



**Central
Tablelands
Water**

Business Paper

**Ordinary Meeting of
Central Tablelands Water**

19 June 2024

Canowindra



Friday, 14 June 2024

Notice to Members

Your attendance is requested at Ordinary Meeting of Council to be held at the Old Vic inn, Canowindra on Wednesday, 19 June 2024 at 10.30am. Morning tea will be served from 10am.

Agenda

1. Opening Meeting
2. Acknowledgement of Country
3. Recording of Meeting Statement
4. Apologies and Applications for a Leave of Absence by Members
5. Confirmation of Minutes from Previous Meeting(s)
6. Matters Arising from Previous Meetings
7. Disclosures of Interests
8. Public Forum
9. Chairperson's Minute
10. Councillor Representation
11. Notices of Motion
12. Reports of Staff
13. Questions on Notice
14. Confidential Matters
15. Late Reports
16. Conclusion of the Meeting

Yours faithfully

G. Rhodes
General Manager

ACKNOWLEDGEMENT OF COUNTRY

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

RECORDING OF MEETING STATEMENT

In accordance with the Central Tablelands Water Code of Meeting Practice, this meeting will be audio recorded and will be uploaded to Council's website within 2 weeks after the meeting. The audio recording will allow members of the public to listen to the proceedings of the Council meetings. The objective of this service is to eliminate geographic and other access barriers for the community wishing to learn more about Council's decision making processes. By speaking at the Council Meeting you agree to be audio recorded. Please ensure that if and when you speak at this Council Meeting that you ensure you are respectful to others and use appropriate language at all times. Whilst Council will make every effort to ensure that audio recordings are available, it takes no responsibility for, and cannot be held liable for technical issues beyond its control. Technical issues may include, recording device failure or malfunction, or power outages. Audio recordings are a free public service and are not an official record of Council meetings. Recordings will be made of all Council meetings (excluding confidential items) and published within 2 weeks after the meeting. For a copy of the official public record, please refer to Council's Business Papers and Minutes page on Council's website. Council does not accept any responsibility for any verbal comments made during Council meetings which may be inaccurate, incorrect, defamatory, or contrary to law and does not warrant nor represent that the material or statements made during the meeting are complete, reliable, accurate or free from error. The audio recording is primarily set up to capture the proceedings of the Council meeting and members of the public attending a Council meeting need to be aware they may be recorded as part of the proceedings.

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HELD ON WEDNESDAY 19 JUNE 2024

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12. REPORTS OF STAFF

12.1) HENRY LAWSON FESTIVAL GRENFELL (CR.SD.1)

Author: General Manager

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

RECOMMENDATION:

That Council endorse the General Manager's actions in sponsoring the 2024 Henry Lawson Festival at Grenfell to the value of \$500.00 and approve funding of the sponsorship from CTW's donations and contributions budget 23/24.

REPORT

Central Tablelands Water (CTW) received a sponsorship request for the 2024 Henry Lawson Festival after the April Council meeting had been held. As the Festival is held on the long weekend in June (8-10 June) and before the next scheduled Council meeting of 19 June, the General Manager sought approval from the Board for CTW to sponsor this important community event once again to the value of \$500 as per the 2023 sponsorship.

CTW's Board Members unanimously agreed to sponsor the Festival to the value of \$500 with ratification to be provided at the June 2024 Council meeting.

The Henry Lawson Festival is a major event for the town of Grenfell. The Festival is held on an annual basis over the Long Weekend in June. The Festival has been running over a period of 67 years and is seen as one of the oldest rural festivals still operating in NSW.

As this unique rural festival helps strengthen the Weddin Shire economy and like many rural events contributes to regional tourism, the general manager is recommending that Council endorse his actions to support this community event by once again contributing \$500.

A copy of the sponsorship request was circulated to all councillors in late April.

BUDGET IMPLICATIONS

Operational Plan 2023/24.

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil.

12.2) LGNSW WATER MANAGEMENT CONFERENCE 2024 (CM.CF.1)

Author: General Manager
IP&R Link: Strategic Priority 3: Regional leadership and collaboration – 3.2: Regional Leadership in the Water Sector – 3.2.1: Explore opportunities to influence water industry policy and direction through participation in industry groups and bodies. – 3.2.2: Continue to collaborate and build upon the strong relationship with the other water county councils and advocate collectively on water industry issues.

RECOMMENDATION:

That Council:

1. Note the report, and
2. Endorse the actions of the General Manager in registering the Chairperson, Deputy Chairperson, Cr Somerville, Interim General Manager and Director Operations & Technical Services during the early bird registration period to attend the 2024 LGNSW Water Management Conference in Goulburn, from 23 to 25 July 2024.

REPORT

The 2024 LGNSW Water Management Conference will be held in Goulburn from Tuesday 23 July to Thursday 25 July.

The annual LGNSW Water Management Conference presents a broad range of information from a local government perspective on water management issues associated with water supply and sewerage services provided by water utilities.

LGNSW have recently advised that the theme for this year's conference is **“Sustainable Futures: Addressing Challenges in Water and Sewerage Management.”**

This conference will provide insights into the latest water policy and governmental priorities, as well as strategies for planning for future droughts. Additionally, there will be presentations by leading researchers, practitioners, and industry experts regarding the challenges posed by climate change, technical hurdles, and how to foster innovation in sustainable water management practices.

As pre-sale tickets (early bird registrations) for LGNSW members were available from 30 April, the general manager sought interest from all councillors at this time to attend the conference. The Chairperson, Deputy Chairperson and Cr Somerville all expressed interest in attending the conference and were subsequently registered along with the Interim General Manager and Director Operations & Technical Services. By completing the conference registrations early, savings of \$750 were realised.

Therefore, endorsement by Council of the general manager's actions in completing the conference registrations during the early bird period is sought.

Further information regarding the LGNSW Water Management Conference 2024 is available via the following link: <https://lgnsw.org.au/Water Management Conference 2024>.

BUDGET IMPLICATIONS

Operational Plan 24/25

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil.

12.3) LOCAL GOVERNMENT REMUNERATION TRIBUNAL (GR.LR.4)

Author: General Manager
IP&R Link: Strategic Priority 3: Regional leadership and collaboration

RECOMMENDATION:

That Council endorse its policy of paying the maximum fees to the Chairperson and Members of Central Tablelands County Council, as determined by the Local Government Remuneration Tribunal for Category County Council – Water.

REPORT

Council has received advice that the Local Government Remuneration Tribunal has delivered its determination regarding fees payable to councillors and mayors/chairpersons for 2024-2025, increasing fees by 3.75% from 1 July 2024.

The Tribunal is required to determine the remuneration categories of councils and mayoral offices at least once every 3 years under section 239 of the *Local Government Act 1993*. The Tribunal last undertook a significant review of the categories as part of its 2023 determination and will next review these categories in 2026.

The following table lists the Tribunal’s determinations for General Purpose and County Councils in 24/25:

Category		Councillor/Member Annual Fee (\$) effective 1 July 2024		Mayor/Chairperson Additional Fee* (\$) effective 1 July 2024	
		Minimum	Maximum	Minimum	Maximum
General Purpose Councils - Metropolitan	Principal CBD	30,720	45,070	188,010	247,390
	Major CBD	20,500	37,960	43,530	122,640
	Metropolitan Major	20,500	35,890	43,530	110,970
	Metropolitan Large	20,500	33,810	43,530	98,510
	Metropolitan Medium	15,370	28,690	32,650	76,190
	Metropolitan Small	10,220	22,540	21,770	49,170
General Purpose Councils - Non-Metropolitan	Major Regional City	20,500	35,620	43,530	110,970
	Major Strategic Area	20,500	35,620	43,530	110,970
	Regional Strategic Area	20,500	33,810	43,530	98,510
	Regional Centre	15,370	27,050	31,980	66,800
	Regional Rural	10,220	22,540	21,770	49,200
	Rural Large	10,220	18,340	16,330	39,350
	Rural	10,220	13,520	10,880	29,500
County Councils	Water	2,030	11,280	4,360	18,520
	Other	2,030	6,730	4,360	12,300

Council's policy is to pay the maximum fees as determined by the Local Government Remuneration Tribunal.

A copy of the Office of Local Government's Circular 24-08 2024/25 Determination of the Local Government Remuneration Tribunal is attached for information.

BUDGET IMPLICATIONS

Councillor fees are provided for in FY 24/25 Operational Plan.

POLICY IMPLICATIONS

Nil

ATTACHMENTS

1 [↓](#) OLG Circular 24-08 - LGRT Determinations 24-25 2 Pages



Circular to Councils

Circular Name	2024/25 Determination of the Local Government Remuneration Tribunal
Circular Details	24-08 / 29 May 2024 / A899914
Previous Circular	23-03 2023/24 Determination of the Local Government Remuneration Tribunal
Who should read this	Councillors / General Managers
Contact	Council Governance Team / 02 4428 4100 / olg@olg.nsw.gov.au
Action required	Council to Implement

What’s new or changing?

- The Local Government Remuneration Tribunal (the Tribunal) has determined an increase of 3.75% to mayoral and councillor fees for the 2024-25 financial year, with effect from 1 July 2024.
- The Tribunal is required to determine the remuneration categories of councils and mayoral offices at least once every 3 years under section 239 of the *Local Government Act 1993* (the Act). The Tribunal last undertook a significant review of the categories as part of its 2023 determination and will next review these categories in 2026.
- The Tribunal found that the allocation of most councils into the current categories continued to be appropriate having regard to the 2023 review, the current category model and criteria, and the evidence put forward in the submissions received.
- However, the Tribunal has reclassified both Hilltops Council and Muswellbrook Shire Council as Regional Rural councils based on changes to their combined resident and non-residential working population.

What will this mean for council?

- Sections 248 and 249 of the Act require councils to fix and pay an annual fee to councillors and mayors from 1 July 2024 based on the Tribunal’s determination for the 2024-25 financial year.

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Department of Planning, Housing and Infrastructure
Office of Local Government



Key points

- The level of fees paid will depend on the category the council is in.
- A council cannot fix a fee higher than the maximum amount determined by the Tribunal.
- If a council does not fix a fee, the council must pay the minimum fee determined by the Tribunal.

Where to go for further information

- The Tribunal's report and determination is available [here](#).
- For further information please contact the Council Governance Team on
- 02 4428 4100 or by email at olg@olg.nsw.gov.au.

A handwritten signature in blue ink that reads 'Brett Whitworth'.

Brett Whitworth
Deputy Secretary, Local Government

12.4) BELUBULA WATER SECURITY PROJECT UPDATE (WS.SP.4)

Author: General Manager
IP&R Link: Strategic Priority 1: Provide a high quality and reliable drinking water supply – Strategic Priority 3: Regional leadership and collaboration – 3.1: Regional collaboration and partnerships – 3.2: Regional Leadership in the Water Sector – 3.1.6: Continue to be a key delivery partner of the Belubula Water Security Project (BWSP) with Water Infrastructure NSW and WaterNSW.

RECOMMENDATION:

That Council note the Belubula Water Security project update report.

REPORT***Background***

As reported previously, the Steering Committee that had oversight of both the Lake Rowlands to Carcoar Pipeline project (WaterNSW) and the Lake Rowlands Dam Augmentation project (CTW) agreed in principle that combining project delivery and progressing as a single project to investment decision was the best outcome for NSW and the Belubula water users.

Water Infrastructure NSW (WINSW) were responsible for leading the development and delivery of key government water infrastructure projects and programs across the state. Subsequently, a Memorandum of Understanding (MOU) between CTW and WINSW was developed and executed, further solidifying the partnership approach.

To reflect the close alignment between both projects and the partnership between WINSW and CTW, the Lake Rowlands to Carcoar pipeline project and the Lake Rowlands Augmentation project was renamed the Belubula Water Security Project (BWSP).

The BWSP forms part of a broader Lachlan Regional Water Strategy (currently in draft) that will propose a wider portfolio of solutions to improve outcomes in the Lachlan Valley.

Belubula Water Security Project (BWSP) update

The Chairperson and Senior Management hosted the BWSP Project Director and Project Manager for a two (2) day visit on the 7th and 8th of May 2024, which included meetings at the CTW Office, and site visits to Lake Rowlands and Carcoar Dam.

Discussion points included project governance arrangements, Final Business Case (FBC) scope and deliverables, key milestones, and project updates.

As a result of the visit and subsequent follow up, the General Manager has recently received an invitation from the Project Director to be a member of the Belubula Project Control Group (PCG), along with representatives from DCCEE and WaterNSW.

At this stage the FBC is expected to be completed in early 2026.

BUDGET IMPLICATIONS

Joint (Federal and State) Grant Funding totalling \$7.7m

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil.

12.5) COUNCIL RESOLUTIONS UPDATE REPORT (GO.CO.1)

Author: General Manager
IP&R Link: Strategic Priority 1: Provide a high quality and reliable drinking water supply – Strategic Priority 2: An efficient, sustainable and customer focused organisation – Strategic Priority 3: Regional leadership and collaboration

RECOMMENDATION:

That Council note the Council Resolutions Update Report to April 2024.

REPORT

The General Manager is responsible for ensuring that Council's resolutions, policies and decisions are implemented in a timely and efficient manner, progress monitored and variances reported.

The General Manager provides the management oversight in relation to all information progressing from appropriate staff to Council for consideration via the Business Paper.

After a Council meeting, each resolution is allocated to the General Manager or responsible officer to action in accordance with the Council resolution. The Senior Management Team (SMT) then discuss the progress of these resolutions at fortnightly SMT meetings.

Council have requested a Resolutions Update Report at each Council meeting.

