



Goldenfields  
Water

# ANNUAL REPORT

2021 - 2022

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 was my honour to be elected as Chairperson of Goldenfields Water in January 2022, and my pleasure to be a representative of Goldenfields Water since 2017.

I extend my appreciation to Deputy Chairperson Bob Callow, my fellow Board members, and the Goldenfields Water Leadership Team whose knowledge and guidance over the last 12 months has been vital.

Each year brings its own set of challenges, and I am proud of the way Goldenfields as an organisation has collaboratively met, and overcome, the issues that arose over the last 12 months.

This report also highlights the many achievements that Goldenfields have realised during the 2021-2022 year, in the pursuit of delivering a quality water supply in line with our Mission, Vision and Values.

Finally, in putting forward the annual report for 2021/22, the Board and I sincerely thank our constituent councils and the community for their continued support of Goldenfields Water and their faith in our ability to provide a continued secure water supply.

Matthew Stadtmiller

Chairperson



## General Manager's message

It has been my pleasure to continue in the role of General Manager and lead the organisation toward success over the last 12 months.

The results during the 2021/22 year are reflective of an organisation that values and promotes Integrity, Trust, Respect, Teamwork and Continuous Improvement.

This is the final report for the 2017-2022 Delivery Program and this report contains a snapshot overview of Goldenfields achievements in implementing the Business Activity Strategic Plan during this time. Over the past five years Goldenfields Water has delivered a range of essential infrastructure and service improvements as well as many community-focused initiatives that will continue to have a positive effect on our region for many years to come.

I am proud of what the organisation has achieved during this time, and along with the Board and Leadership Team we are keen to commence achieving the objectives set out within our newly created Business Activity Strategic Plan.

I am grateful to the Board for their support, and I acknowledge the efforts of our skilled staff as being instrumental in achieving the organisational goals 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 over 11,600 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 of the constituent councils and two elected from Hilltops Council. The Board elects a Chairperson from amongst its members. The Chairperson holds office for two years 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.

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)..





# 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 2021 (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 the Statutory Reporting section 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

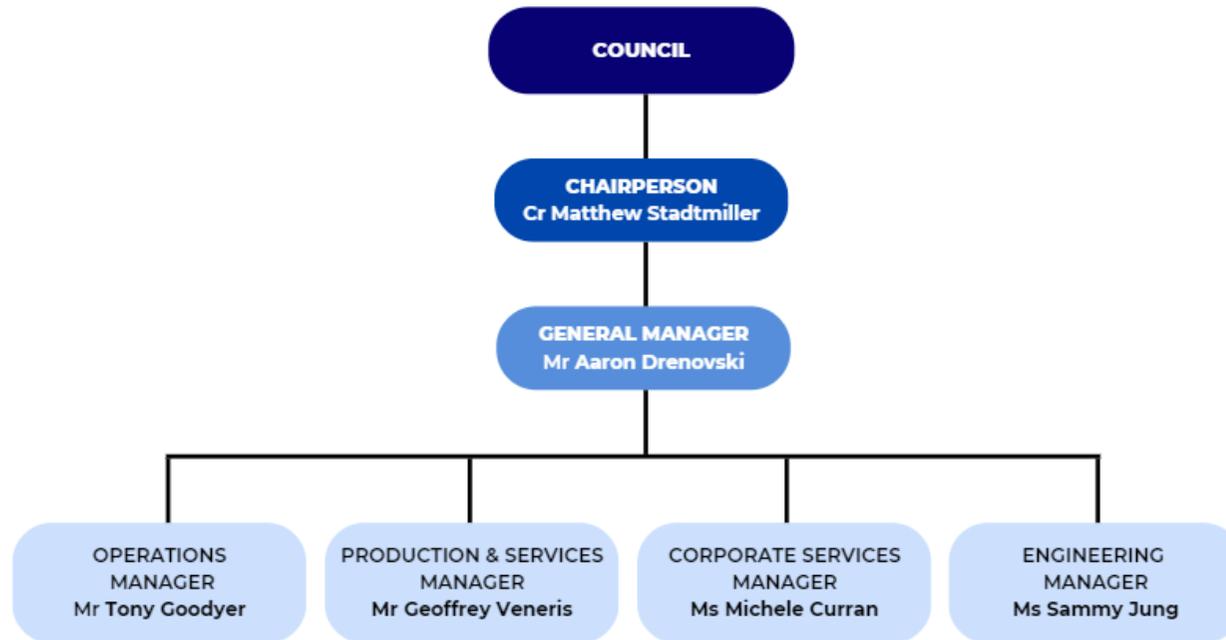




# Organisational Structure

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

## 2017-2022

### 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 Delivery Program and annual Operational Plan.

This section contains the report on Goldenfields Water's Delivery Program progress for 2021/22.

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 2017/22 Delivery Program and 2021/22 Operational Plan to achieve those priorities.



Green – Completed



Blue – Progressing



Red – Not yet started



## 1: Excellence in service provision

### 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	Maintain and Review the Drinking Water Management System	Complete DWMS Annual Report	Production & Services Manager		100%	Council have developed and maintain a DWMS. The system is reviewed annually for its effectiveness in managing Councils water quality obligations in relation to the Australian Drinking Water Guidelines. An annual review is undertaken and reported to the Council every October/December Council meeting.



### 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
1.2.2.3	Commence and complete Talbingo Lane Junee pipeline replacement of approximately 10km.	Commence and complete Talbingo Lane Junee pipeline replacement of approximately 10km.	Operations Manager		60%	Approx 60% of the pipeline has been renewed. Unable to renew the remainder due to pipeline route under crop. Expected completion November 2022
1.2.2.3	Commence and complete urban pipeline renewal at Beach and Pretoria Street Junee.	Commence and complete urban pipeline renewal at Beach and Pretoria Street Junee.	Operations Manager		10%	Beach and Pretoria Street pipeline renewal has commenced and delays have been caused by the current weather patterns. Expected completion October 2022
1.2.2.3	Commence Thanowring Road pipeline replacement.	Commence Thanowring Rd Pipeline Replacement	Operations Manager		100%	Thanowring Rd pipeline renewal commenced in December 2021. 8 kilometer's of pipe has been laid to date.
1.2.2.3	Complete and Commission Mandamah pipeline construction Stage 3, and commence Stage 4.	Complete and Commission Mandamah pipeline construction Stage 3, and commence Stage 4.	Operations Manager		100%	Mandamah Stage 3 completed and commissioned. Stage 4 completed and unable to connect consumers until Thanowring rd pipeline is commissioned. This is due to previous agreements with land owners
1.2.2.3	Installation of an organisational wide microwave communication system for SCADA is complete	Installation of an organisational wide microwave communication system for SCADA is complete	Production & Services Manager		100%	Council has designed and commenced the roll out of a new Microwave communications network. Phase 1 with a total of 9 sites was to be completed within the 2021/22 financial year which is now complete. Phase 2 will commence with an additional 10 sites to be completed within the 2022/23 financial year.



Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
1.2.2.3	Jugiong No1 High Voltage Upgrade - Detailed design contract to be completed.	Jugiong No1 High Voltage Upgrade - Detailed design contract to be completed.	Production & Services Manager		90%	Tenders have been awarded for the design and construction of the Civil, Electrical and Hardware contracts for the project. All designs are completed except for the electrical design contract which has now been awarded and is established for completing in October 2022.
1.2.2.3	Jugiong Programmable Logic Controller (PLC) is completed.	Jugiong Programmable Logic Controller (PLC) is completed.	Production & Services Manager		95%	This project has involved the full upgrade of electrical services and control systems within the Jugiong WTP. Works are nearing completion and will be finalised by October 2022.
1.2.2.3	Oura High Voltage Upgrade - Civil Construction is complete and commissioned	Oura High Voltage Upgrade - Civil Construction is complete and commissioned	Production & Services Manager		100%	Civil construction works have been completed with Practical Completion being granted to Gongues Construction in November 2021.
1.2.2.3	Plan for a new workshop facility to support Urban Reticulation renewals as per Capital Works forecast.	Detailed design completed for proposed new workshop	General Manager		50%	Initial detailed designs have been developed, however expected future budget constraints are to be considered before further progress is made.
1.2.2.4	Valve maintenance and replacement will be completed by October 2021.	Achieve greater than 85% of program	Operations Manager		100%	The actual valve maintenance and replacement program has been completed. Identified from that program were towns that require further investigation and on-going renewal programs. These programs were commenced in May 2022



#### 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	Utilise issues register and burst data to determine renewals program.	Achieve 90% of mains renewals budget	Engineering Manager		75%	Renewals program developed from asset condition information. 74% of renewals completed this FY
1.2.4.3	Implement the water main renewal program for 21/22	Achieve 85% of mains renewals budget	Engineering Manager		75%	74% complete despite significant wet weather delays
1.2.4.4	Continue with Mandamah water main extension program	Achieve greater than 85% of 30km of mains installation.	Engineering Manager		100%	Project completed under budget and ahead of schedule



### 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	Progressively replace all SCADA across to ClearSCADA	Progressively replace all SCADA across to ClearSCADA	Production & Services Manager	●	100%	Council has completed a majority of its SCADA upgrade system. All further upgrades will be undertaken as part of Councils asset renewal program or new capital works 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	Annual Comment
1.2.10.1	Air, Scour and Stop Valves and Hydrants are reviewed and replaced as required in Temora, Wyalong and Ungarie. Junee, Coolamon and Ganmain are reviewed for future replacement.	Air, Scour and Stop Valves and Hydrants are reviewed and replaced as required in Temora, Wyalong and Ungarie. Junee, Coolamon and Ganmain are reviewed for future replacement.	Operations Manager	●	100%	Completed for this F/Y 21-22. This is a continuous on-going program across all towns within GWCC footprint without any end date



**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	Replace aged water quality instrumentation where required.	Replace aged water quality instrumentation where required.	Production & Services Manager	●	100%	GWCC staff progressively renew water quality instrumentation when and where required. There was no planned renewal site to be completed this financial year.

**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	Regularly update and publish information on Goldenfields website relating to major projects, water outages, meeting minutes, billing, recent announcements and staffing updates.	Our website is regularly updated with relevant and timely information.	Community Engagement Officer	●	100%	Website is updated weekly with all relevant information.
1.2.13.2	Proactively provide project specific information to relevant stakeholders as required and respond to any stakeholder requests in a timely manner.	Accurate and relevant information is provided to stakeholders in a timely manner.	General Manager	●	100%	Goldenfields stakeholders are provided relevant information through quarterly customer newsletters, website updates, media and social media engagement. Stakeholder requests are responded to in line with the customer service charter



Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
1.2.13.4	Prepare statutory financial reports within required timeframes - including Quarterly Budget Reviews, Annual Financial Statements.	Quarterly Budget Reviews presented at the Council meeting following quarter end. Annual Financial Statements submitted to Office of Local Government by statutory due date.	Corporate Services Manager		100%	2020/21 financial statements submitted by due date. Quarterly budget reviews prepared and presented by due dates. Audit plan for 2021/22 financial statements has been finalised along with preparation timetable.
1.2.13.5	Notify any non-conformance as required. Complete annual reporting to NSW Public Health, DPIE, and EPA.	Complete DWMS Annual Report, EPA Annual Return and the Annual Benchmark Report. Notify any non-conformances to the relevant Authority as required.	Production & Services Manager		100%	Council has completed its DWMS Annual report and Annual Performance Benchmark Report. The Jugiong Water Treatment Plant Annual Return for its Environmental Protection License was completed in May 2022.



## 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	Engage with Constituent Councils regularly	General Manager		100%	Goldenfields has engaged with each constituent council as part of the process to develop the next Business Activity Strategic Plan, and specifically each Councils anticipated population and housing growth. Goldenfields and Bland Shire Council worked closely together to successfully obtain funding to support the West Wyalong Water Security Project.

#### 2.2.2: Water supply system constraints are identified

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
2.2.2.3	Consultant is engaged to complete IWCM Strategy inclusive of hydraulic model and financial plan.	Works are on track for completion in the 2022/23 financial year	Engineering Manager		100%	Consultant engaged and on track for completion in 2022/23 financial year



### 3: Strategic water management

#### 3.1: Become an industry leader in the water sector

##### 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
3.1.3.1	Complete the Integrated Water Cycle Management Plan	IWCM is adopted	Production & Services Manager		60%	Goldenfields has completed the IWCM Issues Paper which has received concurrence from DPE. Works have now commenced on the Strategy with the validation of Councils hydraulic model being undertaken by Public Works Advisory. Works are set for completion within the 2022/23 financial year.

### 4: Best practice pricing

#### 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 at least 97% of meters by automated meter reading network.	Minimum of 97% meters read through AMR network.	Corporate Services Manager		100%	AMR meter reading target being met each billing cycle.
4.2.1.2	Water Accounts issued within 3 weeks of quarter end	Water accounts issued within 3 weeks of quarter end.	Corporate Services Manager		100%	Water accounts issued within specified timeframe.



