Volume (megalitres)



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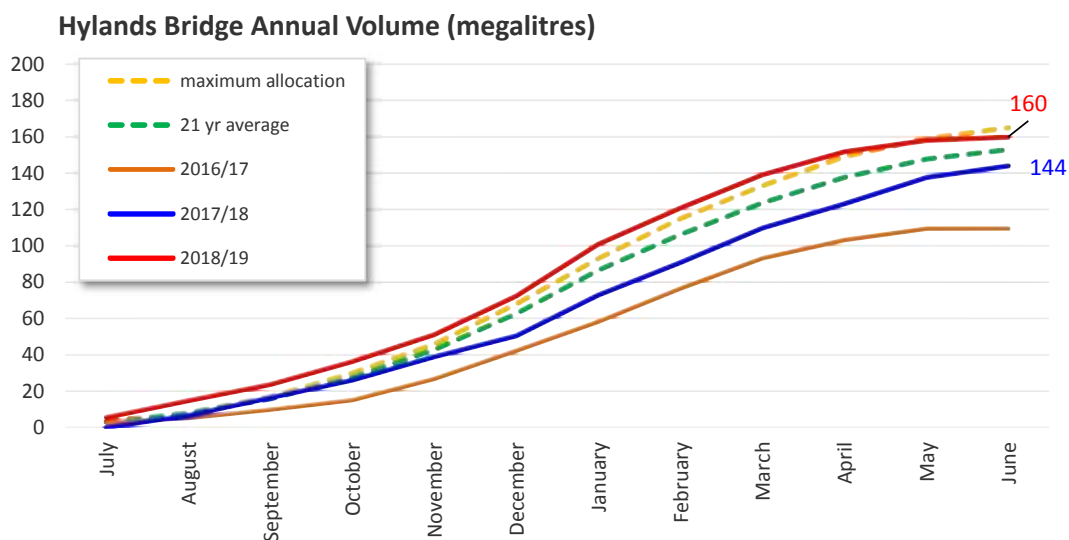
Mount Daylight monthly water production for June 2019 was 12.64ML. Production for June 2018 was 14.63ML, a decrease of 2ML.



Hylands Bridge - Non Potable

Hylands Bridge supplies Non Potable water to Barellan and Binya.

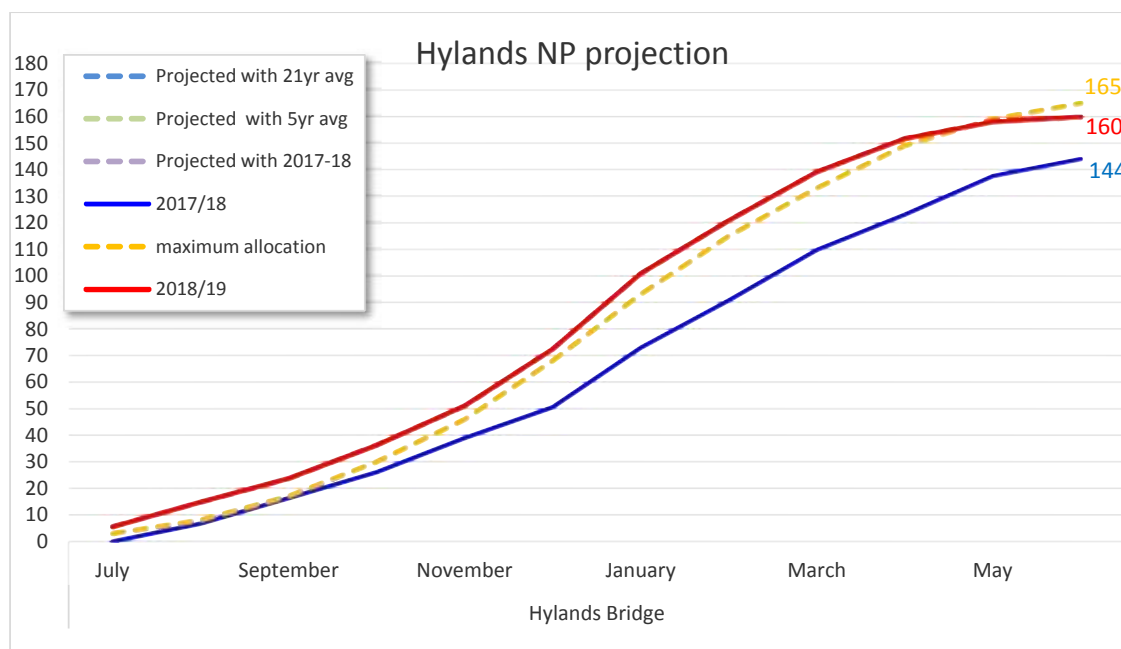
Up until June 28th 2019, 160ML of water has been extracted from Hylands Bridge scheme, this is higher than for the same period in 2017/18 (144ML). An increase in production of 16ML compared to the same period last year.