The Council Resolutions Update Report includes Council Resolutions to April 2024.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

1 [↓](#) COUNCIL RESOLUTIONS UPDATE 19-6-24 2 Pages

COUNCIL RESOLUTIONS UPDATE

Council Resolutions Update – Meeting held 24 April 2024					
Resolution Ref.	Date of Meeting	Subject	Responsible Officer	Decision	Action Taken/Status
22/048	22/6/22	Levels of Service Report	SMT	That Council: 1. Note the Level of Service report, and 2. Receive a report at a subsequent meeting on monitoring its achievement against levels of service and industry benchmarks.	14/6/24 – The trial form relating to Hydrant Maintenance has passed from “Trial phase” to “Generation phase” with the new release of the Metrix Mobile Apps by Chartis Technology last week. The second form relating to Service Requests has also been rolled out in the latest App release due to the success of the original trial form. Customisation of the front end dealing with data manipulation and presentation relating to CTW Office staff will now be undertaken, as well as continuation of further development of the Service Request Forms and Water Meter Forms. Status: ongoing
23/067	16/8/23	Deed with a neighbouring property owner at Lake Rowlands	GM	That Council authorise the execution by Council of a Deed with the new property owner of “Coombing Vale”, Neville, to maintain the watering of stock on this property, currently sourced from Lake Rowlands.	13/6/24 – New Deed received from new property owner in late April. Report and new Deed to be presented at June meeting for Council Seal approval and execution of Deed. Status: completed
24/025	24/4/24	Integrated Planning & Reporting Requirements	DFCS	That Council endorses the following draft Integrated Planning & Reporting Plans	13/6/24 – Plans placed on public display for a period of 28 days with no submissions received. A report to be

				and place the plans on public exhibition for a period of 28 days: a) Operational Plan 2024-2025 b) Long Term Financial Plan 2024-2034	presented at the June 2024 Council meeting recommending adoption of the plans. Status: completed
24/031	24/4/24	Data Breach Policy, Cyber Security Policy & Legislative Compliance Policy	DFCS	1. That Council note the policies. 2. Endorse the Data Breach Policy, Cyber Security Policy & Legislative Compliance Policy, and place on public display for a period of 28 days, and 3. After the submission period the Data Breach Policy, Cyber Security Policy and Legislative Compliance policy be returned to Council for further consideration.	13/6/24 – Policies placed on public display for a period of 28 days with no submissions received. A report to be presented at the June 2024 Council meeting recommending adoption of the policies. Status: completed

12.6) DATA BREACH POLICY, CYBER SECURITY POLICY & LEGISLATIVE COMPLIANCE POLICY (CM.PL.1)

Author: Governance Executive Support Officer
IP&R Link: – 1.2: Compliance and Regulation

RECOMMENDATION:

That Council:

1. Note the minor changes in the draft policies, and
2. Adopt the Data Breach Policy, Cyber Security Policy & Legislative Compliance Policy.

REPORT

Following the April 2024 Council meeting, the Data Breach Policy, Cyber Security Policy & Legislative Compliance Policy were placed on public display on the Central Tablelands Water website for 28 days seeking submissions.

The three policies were also presented at the Audit, Risk & Improvement Committee (ARIC) meeting on the 5th of June 2024. The ARIC members requested some minor changes. These changes are shown in the draft copies marked up which are attached to this report.

Furthermore, there were no submissions received during the 28 day display period.

BUDGET IMPLICATIONS

Funded from operational plan 2023/24.

POLICY IMPLICATIONS

As per draft policies

ATTACHMENTS

- | | | |
|---------------------|-------------------------------|----------|
| 1 ↓ | Data Breach Policy | 9 Pages |
| 2 ↓ | Cyber Security Policy | 11 Pages |
| 3 ↓ | Legislative Compliance Policy | 8 Pages |



POLICY

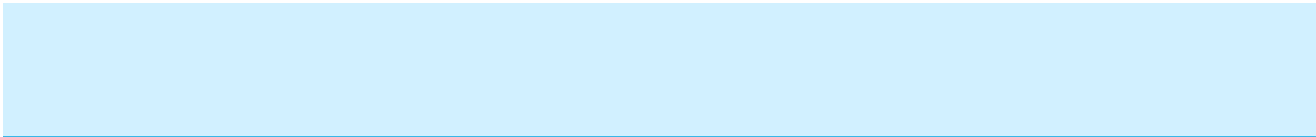


CENTRAL TABLELANDS WATER

DRAFT 2

DATA BREACH POLICY





DOCUMENT CONTROL

Document Title		Data Breach Policy			
Policy Number		CTW-PRO			
Responsible Officer		Director Finance and Corporate Services			
Reviewed by					
Date Adopted					
Adopted by		Council			
Review Due Date					
Revision Number		1			
Previous Versions	Date	Description of Amendments	Author	Review/ Sign Off	Minute No: (if relevant)

PURPOSE

The purpose of this policy is to provide guidance for CTW into responding to a Data Breach. This policy sets out the procedures for managing a Data Breach, including the considerations around notifying persons whose privacy may be affected by the breach. This policy also:

- provides examples of situations considered to constitute a Data Breach
- details the steps to respond to a Data Breach
- outlines the considerations around notifying persons whose privacy may be affected by the breach and our approach to complying with the NSW Mandatory Notification of Data Breach Scheme.

Effective breach management, including notification where warranted, assists CTW in avoiding or reducing possible harm to both the affected individuals/organization. It also provides the opportunity for lessons to be learned which may prevent future breaches.

Scope

- This Policy applies to all persons employed at CTW, including Councillors, contractors, volunteers and other officials.
- The scope of the Policy includes CTW data held in any format or medium (paper based or electronic). The Policy does not apply to information that has been classified as Public (e.g., posted on the website or Facebook).
- Where a data breach is also a cyber security incident, the cyber security and related procedures will also apply.

The Data Breach Policy

This policy sets out how we will respond to a Data Breach in a timely and effective manner, and includes our procedures for managing a Data Breach, including the considerations around notifying persons whose privacy may be affected by the breach.

This Policy will assist the Council to meet its legal obligations in respect of Mandatory Reporting Data Breaches under the Privacy and Personal Information Protection Act 1998 (PPIP Act) and Privacy Act and complies with best practice guidelines.

Council will, at all times, maintain appropriate records of all Data Breaches, regardless of the seriousness of the Data Breach or whether it is immediately contained.

Reporting a Data Breach

All actual or suspected Data Breaches are to be reported immediately via the Data Breach Reporting Form to any one of the Data Breach Review Team members below:

- The General Manager
- Director Finance & the Corporate Services

Any cyber security incident that involves unauthorized access to the CTW data must be reported as soon as possible to the Data Breach Review Team in accordance with the cyber security policy.

Where a Data Breach is reported the Data Breach Review team will undertake a preliminary assessment. Where required, such as where the incident meets the requirements of an Eligible Data Breach or involves Sensitive Information, the Data Breach Review Team will be assembled promptly to review and respond to the breach.

A member of the public can report an actual or suspected Data Breach by completing the form on the contact us section on the website or directly emailing to customer service on water@ctw.nsw.gov.au.

What is an eligible data breach?

A data breach occurs when personal information held by an agency (whether held in digital or hard copy) is subject to unauthorised access, unauthorised disclosure or is lost in circumstances where the loss is likely to result in unauthorised access or unauthorised disclosure.

This may or may not involve disclosure of personal information external to the agency or publicly. For example, unauthorised access to personal information by an agency employee, or unauthorised sharing of personal information between teams within an agency may amount to a data breach.

A data breach may occur as the result of malicious action, systems failure, or human error. A data breach may also occur because of a misconception about whether a particular act or practice is permitted under the Information Protection Principles (IPPs).

Examples of causes of data breaches include:

- Human error
 - when a letter or email is sent to the wrong recipient
 - when system access is incorrectly granted to someone without appropriate authorisation
 - when a physical asset such as a paper record, laptop, USB stick or mobile phone containing personal information is lost or misplaced
 - when staff fail to implement appropriate password security, for example not securing passwords or sharing password and log in information
- System failure
 - where a coding error allows access to a system without authentication
 - where a coding error results in automatically generated notices including the wrong information or being sent to incorrect recipients
 - where systems are not maintained through the application of known and supported patches
 - disclosure of personal information to a scammer as a result of inadequate identity verification procedures
- Malicious or criminal attack
 - cyber incidents such as ransomware, malware, hacking, phishing or brute force access attempts resulting in access to or theft of personal information
 - social engineering or impersonation leading into inappropriate disclosure of personal information
 - insider threats from agency employees using their valid credentials to access or disclose personal information outside the scope of their duties or permissions
 - theft of a physical asset such as a paper record, laptop, USB stick or mobile phone containing personal information.

Responding to a Data Breach

There are four key steps required in responding to a Data Breach. These are:

1. Contain the breach
2. Evaluate the associated risks
3. Consider notifying affected individuals
4. Prevent a repeat.

The first three steps may be undertaken concurrently.

Step 1: Contain the breach

Containing the Data Breach will be prioritised by the Council. All necessary steps possible must be taken to contain the breach and minimise any resulting damage. For example, recover or request deletion of the information, shut down the system that has been breached, suspend the activity that led to the breach, revoke or change access codes or passwords.

If a third party is in possession of the personal information and declines to return or erase it, it may be necessary for the Council to seek legal or other advice on what action can be taken to recover the information. When recovering information, the Council will make sure that copies have not been made by a third party or, if they have, that all copies are recovered.

Step 2: Evaluate the associated risks

To determine what other steps are needed, an assessment of the type of information involved in the breach and the risks associated with the breach will be undertaken.

Some types of information are more likely to cause harm if compromised. For example, financial account information, health information, and security classified information will be more significant than names and email addresses on a newsletter subscription list.

Given the Council's regulatory responsibilities, release of case-related personal information will be treated very seriously. A combination of information will typically create a greater potential for harm than a single piece of data (for example, an address, date of birth and bank account details, if combined, could be used for identity theft).

Factors to consider include:

- **Who is affected by the Data Breach?**
The Council will review whether individuals and organisations have been affected by the breach, how many individuals and organisations have been affected and whether any of the individuals have personal circumstances which may put them at particular risk of harm.
- **What was the cause of the Data Breach?**
The Council's assessment will include reviewing whether the breach occurred as part of a targeted attack or through human error or an inadvertent oversight.

The assessment will aim to determine:

- Was it a one-off incident, has it occurred previously, or does it expose a more systemic vulnerability?

- What steps have been taken to contain the breach?
- Has the data been recovered or erased by the recipient?
- Is the data encrypted or otherwise not readily accessible?

- **What is the foreseeable harm to the affected individuals/organisations?**

The Council's assessment will include reviewing what possible use there is for the data and any likelihood of Serious Harm. This involves considering if the data includes Personal Information or Health Information. The harm that arises as a result of a Data Breach will be context specific and vary for each case.

The assessment will aim to determine:

- Who is in receipt of the information?
- What is the risk of further access, use or disclosure, including via media or online?
- If case-related, does it risk embarrassment or harm to a client and/or damage the Council's reputation?

The Council's assessment will also include consideration of whether the Data Breach would be considered an Eligible Data Breach and reportable under the NSW Mandatory Notification of Data Breach scheme (see page 4).

Step 3: Consider notifying affected individuals/organisations

The Council recognises that notification to individuals/organisations affected by a Data Breach can assist in mitigating any damage for those affected individuals/organisations.

Notification demonstrates a commitment to open and transparent governance, consistent with the Council's values and approach.

The Council will also have regard to the impact upon individuals in recognition of the need to balance the harm and distress caused through notification against the potential harm that may result from the breach. There are occasions where notification can be counterproductive. For example, notifying individuals about a privacy breach which is unlikely to result in an adverse outcome for the individual, may cause unnecessary anxiety and de-sensitise individuals to a significant privacy breach.

Factors the Council will consider when deciding whether notification is appropriate include:

- Is it considered an Eligible Data Breach?
- Are there any applicable legislative provisions or contractual obligations that require the Council to notify affected individuals?
- What type of information is involved?
- Who potentially had access and how widespread was the access?
- What is the risk of harm to the individual/organisation?
- What is the ability of the individual/organisation to take further steps to avoid or remedy harm?

In situations when notification is required it should be done promptly to help to avoid or lessen any potential damage by enabling the individual/organisation to take steps to protect themselves.

The method of notifying affected individuals/organisations will depend in large part on the type and scale of the breach, as well as immediately practical issues such as having contact details for the affected individuals/organisations.

Considerations include the following:

When to notify

In general, individuals/organisations affected by the breach should be notified as soon as practicable. Circumstances where it may be appropriate to delay notification include where notification would compromise an investigation into the cause of the breach or publicly reveal a system vulnerability.

How to notify

Affected individuals/organisations should be notified directly – by telephone, letter, email or in person.

Public Notification will be provided when any or all of the individuals affected by an Eligible Data Breach are unable to be notified individually.

What to say

The notification advice will be tailored to the circumstances of the particular breach.

Content of a notification could include:

- information about the breach, including when it happened
- a description of what data has been disclosed
- what the Council is doing to control or reduce the harm
- what steps the person/organisation can take to further protect themselves and what the Council will do to assist people with this
- contact details for questions or requests for information
- the right to lodge a privacy complaint with the NSW Privacy Commissioner.

Step 4: Prevent a repeat

The Council will further investigate the circumstances of the breach to determine all relevant causes and consider what short or long-term measures could be taken to prevent any reoccurrence.

Preventative actions could include a:

- security audit of both physical and technical security controls
- review of policies and procedures
- review of staff/contractor training practices
- review of contractual obligations with contracted service providers.