### 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	Determine scheduled fees and charges consistent with the long term financial plan.	LTFP reviewed to determine fees and charges schedule for inclusion in operational plan - maintaining financial sustainability (surplus operating results and cash reserves throughout 10 year plan)	Corporate Services Manager		100%	2022-2023 budgeting process finalised in June 2022

### 5: Proactive customer relations

#### 5.1: Improve customer and community engagement

##### 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	Goldenfields 3 year community engagement strategy is developed utilising information gathered from the community including the customer survey.	Goldenfields Water 2021-25 Community Engagement Strategy is developed.	Community Engagement Officer		100%	Developed and adopted in conjunction with the Business Activity Strategic Plan



**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	Information regarding water management and sustainable water practices is delivered to our community through a variety of advertising mediums and community activities.	Our community is provided information on water management and sustainable water practices.	Community Engagement Officer	●	100%	Information provided via ongoing regular social media posts, customer newsletters, and media releases.
5.1.4.2	Educate local students and customers about the region's drinking water supply and water cycle, water efficiency and sustainability, and benefits of choosing tap water. This will be achieved by offering Depth Days to local students, developing a school program targeted at Stage 5 students and actively promoting National Water Week to schools and the community through interactive and engaging sustainable water themed resources.	Goldenfields hosts 'Depth Days', develops Stage 4 educational program and engages with local schools and preschools during Water Week to provide sustainable water themed resources.	Community Engagement Officer	●	100%	Goldenfields partnered with the National Theatre Company to produce the Your Water Your Future program, designed to educate high school students about the value of water and the water treatment process. the livestream events were delivered to schools within Goldenfields Constituent Councils and included games, videos, hands-on lessons and assessments in line with the curriculum.



### 5.1.5: Customer Service Experience is enhanced

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
5.1.5.1	Customer service initiatives of emailed water accounts, mywater and direct debit payment arrangements are promoted through staff engagement and targeted advertising	The percentage of customers using mywater, direct debit and receiving emailed accounts has increased	Corporate Services Manager		100%	Advertising and promotion for customer service initiatives undertaken on a regular basis through promotions, newsletters and social media - 22% of accounts now distributed by email

### 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
5.2.1.2	Work closely with REROC and the Joint Organisation to improve service efficiency and effectiveness and promote matters of common interest	Goldenfields participates in projects with a joint interest.	General Manager		100%	Goldenfields is a member of REROC Workforce Development Group. Goldenfields attends REROC and RivJo meetings and considers common interest opportunities.



### 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	Engage with our Constituent Councils regularly.	We have regularly engaged with our Constituent Councils	General Manager		100%	Goldenfields partnered with Bland Shire Council to ensure project viability despite financial setbacks. Goldenfields' General Manager and staff regularly communicate with Constituent Council counterparts to achieve mutual outcomes.

### 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	Information regarding Goldenfields' current works, major upcoming works, educational programs and general updates are provided through traditional and modern media platforms, including our quarterly customer newsletters, social media platforms, website and media releases.	Goldenfields Customer Newsletter is circulated in January, April, July and October. Information is regularly provided through various media platforms.	Community Engagement Officer		100%	Customer Newsletter delivered for January, April and July. Social media & website used to provide ongoing information. Regular media releases provided to news outlets.



## 6: Environmental protection and sustainability

### 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
6.2.1.4	Maintain an energy usage and cost data base.	Maintain the population of Azility cloud base systems to actively monitor our energy usage and costs.	Production & Services Manager		100%	Council currently maintain systems for monitoring its energy and greenhouse gas production. This system is designed to highlight any anomalies and to provide historical trends of councils energy usage.

#### 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
6.2.2.3	Support the Customer Service Team to provide customers with a seamless and simplified interaction. Promoting digital engagement such as the Goldenfields Water App, direct debit payments and online accounts will be an integral part of enabling simplified interaction.	Customer registration to the Goldenfields App, online accounts and direct debit increases.	Community Engagement Officer		100%	Advertising via social media platforms & print media for the Goldenfields Water App & online accounts. Online forms in the process of being developed to make sign up to direct debits & other requests easier for customers & customer service team.



### 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	Actively monitor our raw water source via both hydrological and water quality parameters	Undertake monthly sampling and testing of raw water quality samples. Monitor councils access entitlements to source water and ensure restrictions are utilised when and where required.	Production & Services Manager		100%	GWCC staff undertake routine monitoring, sampling and testing of all raw water sources. Additional SCADA monitoring systems have been installed on groundwater bores to trend levels and meet new metering regulations. Staff are also currently developing visual monitoring system of groundwater levels for the Oura borefield through the WaterOutlook software system.



## 7: Efficient operations

### 7.1: Improve business efficiency

#### 7.1.1: We have an efficient corporate structure

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
7.1.1.1	Goldenfields Corporate structure is reviewed within 12 months of the ordinary election of council to best meet the organisations requirements.	Goldenfields Corporate structure is efficiently aligned to meet organisational requirements, having been reviewed within 12 months of the ordinary election of council.	General Manager		0%	Goldenfields corporate structure will be reviewed within 12 months of ordinary council elections in line with the Local Government Act.

#### 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
7.1.2.2	Continually update and improve the Geographic Information System	GIS enhancements are implemented	Engineering Manager		100%	Updates have been made to improve user functions and linking of asset data



### 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	Prepare annual fleet replacement budget and review quarterly.	Prepare annual fleet budget for inclusion in Capital Works Program. Review progress quarterly during Quarterly Budget Reviews.	Corporate Services Manager	●	100%	Fleet budget monitored during quarterly budget review process. 2022-2023 replacement program finalised later in June 2022.

### 7.3: Reduce exposure to business risks

#### 7.3.1: We take an integrated approach to risk management

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
7.3.1.3	ARIC function complies with Framework. ARIC Meetings are regularly held. Internal audits are conducted in accordance with Strategic Internal Audit Plan	ARIC is compliant with framework. ARIC meetings are held quarterly. 3 internal audits conducted in financial year.	Corporate Services Manager	●	100%	ARIC Charter has been reviewed by committee. New guidelines to be released in future. Meetings being held quarterly. Internal audits progressing as planned.



### 7.3.5: Capital Works Program reduces business risk through prioritisation of critical renewals

Code	Operational Plan Desired Outcome	Performance Measure	Responsible Officer Position	Traffic Lights	Progress	Annual Comment
7.3.5.1	Implement the capital works program for 2021/22 Financial year	85% of capital works program is completed	Engineering Manager	●	90%	Capital works program 79% completed despite Covid-19 staff implications, transport delays and significant wet weather

### 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
7.4.1.2	Rollout O365 across Council to improve availability, lessen demand on infrastructure, workforce collaboration and mobility	Email service migrated to the cloud. O365 operational for staff. Collaboration tools being utilised as scoped for Council requirements.	Corporate Services Manager	●	75%	O365 project progressing as planned. Exchange portion is finalised. Additional functionality being progressively rolled out, scheduled for completion in first quarter of 2022-2023.
7.4.1.4	Investigate, source and implement an electronic timesheet system	System successfully implemented and operationally compliant	Corporate Services Manager	●	80%	Indoor staff have commenced use of the program. Outdoor staff scheduled to be onboarded.



## 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
8.1.1.1	Goldenfields Workforce Management Plan is developed to meet the organisational requirements identified within the four year Delivery Program for 2021/25.	Goldenfields Workforce Management Plan has been developed and adopted by the Board.	HR Coordinator		100%	Goldenfields Water's Workforce Management Plan 2022-2026 was adopted by the Board at the April Council Meeting.
8.1.1.2	Provide staff with professional development opportunities that meet organisational future needs	Annual staff development plans completed, training undertaken for identified gaps	HR Coordinator		100%	Staff are provided professional development opportunities in accordance with Training Plan and Education Assistance Policy. Staff Development Plans due to be undertaken and reviewed annually to assist in determining gaps.
8.1.1.3	An annual staff survey is undertaken to identify areas that are going well, areas that could be improved and how staff are best supported to effectively perform their roles.	Annual staff survey is undertaken and results considered to enhance organisational functions.	HR Coordinator		0%	Scheduled for Q3 of this Financial Year



## 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	Long Term Financial Plan updated annually	The LTFP has been reviewed annually in conjunction with Operational Plan Preparation	Corporate Services Manager		100%	2022-2023 budgeting process finalised in June 2022.
9.1.1.5	Total Asset Management Plan and Financial Plan is developed as part of IWCM	Documents completed by June 2022	Engineering Manager		75%	Progressing, due for completion in the 2022.23 financial year



# Achievements in implementing the Business Activity Strategic Plan 2017-2022

## 01 Excellence in Service Provision

- ✓ Backflow Policy and Program developed and implemented
- ✓ Database developed to capture complaints and service notifications with advanced reporting functionality
- ✓ DWMS framework consisting of documents, procedures and other supporting information for the safe supply of drinking water, along with the annually reporting on the delivery of the DWMS
- ✓ Goldenfields became the first NSW water utility to provide its customers in the local government areas of Bland, Coolamon, Junee, Temora, and parts of Cootamundra-Gundagai and Narrandera, with access to MyH2O. Linked to the smart meter technology installed in customers' water meters, MyH2O is a completely free online service that gives customers instant knowledge about how much water is being used at their property every hour and how much it is costing them. MyH2O can be accessed from any computer, smart phone or other mobile device, and customers can even choose their own water consumption targets with email and SMS alerts
- ✓ Extensive renewals of water main renewals, pump stations, reservoir relining and telemetry renewals.

## 02 Maximising Regional Water Supply

- ✓ GWCC have undertaken 30 year asset strategy for our Jugiong and Oura treatment plants which considers the future growth, required asset upgrades and staging of works to ensure future water supply is secure and reliable.
- ✓ Key infrastructure assets have been upgraded to allow for the region's future growth



### 03 Strategic Water Management

- ✓ Goldenfields Production and Services Manager is an executive committee member for the NSW Water Directorate. The General Manager is a member of the Town Water Risk Reduction Program which actively work toward enabling local water utilities to manager risks and priorities more strategically and effectively. The Production and Services Manager is involved in the incident emergency focus group and performance monitoring group within the TWRRP.
- ✓ Working toward developing the Integrated Water Cycle Management Plan, Goldenfields has developed 30 year strategic plans, and developed an asset register and database.
- ✓ GWCC are actively improving the systems we use to operate our services to gain efficiencies and improve water quality, security and reliability. We have invested in innovative technologies such as artificial intelligence and undertaken trialing different filter media for optimum treatment plant operation.

### 04 Best Practice Pricing

- ✓ Asset management is used to determine future financial requirements of the organisation through 30 year capital works plans and 10 year long term financial plan
- ✓ The Mandamah Rural Supply Scheme was completed in early 2022. As a result of the successful delivery, the Mandamah Rural Water Supply Scheme has now expanded Goldenfields Water County Council supply network by approximately 180 kilometres, providing essential water services to farmers and residents across more than 90,000 hectares in the Mandamah region west of Barmedman.

### 05 Proactive Customer Relations

- ✓ Goldenfields launched a new logo, brand and website offering a range of modern features aimed at improving customer experience, and established a social media presence to engage with stakeholders.
- ✓ Customer surveys have been undertaken and areas for improvement raised considered as part of the organisations strategy.
- ✓ Goldenfields first Community Engagement Strategy was developed and implemented with a dedicated officer engaged to implement the actions identified



## 06 Environmental Protection and Sustainability

- ✓ Goldenfields explored, and implemented where viable solar alternatives
- ✓ Energy use and greenhouse gas production is monitored.
- ✓ Educational and engagement programs were delivered to schools within Goldenfields footprint, including Depth Days, Your Water Your Future Programs, National Water Week initiatives and revegetation events.

## 07 Efficient Operations

- ✓ New SCADA networks developed
- ✓ Updated financial management system implemented
- ✓ Records Management System implemented
- ✓ Human Resources Information Management System and electronic timesheets introduced

## 08 Highly Skilled and Energetic Workforce

- ✓ Workforce plan developed and implemented
- ✓ Training plan developed and implemented
- ✓ Health and Well being Plan developed and implemented

## 09 Financially Sustainable

- ✓ Long Term Financial Plans are reviewed at least annually
- ✓ Fees and Charges are reviewed and adopted in accordance with four-year price paths









# 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 2021 (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.



### Overseas visits by Goldenfields Water representatives

Clause 217(1) (a) Local Government (General) Regulation 2021.