Hylands Bridge Projections are as per the graph below.

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As the water production was trending towards exceeding our extraction limit for 2018/19 the scheme was turned off at the end of May utilising the storage available for the remaining period.



12.4. MATTERS SUBMITTED BY ENGINEERING MANAGER

12.4.1. DRAFT EASEMENT AND ACQUISITION POLICY

BOARD RESOLUTION

19/071 RESOLVED on the motion of Crs Stadtmiller and McCann that the policy be brought to the next meeting and suggested changes accommodated.

Report prepared by Acting Engineering Manager

COUNCIL OFFICER RECOMMENDATION

That the Board adopts the draft Easement and Acquisition Policy.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

07 Efficient Operations

BACKGROUND

Council owns and operates a significant amount of assets within private property. Historically not all assets are within an easement or on land owned by Goldenfields Water.

This purpose of this policy is to provide a definitive solution, ensuring all easements are dealt with consistently.

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REPORT

In order to maintain access to infrastructure new and existing, staff have developed an Easement and Acquisition policy. The policy outlines requirements for acquiring land and/or easements for infrastructure.

Goldenfields Water do have right to access infrastructure under the Local Government Act 1993 and Water Management Act 2000. An easement gives further protection where conditions are put on the property title and outline what can and can't be done within the limits of the easement. The draft policy outlines easement conditions, of significance is the limitations on building within the easement which is not clearly defined in the above mentioned Acts.

Acquisition of land for reservoir and pump station assets, mitigates potential issues surrounding changes of ownership. Agreed access conditions and locations as well as operating procedures don't always transfer well with ownership. Land acquisition and access easements with their conditions, eliminate future problems.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's current financial position. Once adopted staff will include the associated costs in budget forecasts

ATTACHMENTS: Draft Easement and Acquisition Policy

TABLED ITEMS: Nil

12.5. MATTERS SUBMITTED BY THE GENERAL MANAGER

12.5.1. PROCUREMENT OF GOODS SERVICES AND MATERIALS POLICY

BOARD RESOLUTION

19/072 RESOLVED on the motion of Crs McGlynn and Callow that Council adopt the updated PP001 Procurement of Goods, Services and Materials Policy.

Report prepared by WHS & Procurement Coordinator

COUNCIL OFFICER RECOMMENDATION

That Council adopt the updated PP001 Procurement of Goods, Services and Materials Policy.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

07 Efficient Operations

BACKGROUND

The PP001 Procurement of Goods, Services and Materials Policy, was last adopted by Council at the meeting held on 21 December 2018 (Resolution 18/117) when amendments were made to remove the Credit Card details to create a standalone policy. The Local Government Amendment Act 2019 was passed by both houses on 19 June 2019 with assent on 25 June 2019. This act is to amend the Local Government Act 1993 with respect

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to rates, tendering requirements, election planning, mutual recognition of approvals and other regulatory matters, and for other purposes. Of which, tendering requirements relate directly to this policy.

The Local Government Act 1993 (including Local Government Amendment Act 2019), Section 55, Requirements for tendering, states:

(3) This section does not apply to the following contracts:

(n) A contract involving an estimated expenditure or receipt of an amount of:

- (i) Less than \$250,000 or another amount as may be prescribed by the regulations, or
- (ii) Less than \$150,000 or another amount as may be prescribed by the regulations for a contract involving the provision of services where those services are, at the time of entering the contract, being provided by employees of the council.

REPORT

Following the aforementioned changes to legislation, the quotation thresholds contained within PP001 Procurement of Goods, Services and Materials Policy have been amended to align with the Local Government Act 1993 Section 55, increasing the minimum threshold for tendering from \$150,000 to \$250,000.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position.

ATTACHMENTS: PP001 Procurement of Goods, Services and Materials Policy

TABLED ITEMS: Nil.

12.5.2. CODE OF MEETING PRACTICE

BOARD RESOLUTION

19/073 RESOLVED on the motion of Crs Sinclair and Morris that the Code of Meeting Practice be adopted.

Report prepared by General Manager

COUNCIL OFFICER RECOMMENDATION

That the Code of Meeting Practice be adopted.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

07 Efficient Operations

BACKGROUND

Amendments made to the Local Government Act 1993 (the Act) provide for a Model Code of Meeting Practice (the Model Code) to be prescribed by the Local Government (General) Regulation 2005 (the Regulation).

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Council is required to adopt a code of meeting practice that incorporates the mandatory provisions of the Model Meeting Code prescribed by the Regulation. Councils adopted meeting code must not contain provisions that are inconsistent with the mandatory provisions.

Councils adopted meeting code may also incorporate the non-mandatory provisions of the Model Code and any other supplementary provisions adopted by Council.