Breaches relating to external service providers

Depending on certain requirements, the Council's external contracted service providers have obligations under relevant privacy legislation to notify stakeholders of any Data Breaches that they may experience. Further the Council endeavours to ensure that contracts with vendors that store or manage data for and on behalf of the Council include appropriate provisions that require the prompt notification of a Data Breach to the Council. In the event of a Data Breach concerning the Council, the Council works closely with relevant external contractors to mitigate the effects of the Data Breach on the Council and its customers.

Any Data Breach relating to external service providers that impacts the Council should be reported immediately to the Data Breach Review Team.

Training and Awareness

The Council ensures that its Workers are aware of and understand this Policy including how to identify and report actual or suspected Data Breaches. This policy is published on the Council's website. We provide our Workers with regular reminders of their obligations regarding Sensitive Information and how to reduce the risk of human error Data Breaches from occurring.

NSW Mandatory Notification of Data Breach Scheme

The Council will report all Eligible Data Breaches to the NSW Privacy Commissioner using the IPC online data breach notification form, in line with the NSW Mandatory Notification of Data Breach (MNDB) Scheme.

Under the MNDB, the Council will:

- undertake an assessment within 30 days where there are reasonable grounds to suspect there may have been an Eligible Data Breach
- during the assessment period, make all reasonable attempts to mitigate the harm done by the suspected breach
- decide whether a breach is an Eligible Data Breach or there are reasonable grounds to believe the breach is an Eligible Data Breach
- notify the Privacy Commissioner and affected individuals of the eligible data breach

Data breach documentation

Documentation relating to Data Breaches will be stored in the records document management system. The Council will maintain an internal register of Eligible Data Breaches.

Roles and Responsibilities

Council will have the following roles and responsibilities allocated as part of their Data Breach Policy.

Positions	Responsibilities
The General Manager & Directors	<ul style="list-style-type: none"> • Review, assess and remediate incidents escalated to the team. • Follow this policy when responding to a data breach. • Consult with internal and external stakeholders as required. • Determine if a Data Breach is an Eligible Data Breach. • Review and respond to data breaches impacting Council’s external service providers. • Determine recommendations to prevent a repeat incident. • Follow up on containment actions. • Notify the Council’s insurers as required.
Governance Executive support Officer	<ul style="list-style-type: none"> • Maintain an internal register of Data Breaches, including all Eligible Data Breaches. • Forward each Data Breach incident report to the Data Breach Review Team, which may include a recommendation to consider the incident as an Eligible Data Breach. • Follow up on containment actions.
All employees	<ul style="list-style-type: none"> • Ensuring they have read this policy and that they understand what is expected of them. • Follow the requirements of this policy and understand their obligations to minimise data breaches. • Immediately report any actual or suspected Data Breaches to the Data Breach Review Team.
3rd Party ICT	<ul style="list-style-type: none"> • Take immediate and any longer-term steps to contain and respond to security threats to the Council’s IT systems and infrastructure. • Reports any communications regarding data breach or eligible data breach to the Data Breach Management Team. • Determine recommendations to prevent a repeat incident.

Definitions

Council means	Central Tablelands Water
GM, Directors, Managers,	any person employed by Council that holds a financial delegated authority to undertake the engagement of a contractor for the purchase of goods and services.
Employees	All Council employees including permanent (whether full-time or part-time), temporary, casual employees and apprentices.
Data Breach	For the purposes of this policy, a data breach occurs when there is a failure that has caused Unauthorized Access to, or Unauthorized Disclosure of, data held by the Council.
Cyber security incident	means an occurrence or activity that may threaten the confidentiality, integrity or availability of a system or the information stored, processed or communicated by it.
Personal information	means information or an opinion about an individual whose identity is apparent or can reasonably be ascertained from the information or opinion. In this policy, personal information also encompasses health information within the meaning of the HRIP Act and includes information about an individual’s physical or mental health, or disability, or information connected to the provision of a health service to an individual.
Unauthorized Access	Examples include: <ul style="list-style-type: none"> • an Employee browsing customer records without a legitimate purpose • a computer network being compromised by an external attacker resulting in Sensitive Information being accessed without authority.
Unauthorised Disclosure	Examples include: <ul style="list-style-type: none"> • an employee sending an email containing personal information to the wrong recipient • incorrect contact details entered into automatic information systems e.g., water account notices.
Sensitive Information	Information and data (including metadata) including Personal Information, Health Information, information protected under legal professional privilege, information covered by secrecy provisions under any legislation, commercial-in-confidence provisions, floor plans of significant buildings, Security Classified Information and information related to the Council’s IT/cyber security systems.
Serious Harm	Harm arising from a Data Breach that has or may result in a real and substantial detrimental effect to the individual. The effect on the individual must be more than mere irritation, annoyance or inconvenience.



POLICY

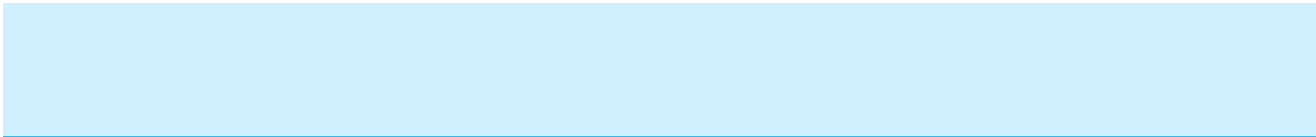


CENTRAL TABLELANDS WATER

DRAFT 4

CYBER SECURITY POLICY





DOCUMENT CONTROL

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

Introduction

Strong cyber security is an important component in enabling the effective use of emerging technologies and ensuring confidence in the services provided by Central Tablelands Water.

Cyber security covers all measures used to protect systems – and information processed, stored, or communicated on these systems – from compromise of confidentiality, integrity, and availability.

Cyber security is becoming more important as cyber risks continue to evolve. Rapid technological change in the past decade has resulted in increased cyber connectivity and more dependency on cyber infrastructure.

Purpose

The NSW Cyber Security Policy outlines the Mandatory Requirements to which all NSW Government agencies must adhere to. Each Mandatory Requirement is supported by detailed requirements. These detailed requirements are a baseline of minimum requirements expected of agencies.

The policy aims to reduce impacts to confidentiality, integrity and availability of services and information, by ensuring cyber security risks to the information and systems of NSW Government departments and agencies are appropriately managed.

Objectives

CTW's **Cyber Security Policy** endeavours to strengthen cyber security governance, identify Council's most valuable or operationally vital systems or information, strengthen cyber security controls, develop a cyber security culture, and have a thorough cyber incident response.

Council has developed an effective cyber security framework and embedded cyber security into risk management practices and assurance processes.

When cyber security risk management is done well, it reinforces organisational resilience, making entities aware of their risks and helps them make informed decisions in managing those risks.

The Framework will be complemented with meaningful training, communications, and support across all levels of Council.

This policy outlines the mandatory requirements to which Council must adhere, to ensure cyber security risks to the information and systems are appropriately managed.

Scope

This Policy applies to all Councillors, employees, contractors, volunteers, Committee members (referred to as Council Officers) in relation to Cyber Security Policy.

This policy operates in addition to all other obligations under the Local Government Act 1993 (the Act), any other legislation, or relevant codes and policies regarding the disclosure of any interests. This Policy also applies to:

- Information, data, and digital assets created and managed by the CTW, including outsourced information, data, and digital assets;
- information and communications technology (ICT) systems managed, owned, or shared by the CTW, and

The Cyber Security Policy

The Guidelines are based on the NSW Cyber Security Policy (the Policy), which has been edited to better suit the Council. The Policy outlines the mandatory requirements to which all NSW Government departments and Public Service agencies must adhere to ensure cyber security risks to their information and systems are appropriately managed.

For the scope of the Mandatory Requirements, agencies should ensure any use of exceptions for a system that are documented and approved by an appropriate authority through a formal process.

Documentation for exceptions should include the following:

- detail, scope, and justification for exceptions
- detail of compensating controls associated with exceptions, including:
 - detail, scope, and justification for compensating controls
 - expected implementation lifetime of compensating controls
 - when compensating controls will next be reviewed
- system risk rating before and after the implementation of compensating controls
- any caveats placed on the use of the system as a result of exceptions
- acceptance by an appropriate authority of the residual risk for the system
- when the necessity of exceptions will next be considered by an appropriate authority (noting exceptions should not be approved beyond one year).

Incident Reporting

All actual or suspected cyber incident are to be reported immediately via the Incident Response Report Form to any one of the members below:

- The General Manager (GM)
- Director Finance & the Corporate Services (DFCS)
- 3rd Party ICT provider (Fourier)

Where a cyber risk is reported the Cyber security/ Data Breach Review team will undertake a preliminary assessment. Where required, such as where the incident meets the requirements of an Eligible Data Breach or involves Sensitive Information, the Data Breach Review Team will be assembled promptly to review and respond to the breach.

Records of any incidents will be reported to the Audit, Risk & Improvement Committee.

Roles and Responsibilities

Council will have the following roles and responsibilities allocated as part of their cyber security function.

The General Manager

- Appointing or assigning an appropriate senior staff member in the council with the authority to perform the duties outlined in this policy.
- Supporting the council's cyber security plan.
- Ensuring the council develops, implements, and maintains an effective cyber security plan and/or information security plan.
- Determining the council's risk appetite.
- Appropriately resourcing and supporting council cyber security initiatives including training and awareness and continual improvement initiatives to support this policy.

Directors and Managers roles and responsibilities

Senior Responsible Officers (or staff with these responsibilities) are responsible for:

- Managing and coordinating the response to cyber security incidents, changing threats and vulnerabilities
- Developing and maintaining cyber security procedures and guidelines
- Providing guidance on cyber security risks introduced from business and operational change
- Managing the life cycle of cyber security platforms including design, deployment, ongoing operation, and decommissioning
- Ensuring appropriate management of the availability, capacity and performance of cyber security hardware and applications
- Providing input and support to regulatory compliance and assurance activities and managing any resultant remedial activity
- Developing a metrics and assurance framework to measure the effectiveness of controls
- Providing day-to-day management and oversight of operational delivery

Council Staff Councillors and General Contractors

Staff, Councillors, and all general contractors are responsible for:

- Using and preserve Councils systems and digital assets in a secure way by adhering to security policies and operational standards.
- Familiarising themselves with Councils policies and standards and being aware of their responsibilities under these.
- Complying with the requirements of these policies and related operational standards.
- Report violations or suspected violations of these policies in a timely manner.

Internal Audit

Agency may engage an Internal Auditor to undertake the following tasks:

- Validating that the cyber security plan meets the agency's business goals and objectives and ensuring the plan supports the agency's cyber security strategy
- reviewing their agency's adherence to this policy and cyber security controls
- Providing assurance regarding the effectiveness of cyber security controls.

3rd Party ICT providers

Councils are responsible under the Guidelines for managing cyber security requirements. This includes contract clauses, monitoring and enforcement for 3rd party ICT providers and the ICT security of non-government organisations holding and/or accessing government systems. Councils should ensure that 3rd party ICT providers have the following in place to protect government systems outsourced to them or that they may have access to:

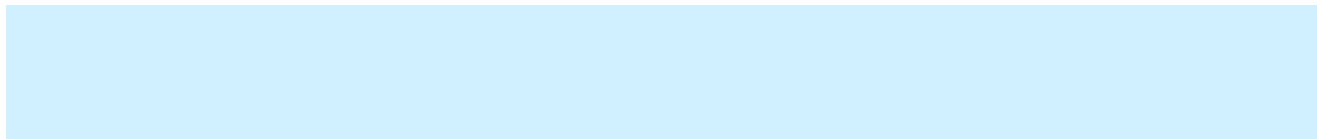
- Foundational Requirement 1.5: The third-party organisation has a process that is followed to notify the Council quickly of any suspected or actual security incidents and follows reasonable direction from the Council arising from incident investigations (noting this will vary based on risk profile and risk appetite).
- Foundational Requirement 2.1: The third-party organisation ensures that their staff understand and implement the cyber security requirements of the contract.
- Foundational Requirement 3.1: Any 'Crown Jewel' systems must be covered in the scope of an Information Security Management System (ISMS) or Cyber Security Framework
- Foundational Requirement 3.4: Cyber security requirements are built into the early stages of projects and the system development life cycle (SDLC), including agile projects.
- Foundational Requirement 3.5: Ensure new ICT systems or enhancements include processes for audit trails and activity logging to assess the accuracy and integrity of data, including processes for internal fraud detection.

This does not prevent other contractual obligations being imposed.

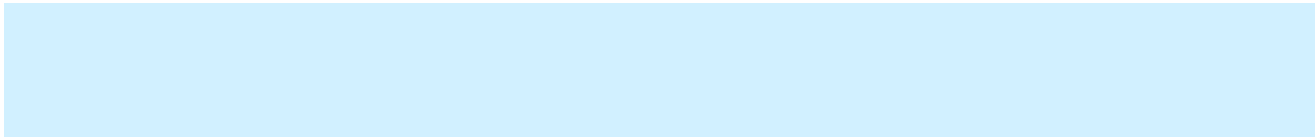
The Essential Eight

The Australian Cyber Security Centre's (ACSC) recommends that organisations implement eight essential mitigation strategies as a baseline. This baseline, known as the Essential Eight, makes it much harder for adversaries to compromise systems.

The ACSC Essential Eight was refreshed on 12 July 2021. This update focused on using the maturity levels to counter the sophistication of different levels of adversary tradecraft and targeting, rather than being aligned to the intent of a mitigation strategy. The redefinition of a number of maturity levels will also strengthen a risk-based approach to implementation of the Essential Eight strategies. As the maturity model has been redefined and many requirements have changed, maturity assessments for the July 2021 model should not be directly compared to earlier versions of Essential Eight.