During the 2021/22 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 2021

Chairpersons fees	\$ 16,768
Members fees	\$ 76,907
<b>Total</b>	<b>\$ 93,675</b>
Provision of dedicated office equipment	Nil
Telephone call allowance	\$ 418
Attendance of councillors at conferences and seminars	\$ 523
Induction training and professional development programs	\$ 2,035
Other training and skill development	Nil
Attendance of councillors spouse at conferences	Nil
Travel expenses	\$ 7,867
Provision of care for child or immediate family member	Nil
<b>Total</b>	<b>\$ 8,817</b>

### Councillor Induction Training and Ongoing Professional Development

Goldenfields engaged Lindsay Taylor Lawyers to create and deliver Board Member Induction Training for all Councillors. The training 'Responsibilities & Liabilities of Board Members of County Councils as Appointees of the Constituent Councils' was tailored specifically to be relevant for County Councils.

Councillors are provided the opportunity to attend relevant conferences, including the LGNSW Annual Conference and LGNSW Water Conference – attended by Chairperson Matthew Stadtmiller during the 2021/2022 year.



**Contracts awarded with a value of \$150,000.00 or more**

*Clause 217 (1) (a2) Local Government (General) Regulation 2021*

Contractor Name	Name of goods/ services provided	Total amount payable under the contract
Palmer Ford	Supply and delivery of 6 vehicles	\$335,767 ex GST
Killard Infrastructure Pty Ltd	Construction of 12km of pipeline in Wyalong and West Wyalong	\$6,209,038 ex GST
Quay Civil Pty Ltd	Construction of concrete high level reservoir at West Wyalong	\$3,986,142 ex GST
RMP Abrasive Blasting	Recoat internal surfaces and replace roof of Coolamon high level steel reservoir (north)	\$671,043 ex GST
GHD Pty Ltd	Electrical design of High Voltage assets renewals at Jugiong Water treatment plant	\$212,122 ex GST
Van Mal Group Construction Pty Ltd	Design and construction of high voltage switch room and associated works	\$2,133,080 ex GST
RIC Electrics Pty Ltd	Electrical assets installation works at Oura Water Treatment Plant	\$862,596 ex GST
Schneider Electric Pty Ltd	Supply of High Voltage equipment for Jugiong Water Treatment Plant	\$2,001,153 ex GST

Contractor Name	Name of goods/ services provided	Total amount payable under the contract
Clover Pipelines Pty Ltd	Supply of approx. 40km of pipeline materials and fittings	\$1,906,641 ex GST
Palmer Ford	Supply and delivery of 6 vehicles	\$335,767 ex GST
Cardno (Stantec)	Reservoir and multi-tray aerator designs. Assess bore delivery capacity	\$394,509 ex GST



## Report on certain proposed capital works projects where a capital expenditure review had been submitted

### *OLG Capital Expenditure Guidelines\**

Whilst the OLG Capital Expenditure Guidelines 2010 do not apply to water supply infrastructure the following comments are provided for capital works projects over \$1m

1. Stage 1 of microwave link sites is near completion with stage 2 being delivered over the following two financial years. The microwave network facilitates remote monitoring and control of water infrastructure assets through our telemetry program
2. Thanowring road pipeline construction has commenced but is currently behind schedule due to wet weather impeding construction. This pipeline entails approximately 40km of pipeline renewal and upsizing.
3. The construction of the Rosehill pipeline has been completed. This project occurred over multiple years and included the renewal and upsizing of approximately 11 km of trunk pipeline for a cost of approximately \$6.5m
4. Oura High voltage renewal works are nearing completion with commissioning to occur in late 2022. The project required the replacement of high voltage assets which were upgraded to meet current regulatory standards. The project included electrical design works, civil works, high voltage electrical equipment supply and electrical equipment installation. The project will cost approximately \$7m in total
5. The renewal of high voltage assets at the Jugiong Water Treatment Plant has commenced. The works required are similar to the Oura high voltage renewal noted above. The project is due to be completed in the 2022/23 financial year.

6. The Jugiong PLC (Programmable Logic Controller) is the upgrade of the systems, cables, sensors, equipment and computer control system used to monitor, record and control the Jugiong Water Treatment Plant.

## Legal Proceedings: Expenses & Progress

### *Clause 217(1) (a3) Local Government (General) Regulation 2021*

During the 2021/22 year Goldenfields Water incurred \$104,658 in legal fees for general legal issues and debt recovery. Legal fees were not in relation to legal proceedings in court, they were only in relation to legal advice or debt recovery action.

## Section 67 Works on private land

### *Clause 217(1) (a4) Local Government (General) Regulation 2021*

During the 2021/22 year Goldenfields did not carry out any works on private land.



## Section 356 contributions

*Clause 217(1) (a5) Local Government (General) Regulation 2021*

Section 356 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:

- 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);
- 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

During 2021/22, Goldenfields Water provided the following donations:

- Access Charge Donation - \$159,879
- Donation of Drinking Water re-fill stations - \$34,674
- Schools - \$11,300
- 

## Total rates and charges written off

*Clause 132 Local Government (General) Regulation 2021*

During the 2021/22 year, Goldenfields Water County Council wrote off a total of \$0.



### **Goldenfields Water functions delegated to external bodies**

*Clause 217(1) (a6) Local Government (General) Regulation 2021.*

During the 2021/22 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 2021/22 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 2021/22 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 2021*

It is Council's policy to provide equal employment opportunity for all persons in accordance with relevant legislation to ensure our workplace is free of discrimination and supports diversity. An Equal Employment Opportunity policy and accompanying Management Plan is in place which provides a comprehensive overview of EEO while outlining the actions Goldenfields Water will undertake to ensure compliance. Council's EEO Policy & Management Plan focuses on three key areas:

- Communication and awareness
- Policies practices and reporting
- Recruitment and training processes

Strategies in line with these key areas, including staff training and awareness, policy development and implementation, key messaging are put in place 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 2021

During the 2021/22 financial year the general manager was the only position on a senior staff contract. The remuneration total includes salaries paid, employer superannuation contributions, and fringe benefits tax.

General Manager      \$239,598

**Total remuneration for senior staff (other than the General Manager)**

Clause 217(1)(c) Local Government (General) Regulation 2021

During the 2021/22 financial year the general manager was the only position on a senior staff contract.

**Total number of persons performing paid work - 25 May 2022**

Clause 217(1)(d) Local Government (General) Regulation 2021

70 persons were employed by the Council on a permanent full-time, permanent part-time or casual basis or under a fixed-term contract.

1 person was employed by Council as a senior staff member.

0 persons were engaged by the Council under a contract or other arrangement with the person's employer, wholly or principally for the labour of the person.

0 persons were supplied to the Council, under a contract or other arrangement with the person's employer, as an apprentice or trainee.



### **Compliance with the Australian Drinking Water Guidelines (ADWG)**

Goldenfields Water has developed and maintained a new Drinking Water Management System (DWMS) since 2018. The DWMS demonstrates Goldenfields Waters' compliance with the requirement of s25 Public Health Act 2010 which requires a water 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.

As part of maintaining a DWMS, Goldenfields Water staff undertake an extensive water analysis of all of its water supply systems via the collection and testing of water for both operational and verification monitoring. These samples are tested at the GWCC laboratory, or an external NATA accredited laboratory for operational monitoring or NSW Health's FASS lab for verification and compliance purposes.

Throughout the 2021/22 reporting period Goldenfields Staff have conducted a total of 1296 microbial water samples, 186 comprehensive chemical samples, 14 pesticide samples, and 3165 in-situ testing samples undertaken and reported on.

All microbial samples were compliant throughout the reporting period, with 41 chemical results indicating levels of exceedance with the Australian Drinking Water Guidelines. These exceedances were based on a majority of low Fluoride results (37) in the Oura and Jugiong supply schemes. The remaining exceedances were related to low results of Chlorine levels in both the Mt Daylight and Jugiong Water Schemes.

These exceedances were based off instrumentation failure and retesting did not identify an additional exceedance and no further action was required. 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>



**Government Information (Public Access) Act 2009**

*Section 125 of the Government Information (Public Access) Act 2009 & clause 8. Schedule 2 of the Government Information (Public Access) Regulation 2018.*

**Review of proactive release program – Clause 8 (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 8(b)**

During the reporting period, Council received one formal access application.

**Number of refused applications for Schedule 1 information – Clause 8(c)**

During the reporting period, Council did not refuse any formal access applications.

**Statistical information about access applications – Clause 8(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	Infor- mation not held	Infor- mation already avail- able	Refuse to deal with ap- plication	Refuse to confirm/ deny wheth- er informa- tion is held	Appli- cation 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	0	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	1

\*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	0	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	1

*\*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
Information about complaints to Judicial Commission	0
Information about authorised transactions under Electricity Network Assets (Authorised Transactions) Act 2015	0
Information about authorised transactions under Land and Property Information NSW (Authorised Transaction) Act 2016	0

**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)	0
Decided after 35 days (by agreement with applicant)	1
Not decided within time (deemed refusal)	0
Total	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 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 NCAT	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

*\*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 I: Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)**

	Number of applications for review
Agency initiated transfers	0
Applicant initiated transfer	0

**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).

Goldenfields Water maintains a Complaints Management Policy as well as an Internal Reporting Policy to manage public interest disclosures. These are published on council's website as well as distributed to staff.

Statistical information for 2021/22 can be found in the following table

<b>1 July 2021 - 30 June 2022</b>	<b>Made by public officials performing their day to day functions</b>	<b>Under a statutory or other legal obligation</b>	<b>All other PIDs</b>
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 2021/22 are included below.

# Goldenfields Water County Council

ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2022

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*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 2022

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*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 2022

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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 2666

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

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

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

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

# Goldenfields Water County Council

## General Purpose Financial Statements

for the year ended 30 June 2022

### Statement by Councillors and Management

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 01 September 2022.



Cr Matthew Stadtmiller  
**Chairperson**  
01 September 2022



Clr Robert Callow  
**Deputy Chairperson**  
01 September 2022



Aaron Drenovski  
**General Manager**  
01 September 2022



John Chapman  
**Responsible Accounting Officer**  
01 September 2022



## Goldenfields Water County Council

### Statement of Comprehensive Income

for the year ended 30 June 2022

\$ '000	Notes	2022	Restated 2021
<b>Net operating result for the year – from Income Statement</b>		<b>(310)</b>	<b>146</b>
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	<u>7,946</u>	<u>5,292</u>
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>7,946</b>	<b>5,292</b>
<b>Total other comprehensive income for the year</b>		<b>7,946</b>	<b>5,292</b>
<b>Total comprehensive income for the year attributable to Council</b>		<b>7,636</b>	<b>5,438</b>

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

# Goldenfields Water County Council

## Statement of Financial Position

as at 30 June 2022

\$ '000	Notes	2022	Restated 2021
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	3,126	4,338
Investments	C1-2	36,082	34,021
Receivables	C1-4	5,340	5,820
Inventories	C1-5	774	768
<b>Total current assets</b>		<b>45,322</b>	<b>44,947</b>
<b>Non-current assets</b>			
Investments	C1-2	5,000	12,000
Infrastructure, property, plant and equipment (IPPE)	C1-6	288,946	272,867
<b>Total non-current assets</b>		<b>293,946</b>	<b>284,867</b>
<b>Total assets</b>		<b>339,268</b>	<b>329,814</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	2,132	1,447
Income received in advance	C3-1	1,125	–
Employee benefit provisions	C3-3	2,582	2,573
<b>Total current liabilities</b>		<b>5,839</b>	<b>4,020</b>
<b>Non-current liabilities</b>			
Payables	C3-1	9	8
Employee benefit provisions	C3-3	129	131
<b>Total non-current liabilities</b>		<b>138</b>	<b>139</b>
<b>Total liabilities</b>		<b>5,977</b>	<b>4,159</b>
<b>Net assets</b>		<b>333,291</b>	<b>325,655</b>
<b>EQUITY</b>			
Accumulated surplus	C4-1	94,866	95,176
IPPE revaluation reserve	C4-1	238,425	230,479
<b>Council equity interest</b>		<b>333,291</b>	<b>325,655</b>
<b>Total equity</b>		<b>333,291</b>	<b>325,655</b>

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

## Goldenfields Water County Council

## Statement of Changes in Equity

for the year ended 30 June 2022

	Notes	2022			2021		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve Restated	Total equity Restated
<b>\$ '000</b>							
Opening balance at 1 July		95,176	230,479	325,655	95,030	225,187	320,217
Net operating result for the year		(310)	–	(310)	146	–	146
<b>Net operating result for the period</b>		<b>(310)</b>	<b>–</b>	<b>(310)</b>	<b>146</b>	<b>–</b>	<b>146</b>
<b>Other comprehensive income</b>							
Correction of prior period errors	F4-1	–	–	–	–	(4,679)	(4,679)
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	–	7,946	7,946	–	9,971	9,971
<b>Other comprehensive income</b>		<b>–</b>	<b>7,946</b>	<b>7,946</b>	<b>–</b>	<b>5,292</b>	<b>5,292</b>
<b>Total comprehensive income</b>		<b>(310)</b>	<b>7,946</b>	<b>7,636</b>	<b>146</b>	<b>5,292</b>	<b>5,438</b>
<b>Closing balance at 30 June</b>		<b>94,866</b>	<b>238,425</b>	<b>333,291</b>	<b>95,176</b>	<b>230,479</b>	<b>325,655</b>

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

## Goldenfields Water County Council

## Statement of Cash Flows

for the year ended 30 June 2022

Original unaudited budget 2022	\$ '000	Notes	Actual 2022	Actual 2021
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
5,506	Annual charges		5,824	5,592
16,043	User charges and fees		15,520	14,576
673	Interest received		538	1,295
1,570	Grants and contributions		1,544	2,389
110	Other		5,726	1,556
<i>Payments:</i>				
(6,874)	Payments to employees		(7,422)	(7,071)
(3,962)	Payments for materials and services		(11,634)	(9,729)
(4,571)	Other		262	147
8,495	<b>Net cash flows from operating activities</b>	G1-1	<b>10,358</b>	<b>8,755</b>
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
12,267	Redemption of term deposits		4,939	2,979
–	Proceeds from sale of IPPE		942	968
<i>Payments:</i>				
(20,762)	Payments for IPPE		(17,451)	(14,036)
(8,495)	<b>Net cash flows from investing activities</b>		<b>(11,570)</b>	<b>(10,089)</b>
–	<b>Net change in cash and cash equivalents</b>		<b>(1,212)</b>	<b>(1,334)</b>
5,172	Cash and cash equivalents at beginning of year		4,338	5,672
5,172	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>3,126</b>	<b>4,338</b>
33,619	plus: Investments on hand at end of year	C1-2	41,082	46,021
38,791	<b>Total cash, cash equivalents and investments</b>		<b>44,208</b>	<b>50,359</b>

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

# Goldenfields Water County Council

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# Goldenfields Water County Council

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## A About Council and these financial statements

### A1-1 Basis of preparation

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These financial statements were authorised for issue by Council on 01 September 2022. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The principal accounting policies adopted in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

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

Council is a not for-profit entity.