Council and committees of council of which all the members are councillors must conduct their meetings in accordance with the code of meeting practice adopted by the council.

Councils draft Code of Meeting Practice was prepared in accordance with the Local Government Act requirements and presented at the June 2019 Council Meeting, where it was endorsed to be placed on Public Display.

REPORT

Council has met the requirements of section 361 of the act in relation to preparation, public notice and exhibition. The draft Code of Meeting Practice has been on Public Display for 28 days. The opportunity for comment on the draft code has been provided to members of the community for the required 42 day period.

No submissions have been received during this time.

The Draft Code of Meeting Practice is now re-presented to Council in its final format for endorsement.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position.

ATTACHMENTS: Draft Code of Meeting Practice

TABLED ITEMS: Nil

12.5.3. MANDAMAH STAGE 1 OFFICIAL OPENING

BOARD RESOLUTION

19/074 RESOLVED on the motion of Crs McGlynn and Callow that the Mandamah stage 1 official opening report be received and noted.

Report prepared by Community Education and Engagement Officer

COUNCIL OFFICER RECOMMENDATION

That the Mandamah stage 1 official opening report be received and noted.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

05 Proactive Customer Relations

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BACKGROUND

In early July 2019, farmers located in Stage 1 of the Mandamah Rural Water Supply Scheme were able to access their water supply.

To celebrate this historical event, Goldenfields Water hosted an official opening on Wednesday 14th August at the Mandamah Reservoirs.

Stage 1 was officially opened by Minister for Water, Property and Housing, The Hon. Melinda Pavey MP and Member for Cootamundra and Parliamentary Secretary for the Deputy Premier Steph Cooke.

REPORT

The official opening was attended by over 100 local Mandamah farmers, Goldenfields Water Board Members, Temora Shire and Bland Shire Councillors and Goldenfields Water Staff. Commencing at 2.30pm in the afternoon, the formalities included addresses by the following; Goldenfields Water Deputy Chairperson David McCann, Minister for Water, Property and Housing, The Hon Melinda Pavey MP, Member for Cootamundra Steph Cooke, Temora Shire Deputy Mayor and Goldenfields Water Councillor Graham Sinclair, Bland Shire Mayor Brian Monaghan, Goldenfields Operations Manager Tony Goodyer, and President of the Mandamah Water Association Geoff Tidd.

Other special guests acknowledged for the attendance at the event were Clover Pipelines representatives, Mr Mark Laws and Mr Ian Thrift and Hornicks Constructions representatives, Mr Paul Fowler and Mr Brendon Dionysius.

Cr McCann acknowledged in this speech that *“we celebrate the opening of Stage 1 Mandamah Rural Water Supply Scheme, the first of four stages that will help the region flourish, not only now, but for generations to come.*

No longer does the Mandamah community have to rely on the skies or cart water to run their farms efficiently and to provide for their families livelihood. They can now turn on a tap and be greeted with a quality and reliable water source.

I commend the hard work of all those involved in the Mandamah Rural Water Supply Scheme. What started as a proposal at a Council meeting in 2002 has resulted in Goldenfields Water being able to deliver one of biggest undertakings in their recent history.

The collaboration and dedication displayed across all departments of Council, the Mandamah Water Association and Mandamah Farmers is what has brought us here today, to celebrate the Stage 1 opening of this \$10.9 million dollar project, solely funded by Goldenfields Water County Council and the Mandamah Farmers.

I also acknowledge and sincerely thank past Goldenfields Water Chairperson’s, Mr Peter Spiers and Mr Chris Manchester and past General Managers Mr Andrew Grant and Mr Phillip Rudd for their contribution towards the development of the scheme.”

Minister Pavey was very impressed with the delivery of the project, *commenting “it’s about managing water, it’s about understanding it, it’s about getting it when you need it*

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and where you need it.” Minister Pavey spent some time after the formalities discussing the operations and delivery of the project with Operations Manager Tony Goodyer.

Steph Cooke MP, Member for Cootamundra commended all of those involved *“I’d like to congratulate Goldenfields Water County Council for investing in infrastructure which will be of great benefit to the Mandamah community, and thank Minister for Water Melinda Pavey for officially turning on the tap for this fantastic project.”*

Guests were invited to a delicious afternoon tea spread, provided by local catering company ‘Red Hen Hospitality.’ The afternoon was very much enjoyed by all as they mingled in the afternoon sun discussing the future stages of the scheme.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council’s financial position.

ATTACHMENTS: Opening Photos

TABLED ITEMS: Nil.

13. NEXT MEETING

The next ordinary meeting of Council is due to be held Thursday 24 October 2019 at 10.00am.

14. CLOSE OF BUSINESS

There being no further business requiring the attention of Council the meeting was declared closed at 10.48am