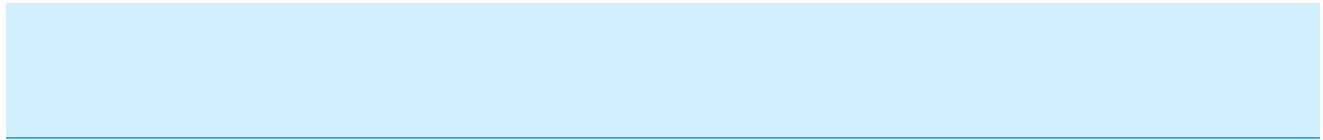
Mitigation Strategy	What	Why
Application control	checking programs against a pre-defined approved list and blocking all programs not on this list	So unapproved programs including malware are unable to start and preventing attackers from running programs which enable them to gain access or steal data
Patch applications	Apply security fixes/patches or mitigations (temporary workarounds) for programs within a timely manner (48 Hours for internet reachable applications). Do not use applications which are out-of-support and do not receive security fixes	Unpatched applications can be exploited by attackers and in the worst case enable an attacker to completely takeover an application, access all information contained within and use this access to access connected systems.
Configure MS Office macro settings	Only allow Office macros (automated commands) where there is a business requirement and restrict the type of commands a macro can execute. Also monitor usage of Macros.	Macros can be used to run automated malicious commands that could let an attacker download and install malware
User application hardening	Configure key programs (web browser, office, PDF software, etc) to apply settings that will make it more difficult for an attacker to successfully run commands to install malware	Default settings on key programs like web browsers may not be the most secure configuration. Making changes will help reduce the ability of a compromised/malicious website from successfully downloading and installing malware.
Restrict administrative privileges	Limit how accounts with the ability to administer and alter key system and security settings can be accessed and used.	Administrator accounts are ‘the keys to the kingdom’ and so controlling their use will make it more difficult for an attacker to identify and successfully gain access to one of these accounts which would give them significant control over systems.
Patch operating systems	Apply security fixes/patches or temporary workarounds/mitigations for operating systems (e.g., Windows) within a timely manner (48 Hours for internet reachable applications). Do not use versions of an Operating system which are old and/or not receiving security fixes	unpatched operating systems can be exploited by attackers and in the worst case enable an attacker to completely takeover an application, access all information contained within and use this access to access connected systems
Multi-factor authentication	A method of validating the user logging in by using additional checks separate to a password such as a code from an SMS/Mobile application or fingerprint scan	Unpatched operating systems can be exploited by attackers and in the worst case enable an attacker to completely takeover an application, access all information contained within and use this access to access connected systems.
Regular backups	Regular backups of important new or changed data, software, and configuration settings, stored disconnected and retained for at least three months. Test the restoration process when the backup capability is initially implemented, annually and whenever IT infrastructure changes.	To ensure information can be accessed following a cyber-security incident (e.g., a ransomware incident).



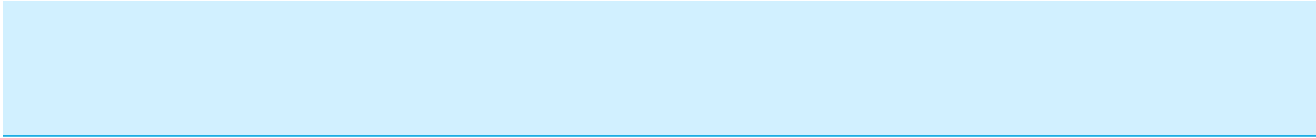
Mandatory Requirements

Outlined below are foundational requirements that focus on enhancing planning and governance, developing a cyber security culture, safeguarding information, and systems, strengthening resilience against attacks and improved reporting.

	 LEAD	 PREPARE	 PREVENT	 DETECT	 RESPOND	 RECOVER
1	Councils should implement cyber security planning and governance . Councils should:					
1.1	Allocate roles and responsibilities as detailed in the Guidelines.					
1.2	Ensure there is a governance committee at the executive level or equivalent (dedicated or shared) to be accountable for cyber security including risks, plans, reporting and meeting the requirements of the Guidelines.					
1.3	Develop, implement and maintain an approved cyber security plan that is integrated with your organisation’s business continuity arrangements.					
1.4	Include cyber security in their risk management framework and consider cyber security threats when performing risk assessments.					
1.5	Be accountable for the cyber risks of their ICT service providers with access to or holding of government information and systems and ensure these providers understand and comply with the cyber security requirements of the contract, including the applicable parts of the Guidelines and any other relevant organisational security policies.					
	 LEAD	 PREPARE	 PREVENT	 DETECT	 RESPOND	 RECOVER
2	Councils should build and support a cyber security culture across their organisation. Councils should:					
2.1	Implement regular cyber security awareness training for all employees, contractors and outsourced ICT service providers.					
2.2	Increase awareness of cyber security risk across all staff including the need to report cyber security risks.					
2.3	Foster a culture where cyber security risk management is an important and valued aspect of decision-making and where cyber security risk management processes are understood and applied.					
2.4	Ensure that appropriate access controls and security screening processes are in place for people with privileged access or access to sensitive or classified information.					
2.5	Receive and/or provide information on security threats and intelligence with Cyber Security NSW and cooperate with NSW Government to enable management of government-wide cyber risk.					



LEAD	PREPARE	PREVENT	DETECT	RESPOND	RECOVER
3 Councils should manage cyber security risks to safeguard and secure their information and systems. Councils should:					
3.1 Implement an Information Security Management System (ISMS), Cyber Security Management System (CSMS) or Cyber Security Framework (CSF).					
3.2 Implement the ACSC Essential Eight ³ .					
3.3 Classify information and systems according to their business value (i.e. the impact of loss of confidentiality, integrity or availability).					
3.4 Ensure cyber security requirements are built into procurements and into the early stages of projects and the system development life cycle (SDLC), including agile projects. Any upgrades to existing systems must comply with your organisation’s cyber risk tolerance.					
3.5 Audit trail and activity logging records are determined, documented, implemented and reviewed for new ICT systems and enhancements.					
LEAD	PREPARE	PREVENT	DETECT	RESPOND	RECOVER
4 Councils should improve their resilience including their ability to rapidly detect cyber incidents and respond appropriately. Councils should:					
4.1 Have a current cyber incident response plan that integrates with the agency incident management process and the <i>NSW Government Cyber Incident Response Plan</i> .					
4.2 Exercise their cyber incident response plan at least every year.					
4.3 Ensure that ICT systems and assets are monitored to identify cyber security events and verify the effectiveness of protective measures.					
4.4 Report cyber security incidents to their CISO and/or Cyber Security NSW. If relevant, ensure incident reporting is compliant with Federal reporting requirements.					



Definitions

Council means	Central Tablelands Water
GM, Directors, Managers,	any person employed by Council that holds a financial delegated authority to undertake the engagement of a contractor for the purchase of goods and services.
Employees	All Council employees including permanent (whether full-time or part-time), temporary, casual employees and apprentices).
Cyber attack	A deliberate act through cyberspace to manipulate, disrupt, deny, degrade, or destroy computers or networks, or the information resident on them, with the effect of seriously compromising national security, stability, or economic prosperity. Note: There are multiple global definitions of what constitutes a cyber-attack.
Cybercrime	Crimes directed at computers, such as illegally modifying electronic data or seeking a ransom to unlock a computer affected by malicious software. It includes crimes where computers facilitate an existing offence, such as online fraud or online child sex offences.
Cyber crisis	Major disruptions to services and operations, with genuine risks to critical infrastructure and services that pose risks to the safety of citizens and businesses. These often result in intense media interest as well as large demands on resources and critical services.
Cyber incident	An occurrence or activity that may threaten the confidentiality, integrity or availability of a system or the information stored, processed, or communicated by it.
Cyber security	Measures used to protect the confidentiality, integrity and availability of systems, devices and the information residing on them.
Essential Eight	The eight essential mitigation strategies that the ASD recommends organizations implement as a baseline to make it much harder for malicious actors to compromise their systems and data.
Data Breach	For the purposes of this policy, a data breach occurs when there is a failure that has caused Unauthorized Access to, or Unauthorized Disclosure of, data held by the Council.



Incident Response Report Form

Please include as much information as possible.

INCIDENT IDENTIFICATION INFORMATION	
Date and Time of Notification:	
Incident Detector's Information:	
Name	Date and Time Detected:
Title:	Location:
Phone/Contact Info	System or Application:
INCIDENT SUMMARY	
<input type="checkbox"/> Denial of Services <input type="checkbox"/> Malicious Code <input type="checkbox"/> Unauthorized Use <input type="checkbox"/> Unauthorized Access <input type="checkbox"/> Unplanned Downtime <input type="checkbox"/> Other	
Description on Incident:	
Names and Contact Information of others Involved:	
OFFICIAL USE INCIDENT NOTIFICATION	
<input type="checkbox"/> Director Finance & Corporate Services <input type="checkbox"/> General Manager <input type="checkbox"/> Fourier <input type="checkbox"/> Others	
Was it an eligible data breach?	
Evidence Collected	
Containment Measures	
Recovery Measures	
Other Mitigation Actions	
EVALUATION	
How well did work force members respond	
Were the documented procedures followed? Were they adequate?	
What could work form members do differently the next time on the incident occurs?	
What corrective actions can prevent similar incident in future?	
State any additional resources needed to mitigate future incidents?	
Other conclusions or recommendations	
FOLLOW UP	
<input type="checkbox"/> Director Finance & Corporate Services <input type="checkbox"/> General Manager <input type="checkbox"/> Fourier <input type="checkbox"/> Others	
Recommended actions carried out:	
Initial report completed by:	
Follow-up completed by:	



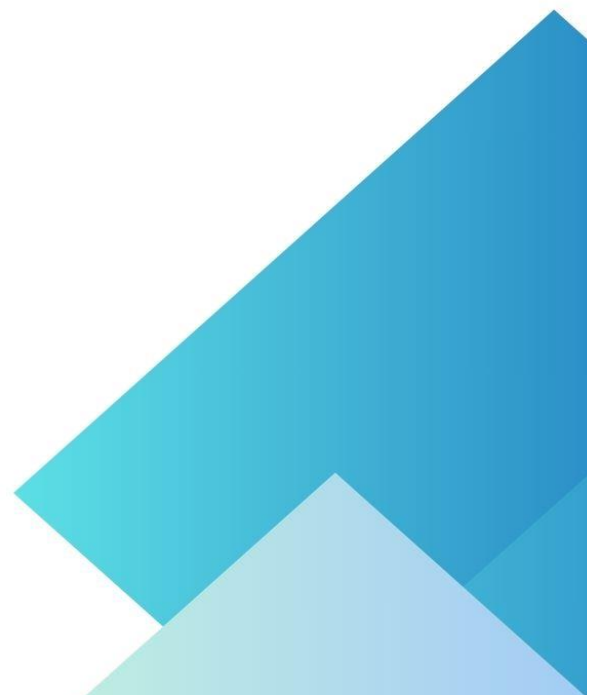
POLICY

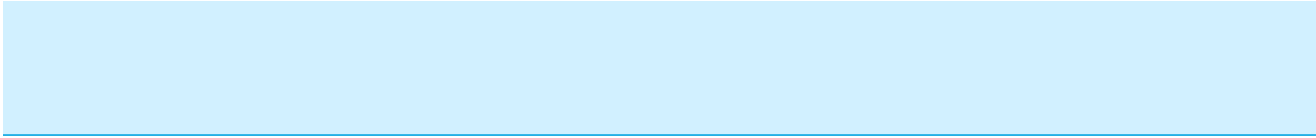


CENTRAL TABLELANDS WATER

DRAFT 3

LEGISLATIVE COMPLIANCE POLICY





DOCUMENT CONTROL

Document Title		Legislative Compliance Policy			
Policy Number		CTW-PRO			
Responsible Officer		Director Finance and Corporate Services			
Reviewed by					
Date Adopted					
Adopted by		Council			
Review Due Date					
Revision Number					
Previous Versions	Date	Description of Amendments	Author	Review/ Sign Off	Minute No: (if relevant)

Introduction

Central Tablelands Water is committed to compliance with all statutory and common law requirements relating to operations and governance of Council. The consequences of breaching legislation can vary greatly between minimal impact on Council to severe consequences of both a civil and criminal nature. The Council ensure that its legislative requirements are complied with. The community and those working at Council have a high expectation that Council will comply with applicable legislation and Council should take all appropriate measures to ensure that that expectation is met.

Policy Aim

This Policy, and the principles set out in this Policy, aim to:

- a.) Prevent, and where necessary, identify and respond to breaches of laws, regulations, codes or organisational standards occurring in the organisation.
- b.) Promote a culture of compliance within the organisation; and
- c.) Assist the Council in achieving the highest standards of governance.

Scope

This policy applies to all Council officials, areas of Council's operations, and covers compliance with Commonwealth and State legislation, Council codes and policies, contracts, funding agreements, and relevant standards. It is noted that Council has limited staff resources and senior staff have to pick up responsibilities for tasks that are routinely undertaken by the engagement of separate officers.

Policy

CTW is committed to complying with all applicable legislation, regulations, and recognised codes and guidelines, acknowledging that compliance with these obligations is both necessary and desirable. Council shall have appropriate processes and structures to ensure that legislative requirements are achievable and are integrated into the everyday running of the Council.

These processes and structures will aim to:

- a.) Develop and maintain a system for identifying the legislation that applies to Council's activities.
- b.) Assign responsibilities for ensuring that legislation and regulatory obligations are fully implemented in Council.
- c.) Provide training for relevant staff, Councillors, volunteers and other relevant people in the legislative requirements that affect them.
- d.) Provide people with the resources to identify and remain up to date with new legislation.
- e.) Conduct of audits to ensure there is compliance.
- f.) Establish a mechanism for reporting non-compliance.
- g.) Review accidents, incidents and other situations where there may have been non-compliance.
- h.) Review audit reports, incident reports, complaints and other information to assess how the systems of compliance can be improved.