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

#### **Historical cost convention**

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

#### **Significant accounting estimates and judgements**

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

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

#### **Critical accounting estimates and assumptions**

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-6
- (ii) employee benefit provisions – refer Note C3-3.

#### **Significant judgements in applying the Council's accounting policies**

- (i) Impairment of receivables – refer Note C1-4
- (ii) Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income for Not-for-Profit Entities* - refer to Notes B2-2 - B2-3.

#### **COVID-19 Impacts**

During the 2022 financial year, COVID-19 (COVID) has continued to cause a disruption to Council's business practices with a number of staff working remotely from home when required. Whilst this has caused some inconveniences it has not resulted in significant additional costs.

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

Council is of the view that physical non-current assets will not experience substantial declines in value due to COVID. Fair value of the majority of Council's non-current assets is determined by replacement costs where there is no anticipated material change in value due to COVID. For assets where fair value is determined by market value Council has no evidence of material changes to these values.

## A1-1 Basis of preparation (continued)

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### **Monies and other assets received by Council**

#### **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 activities 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 but not yet effective**

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2022 reporting period.

Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2021.

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

#### **New accounting standards adopted during the year**

During the year, Council adopted all standards which were mandatorily effective for the first time at 30 June 2022.

## B Financial Performance

### B1 Functions or activities

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

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

	Income		Expenses		Operating result		Grants and Contributions		Carrying amount of assets	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>\$ '000</b>										Restated
<b>Functions or activities</b>										
Water supplies	22,635	23,272	22,945	23,126	(310)	146	1,540	2,388	339,268	334,493
<b>Total functions and activities</b>	<b>22,635</b>	<b>23,272</b>	<b>22,945</b>	<b>23,126</b>	<b>(310)</b>	<b>146</b>	<b>1,540</b>	<b>2,388</b>	<b>339,268</b>	<b>334,493</b>

## B1-2 Components of functions or activities

---

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

### **Water supplies**

Council is responsible for water supply functions within the Local Government areas of Bland, Coolamon, Junee, Temora and parts of Cootamundra-Gundagai and Narrandera.

Council also supplies bulk water to Hilltops and other parts of Cootamundra-Gundagai.

Council does not undertake any other functions.

## B2 Sources of income

### B2-1 Rates and annual charges

\$ '000	2022	2021
<b>Annual charges</b>		
(pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
– Residential	1,706	1,637
– Non-residential	1,022	989
– Rural	1,531	1,482
– Bulk supplies to councils	1,548	1,437
Less: pensioner rebates	(146)	(156)
<b>Annual charges levied</b>	<b>5,661</b>	<b>5,389</b>
Pensioner subsidies received:		
– Water	80	84
<b>Total annual charges</b>	<b>5,741</b>	<b>5,473</b>
<b>Total rates and annual charges</b>	<b>5,741</b>	<b>5,473</b>

#### Accounting policy

Annual charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid charges are recognised as a financial liability until the beginning of the rating period.

Pensioner rebates relate to reductions in annual charges for eligible pensioners' place of residence in the local government council area.

Pensioner subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are recognised within the underlying revenue item based on their substance.

## B2-2 User charges

\$ '000	Timing	2022	2021
<b>User charges</b>			
Residential	2	3,923	4,175
Non residential	2	2,946	2,680
Rural	2	2,881	2,816
Bulk supplies to councils	2	4,079	3,988
Inspection services	2	2	3
Private works	2	235	2
Section 603 certificates	2	67	65
Tapping fees	2	192	137
Connection application fees	2	52	44
Other	2	-	18
Special meter reading fee	2	4	7
<b>Total user charges</b>		<b>14,381</b>	<b>13,935</b>
<b>Timing of revenue recognition for user charges and fees</b>			
User charges and fees recognised at a point in time (2)		14,381	13,935
<b>Total user charges and fees</b>		<b>14,381</b>	<b>13,935</b>

### Accounting policy

Revenue arising from user charges and fees is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service. There is no material obligation for Council in relation to refunds or returns.

## B2-3 Other revenues

\$ '000	Timing	2022	2021
Diesel rebate	2	9	12
Employment / training incentives	2	43	43
Data network access charges	2	37	34
Insurance rebates	2	16	6
Workers compensation rebate	2	83	37
Procurement rebate	2	–	1
Other	2	3	6
Water filling station commissions	2	15	89
<b>Total other revenue</b>		<b>206</b>	<b>228</b>
<b>Timing of revenue recognition for other revenue</b>			
Other revenue recognised at a point in time (2)		206	228
<b>Total other revenue</b>		<b>206</b>	<b>228</b>

### Accounting policy for other revenue

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

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

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

## B2-4 Grants and contributions

\$ '000	Timing	Operating 2022	Operating 2021	Capital 2022	Capital 2021
<b>Special purpose grants and non-developer contributions (tied)</b>					
<b>Cash contributions</b>					
Water supplies	2	–	–	96	10
<b>Total special purpose grants and non-developer contributions</b>		<b>–</b>	<b>–</b>	<b>96</b>	<b>10</b>
<b>Comprising:</b>					
– Other funding		–	–	96	10
		<b>–</b>	<b>–</b>	<b>96</b>	<b>10</b>
<b>Developer contributions</b>					
<b>Developer contributions: (s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>					
<b>Cash contributions</b>					
S 64 – water supply contributions	2	–	–	1,444	2,378
<b>Total developer contributions</b>		<b>–</b>	<b>–</b>	<b>1,444</b>	<b>2,378</b>
<b>Total grants and contributions</b>		<b>–</b>	<b>–</b>	<b>1,540</b>	<b>2,388</b>
<b>Timing of revenue recognition for grants and contributions</b>					
Grants and contributions recognised at a point in time (2)		–	–	1,540	2,388
<b>Total grants and contributions</b>		<b>–</b>	<b>–</b>	<b>1,540</b>	<b>2,388</b>

### Accounting policy

#### Grants and contributions – enforceable agreement with sufficiently specific performance obligations

Grant and contribution revenue from an agreement which is enforceable and contains sufficiently specific performance obligations is recognised as or when control of each performance obligations is transferred. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

#### Capital Grants

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

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

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

## B2-4 Grants and contributions (continued)

---

### **Other grants and contributions**

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

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

## B2-5 Interest and investment income

\$ '000	2022	2021
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	35	21
– Cash and investments	372	1,024
<b>Total interest and investment income (losses)</b>	<b>407</b>	<b>1,045</b>
<b>Interest and investment income is attributable to:</b>		
<b>Unrestricted investments/financial assets:</b>		
Overdue rates and annual charges (general fund)	35	21
General Council cash and investments	372	1,024
<b>Total interest and investment income</b>	<b>407</b>	<b>1,045</b>

### Accounting policy

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

## B2-6 Other income

\$ '000	Notes	2022	2021
<b>Rental income</b>			
<b>Rental properties</b>			
Lease income (excluding variable lease payments not dependent on an index or rate)		53	60
<b>Total Rental properties</b>		<b>53</b>	<b>60</b>
<b>Other lease income</b>			
Leaseback fees - council vehicles		103	92
<b>Total other lease income</b>		<b>103</b>	<b>92</b>
Total other income	C2-2	156	152
<b>Total other income</b>		<b>156</b>	<b>152</b>

## B3 Costs of providing services

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

\$ '000	2022	2021
Salaries and wages	5,739	5,313
Employee termination costs (where material – other than vested leave paid)	154	24
Employee leave entitlements (ELE)	985	1,153
Superannuation	1,020	885
Workers' compensation insurance	146	139
Fringe benefit tax (FBT)	168	138
Payroll tax	308	284
Training costs (other than salaries and wages)	112	161
Protective clothing	68	59
Recruitment costs	44	17
Other	54	8
<b>Total employee costs</b>	<b>8,798</b>	<b>8,181</b>
Less: capitalised costs	(1,342)	(1,038)
<b>Total employee costs expended</b>	<b>7,456</b>	<b>7,143</b>

#### Accounting policy

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 D3-1 for more information.

## B3-2 Materials and services

\$ '000	Notes	2022	2021
Advertising		6	35
Audit Fees	E2-1	60	70
Bank charges		13	19
Cleaning		24	1
Collection agencies		66	69
Computer software charges		176	237
Contractor and consultancy costs		11,641	10,414
Council land rates		85	80
Councillor and Mayoral fees and associated expenses	E1-2	103	104
Electricity and heating		2,193	2,294
Insurance		234	208
Other expenses		42	10
Printing, postage and stationery		100	92
Raw materials and consumables		8,575	6,022
Subscriptions and publications		230	278
Telephone and communications		318	311
Legal expenses		105	133
Expenses from leases of low value assets	C2-1	101	54
Purchase of water		121	92
<b>Total materials and services</b>		<b>24,193</b>	<b>20,523</b>
Less: capitalised costs		<b>(17,490)</b>	<b>(13,141)</b>
<b>Total materials and services</b>		<b>6,703</b>	<b>7,382</b>

### Accounting policy

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

### B3-3 Depreciation, amortisation and impairment of non-financial assets

\$ '000	2022	2021
<b>Depreciation and amortisation</b>		
Plant and equipment	1,037	1,027
Office equipment	343	347
Furniture and fittings	11	12
<b>Infrastructure:</b>		
– Buildings – non-specialised	199	192
– Water mains	4,448	4,350
– Reservoirs	1,178	1,136
– Pumping stations and bores	627	677
– Treatment plants	687	620
– Microwave Network	50	–
<b>Total gross depreciation and amortisation costs</b>	<b>8,580</b>	<b>8,361</b>
<b>Total depreciation and amortisation costs</b>	<b>8,580</b>	<b>8,361</b>
<b>Total depreciation, amortisation and impairment for non-financial assets</b>	<b>8,580</b>	<b>8,361</b>

#### Accounting policy

##### Depreciation and amortisation

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

##### Impairment of non-financial assets

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

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

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

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

### B3-4 Other expenses

\$ '000	2022	2021
<b>Other</b>		
Donations, contributions and assistance to other organisations (Section 356)	206	240
<b>Total other</b>	<b>206</b>	<b>240</b>
<b>Total other expenses</b>	<b>206</b>	<b>240</b>

#### Accounting policy

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

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

<b>\$ '000</b>	Notes	<b>2022</b>	2021
<b>Gain (or loss) on disposal of plant and equipment</b>	C1-6		
Proceeds from disposal – plant and equipment		<b>942</b>	968
Less: carrying amount of plant and equipment assets sold/written off		<b>(738)</b>	(917)
<b>Gain (or loss) on disposal</b>		<b>204</b>	51
<b>Net gain (or loss) from disposal of assets</b>		<b>204</b>	51

**Accounting policy**

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

## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 23/06/2022 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2022 Budget	2022 Actual	2022 ----- Variance -----		
<b>Revenues</b>					
<b>Rates and annual charges</b>	5,585	5,741	156	3%	<b>F</b>
<b>User charges and fees</b>	16,751	14,381	(2,370)	(14)%	<b>U</b>
Water usage was lower than original budget projections due to reduced demand following wet weather and low average temperatures.					
<b>Other revenues</b>	126	206	80	63%	<b>F</b>
Higher than originally budgeted for due larger than budgeted for workers compensation rebate.					
<b>Capital grants and contributions</b>	1,050	1,540	490	47%	<b>F</b>
Higher number of developer applications.					
<b>Interest and investment revenue</b>	540	407	(133)	(25)%	<b>U</b>
Interest rates in 2022 where lower than budgeted for until March 2022 when they increased.					
<b>Net gains from disposal of assets</b>	-	204	204	∞	<b>F</b>
<b>Other income</b>	85	156	71	84%	<b>F</b>
Variance due to lease income being classified differently in the original budget.					