Roles and Responsibility

This policy is issued under the authority of the General Manager and will be reviewed and amended as required in consultation with the Directors and staff of CTW

Position	Responsibility
Councillors and Committee Members	<ul style="list-style-type: none"> • Councillors and Committee members have a responsibility to be aware of and abide by legislation applicable to their role. • providing appropriate resourcing for the management to comply obligations • reviewing and making recommendations regarding the annual compliance certification report and providing the report to the Audit Committee of CTW
Senior Management (General Manager and Directors)	<ul style="list-style-type: none"> • Ensuring all relevant internal compliance controls are applied within their department. • Taking all necessary actions to resolve breaches • Senior management should ensure that directions relating to compliance are clear and unambiguous and that legal requirements which apply to each activity for which they are responsible are identified. • Senior management should have systems in place to ensure that all staff are given the opportunity to be kept fully informed, briefed and/or trained about key legal requirements relative to their work within the financial capacity to do so. • Reporting all breaches that occur in their department. • Providing compliance certification for selected legislation as required and any other required reporting
Audit, Risk & Improvement Committee	<ul style="list-style-type: none"> • responsible for endorsement and the monitoring of the legislative compliance framework. • assistance to Council on risk management, control, governance, and external accountability responsibilities.
Governance Officer	<ul style="list-style-type: none"> • Responsible to maintain the legislative compliance register.
Employees	<ul style="list-style-type: none"> • Employees shall report through their supervisors to senior management any areas of non-compliance that they become aware of. • Reporting breaches to supervisor

General Principles

- a) Council is committed to achieving compliance in all areas of its operations.
- b) Council will maintain a Legislative Compliance Policy that sets out its commitment to compliance with applicable laws, regulations, codes and Council standards.
- c) Council will provide sufficient resources to ensure that its Compliance Program can be implemented, maintained and improved.
- d) Council will ensure that all managers, supervisors and staff generally understand, promote and be responsible for compliance with relevant laws, regulations, codes and Council standards that apply to activities within their day-to-day responsibilities.
- e) Council will use its established Enterprise Risk Management Framework to accurately identify, rate and treat compliance risks.
- f) Council will ensure that compliance requirements are integrated into day-to-day operating procedures as appropriate.
- g) Council will maintain a compliance register in association with its Risk Register.
- h) Council will investigate, rectify and report all compliance failures.
- i) Council will allocate appropriate responsibilities for managing compliance at various levels.
- j) Council will provide appropriate education and training of staff in order for them to meet their compliance obligation.
- k) Council will actively promote the importance of compliance to staff, contractors and other relevant third parties.
- l) Council will review its legislative compliance programme regularly to ensure its effectiveness.

Reporting a Compliance Breach

If staff identify actual or suspected non-compliance with legislative obligations, this must be reported where required and as soon as practicable. If an established reporting pathway exists for an obligation, it must be reported through this pathway. If there is no established compliance pathway, or the pathway is unknown, staff should report to their supervisor, or General Manager, who must promptly action the report and manage any impacts arising from the non-compliance. The legislative compliance register outlines where non-compliance should be reported for compliance focus areas only.

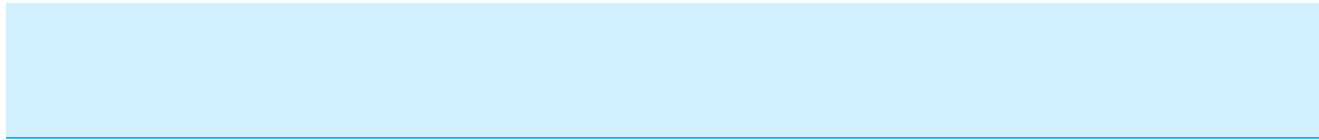
Procedure

Council will have a system in place (legislative compliance register) to ensure that when legislation changes, steps are taken to ensure that actions comply with the amended legislation. A Legislative Compliance Register has been prepared and is an attachment to this policy.

Acknowledgement

CTW would like to extend acknowledgement to the following organizations from which samples were taken to draft this policy.

- Parkes Shire Council
- Information and Privacy Commission NSW
- Office of Local Government Legislative Compliance Calendar



Review

This Policy will be reviewed at least every four years in the absence of any significant changes or more frequently where required taking into account legislative or organisational changes, risk factors and consistency with other supporting policies.

Definitions

Codes	Mandatory industry codes and voluntary industry codes with which the Council chooses and/or is required to comply.
Compliance	Ensuring that the requirements of laws, regulations, industry codes and Council standards are met.
Compliance failure	A breach, of applicable laws, regulations, codes and Council standards.
Compliance culture	The promotion of a positive attitude to compliance within the Council.
Legislation	Effective control of legal risks in order to ensure that the law is complied with.
Council standards	Any codes of ethics, codes of conduct, policies, procedures and charters that Council may deem to be appropriate standards for its day-to-day operations.

Central Tablelands Water Legislative Compliance Procedure

1. Identifying Current Legislation

Electronic Versions of Legislation

Council accesses electronic up-to-date versions of legislation through the New South Wales legislation website at www.legislation.nsw.gov.au. The NSW legislation website is the official NSW Government site for the online publication of legislation and is provided and maintained by the Parliamentary Counsel's Office.

Federal laws and instruments should be accessed through the Federal Register of Legislation at www.legislation.gov.au

2. Identifying New or Amended Legislation

a) NSW Government Gazette

Council provides website access for its staff to the NSW Government Gazette which publishes all new or amended legislation applicable to New South Wales.

b) Office of Local Government

Council receives regular circulars from the Office of Local Government on any new or amended legislation relevant to Local government. Such advice are received through Council's main email address i.e. water@ctw.nsw.gov.au and must be distributed by the Customer Service staff to the relevant Council Officer for implementation and Councillors for information where applicable.

c) Local Government NSW

Council receives a weekly circular from the Local Government NSW. These circulars have sections on legal, finance and water matter that highlight changes in legislation applicable to Councils and must be distributed to relevant Council officers and Councillors for information.

3. Obtaining Advice on Legislative Provisions

Advice on matters of legislative interpretation may be sought when deemed necessary.

4. Informing Council of Legislative Change

If deemed necessary, the General Manager or a nominated officer, will, on receipt of advice of legislative amendments, submit a report to a Council meeting on the new or amended legislation where any changes will impact significantly on Council or its operations.

5. Review of Incidents and Complaints for Non-compliance

Council shall review all incidents and complaints in accordance with its incident reporting and complaint handling procedures. Such reviews and investigations will assess compliance with legislation, standards, policies and procedures that are applicable.

6. Reporting of Non-compliance

All instances of non-compliance shall be reported as soon as practicable to the respective supervisor/manager. The manager shall determine the appropriate response and ensure the legislative compliance register is updated appropriately. If the matter is deemed a significant breach or significant fines and/or criminal sanctions apply, the matter must be reported immediately to the relevant Director.

Directors should report the matter to the General Manager via Senior Staff Meetings on a fortnight basis and report the matter to the General Manager immediately if the breach in question is significant or criminal sanctions may be involved.

The General Manager may instigate an investigation into any non-compliance matter and will report significant non-compliance matters to the Council and external agencies as required.

7. Auditing Legislative Compliance

Council shall incorporate a review of its processes to ensure legislative compliance is included in its internal audit function.

8. Review of Legislative Compliance Procedures

Legislative compliance procedures will be reviewed as the regulatory environment changes.

12.7) FINANCIAL MATTERS - INVESTMENT REPORT AS AT 31 MAY, 2024
(FM.BA.1)

Author: Director Finance & Corporate Services
IP&R Link: – 2.3.1: Manage the risk management framework including the risk register. – 2.2: Sound Financial management – 2.2.1: Review and update long term financial plan (LTFP).

RECOMMENDATION:

That the information in relation to Council's Cash and Investments as at 31 May 2024 be noted.

REPORT**Cash and Investments**

The investment summary below represents Council's total investments as of 31 May, 2024 in accordance with clause 212 of the Local Government (General) Regulation 2005 and Section 625 of the Local Government Act 1993.

The above investments have been made in accordance with the Local Government Act 1993, the Local Government General Regulation 2005 and Council's Investment Policy.



Peter McFarlane
Responsible Accounting Officer

INVESTMENT COMMENTARY

The Australian economy continues to slow significantly with latest Gross Domestic Product (GDP) figures indicating growth of 0.1% over the March 24 quarter with an annual rate of 1.1%. This is well below the long term trend of 2.5% to 3.0% per annum.

Whilst technically not in a recession (which is two consecutive quarters of negative GDP growth), many businesses feel that consumer demand is being increasingly squeezed by high interest rates.

By factoring in population growth, GDP per capita has actually fallen by 0.4% or 1.3% year on year to the March quarter. Many economists are now terming this a GDP per capita recession.

At the same time the Consumer Price Index (CPI) for the March 2024 quarter indicated a result of 3.6% annualised which is still well above the Reserve Bank of Australia (RBA) target of 2.0% to 3.0%. There is also some concern in relation to the potential impact on inflation from the July 1, stage 3 income tax changes.

This continuation of high inflation and a slowing economy presents challenges for the RBA as they cannot set a firm direction in relation to future interest rates. This has also created some uncertainty in financial markets as the future direction for the RBA cash rate remains unclear.

Accordingly, interest rates being offered on term deposits has largely remained unchanged with some financial institutions offering special rates to attract funds to overcome short liquidity positions. This is expected to continue with the consensus position being that the cash rate in Australia is expected to remain unchanged well into 2025 unless there is a sharp movement in inflation (i.e. either up or down).

It is notable that some central banks have already started to cut interest rates (Bank of Canada, European Central Bank), but these banks had previously raised their cash rates earlier in the interest rate cycle. It is important to note that both the US Federal Reserve and the Bank of England have not cut rates at this stage as they have opted until more data is available to indicate that inflation is under control.

BUDGET IMPLICATIONS

An updated estimate of interest income will form part of the March 2024 Quarterly Budget Review Statement (QBRs). Interest rates have stayed higher for longer than expected when the 23-24 budget was adopted in June, 2024 and this has resulted in higher interest income being earned. There have also been higher expected average funds invested which has assisted in lifting earnings for 23-24.

POLICY IMPLICATIONS

Council's investment policy continues to ensure that good returns are achieved with minimal risk whilst enabling Council to maintain sufficient on call funds to meet its liquidity needs.

However, as indicated the market for term deposits is becoming more difficult as financial institutions wait until a clear policy direction with respect to the cash rate is indicated by the RBA.

ATTACHMENTS

- 1 [↓](#) Cash and Investments at 31 May 2024 1 Page

		Credit Rating	Term (Days)	Rate	Maturity Date	% of Portfolio
Short Term Deposits	\$ 9,300,000.00					84.87%
Commonwealth Bank of Australia	600,000	AA-	364	5.33%	14/06/24	5.48%
Bank of QLD - Curve Securities	500,000	A-	180	5.12%	10/09/24	4.56%
Bank of QLD - Curve Securities	500,000	A-	331	4.95%	31/01/25	4.56%
Reliance/Unity Bank	500,000	Unrated	366	5.50%	4/08/24	4.56%
ING - Curve Securities	500,000	A	365	5.20%	16/10/24	4.56%
ING - Curve Securities	500,000	A	365	5.11%	26/03/25	4.56%
ING - Curve Securities	500,000	A	367	5.48%	4/11/24	4.56%
NAB - Curve Securities	500,000	AA-	365	5.20%	4/10/24	4.56%
Commonwealth Bank of Australia	500,000	AA-	364	5.00%	13/09/24	4.56%
ING - Curve Securities	500,000	A	365	5.14%	14/03/25	4.56%
Bank of QLD - Curve Securities	500,000	A-	270	5.00%	6/12/24	4.56%
Macquarie Bank - Curve Securities	200,000	A+		4.65%	At Call	1.83%
NAB - Curve Securities	500,000	AA-	365	4.95%	2/04/25	4.56%
ING - Curve Securities	500,000	A	365	5.25%	9/10/24	4.56%
Bank of QLD - Curve Securities	500,000	A-	365	5.25%	25/09/24	4.56%
NAB - Curve Securities	500,000	AA-	365	5.50%	2/07/24	4.56%
Bank of QLD - Curve Securities	500,000	A-	365	5.35%	7/06/24	4.56%
Reliance/Unity Bank	500,000	Unrated	366	5.91%	13/07/24	4.56%
NAB - Curve Securities	500,000	AA-	365	5.22%	19/09/24	4.56%
At Call Deposits	\$ 1,658,485.97					15.13%
Commonwealth Bank - General Account	\$ 959,269.25	AA-	At Call	4.20%	N/A	
Commonwealth Bank - BOS Account	\$ 699,189.90	AA-	At Call	4.25%	N/A	
Reliance Credit Union - Cheque Account	\$ 26.82	Unrated	At Call	0.00%	N/A	
Total Value of Investment Funds	\$ 10,958,485.97					100%

Average Rate on Term Deposits	
90 Day BBSW for May 2024	4.3500%
Average Rate on Term Deposits	5.2161%
Margin over 90 day BBSW	0.8661%

Average Term - Short Term Deposits (days) 344

Long Term Credit Rating	Amount \$	%
AA-	\$ 4,758,459.15	43.42%
A+	\$ 200,000.00	1.83%
A	\$ 2,500,000.00	22.81%
A-	\$ 2,500,000.00	22.81%
Unrated	\$ 1,000,026.82	9.13%
Total	\$ 10,958,485.97	100.00%