## B5-1 Material budget variations (continued)

\$ '000	2022 Budget	2022 Actual	2022 ----- Variance -----		
<b>Expenses</b>					
<b>Employee benefits and on-costs</b>	6,885	7,456	(571)	(8)%	U
<b>Materials and services</b>	3,988	6,703	(2,715)	(68)%	U
Variance due to the change in categorisation compared to budget, and insufficient budget provision for materials and services.					
<b>Depreciation, amortisation and impairment of non-financial assets</b>	8,300	8,580	(280)	(3)%	U
<b>Other expenses</b>	4,572	206	4,366	95%	F
Variance due to the change in categorisation compared to budget.					
<b>Statement of cash flows</b>					
<b>Cash flows from operating activities</b>	8,495	10,358	1,863	22%	F
Large capital works program lead to less cash flows from operating activities in 2022.					
<b>Cash flows from investing activities</b>	(8,495)	(11,570)	(3,075)	36%	U
Less investments required redeeming during the year than originally budgeted for, which reduced sales of investments within the investing activity cash flows.					

## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

\$ '000	2022	2021 <sup>PY</sup>
<b>Cash assets</b>		
Cash at bank and on hand	599	837
Cash equivalent assets		
– Deposits at call	2,527	3,501
<b>Total cash and cash equivalents</b>	<b>3,126</b>	<b>4,338</b>

#### Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	3,126	4,338
<b>Balance as per the Statement of Cash Flows</b>	<b>3,126</b>	<b>4,338</b>

#### Accounting policy

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

#### C1-2 Financial investments

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
<b>Debt securities at amortised cost</b>				
Long term deposits	36,082	5,000	34,021	12,000
<b>Total</b>	<b>36,082</b>	<b>5,000</b>	<b>34,021</b>	<b>12,000</b>
<b>Total financial investments</b>	<b>36,082</b>	<b>5,000</b>	<b>34,021</b>	<b>12,000</b>

#### Accounting policy

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

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

#### Financial assets

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

#### Classification

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

- amortised cost
- 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

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

## C1-2 Financial investments (continued)

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

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

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

### 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.

## C1-3 Restricted and allocated cash, cash equivalents and investments

\$ '000	2022	2021
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>44,208</b>	50,359
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>44,208</b>	50,359

\$ '000	2022	2021
(b) Internal allocations		
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>44,208</b>	50,359
Less: Internally restricted cash, cash equivalents and investments	<u>(20,611)</u>	<u>(28,491)</u>
<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>23,597</b>	21,868

### Internal allocations

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

Plant and vehicle replacement	2,148	1,761
Infrastructure replacement	15,971	24,482
Employees leave entitlement	<u>2,492</u>	<u>2,248</u>
<b>Total internal allocations</b>	<b>20,611</b>	28,491

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

\$ '000	2022	2021
(c) Unrestricted and unallocated		
<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>23,597</b>	21,868

## C1-4 Receivables

\$ '000	2022	2022	2021	2021
	Current	Non-current	Current	Non-current
Availability (access) charges	1,522	–	1,431	–
Interest and extra charges	70	–	75	–
User charges and fees	2,854	–	2,782	–
Accrued revenues				
– Interest on investments	157	–	283	–
Deferred developer contributions	287	–	689	–
Government grants and subsidies	80	–	84	–
Net GST receivable	208	–	468	–
Other debtors	162	–	8	–
<b>Total</b>	<b>5,340</b>	<b>–</b>	<b>5,820</b>	<b>–</b>
<b>Total net receivables</b>	<b>5,340</b>	<b>–</b>	<b>5,820</b>	<b>–</b>

### Accounting policy

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

### Impairment

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

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

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

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

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

Council writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Council's provision for impairment of receivables at 30 June 2022 is \$nil (2021: \$nil)

## C1-5 Inventories

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
<b>(i) Inventories at cost</b>				
Stores and materials	774	-	768	-
<b>Total inventories at cost</b>	<b>774</b>	<b>-</b>	<b>768</b>	<b>-</b>
<b>Total inventories</b>	<b>774</b>	<b>-</b>	<b>768</b>	<b>-</b>

### Accounting policy

#### 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.

## C1-6 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2021			Asset movements during the reporting period						At 30 June 2022		
	Gross carrying amount (2) Restated	Accumulated depreciation and impairment (2) Restated	Net carrying amount Restated	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Revaluation increments / (decrements) to equity (ARR)	Gross carrying amount (2)	Accumulated depreciation and impairment (2)	Net carrying amount
<b>\$ '000</b>												
Capital work in progress	14,650	–	14,650	10,037	598	–	–	(12,502)	–	12,783	–	12,783
Plant and equipment	9,172	(3,922)	5,250	–	1,420	(738)	(1,037)	–	–	9,419	(4,525)	4,894
Office equipment	1,765	(1,095)	670	–	–	–	(343)	–	–	1,764	(1,438)	326
Furniture and fittings	110	(62)	48	–	–	–	(11)	–	–	110	(73)	37
<b>Land:</b>												
– Operational land	3,338	–	3,338	–	34	–	–	–	379	3,751	–	3,751
<b>Infrastructure:</b>												
– Buildings – non-specialised	7,241	(2,467)	4,774	–	63	–	(199)	–	518	7,821	(2,666)	5,155
– Water mains	331,049	(166,650)	164,399	3,029	74	–	(4,448)	6,659	6,110	353,962	(178,139)	175,823
– Reservoirs	83,966	(36,109)	47,857	–	–	–	(1,178)	–	2,373	88,719	(39,667)	49,052
– Pumping stations and bores	26,927	(12,305)	14,622	811	–	–	(627)	2,573	(1,607)	31,645	(15,873)	15,772
– Treatment plants	33,567	(16,308)	17,259	506	–	–	(687)	2,951	138	39,487	(19,320)	20,167
– Microwave Network	–	–	–	–	881	–	(50)	319	35	1,190	(4)	1,186
<b>Total infrastructure, property, plant and equipment <sup>2</sup></b>	<b>511,785</b>	<b>(238,918)</b>	<b>272,867</b>	<b>14,383</b>	<b>3,070</b>	<b>(738)</b>	<b>(8,580)</b>	<b>–</b>	<b>7,946</b>	<b>550,651</b>	<b>(261,705)</b>	<b>288,946</b>

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

(2) Council has restated opening balances for a prior period error explained in Note F3-1

## C1-6 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	At 1 July 2020			Asset movements during the reporting period						At 30 June 2021		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Revaluation increments / (decrements) to equity (ARR) Restated	Gross carrying amount Restated	Accumulated depreciation and impairment Restated	Net carrying amount Restated
<b>\$ '000</b>												
Capital work in progress	6,037	–	6,037	–	9,809	–	–	(1,196)	–	14,650	–	14,650
Plant and equipment	8,845	(3,272)	5,573	–	1,621	(917)	(1,027)	–	–	9,172	(3,922)	5,250
Office equipment	1,699	(748)	951	–	66	–	(347)	–	–	1,765	(1,095)	670
Furniture and fittings	110	(50)	60	–	–	–	(12)	–	–	110	(62)	48
<b>Land:</b>												
– Operational land	2,830	–	2,830	–	470	–	–	38	–	3,338	–	3,338
<b>Infrastructure:</b>												
– Buildings – non-specialised	7,094	(2,275)	4,819	133	–	–	(192)	14	–	7,241	(2,467)	4,774
– Water supply network	323,070	(156,797)	166,273	167	145	–	(4,350)	52	2,112	331,049	(166,650)	164,399
– Reservoirs	83,599	(39,492)	44,107	285	–	–	(1,136)	50	4,551	83,966	(36,109)	47,857
– Pumping stations and bores	28,539	(14,248)	14,291	1,090	–	–	(677)	177	(259)	26,927	(12,305)	14,622
– Treatment plants	33,205	(15,329)	17,876	–	250	–	(620)	865	(1,112)	33,567	(16,308)	17,259
<b>Total infrastructure, property, plant and equipment</b>	<b>495,028</b>	<b>(232,211)</b>	<b>262,817</b>	<b>1,675</b>	<b>12,361</b>	<b>(917)</b>	<b>(8,361)</b>	<b>–</b>	<b>5,292</b>	<b>511,785</b>	<b>(238,918)</b>	<b>272,867</b>

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

## C1-6 Infrastructure, property, plant and equipment (continued)

### Accounting policy

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

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

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

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

#### Useful lives of IPPE

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

<b>Plant and equipment</b>	<b>Years</b>	<b>Buildings</b>	<b>Years</b>
Office equipment	5 to 10	Buildings: masonry	50 to 60
Office furniture	10 to 20	Buildings: other	25 to 40
Computer equipment	5		
Vehicles	6.25		
Heavy plant	8 to 20		
Other plant and equipment	5 to 15		

#### Water assets

Reservoirs	40 to 90
Bores	30 to 80
Reticulation pipes: PVC	50 to 80
Reticulation pipes: other	50 to 90
Pumps and telemetry	10 to 40

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

#### Revaluation model

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

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

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

## C2 Leasing activities

### C2-1 Council as a lessee

#### Income Statement

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

\$ '000	2022	2021
Expenses relating to low-value leases	101	54
	<b>101</b>	<b>54</b>

#### Accounting policy

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

Council has elected not to separate non-lease components from lease components for any class of asset and has accounted for payments as a single component.

At the lease commencement, Council recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where Council believes it is reasonably certain that the option will be exercised.

#### Exceptions to lease accounting

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

### C2-2 Council as a lessor

#### Operating leases

Council leases out a number of residential properties to staff as well as access to Council owned sites to other utilities and leaseback vehicles to staff; these leases have been classified as operating leases for financial reporting purposes and the assets are included as IPP&E in the Statement of Financial Position.

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

\$ '000	2022	2021
<b>(i) Assets held as rental property</b>		
Lease income (excluding variable lease payments not dependent on an index or rate)	53	60
<b>Total income relating to operating leases for rental property assets</b>	<b>53</b>	<b>60</b>
<b>(ii) Repairs and maintenance: property</b>		
Other	20	18
<b>Total repairs and maintenance: property</b>	<b>20</b>	<b>18</b>
<b>(ii) Assets held as property, plant and equipment</b>		
Lease income (excluding variable lease payments not dependent on an index or rate)	103	92
<b>Total income relating to operating leases for Council assets</b>	<b>103</b>	<b>92</b>

## C2-2 Council as a lessor (continued)

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### **Accounting policy**

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

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

The lease income is recognised on a straight-line basis over the lease term.

## C3 Liabilities of Council

### C3-1 Payables

\$ '000	2022		2021	
	Current	Non-current	Current	Non-current
Goods and services – operating expenditure	–	–	3	–
Prepaid rates and charges	684	–	510	–
Accrued expenses:				
- Salaries and wages	111	–	84	–
- Employee expense on-costs	185	9	163	8
- Other expenditure accruals	1,086	–	684	–
Other	66	–	3	–
Payments received in advance	1,125	–	–	–
<b>Total payables</b>	<b>3,257</b>	<b>9</b>	<b>1,447</b>	<b>8</b>

#### Accounting policy

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

The financial liabilities of the Council comprise trade payables.