BANK RECONCILIATION

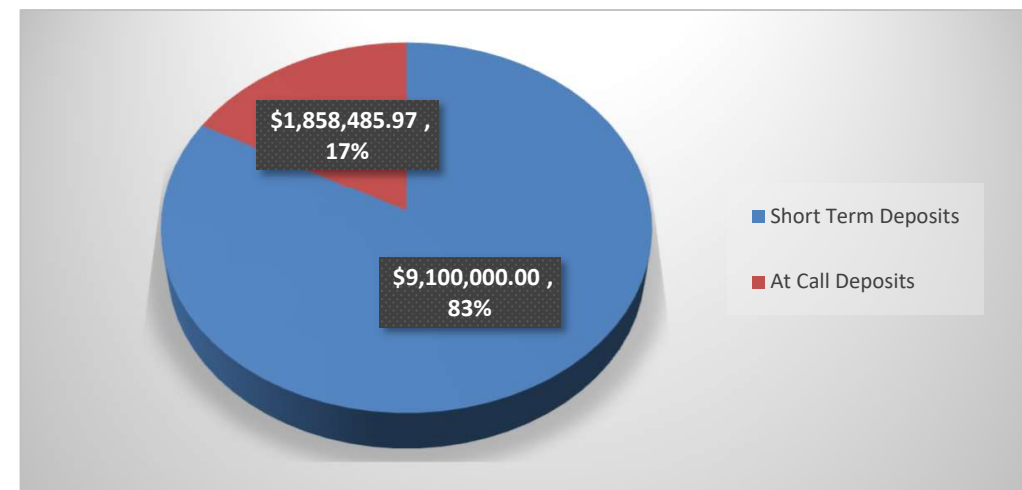
Balance as per Bank Statement	\$	944,093.58
Add: Visa card purchases presented April 2024	\$	10,997.86
Add: Cash receipting deposited 03.06.2024	\$	411.39
Add: Eftpos receipting deposited 01.06.2024	\$	3,766.42

Balance as per Cash Book \$ 959,269.25

GENERAL FUND

(a) Cash Book Balance	\$	1,658,485.97
(b) Bank Balance	\$	1,658,485.97

Short Term Deposits	\$ 9,100,000.00
At Call Deposits	\$ 1,858,485.97



12.8) QUARTERLY BUDGET REVIEW STATEMENT - 31 MARCH 2024 (FM.FR.1)

Author: Director Finance & Corporate Services
IP&R Link: – 2.2: Sound Financial management – 2.2.1: Review and update long term financial plan (LTFP).

RECOMMENDATION:

That Council adopt the budget review statement for the quarter ended 31 March 2024 and the variations therein be voted.

REPORT

The Quarterly Budget Review Statement (QBRS) for the period ended 31 March, 2024 is submitted for consideration by Council in accordance with clause 203 of the Local Government (General) Regulation 2005.

It is estimated that the revised forecast operating surplus after capital amounts in the December QBRS of \$2,143,607 is now estimated to be a surplus of \$2,392,012. The main reason for this change is an estimated increase in total income of \$239,405 and a reduction in estimated operating expenses of \$9,000.

The net operating result before capital has improved from an estimated loss of \$681,782 to a projected loss of \$491,782 at the March QBRS. This is an estimated reduction in the loss of \$190,000 over the quarter.

The main driver for these changes are as follows:

- Higher than expected private works income driven by increased connections and revenue from the management of a sewerage pipe project in Grenfell undertaken in conjunction with a water main extension in Memory Street.
- Estimated investment income is expected to increase by a further \$80,000 due to continuing high interest rates on term deposits and higher average funds invested. This has resulted from the Reserve Bank's continuing policy of no change in the cash rate due to ongoing concerns regarding inflation.
- A reduction in estimated employee costs due to the later than expected engagement of the project manager position.
- An increase in materials and contracts expenses associated with the additional private works income and allowing for a small saving in electricity costs.

In respect of the Capital Budget, the estimated budget is estimated to increase from \$7,547,383 to \$7,625,630. This is a small increase of \$78,247 over that of the December 2023 QBRS.

There are a number of variations both savings and new votes and these are outlined in detail on the Capital Expenditure variations worksheet in the QBRS report which is attached.

It is notable that a significant investment is being made by Council in the Water Loss Management Initiative Program that is being undertaken under the auspices of the Central West Joint Organisation (CNSWJO).

Council is committing expenditure of up to \$158,500 for new flow measuring devices in both trunk mains and reservoirs to identify leaks within the CTW system. This will be funded by a grant from the CNSWJO of \$58,405 and \$100,095 from Council's infrastructure restriction.

The QBRS now includes a new statement referred to as the Restrictions and Cash Reserves Budget Review Statement. This statement shows how the current levels of cash and investments reconcile to what was initially projected in the adopted budget as well as the projected balance at the 30 June 2024 of all cash restrictions (these are sometimes called cash reserves or cash allocations). A notable aspect of the report now is the high level of unrestricted cash (\$2.761M) compared to the opening balance of 500K. This simply reflects the unspent reported transfers from restrictions that remain unspent at 31 March, 2024. (mainly capital expenditure votes)

The unrestricted cash balance is expected to decline as funds are spent or are revoted at August, 2024 meeting into the 2024/25 Operational Budget. It is notable also that the unrestricted cash amount can be significantly impacted by the level of accounts payable and receivable at a point in time.

BUDGET IMPLICATIONS

The overall result indicates that the financial position of Council is sound, however, lower than expected water sales particularly in the first half of the year due to wet weather has not been able to be made up in the later part of the year.

As a water utility who requires a large amount of infrastructure to provide services to its communities, the cumulative impact of reduced water sales over the last 4 years is significant, and means that the long term financial plan is increasingly reliant on loans and grants to fund the renewal of ageing infrastructure.

POLICY IMPLICATIONS

Nil

ATTACHMENTS

1 [↓](#) 31 March 2024 QBRS Report 10 Pages

Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/01/24 to 31/03/24

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Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/01/24 to 31/03/24**Report by responsible accounting officer**

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

31 March 2024

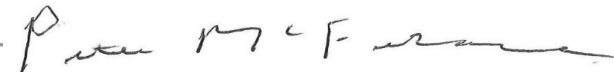
It is my opinion that the Quarterly Budget Review Statement for Central Tablelands Water for the quarter ended 31/03/24 indicates that Council's projected financial position at 30/6/24 will be unsatisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

My opinion above, that Council's projected financial position as at 30/6/24 will be unsatisfactory has been based on the following factors:

1. Lower than expected income from water sales compared to original budget.
2. Lower income from water access charges than calculated in the original budget.

Recommended remedial action to deal with this unsatisfactory position includes:

- a. Closely monitor expenditure and make savings where possible
- b. Review future capital programs in the LTFP
- c. Maximise the availability of grant funds.
- d. Review level of future borrowings in LTFP
- e. Review the future level of fees and charges
- f. Maximise revenue opportunities
- g. Defer expenditure if possible

Signed:

29/05/2024

Responsible accounting officer

Budget Review Statement

as at 31 March 2024

Council's Revised Income and Expenditure for the year 2023/2024

Original Budget	<u>Operating Revenue</u>	Revised Budget
2,175,110	Availability Charges	1,820,110
5,872,441	User Charges	5,588,441
276,750	Interest and Investment Income	456,750
150,992	Other Revenues	151,992
443,740	Capital Grants and Contributions	2,883,794
40,000	Operational Grants and Contributions	-
60,000	Gains on Disposal of Assets	60,000
<u>9,019,033</u>	Total Operating Revenue	<u>10,961,087</u>
	<u>Operating Expenses</u>	
2,869,500	Employee Costs	2,822,500
2,650,375	Materials & Contracts	2,726,375
9,500	Legal Costs	10,500
259,500	Consultants	269,500
14,500	Other Expenses	14,500
2,725,700	Depreciation and Impairment	2,725,700
<u>8,529,075</u>	Total Operating Expenses	<u>8,569,075</u>
489,958	Operating Result for Period After Capital	2,392,012
	Surplus/(Deficit)	
46,218	Operating Result for Period Before Capital	(491,782)
	Surplus/(Deficit)	
	<u>Less Non-Operating Expenditure</u>	
2,083,460	Acquisitions of Assets	7,625,630
310,000	Transfer to Reserves - Plant	310,000
1,800,000	Transfer to Reserves - Renewal Reserves	1,750,000
90,000	Transfer to Reserves - ELE	90,000
60,000	Transfer to Reserves - Consultancy	60,000
718,601	Transfer Estimated Budget Surplus/(Deficit)	551,001
<u>5,062,061</u>		<u>10,386,631</u>
(4,572,103)		(7,994,619)
	<u>Add Non-Operating Revenue</u>	
232,412	Book Value of Assets Sold	232,412
194,941	Transfer from Reserves - Plant	194,941
30,000	Transfer from Reserves - ELE	30,000
1,389,050	Transfer from Reserves - Infrastructure	4,791,166
	Transfer from Reserves - Development Assistance	20,400
-	Transfer from External Restriction	-
<u>1,846,403</u>		<u>5,268,919</u>
(2,725,700)		(2,725,700)
	<u>Add Expenses not Involving Flow of Funds</u>	
2,725,700	Depreciation	2,725,700
<u>\$ -</u>	Budget (Cash) Result Surplus/(Deficit)	\$ -

Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/01/24 to 31/03/24

Income & expenses budget review statement

Budget review for the quarter ended 31 March 2024

Income & expenses - General Fund

(\$000's)	Original budget 2023/24	Approved Changes			Revised budget 2023/24	Variations for this Mar Qtr	Notes	Projected year end result	Actual YTD figures
		Revotes	Sep QBRS	Dec QBRS					
Income									
Annual charges	2,175,110		(355,000)		1,820,110			1,820,110	1,380,738
User charges and fees	5,872,441		(384,000)		5,488,441	100,000	(a)	5,588,441	3,937,908
Other revenues	150,992				150,992	1,000	(b)	151,992	107,708
Grants and contributions - operating	40,000			(40,000)	-	-		-	-
Grants and contributions - capital	443,740	2,351,649		30,000	2,825,389	58,405	(c)	2,883,794	2,192,376
Interest and investment revenue	276,750		100,000		376,750	80,000	(d)	456,750	375,660
Net gain from disposal of assets	60,000				60,000			60,000	53,214
Total income from continuing operations	9,019,033	2,351,649	(639,000)	(10,000)	10,721,682	239,405		10,961,087	8,047,604
Expenses									
Employee benefits and on-costs	2,869,500		(7,000)		2,862,500	(40,000)	(e)	2,822,500	1,821,172
Materials and services	2,650,375		46,000		2,696,375	30,000	(f)	2,726,375	976,178
Depreciation and amortisation	2,725,700				2,725,700			2,725,700	2,044,275
Legal costs	9,500				9,500	1,000	(g)	10,500	10,095
Consultants	259,500	50,000		(40,000)	269,500	-		269,500	87,330
Other expenses	14,500				14,500			14,500	12,195
Total expenses from continuing operations	8,529,075	50,000	39,000	(40,000)	8,578,075	(9,000)		8,569,075	4,951,245
Net operating result from continuing operations	489,958	2,301,649	(678,000)	30,000	2,143,607	248,405		2,392,012	3,096,359
Net operating result from all operations	489,958	2,301,649	(678,000)	30,000	2,143,607	248,405		2,392,012	3,096,359
Net Operating Result before Capital Items	46,218	(50,000)	(678,000)	-	(681,782)	190,000		(491,782)	903,983

This is Page No. 53 of the Agenda presented to the Ordinary Meeting of Central Tablelands County Council held at Canowindra on 19 June 2024

Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/01/24 to 31/03/24

Income & expenses budget review statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details
(a)	\$100,000 additional Private Works Income. Includes project support for Weddin Shire memory street, Grenfell sewer project. Additional connections not budgeted particularly in Blayney Shire.
(b)	\$1,000 Additional legal costs incurred in debt recovery.
(c)	\$58,405 Grant funding from the Central West JO for Water Loss Reduction program funding.
(d)	\$80,000 Estimated additional income from investments.
(e)	-\$40,000 Estimated savings due to Project Management position recruited later in the financial year.
(f)	\$30,000 \$60,000 additional costs for additional private works. Estimated \$30,000 savings in electricity costs due to renewable energy sources at Carcoar Water Treatment Plant and Canomodine Pump Station.
(g)	\$1,000 Additional legal costs for debt collection services.

Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/01/24 to 31/03/24

Capital budget review statement

Budget review for the quarter ended 31 March 2024

Capital budget - General Fund

(\$000's)	Original budget 2023/24	Approved changes				Revised budget 2023/24	Variations for this Mar Qtr	Notes	Projected year end result	Actual YTD figures
		Revotes	Other than by QBRs	Sep QBRs	Dec QBRs					
Capital expenditure										
New assets										
- Telemetry Upgrades	25,000	34,099				59,099			59,099	-
- Town Village Restriction Signage	80,000					80,000			80,000	950
- Reticulation Mains - New Connections	40,000	-			50,400	90,400			90,400	63,660
- Renewable Energy Infrastructure	150,000	213,602				363,602			363,602	-
- New Metering Lake Rowlands		11,988				11,988			11,988	4,769
- New Metering - Gooloogong Bore					8,370	8,370			8,370	8,370
- New Metering - Quandialla Bore					2,622	2,622			2,622	2,622
- Water Loss Monitoring Program - Meters etc							158,500	(a)	158,500	
- Carcoar 12ML Reservoir		3,161,649		222,000		3,383,649			3,383,649	3,053,668
- Woodstock Pump Station		25,000				25,000			25,000	19,412
Total New Assets	295,000	3,446,338	-	222,000	61,392	4,024,730	158,500	-	4,183,230	3,153,451
Renewal assets (replacement)										
- Pump Station Renewals	53,000	63,468				116,468			116,468	-
- Vehicle Replacements	504,410	100,000				604,410			604,410	185,747
- Other Plant & Equipment	30,000					30,000			30,000	35,970
- Office Equipment	31,050					31,050			31,050	7,123
- Blayney Office - Outdoor Refurb	10,000	17,873				27,873			27,873	-
- Blayney Office Indoor Refurb		35,699				35,699			35,699	61,221
- Grenfell Depot Storm Damage Refurb							5,000	(b)	5,000	2,500
- Depot Refurbishments	60,000	117,560				177,560			177,560	4,124
- Trunk Main U Renewals - 7kms	320,000					320,000			320,000	-
- Trunk Mains Design Western Artery	300,000					300,000			300,000	928
- Trunk Main C Emergency Repair					450,000	450,000	(101,652)	(c)	348,348	348,348
- Manildra Trunk Main (Flood Event)				64,000		64,000			64,000	25,058
- Cargo Pump Station Renewal							2,568	(d)	2,568	2,568
- Conomadine Pump Station Renewal	-	28,586				28,586	(2,568)	(d)	26,018	12,798
- Bangaroo Booster pump					80,000	80,000			80,000	42,112
- Eugowra Booster Pump Renewal	120,000					120,000			120,000	26,621
- Gooloogong Bore Renew Switchboard		250,000			(80,000)	170,000			170,000	56,383
- Blayney WTP - Reseal Access Road and Carpark							32,495	(e)	32,495	-
- Carcoar WTP - Reseal internal Access Road	120,000					120,000	(74,400)	(f)	45,600	-
- Blayney Water Treatment Plant Renewals	30,000					30,000			30,000	-
- Carcoar Water Treatment Plant Renewals	60,000					60,000	5,804	(g)	65,804	65,804
- Reticulation Mains Renewals	150,000	588,007				738,007			738,007	178,941
- Automatic Filling Station Upgrades							52,500	(h)	52,500	-
- Trunk Main I - Relocation		19,000				19,000			19,000	-
Total Renewed Assets	1,788,460	1,220,193	-	64,000	450,000	3,522,653	(80,253)	-	3,442,400	1,056,246
Total capital expenditure	2,083,460	4,666,531	-	286,000	511,392	7,547,383	78,247	-	7,625,630	4,209,697
Capital funding										
Water Charges						-			-	-
Capital grants & contributions	190,000	2,351,649			30,000	2,571,649	58,405	(g)	2,630,054	1,604,036
Reserves:										
- Internal restrictions/reserves	1,689,050	2,314,882		286,000	481,392	4,771,324	19,842	(h)	4,791,166	2,496,401
Receipts from sale of assets										
- Vehicle Sales	204,410					204,410			204,410	109,260
Total capital funding	2,083,460	4,666,531	-	286,000	511,392	7,547,383	78,247	-	7,625,630	4,209,697
Net capital funding - surplus/(deficit)	-	-	-	-	-	-	-	-	-	-

This statement forms part of Council's Quarterly Budget Review Statement (QBRs) for the quarter ended xx/xx/xx and should be read in conjunction with the total QBRs report

Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/01/24 to 31/03/24

Capital budget review statement
Recommended changes to revised budget

Budget variations being recommended include the following material items:

Notes	Details
(a)	\$158,500 Water Loss Monitoring Program infrastructure including Solar Telemetry site at Somers take off and Cranky Road \$30,000, New metering at trunk main sites and reservoirs \$78,500 and upgrade outflow metering at 19 reservoir telemetry sites at an estimated cost of \$50,000. \$58,405 is grant funding with balance from infrastructure restriction.
(b)	\$5,000 For refurbishment of the Grenfell Depot due to hail storm event on 25/12/23.
(c)	-\$101,562 Savings in TM C renewal (creek crossing) at Jacks Creek. Funds returned to infrastructure restriction.
(d)	\$2,568 Costs to complete Cargo Pump Station renewal. Transferred from Conomadine Pump Station renewal budget.
(d)	-\$2,568 Funds transferred from Conomadine Pump Station Renewal Budget to complete works on Cargo Pump Station.
(f)	\$32,495 Funding for reseal work at Blayney Water Treatment Plant access road and carpark. taken from Carcoar Water Treatment Plant Access Road budget.
(g)	-\$74,400 Savings in funding Carcoar Water Treatment Plant access road budget. After allocation funds to BWTP (see item (f))
(h)	\$5,804 Additional funding required to replace Homa submersible pump at Carcoar Water Treatment Plant
(i)	\$52,500 Upgrade of power supply and batteries at filling stations throughout the supply area. Seven units at \$7500 each

Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/07/23 to 31/3/24

Leakage Allowances Granted - Financial Year to Date

	<u>No of Applications Granted</u>	<u>Total Allowance Kls</u>	<u>Total Allowance Granted \$</u>
Sept Qtr.			
Residential	6	365.00	1,437.67
Total	6	365.00	1,437.67

	<u>No of Applications Granted</u>	<u>Total Allowance Kls</u>	<u>Total Allowance Granted \$</u>
Dec Qtr.			
Residential	4	268.50	1,031.04
Total	4	268.50	1,031.04

	<u>No of Applications Granted</u>	<u>Total Allowance Kls</u>	<u>Total Allowance Granted \$</u>
Mar Qtr.			
Residential	7	563.50	2,163.84
Total	7	563.50	2,163.84

Note: Council's undetected water leaks policy provides for an allowance to be granted if strict eligibility criteria are met as per the policy. The granting of a leakage allowance is at the absolute discretion of Council based upon individual circumstances. Property owners are responsible for the maintenance of private water infrastructure on their properties.

Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/01/24 to 31/03/24

Contracts budget review statement

Budget review for the quarter ended 31 March 2024

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

Contractor	Contract detail & purpose	Contract value	Start date	Duration of contract	Budgeted (Y/N)	Notes
Atom Consulting	Drinking Water Quality Support	94,000	01/07/24	12 months	Y	24-25 Budget - Technical Consultants
Tony Leahey Ford	4 Fleet Vehicles	218,000	23/02/24	4 months	Y	23-24 Plant Fund
Premise	Western Artery Trunk Main Project	216,000	01/03/24	4 months	Y	23-24 50% Grant-50% Reserve
Atom Consulting	Water Quality System Support	83,491	01/07/24	12 months	Y	23-24 Technical Consultants Budget
Clancy Motors	Fleet Vehicle	67,172	18/01/24	1 month	Y	23-24 Plant Fund

Notes:

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

Central Tablelands Water							Quarterly Budget Review Statement for the period 01/01/24 to 31/03/24						
Cash and Investments budget review statement													
Budget review for the quarter ended 31 March 2024													
Cash & investments - General Fund													
	<u>Opening Balance 1-7-2023</u>	<u>Budgeted Tfrs to</u>	<u>Budgeted Tfrs from</u>	<u>Projected Closing Balance 30- 6-2024</u>	<u>Budgeted Closing Balance 30- 6-24 *</u>	<u>Variance</u>							
	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)							
Restriction													
External Restrictions	12			12	12	0							
Plant and Vehicles	771	310	195	886	884	-2							
Infrastructure	7,465	2,301	4,791	4,975	5,400	425							
Employees Leave Entitlements	598	90	30	658	618	-40							
Development Assistance	482		20	462	482	20							
Consultancy	140	60	0	200	190	-10							
Total Restrictions	9,468	2,761	5,036	7,193	7,586	393							
Unrestricted Cash	500				2,761								
Total Cash and Investments	9,968				10,372								
Consisting of:													
Cash at Bank	1,567				1,372								
Investments	8,401				9,000								
Total Cash and Investments	9,968				10,372								
* As per the adopted Operational Plan													
Variance amount is the difference between the projected restrictions balance based upon the actual restrictions amount at 1 July 2023 and the estimated balance based upon the latest QBRS.													
Unrestricted cash is based upon the projected 30 June , 2024 restrictions based on the 31st March, 2024 cash and investments balances													
This means that it is greater than it would be based on actual reserve transfers at 31 March 2024													

12.9) INTEGRATED PLANNING & REPORTING REQUIREMENTS (GO.PR.1)

Author: Director Finance & Corporate Services
IP&R Link: Strategic Priority 2: An efficient, sustainable and customer focused organisation – 2.2.1: Review and update long term financial plan (LTFP).
– 2.2: Sound Financial management

RECOMMENDATION:

That in accordance with Sections 402-406 of the Local Government Act 1993 and Clause 219 of the Local Government (General) Regulations 2005, and following the statutory period of 28 days of public exhibition, Council now resolve to adopt the following draft plans:

- a) Operational Plan 2024-25
- b) Long Term Financial Plan 2024-2034

REPORT

Council at its meeting held 24 April, 2024 resolved to place the following Integrated Planning and Reporting (IP&R) Documents on public display for a period of 28 days.

These documents consisted of the following:

- Operational Plan 2024-25
- Long Term Financial Plan 2024-2034

Advertisements were placed in regional and local newspapers advising that the draft plans were on public exhibition at the Council Office in Blayney and on Council's website. The exhibition period was from Friday 10 May to Friday 14 June 2024. The advertisements invited anyone to review the plans and to make written submissions by 4pm on Friday 14 June 2024.

No submissions were received by the public display closure time so Council can now proceed to adopt the draft IP&R plans.

In accordance with Section 532 of the Local Government Act, upon adoption of these plans, Council can then proceed to make its fees and charges for 2024/25.

BUDGET IMPLICATIONS

As per the Operational Budget 24/25.

POLICY IMPLICATIONS

Nil.

ATTACHMENTS

Nil.

12.10) 2024/25 OPERATIONAL PLAN - MAKING OF FEES AND CHARGES (FM.PL.1)

Author: Director Finance & Corporate Services
IP&R Link: Strategic Priority 2: An efficient, sustainable and customer focused organisation – 2.2: Sound Financial management – 2.2.1: Review and update long term financial plan (LTFP).

RECOMMENDATION:

1. That in accordance with Sections 501, 502, 503, 539, 541, and 552 of the Local Government Act 1993, Council make the following water charges for the 12 months commencing 1 July, 2024:

Water User Charges

Residential/ Rural	\$3.96 per kilolitre
Non Residential	\$3.96 per kilolitre
Industrial	\$3.96 per kilolitre
Non Potable Water	\$2.97 per kilolitre
Standpipe Sales	\$10.00 per kilolitre
Temporary Access Standpipe	\$5.90 per kilolitre
Automatic Filling Stations	\$8.70 per kilolitre
Bulk Water	\$2.38 per kilolitre

Water Availability Charges – Per Annum

20mm	\$292.00
25mm	\$457.00
32mm	\$748.00
40mm	\$1,168.00
50mm	\$1,825.00
80mm	\$4,672.00
100mm	\$7,300.00
Fire Service (Fire Use only)	\$292.00
Unconnected Built upon Properties	\$146.00
Developer Charge (per ET)	\$7,179.00
Capital Contribution Charge (per ET)	\$7,179.00

2. That in accordance with Section 566 of the Local Government Act 1993, Council charge interest on overdue water charges at a rate of 10.50% for the 12 month period commencing 1 July, 2024.
3. That all remaining fees and charges be made.

REPORT

As the 2024/25 Operational Plan has been adopted by Council the water charges can now be made in accordance with Section 532 of the Local Government Act 1993 (LGA).

Pursuant to Section 377 (1) (d) of the LGA the making of the water charges requires a formal resolution of Council and cannot be completed until the Operational Plan has been adopted for the year in which the charges apply.

BUDGET IMPLICATIONS

In accord with the adopted 2024/25 Operational Plan.

POLICY IMPLICATIONS

The charges are in accord with Council's adopted Revenue Policy for 2024-25.

ATTACHMENTS

Nil.

12.11) AUDIT RISK AND IMPROVEMENT COMMITTEE (ARIC) (CM.AU.1)

Author: Director Finance & Corporate Services
IP&R Link: – 2.3: Continuous Improvement Whilst Managing Risk – 2.3.1: Manage the risk management framework including the risk register.

RECOMMENDATION:

1. That Council receive and note the Audit Risk and Improvement Committee Minutes of the meeting of 8 February, 2024
2. That Council adopt the Audit Risk and Improvement Committee terms of reference that will be effective from 1 July, 2024.
3. That Council ratify the appointment of the position of Director of Finance and Corporate Services as the Internal Audit Co-ordinator effective from 1 July, 2024.
4. That Council ratify that Councillor Cook be the nominated representative on the selection panel for the appointment of an additional independent member of the Audit Risk and Improvement Committee.
5. That Councillor Nash continue as the Council representative on the Audit Risk and Improvement Committee until the end of this term of Council noting that the role is now non-voting.

REPORT

The minutes of the ARIC meeting held on 8 February, 2024 are attached for Council's consideration. This meeting was held at the Blayney Community Centre.

Unfortunately, due to an oversight these minutes were not included in the April 2024 Council meeting agenda.

The major points arising from this meeting were:

- Confirmation was received that Intentus would remain as the sub-contact auditor for Central Tablelands Water for another 3 years.
- An update was provided on progress with respect to actioning all recommendations arising from the Health Risk assessment a Project Management Audit. It was noted that works are ongoing with respect to those recommendations.
- It was noted that Local Government NSW had engaged a specialist accounting firm to seek a class ruling from the Australian Taxation Office in respect of the application of the Superannuation Guarantee Charge (SGC) to independent ARIC members who issue fee invoices. This ruling will address the uncertainty that exists in this area and will resolve the issue from an industry perspective. It will also provide guidance as to the period to which the SGC payments may apply.
- The draft Gifts and Benefits policy was reviewed by ARIC.