#### Payables

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

### C3-2 Borrowings

#### Financing arrangements

\$ '000	2022	2021
<b>Total facilities</b>		
Bank overdraft facilities <sup>1</sup>	500	500
Credit cards/purchase cards	65	65
<b>Total financing arrangements</b>	<b>565</b>	<b>565</b>
<b>Undrawn facilities</b>		
– Bank overdraft facilities	500	500
– Credit cards/purchase cards	33	48
<b>Total undrawn financing arrangements</b>	<b>533</b>	<b>548</b>

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

#### Accounting policy

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

## C3-3 Employee benefit provisions

\$ '000	2022	2022	2021	2021
	Current	Non-current	Current	Non-current
Annual leave	814	–	787	–
Long service leave	1,716	129	1,741	131
Accrued leave	52	–	45	–
<b>Total employee benefit provisions</b>	<b>2,582</b>	<b>129</b>	<b>2,573</b>	<b>131</b>

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

\$ '000	2022	2021
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	2,132	2,122
	<b>2,132</b>	<b>2,122</b>

### Accounting policy

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

### Short-term obligations

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

### Other long-term employee benefit obligations

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

### On-costs

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

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

## C4 Reserves

### C4-1 Nature and purpose of reserves

#### IPPE Revaluation reserve

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

## D Risks and accounting uncertainties

### D1-1 Risks relating to financial instruments held

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

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

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

Financial risk management is carried out by Council's 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 2022	Carrying value 2021	Fair value 2022	Fair value 2021
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Cash and cash equivalents	3,126	4,338	3,126	4,338
Receivables	5,340	5,820	5,420	5,820
Investments				
– Debt securities at amortised cost	41,082	46,021	41,082	46,021
<b>Total financial assets</b>	<b>49,548</b>	<b>56,179</b>	<b>49,628</b>	<b>56,179</b>
<b>Financial liabilities</b>				
Payables	2,141	1,455	2,141	1,455
<b>Total financial liabilities</b>	<b>2,141</b>	<b>1,455</b>	<b>2,141</b>	<b>1,455</b>

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value
- **Debt securities at amortised cost** – are based upon estimated future cash flows discounted by the current market 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 its staff and an investment report is tabled at each Council meeting 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 these 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.
- **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.

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

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

\$ '000	2022	2021
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The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.

Impact of a 1% movement in interest rates

– Equity / Income Statement	441	482
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### (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.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

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

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 recover these debts as a secured charge over the land; 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 payment.

\$ '000	overdue rates and annual charges			Total
	Not yet due	< 5 years	≥ 5 years	
<b>2022</b>				
Gross carrying amount	1,273	229	20	1,522
2021				
Gross carrying amount	1,090	325	16	1,431

##### Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
<b>2022</b>						
Gross carrying amount	3,178	21	149	1	469	3,818
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>ECL provision</b>	–	–	–	–	–	–
2021						
Gross carrying amount	2,746	1	217	71	569	3,604
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>ECL provision</b>	–	–	–	–	–	–

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

### (c) Liquidity risk

Payables, lease liabilities 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.

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 for non-lease liabilities 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	payable in: ≤ 1 Year	1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
<b>2022</b>							
Payables	0.00%	–	–	–	–	–	2,141
<b>Total financial liabilities</b>		–	–	–	–	–	<b>2,141</b>
<b>2021</b>							
Payables	0.00%	–	253	–	–	253	945
<b>Total financial liabilities</b>		–	253	–	–	253	<b>945</b>

## D2-1 Fair value measurement

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

– Infrastructure, property, plant and equipment

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

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

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

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

**Level 3:** Inputs for the asset or liability.

\$ '000	Notes	Fair value measurement hierarchy								
		Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total		
		2022	2021	2022	2021	2022	2021	2022	2021	
						Restated		Restated		
<b>Recurring fair value measurements</b>										
<b>Infrastructure, property, plant and equipment</b>										
	C1-6									
Plant and Equipment		30/06/21	30/06/21	–	–	4,894	5,250	4,894	5,250	
Office Equipment		30/06/21	30/06/21	–	–	326	670	326	670	
Furniture and Fittings		30/06/21	30/06/21	–	–	37	48	37	48	
Operational Land		30/06/22	30/06/18	3,751	3,338	–	–	3,751	3,338	
Buildings – Non Specialised		30/06/22	30/06/18	5,155	4,774	–	–	5,155	4,774	
Water Mains		30/06/22	30/06/21	–	–	175,823	164,399	175,823	164,399	
Reservoirs		30/06/22	30/06/21	–	–	49,052	47,857	49,052	47,857	
Pumping Stations and Bores		30/06/22	30/06/21	–	–	15,772	14,622	15,772	14,622	
Treatment Plants		30/06/22	30/06/21	–	–	20,167	17,259	20,167	17,259	
Microwave Network		30/06/22		–	–	1,186	–	1,186	–	
<b>Total infrastructure, property, plant and equipment</b>				<b>8,906</b>	<b>8,112</b>	<b>267,257</b>	<b>250,105</b>	<b>276,163</b>	<b>258,217</b>	

### Valuation techniques

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

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

#### Infrastructure, property, plant and equipment (IPPE)

##### Plant and Equipment, Office Equipment and Furniture and Fittings

Plant and Equipment, Office Equipment and Furniture and 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 and Equipment, Office Equipment and Furniture and 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.

Fair value is based on sales of land in the locality and principles of the direct comparison method for individual parcels. Where there is a lack of comparable sales, closest comparable sales of properties with similar characteristics is used.

## D2-1 Fair value measurement (continued)

Direct comparison method is considered a level 2 input, involves the analysis of sales evidence and comparisons of the subject land, taking into account matters such as area, location and other general site characteristics. The valuation techniques used maximise the use of observable data where it is available.

### Buildings - Non Specialised

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

Fair value is determined using a sales based market value approach. A market approach is based on available sales evidence using either the direct comparison, summation or income approaches. Where a market value approach is not suitable, an alternative replacement cost approach is used. The cost approach may not be suitable for assets of a specialised nature where there is a lack of market evidence.

Market approach valuation is deemed to be a level 2 input. The valuation techniques used maximise the use of observable data where it is available.

### Water Infrastructure

This comprises of water mains, reservoirs, bores, pumping stations and treatment plants.

These asset classes were indexed as at 30 June 2022 by the NSW Water Supply & Sewerage Construction Cost Index from the NSW Reference Rates Manual.

Replacement costs are based on the use of relevant unit rates based on component design, specification and material used, further adjusted for any location, geographical or other adjustments. All assets are split into the components used for asset management planning purposes.

Physical inspections were undertaken during 2019/20 on above ground infrastructure to confirm condition. Some assets such as underground pipes are not able to be inspected due to their nature. For these assets, reliance is placed on asset management and GIS system data based from day-to-day operations to manage these assets.

This approach is deemed to be a level 3 input due to the use of data that is unobservable in the market.

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

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

\$ '000	2022	2021 Restated
<b>Balance at 1 July</b>	<b>250,105</b>	249,131
<b>Total gains or losses for the period</b>		
Recognised in other comprehensive income – revaluation surplus	<b>(2,567)</b>	5,292
<b>Other movements</b>		
Purchases (GBV)	<b>4,871</b>	4,768
Disposals (WDV)	<b>(738)</b>	(917)
Depreciation and impairment	<b>(8,580)</b>	(8,169)
<b>Balance at 30 June</b>	<b>243,091</b>	250,105

## Highest and best use

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

## D3-1 Contingencies

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

### LIABILITIES NOT RECOGNISED

#### 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 future service employer contributions and past service employer contributions to the Fund.

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

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

\* For 180 Point Members, Employers are required to contribute 7.5% of salaries for the year ending 30 June 2022 (increasing to 8.0% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$40.0 million for 1 July 2019 to 31 December 2021 and \$20.0 million per annum for 1 January to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2021. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

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

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

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

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

## D3-1 Contingencies (continued)

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 2022 was \$76,647. The last formal valuation of the Scheme was performed by Fund Actuary, Richard Boyfield FIAA as at 30 June 2021.

Council's expected contribution to the plan for the next annual reporting period is \$69,404.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2022 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	2,376.6	
Past Service Liabilities	2,380.7	99.8%
Vested Benefits	2,391.7	99.4%

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

The share of this deficit that is broadly attributed to Council is estimated to be in the order of 0.20% as at 30 June 2022.

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

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

Investment return	5.5% 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 June 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.

## D3-1 Contingencies (continued)

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### 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.

## E People and relationships

### E1 Related party disclosures

#### E1-1 Key management personnel (KMP)

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly. The aggregate amount of KMP compensation included in the Income Statement is:

\$ '000	2022	2021
<b>Compensation:</b>		
Short-term benefits	1,078	970
Post-employment benefits	140	112
Other long-term benefits	28	23
<b>Total</b>	<b>1,246</b>	<b>1,105</b>

#### Other transactions with KMP and their related parties

Nature of the transaction	Ref	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000						
<b>2022</b>						
Supply and Service of Council vehicles	1	476	118		-	-
Rental of Council Owned Properties	2	17	-		-	-
<b>2021</b>						
Supply and Service of Council vehicles	1	726	-		-	-
Rental of Council Owned Properties	2	17	-		-	-
Supply of Legal Services	3	5	-		-	-

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.

2 Council owned properties rented to KMP.

3 Council engaged legal services provided by a related party of a KMP.

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

\$ '000	2022	2021
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Members expenses – chairperson’s fee	17	16
Members expenses – members fees	77	79
Members expenses (incl. chairperson) – other (excluding fees above)	9	9
<b>Total</b>	<b>103</b>	<b>104</b>

## E2 Other relationships

### E2-1 Audit fees

\$ '000	2022	2021
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
<b>Auditors of the Council - NSW Auditor-General:</b>		
<b>(i) Audit and other assurance services</b>		
Audit and review of financial statements	31	30
<b>Remuneration for audit and other assurance services</b>	<b>31</b>	<b>30</b>
<b>Total Auditor-General remuneration</b>	<b>31</b>	<b>30</b>
<b>Non NSW Auditor-General audit firms</b>		
<b>(i) Audit and other assurance services</b>		
Internal Audit costs	29	40
<b>Remuneration for audit and other assurance services</b>	<b>29</b>	<b>40</b>
<b>Total remuneration of non NSW Auditor-General audit firms</b>	<b>29</b>	<b>40</b>
<b>Total audit fees</b>	<b>60</b>	<b>70</b>

## F Other matters

### F1-1 Statement of Cash Flows information

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

\$ '000	2022	2021
<b>Net operating result from Income Statement</b>	<b>(310)</b>	146
<b>Add/(less) for non-cash items:</b>		
Depreciation and amortisation	<b>8,580</b>	8,361
(Gain) / loss on disposal of assets	<b>(204)</b>	(51)
<b>Change in assets and liabilities:</b>		
<b>Movements in operating assets and liabilities</b>		
(Increase) / decrease of receivables	<b>480</b>	138
(Increase) / decrease of inventories	<b>(6)</b>	(173)
Increase / (decrease) in payables	<b>(3)</b>	(181)
Increase / (decrease) in other accrued expenses payable	<b>429</b>	303
Increase / (decrease) in other liabilities	<b>260</b>	63
Increase / (decrease) in employee benefit provision	<b>7</b>	149
Increase / (decrease) in income received in advance	<b>1,125</b>	–
<b>Net cash flows from operating activities</b>	<b>10,358</b>	<b>8,755</b>

## F2-1 Commitments

### Capital commitments (exclusive of GST)

\$ '000	2022	2021
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Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

#### Property, plant and equipment

Water infrastructure	6,609	5,180
<b>Total commitments</b>	<b>6,609</b>	<b>5,180</b>

#### These expenditures are payable as follows:

Within the next year	6,609	5,180
<b>Total payable</b>	<b>6,609</b>	<b>5,180</b>

#### Sources for funding of capital commitments:

Unrestricted general funds	6,609	5,180
<b>Total sources of funding</b>	<b>6,609</b>	<b>5,180</b>

#### Details of capital commitments

Oura HV Construction \$338k  
 HV Asset Replacement Design \$140k  
 Switch Room Design Jugiong \$1.515m  
 Oura WTP Electrical Installation \$155k  
 HV Electrical Supply Jugiong WTP \$1.261m  
 Thanowring Road Materials Supply \$1.797m  
 Scada and Control Systems \$1.403m

## F3-1 Events occurring after the reporting date

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

## F4 Changes from prior year statements

### F4-1 Correction of errors

#### Nature of prior period error

During the process of capitalisation of expenditure for the year ended 30 June 2021, some costs included in "Works in Progress" (WIP) were incorrectly included in revaluation calculations. This resulted in an overstatement of the gross carrying amounts as follows:

- Water mains \$2.8m
- Pumping stations and bores \$1.9m

Comparatives have been altered to reflect the correction of errors. The impact on each line item is shown in the table below.

#### Adjustments to the comparative figures for the year ended 30 June 2021

#### Statement of Financial Position

\$ '000	Original Balance 30 June, 2021	Impact Increase/ (decrease)	Restated Balance 30 June, 2021
Infrastructure, property, plant and equipment	277,546	(4,679)	272,867
<b>Total non-current assets</b>	<b>289,546</b>	<b>(4,679)</b>	<b>284,867</b>

## F4-1 Correction of errors (continued)

\$ '000	Original Balance 30 June, 2021	Impact Increase/ (decrease)	Restated Balance 30 June, 2021
<b>Total assets</b>	<b>334,493</b>	<b>(4,679)</b>	<b>329,814</b>
<b>Net assets</b>	<b>330,334</b>	<b>(4,679)</b>	<b>325,655</b>
IPPE revaluation reserve	235,158	(4,679)	230,479
<b>Total equity</b>	<b>330,334</b>	<b>(4,679)</b>	<b>325,655</b>

## Statement of Comprehensive Income

\$ '000	Original Balance 30 June, 2021	Impact Increase/ (decrease)	Restated Balance 30 June, 2021
<b>Net operating result for the year</b>	<b>146</b>	<b>–</b>	<b>146</b>
<b>Amounts which will not be reclassified subsequently to the operating result:</b>			
Gain / (loss) on revaluation of infrastructure, property, plant and equipment	9,971	(4,679)	5,292
<b>Other comprehensive income for the year</b>	<b>9,971</b>	<b>(4,679)</b>	<b>5,292</b>
<b>Total comprehensive income for the year</b>	<b>10,117</b>	<b>(4,679)</b>	<b>5,438</b>

## F5 Statement of performance measures

### F5-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2022	Indicator 2022	Indicators 2021      2020		Benchmark
<b>1. Operating performance ratio</b>					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>(2,054)</b>	<b>(9.83)%</b>	(11.01)%	1.57%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>20,891</b>				
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<b>20,891</b>	<b>93.13%</b>	89.72%	94.02%	> 60.00%
Total continuing operating revenue <sup>1</sup>	<b>22,431</b>				
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions	<b>39,208</b>	<b>10.58x</b>	23.68x	32.03x	> 1.50x
Current liabilities less specific purpose liabilities	<b>3,707</b>				
<b>4. Debt service cover ratio</b>					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>6,526</b>	$\infty$	$\infty$	$\infty$	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>–</b>				
<b>5. Rates and annual charges outstanding percentage</b>					
Rates and annual charges outstanding	<b>1,592</b>	<b>21.86%</b>	21.27%	22.64%	< 10.00%
Rates and annual charges collectable	<b>7,282</b>				
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	<b>44,208</b>	<b>28.23</b>	36.29	36.90	> 3.00
Monthly payments from cash flow of operating and financing activities	<b>1,566</b>	<b>months</b>	months	months	months

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

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

**End of the audited financial statements**



## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

#### Goldenfields Water County Council

To the Councillors of Goldenfields Water County Council

### Opinion

I have audited the accompanying financial statements of Goldenfields Water County Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2022, the Statement of Financial Position as at 30 June 2022, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
  - have been prepared, in all material respects, in accordance with the requirements of this Division
  - are consistent with the Council's accounting records
  - present fairly, in all material respects, the financial position of the Council as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

### Basis for Opinion

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

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

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

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

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

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

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

## **Other Information**

The Council's annual report for the year ended 30 June 2022 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 and Special Schedules.

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

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

I have nothing to report in this regard.

## **The Councillors' Responsibilities for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

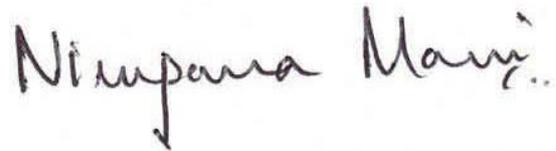
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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

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

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

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

A handwritten signature in black ink that reads "Nirupama Mani". The signature is written in a cursive style with a small flourish at the end of the name.

Nirupama Mani  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

25 October 2022  
SYDNEY



Cr Matthew Stadtmiller  
Chairperson  
Goldenfields Water County Council  
PO Box 220  
TEMORA NSW 2666

Contact: Nirupama Mani  
Phone no: 02 9275 7111  
Our ref: D2220759/1819

25 October 2022

Dear Cr Stadtmiller

**Report on the Conduct of the Audit  
for the year ended 30 June 2022  
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 2022 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 2022 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.

## **SIGNIFICANT AUDIT ISSUES AND OBSERVATIONS**

I identified the following significant audit issues and observations during my audit of the Council's financial statements. These issues and observations were addressed as part of my audit.

### **Correction of error relating to the previous reporting period**

The Council has disclosed a correction of error in Note F4-1 'Correction of errors' relating to a previous reporting period, which changed comparative information in Note C1-6 'Infrastructure, property, plant and equipment'. The error related to the incorrect recognition of IPPE asset and revaluation reserve resulting in an overstatement of \$4.7 million. The Council retrospectively corrected the error in line with the requirements of AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors'.

There was no impact on the audit opinion on the Council's 30 June 2022 GPFS.

## INCOME STATEMENT

### Operating result

	2022	2021	Variance
	\$m	\$m	%
Rates and annual charges revenue	5.7	5.5	3.6
Grants and contributions revenue	1.5	2.4	34.8
Operating result from continuing operations	(0.3)	0.1	400
Net operating result before capital grants and contributions	(1.8)	(2.2)	18.2

Rates and annual charges revenue increased by \$0.2 million (3.6 per cent) to \$5.7 million. The increase is consistent with the movement in the rate peg of 2% applied to rates and annual charges revenue in 2021–22.

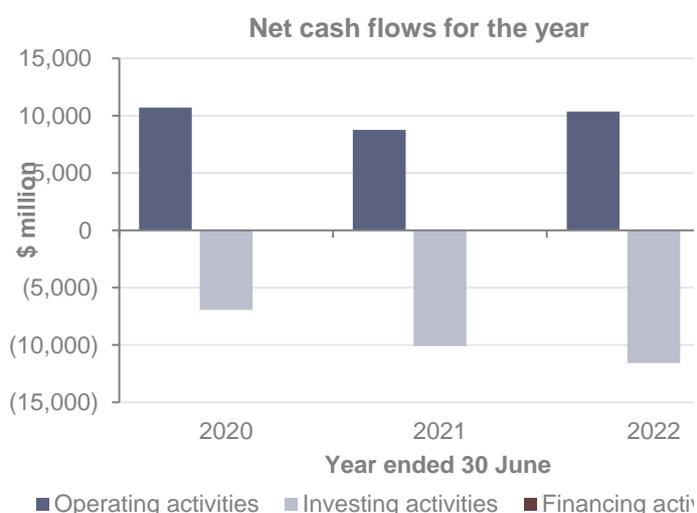
Grants and contributions revenue of \$1.5 million has decreased by \$0.9 million (34.8 per cent) in 2021–22 due to a decrease in additional water supply contributions received for headworks compared to the prior year.

The Council's operating result from continuing operations has decreased by \$0.4 million to a deficit of \$0.3 million in 2021–22. The decrease is mainly due to the decrease in grants and contributions provided for capital purposes in the current year.

The net operating deficit before capital grants and contributions \$1.8 million was \$0.4 million higher than the 2020–21 result. The increase is mainly due to the increase in user charges and fees.

## STATEMENT OF CASH FLOWS

- Council recorded a net decrease in cash and cash equivalents of \$1.2 million at 30 June 2022 (net decrease of \$1.3 million at 30 June 2021).
- Net cash provided by operating activities amounted to \$10.3 million. Council recorded cash receipts from user fees and charges of \$15.5 million and grants and contributions of \$1.5 million. Council recorded cash payments for employee benefits and on-costs of \$7.4 million and materials and services of \$11.6 million.
- Net cash used in investing activities amounted to \$11.5 million. This is largely due to the net cash outflow of \$17.0 million for the purchase of infrastructure, property, plant and equipment during the year.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2022	2021	Commentary
	\$m	\$m	
<b>Total cash, cash equivalents and investments</b>	<b>44.2</b>	<b>50.3</b>	<ul style="list-style-type: none"> <li>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 predominately due to a decrease in infrastructure replacement restrictions.</li> </ul>
Restricted and allocated cash, cash equivalents and investments:			
• External restrictions	--	--	<ul style="list-style-type: none"> <li>Unrestricted cash has increased due to the decrease in internal restrictions from the prior year. Council has decreased the internal restriction for infrastructure replacement.</li> </ul>
• Internal allocations	20.6	28.5	
• Unrestricted	23.6	21.8	

### Debt

Council's approved overdraft facility for Commonwealth Bank Australia (CBA) is \$0.5 million. This remains unused at the end of the financial year.

## PERFORMANCE

### Performance measures

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

#### Operating performance ratio

The Council did not meet the OLG benchmark for the current reporting period.

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

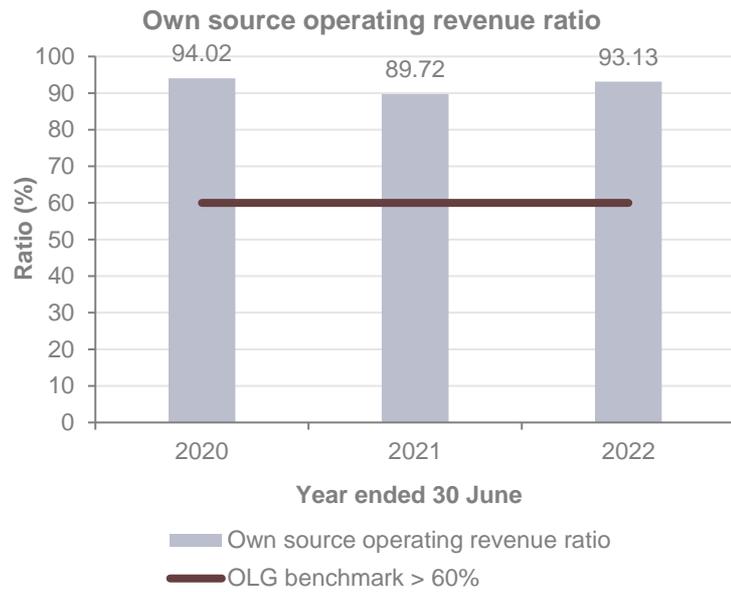


### Own source operating revenue ratio

The Council exceeded the OLG benchmark for the current reporting period.

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

The Council's own source operating revenue ratio of 93.13 per cent is above the industry benchmark of 60 per cent. Council has met this benchmark as its main source of income is from water sales, rather than reliance on operating grants and contributions.



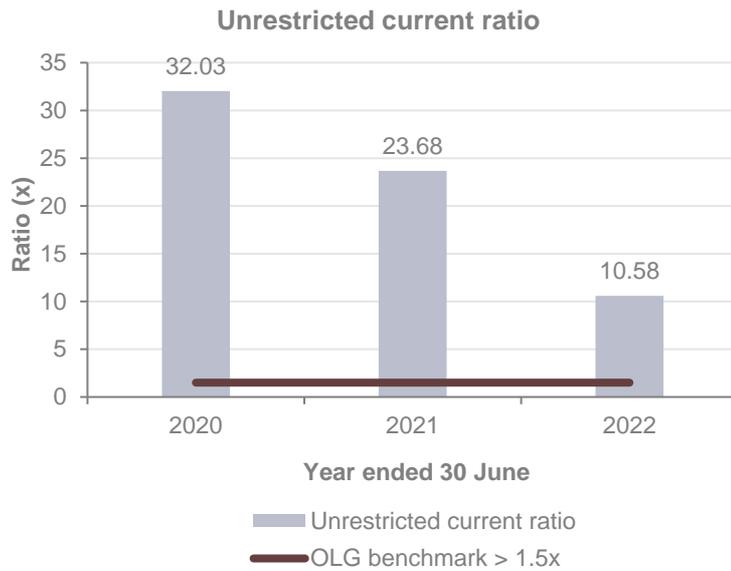
### Unrestricted current ratio

The Council exceeded the OLG benchmark for the current reporting period.

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

The Council's unrestricted current ratio of 10.58 times is higher than the industry benchmark minimum of greater than 1.5 times. This indicates that the Council have sufficient liquidity to meet its current liabilities as and when they fall due.

The Council's unrestricted current ratio has decreased due to the reduction in current assets and an increase in current liabilities.



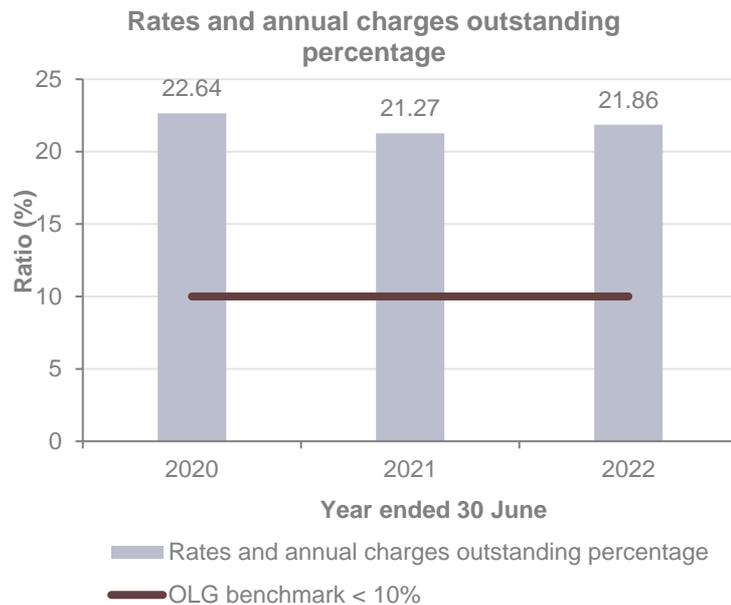
## Rates and annual charges outstanding percentage

The Council did not meet the OLG benchmark for the current reporting period.

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 OLG is less than 10 per cent for regional and rural councils.

The Council's rates and annual charges outstanding percentage of 21.86 per cent is outside the industry benchmark of less than 10 per cent for rural councils.

Council continues to not meet this benchmark due to the rolling quarterly billing arrangements. The billing cycle of water county councils need to be considered when assessing this performance against other general councils.

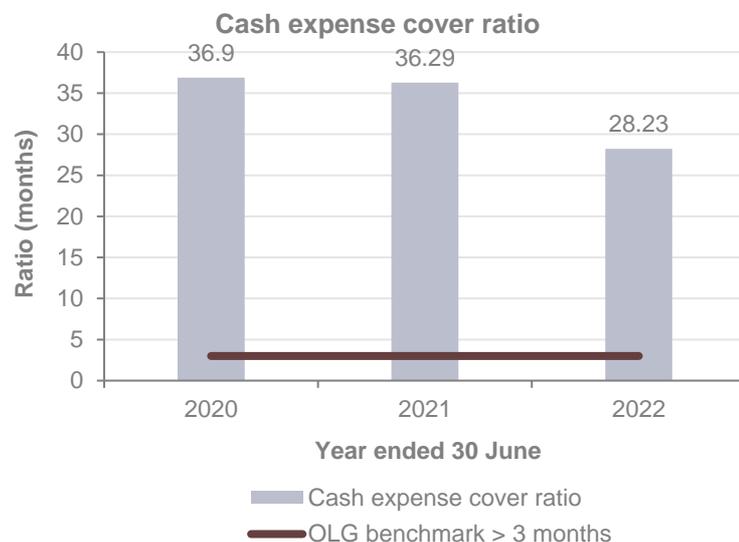


## Cash expense cover ratio

The Council exceeded the OLG benchmark for the current reporting period.

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

The Council's cash expense cover ratio was 28.23 months, which is above the industry benchmark of greater than 3 months. This indicates that Council has the capacity to cover 28.23 months of cash expenditure without additional cash inflows at 30 June 2022.



## Infrastructure, property, plant and equipment renewals

The Council has renewed \$14.4 million of assets in the 2021–22 financial year, compared to \$1.7 million of assets in the 2020–21 financial year. Council have a large capital works program which is contributing to the high amount of renewals.

## OTHER MATTERS

### Legislative compliance

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

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



Nirupama Mani  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

cc: Mr Aaron Drenovski, General Manager  
Mr Peter McLean, Chair of the Audit, Risk and Improvement Committee  
Mr Michael Cassel, Secretary of the Department of Planning, Industry and Environment

# Goldenfields Water County Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2022

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*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

for the year ended 30 June 2022

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<b>Special Purpose Financial Statements:</b>	
Income Statement of water supply business activity	4
Statement of Financial Position of water supply business activity	5
<b>Note – Significant Accounting Policies</b>	<b>6</b>
<b>Auditor's Report on Special Purpose Financial Statements</b>	<b>8</b>

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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

for the year ended 30 June 2022

### Statement by Councillors and Management

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

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

- 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.

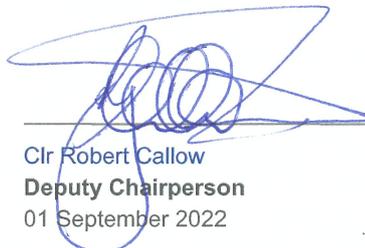
Signed in accordance with a resolution of Council made on 01 September 2022.



Cr Matthew Stadtmiller

**Chairperson**

01 September 2022



Cr Robert Callow

**Deputy Chairperson**

01 September 2022



Aaron Drenovski

**General Manager**

01 September 2022



John Chapman

**Responsible Accounting Officer**

01 September 2022

## Goldenfields Water County Council

### Income Statement of water supply business activity

for the year ended 30 June 2022

\$ '000	2022	2021
<b>Income from continuing operations</b>		
Access charges	5,741	5,473
User charges	14,381	13,935
Fees	206	228
Interest and investment income	407	1,045
Net gain from the disposal of assets	204	51
Other income	156	152
<b>Total income from continuing operations</b>	<b>21,095</b>	<b>20,884</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	7,456	7,143
Materials and services	6,582	7,290
Depreciation, amortisation and impairment	8,580	8,361
Water purchase charges	121	92
Calculated taxation equivalents	47	41
Other expenses	206	240
<b>Total expenses from continuing operations</b>	<b>22,992</b>	<b>23,167</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(1,897)</b>	<b>(2,283)</b>
Grants and contributions provided for capital purposes	1,540	2,388
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>(357)</b>	<b>105</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>(357)</b>	<b>105</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	-	-
<b>Surplus (deficit) after tax</b>	<b>(357)</b>	<b>105</b>
<b>Plus accumulated surplus</b>	<b>95,176</b>	<b>95,030</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	47	41
<b>Closing accumulated surplus</b>	<b>94,866</b>	<b>95,176</b>
<b>Return on capital %</b>	<b>(0.7)%</b>	<b>(0.8)%</b>
<b>Subsidy from Council</b>	<b>12,472</b>	<b>6,418</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	(357)	105
Less: capital grants and contributions (excluding developer contributions)	(1,540)	(2,388)
<b>Surplus for dividend calculation purposes</b>	<b>-</b>	<b>-</b>
<b>Potential dividend calculated from surplus</b>	<b>-</b>	<b>-</b>

## Goldenfields Water County Council

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

as at 30 June 2022

\$ '000	2022	2021 Restated
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,126	4,338
Investments	36,082	34,021
Receivables	5,340	5,820
Inventories	774	768
<b>Total current assets</b>	<b>45,322</b>	<b>44,947</b>
<b>Non-current assets</b>		
Investments	5,000	12,000
Infrastructure, property, plant and equipment	288,946	277,546
<b>Total non-current assets</b>	<b>293,946</b>	<b>289,546</b>
<b>Total assets</b>	<b>339,268</b>	<b>334,493</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	2,132	1,447
Income received in advance	1,125	–
Employee benefit provisions	2,582	2,573
<b>Total current liabilities</b>	<b>5,839</b>	<b>4,020</b>
<b>Non-current liabilities</b>		
Payables	9	8
Employee benefit provisions	129	131
<b>Total non-current liabilities</b>	<b>138</b>	<b>139</b>
<b>Total liabilities</b>	<b>5,977</b>	<b>4,159</b>
<b>Net assets</b>	<b>333,291</b>	<b>330,334</b>
<b>EQUITY</b>		
Accumulated surplus	90,187	95,176
Revaluation reserves	243,104	235,158
<b>Total equity</b>	<b>333,291</b>	<b>330,334</b>

## Note – Significant Accounting Policies

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

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

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

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

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

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

### National Competition Policy

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

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

### Declared business activities

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

#### Category 1

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

Goldenfields Water County Council (whole of Council operation)

Water supply within the Local Government areas of Bland, Coolamon, Junee, Temora and parts of Cootamundra-Gundagai, Hilltops and Narrandera. Bulk water is supplied to Hilltops and Cootamundra-Gundagai Councils.

### Taxation equivalent charges

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

#### Notional rate applied (%)

Corporate income tax rate – **25%** (20/21: 26%)

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

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

## Note – Significant Accounting Policies (continued)

### 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 25% (20/21: 26%).

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

Accordingly, there is no need for disclosure of internal charges in the SPFS.

### Local government rates and charges

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

### Loan and debt guarantee fees

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

#### (i) Subsidies

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

#### (ii) Return on investments (rate of return)

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

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

The rate of return is calculated as follows:

#### Operating result before capital income + interest expense

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

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 3.66% at 30/6/22.

#### (iii) 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 30/06/2022 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the Best Practice Management of Water Supply and Sewer Guidelines, a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to DPIE - Water.



## INDEPENDENT AUDITOR'S REPORT

### Report on the special purpose financial statements

#### Goldenfields Water County Council

To the Councillors of 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 Statement by Councillors and Management, the Income Statement of the Declared Business Activity for the year ended 30 June 2022, the Statement of Financial Position of the Declared Business Activity as at 30 June 2022 and the Significant accounting policies note.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's Declared Business Activity as at 30 June 2022, and its financial performance for the year then ended, in accordance with the Australian Accounting Standards described in the Significant accounting policies note and the Local Government Code of Accounting Practice and Financial Reporting 2021–22 (LG Code).

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

### Basis for Opinion

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

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

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

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

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

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

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

## **Emphasis of Matter - Basis of Accounting**

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

## **Other Information**

The Council's annual report for the year ended 30 June 2022 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 the Significant accounting policies note to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

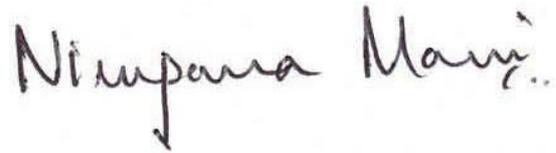
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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

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

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

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

A handwritten signature in black ink that reads "Nirupama Mani". The signature is written in a cursive style with a downward-pointing arrow at the end of the word "Mani".

Nirupama Mani  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

25 October 2022  
SYDNEY

# Goldenfields Water County Council

SPECIAL SCHEDULES  
for the year ended 30 June 2022

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*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

for the year ended 30 June 2022

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## Goldenfields Water County Council

## Report on infrastructure assets as at 30 June 2022

Asset Class	Asset Category	Estimated cost		2021/22 Required maintenance <sup>a</sup>	2021/22 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	Estimated cost to bring to the agreed level of service set by Council					2021/22 Required maintenance <sup>a</sup>	2021/22 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	1	2	3
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000							
<b>Buildings</b>	Council Office	–	–	100	61	1,312	2,092	95.0%	0.0%	5.0%	0.0%	0.0%		
	Council Works Depots	–	–	108	99	1,889	2,831	91.0%	3.0%	3.0%	3.0%	0.0%		
	Council Houses	–	–	30	20	1,954	2,899	37.0%	28.0%	35.0%	0.0%	0.0%		
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>238</b>	<b>180</b>	<b>5,155</b>	<b>7,822</b>	<b>72.1%</b>	<b>11.5%</b>	<b>15.4%</b>	<b>1.1%</b>	<b>0.0%</b>		
<b>Water supply network</b>	Mains	55,782	56,573	1,675	1,936	175,823	353,962	25.8%	28.1%	2.5%	24.7%	19.0%		
	Reservoirs	4,339	9,631	689	461	49,052	88,719	9.1%	37.0%	41.3%	6.5%	6.1%		
	Pumping Stations & Bores	4,304	4,443	777	619	15,772	31,646	20.7%	33.0%	21.9%	5.8%	18.6%		
	Treatment	2,965	5,561	752	636	20,168	39,488	22.6%	15.9%	32.1%	21.8%	7.6%		
	Microwave Network	–	–	50	18	1,186	1,190	0.0%	0.0%	0.0%	0.0%	100.0%		
<b>Sub-total</b>	<b>67,390</b>	<b>76,208</b>	<b>3,943</b>	<b>3,670</b>	<b>262,001</b>	<b>515,005</b>	<b>22.3%</b>	<b>28.9%</b>	<b>12.6%</b>	<b>20.1%</b>	<b>16.0%</b>			
<b>Total – all assets</b>		<b>67,390</b>	<b>76,208</b>	<b>4,181</b>	<b>3,850</b>	<b>267,156</b>	<b>522,827</b>	<b>23.0%</b>	<b>28.7%</b>	<b>12.7%</b>	<b>19.8%</b>	<b>15.8%</b>		

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

## Infrastructure asset condition assessment 'key'

#	Condition	Integrated planning and reporting (IP&R) description
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

## Report on infrastructure assets as at 30 June 2022

## Infrastructure asset performance indicators (consolidated) \*

\$ '000	Amounts 2022	Indicator 2022	Indicators		Benchmark
			2021	2020	
<b>Buildings and infrastructure renewals ratio</b>					
Asset renewals <sup>1</sup>	<b>14,383</b>	<b>309.51%</b>	6.32%	8.32%	>= 100.00%
Depreciation, amortisation and impairment	<b>4,647</b>				
<b>Infrastructure backlog ratio</b>					
Estimated cost to bring assets to a satisfactory standard	<b>67,390</b>	<b>34.78%</b>	8.57%	16.32%	< 2.00%
Net carrying amount of infrastructure assets	<b>193,761</b>				
<b>Asset maintenance ratio</b>					
Actual asset maintenance	<b>3,850</b>	<b>92.08%</b>	102.08%	93.28%	> 100.00%
Required asset maintenance	<b>4,181</b>				
<b>Cost to bring assets to agreed service level</b>					
Estimated cost to bring assets to an agreed service level set by Council	<b>76,208</b>	<b>14.58%</b>	7.83%	9.95%	
Gross replacement cost	<b>522,827</b>				

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

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