A further meeting of ARIC was held online on 5 June, 2024 however the minutes are yet to be finalised and will be presented to the August, 2024 meeting of Council.

As reported at the February meeting, the ARIC is required to have a new terms of reference (TOR) in place by 30 June 2024 to enable compliance with the new guidelines. The TOR was formerly known as the ARIC Meeting Charter. The TOR outline how the ARIC will operate and includes such things as the term of members, their remuneration, the responsibilities of members, its scope and membership requirements.

As indicated, the Council member on the ARIC will no longer have voting rights and will be an observer to provide an interface between the Council and the Committee. The ARIC is also required to have a minimum of three independent members. (an increase from two on the existing ARIC)

It is proposed that the current CTW representative on the ARIC Councillor Nash continue in the role until the completion of this term of Council. Noting that Councillor Nash will become a non-voting member.

In seeking a new member, Blayney Shire Council have been undertaking an expression of interest (EOI's) process to engage a new suitably qualified independent member that will serve on the ARICs of Blayney, CTW and Central Tablelands Weeds Authority. The EOI has now closed and a selection committee consisting of the ARIC chair, Donna Rygate, and a representative from each Council. CTW's representative is the Deputy Chairperson, Councillor Michelle Cook. It is hopeful that a selection will be made in the near future.

Under the new guidelines, the ARIC is required to appoint an Internal Audit Co-ordinator. As CTW has insufficient resources to engage such a position in its structure, this responsibility is thought to be best undertaken by an existing staff member. It is being recommended that this role be added to the duties of the Director of Finance and Corporate Services (DFCS).

At the ARIC meeting held on 5 June, 2024 the TOR and the undertaking of the IAC role was discussed. As the TOR is based on the OLG model template with some minor changes, it was approved by the ARIC. The ARIC also approved the position of DFCS undertaking the IAC role.

At this meeting approval from Council is being sought to confirm both these matters. The aim being to have these in place by 1 July, 2024.

A copy of the draft TOR is attached to this report.

BUDGET IMPLICATIONS

The 24/25 draft budget allocation for has incorporated additional funding to meet the expected additional costs of the new ARIC regulations. Secretarial and Executive support will be met from recurrent operating votes.

POLICY IMPLICATIONS

The new Internal Audit, Risk and Improvement Committee guidelines are required to be in place by 1 July, 2024.

ATTACHMENTS

- 1 [↓](#) Draft ARIC Terms of Reference 18 Pages
- 2 [↓](#) Draft ARIC Minutes 8 February 2024 3 Pages

Terms of Reference



Audit, Risk and Improvement Committee

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Council has established an audit, risk and improvement committee in compliance with section 428A of the *Local Government Act 1993*, the *Local Government (General) Regulation 2021* and the Office of Local Government's *Guidelines for risk management and internal audit for local government in NSW*. These terms of reference set out the committee's objectives, authority, composition and tenure, roles and responsibilities, reporting and administrative arrangements.

1. Objective

The objective of Council's audit, risk and improvement committee is to provide independent assurance to Council by monitoring, reviewing and providing advice about its governance processes, compliance, risk management and control frameworks, external accountability obligations and overall performance.

2. Independence

The committee is to be independent to ensure it has no real or perceived bias or conflicts of interest that may interfere with its ability to act independently and to provide Council with robust, objective and unbiased advice and assurance.

The committee is to have an advisory and assurance role only and is to exercise no administrative functions, delegated financial responsibilities or any management functions of the Council. The committee will provide independent advice to the Council that is informed by the Council's internal audit and risk management activities and information and advice provided by staff, relevant external bodies and subject matter experts.

The committee must always ensure it maintains a direct reporting line to and from the Council's internal audit function and act as a mechanism for internal audit to report to the governing body and the General Manager on matters affecting the performance of the internal audit function.

3. Authority

Council authorises the committee, for the purposes of exercising its responsibilities, to:

- access any information it needs from Council
- use any Council resources it needs
- have direct and unrestricted access to the General Manager and senior management of Council
- seek the General Manager's permission to meet with any other Council staff member or contractor
- discuss any matters with the external auditor or other external parties
- request the attendance of any employee at committee meetings, and
- obtain external legal or other professional advice in line with Councils' procurement policies.

Information and documents pertaining to the committee are confidential and are not to be made publicly available. The committee may only release Council information to external parties that are assisting the committee to fulfil its responsibilities with the approval of the General Manager, except where it is being provided to an external investigative or oversight agency for the purpose of informing that agency of a matter that may warrant its attention.

4. Composition and tenure

The committee consists of an independent chairperson and two (2) independent members who have voting rights and one (1) non-voting Councillor, as required under the *Local Government (General) Regulation 2021*.

The governing body is to appoint the chairperson and members of the committee. Current committee members are:

[name]	Independent chairperson (voting)
[name]	Independent member (voting)
[name]	Independent member (voting)
[name]	Councillor member (non-voting) (if applicable) [cannot be the mayor]

All committee members must meet the independence and eligibility criteria prescribed under the *Local Government (General) Regulation 2021*.

Members will be appointed for up to a four-year term. Members can be reappointed for one further term, but the total period of continuous membership cannot exceed eight years. This includes any term as chairperson of the committee. Members who have served an eight-year term (either as a member or as chairperson) must have a two-year break from serving on the committee before being appointed again. To preserve the committee’s knowledge of the Council ideally, no more than one member should retire from the committee because of rotation in any one year.

The terms and conditions of each member’s appointment to the committee are to be set out in a letter of appointment. New members will be thoroughly inducted to their role and receive relevant information and briefings on their appointment to assist them to meet their responsibilities.

Prior to approving the reappointment or extension of the chairperson’s or an independent member’s term, the governing body is to undertake an assessment of the chairperson’s or committee member’s performance. Reappointment of the chairperson or a committee member is also to be subject to that person still meeting the independence and eligibility requirements prescribed under the *Local Government (General) Regulation 2021*.

Members of the committee must possess and maintain a broad range of skills, knowledge and experience relevant to the operations, governance and financial management of the Council, the environment in which the Council operates, and the contribution that the committee makes to the Council. At least one member of the committee must have accounting or related financial management experience with an understanding of accounting and auditing standards in a local government environment. All members should have sufficient understanding of Council financial reporting responsibilities to be able to contribute to the committee's consideration of Council's annual financial statements.

4.1 Remuneration

Remuneration will be reviewed by the Council at least once every Council term and more frequently where required.

The fees paid to independent ARIC members will increase annually by the percentage allocated to Councillors by the Local Government Remuneration Tribunal determination. This will take effect for each independent ARIC member, including the Chair, on the 1st July each year.

With prior approval from the General Manager, the Council will reimburse reasonable travel and accommodation expenses associated with attending ARIC meetings in person. Wherever possible, the Council will book services directly with providers of its choosing, and members travelling by car will be reimbursed for their return trip using the current Australian Tax Office cents per kilometer rate.

The Council encourages independent ARIC members to keep their skills current and supports professional development. The Council will consider reimbursement of, or pro-rated contribution to, relevant professional development expenses upon approval by General Manager.

4.2 Public Liability and Professional Indemnity Insurance

The Council will provide Public Liability and Professional Indemnity Insurance to the Independent Chair and Independent Members under the same arrangements as provided to Councillors. This coverage provides indemnification in respect of claims for all loss or damage potentially made against them in their capacity as members of the ARIC.

5. Role

As required under section 428A of the *Local Government Act 1993* (the Act), the role of the committee is to review and provide independent advice to the Council regarding the following aspects of its operations:

- compliance
- risk management
- fraud control
- financial management
- governance
- implementation of the strategic plan, delivery program and strategies
- service reviews
- collection of performance measurement data by the Council, and
- internal audit.

The committee must also provide information to Council for the purpose of improving the Council's performance of its functions.

The committee's specific audit, risk and improvement responsibilities under section 428A of the Act are outlined in Schedule 1 to these terms of reference.

The committee will act as a forum for consideration of the Council's internal audit function and oversee its planning, monitoring and reporting to ensure it operates effectively.

The committee has no power to direct external audit or the way it is planned and undertaken but will act as a forum for the consideration of external audit findings.

The committee is directly responsible and accountable to the governing body for the exercise of its responsibilities. In carrying out its responsibilities, the committee must at all times recognise that primary responsibility for management of the Council rests with the governing body and the General Manager.

The responsibilities of the committee may be revised or expanded in consultation with, or as requested by, the governing body from time to time or as determined through regulatory or legislative change.

6. Responsibilities of members

6.1 Independent members

The chairperson and members of the committee are expected to understand and observe the requirements of the Office of Local Government's *Guidelines for risk management and internal audit for local government in NSW*. Members are also expected to:

- make themselves available as required to attend and participate in meetings
- contribute the time needed to review and understand information provided to it
- apply good analytical skills, objectivity and judgement
- act in the best interests of the Council
- have the personal courage to raise and deal with tough issues, express opinions frankly, ask questions that go to the fundamental core of the issue and pursue independent lines of inquiry
- maintain effective working relationships with the Council
- have strong leadership qualities (chairperson)
- lead effective committee meetings (chairperson), and
- oversee the Council's internal audit function (chairperson).

6.2 Councillor members (if applicable)

To preserve the independence of the committee, the Councillor member of the committee is a non-voting member. Their role is to:

- relay to the committee any concerns the governing body may have regarding the Council and issues being considered by the committee
- provide insights into local issues and the strategic priorities of the Council that would add value to the committee's consideration of agenda items
- advise the governing body (as necessary) of the work of the committee and any issues arising from it, and
- assist the governing body to review the performance of the committee.

Issues or information the councillor member raises with or provides to the committee must relate to the matters listed in Schedule 1 and issues being considered by the committee.

The Councillor member of the committee must conduct themselves in a non-partisan and professional manner. The Councillor member of the committee must not engage in any conduct that seeks to politicise the activities of the committee or the internal audit function or that could be seen to do so.

If the Councillor member of the committee engages in such conduct or in any other conduct that may bring the committee and its work into disrepute, the chairperson of the committee may recommend to the Council, that the Councillor member be removed from membership of the committee. Where the Council does not agree to the committee chairperson's recommendation, Council must give reasons for its decision in writing to the chairperson.

6.3 Conduct

Independent committee members are required to comply with the Council's Code of Conduct.

Complaints alleging breaches of the Code of Conduct by an independent committee member are to be dealt with in accordance with the *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW*. The General Manager must consult with the governing body before taking any disciplinary action against an independent committee member in response to a breach of the Code of Conduct.

6.4 Conflicts of interest

Once a year, committee members must provide written declarations to Council stating that they do not have any conflicts of interest that would preclude them from being members of the committee. Independent committee members are 'designated persons' for the purposes of the Code of Conduct and must also complete and submit returns of their interests annually or when requested by Council.

Committee members and observers must declare any pecuniary or non-pecuniary conflicts of interest they may have in a matter being considered at the meeting at the start of each meeting or as soon as they become aware of the conflict of interest. Where a committee member or observer declares a pecuniary or a significant non-pecuniary conflict of interest, they must remove themselves from committee deliberations on the issue. Details of conflicts of interest declared at meetings must be appropriately minuted.

6.5 Standards

Committee members are to conduct their work in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors and relevant Australian risk management standards, where applicable.

7. Work plans

The work of the committee is to be thoroughly planned and executed. The committee must develop a strategic work plan every four years to ensure that the matters listed in Schedule 1 are reviewed by the committee and considered by the internal audit function when developing their risk-based program of internal audits. The strategic work plan must be reviewed at least annually to ensure it remains appropriate.

The committee may, in consultation with the governing body, vary the strategic work plan at any time to address new or emerging risks. The governing body may also, by resolution, request the committee to approve a variation to the strategic work plan. Any decision to vary the strategic work plan must be made by the committee.

The committee must also develop an annual work plan to guide its work, and the work of the internal audit function over the forward year.

The committee may, in consultation with the governing body, vary the annual work plan to address new or emerging risks. The governing body may also, by resolution, request the committee to approve a variation to the annual work plan. Any decision to vary the annual work plan must be made by the committee.

When considering whether to vary the strategic or annual work plans, the committee must consider the impact of the variation on the internal audit function's existing workload and the completion of pre-existing priorities and activities identified under the work plan.

8. Assurance reporting

The committee must regularly report to Council to ensure that it is kept informed of matters considered by the committee and any emerging issues that may influence the strategic direction of the Council or the achievement of the Council's goals and objectives.

The committee will provide an update to the governing body and the General Manager of its activities and opinions after every committee meeting.

The committee will provide an annual assessment to the governing body and the General Manager on the committee's work and its opinion on how the Council is performing.

The committee will provide a comprehensive assessment every council term of the matters listed in Schedule 1 to the governing body and the General Manager.

The committee may at any time report to the governing body or the General Manager on any other matter it deems of sufficient importance to warrant their attention. The Mayor and the Chairperson of the committee may also meet at any time to discuss issues relating to the work of the committee.

Should the governing body require additional information, a request for the information may be made to the chairperson by resolution. The chairperson is only required to provide the information requested by the governing body where the chairperson is satisfied that it is reasonably necessary for the governing body to receive the information for the purposes of performing its functions under the Local Government Act. Individual Councillors are not entitled to request or receive information from the committee.

9. Administrative arrangements

9.1 Meetings

The committee will meet at least for a minimum of four (4) times per year, including a meeting to review Council's financial statements.

The committee can hold additional meetings when significant unexpected issues arise, or if the chairperson is asked to hold an additional meeting by a committee member, the General Manager or the governing body.

Committee meetings can be held in person, by telephone or videoconference. Proxies are not permitted to attend meetings if a committee member cannot attend.

A quorum will consist of a majority of independent voting members. Where the vote is tied, the chairperson has the casting vote.

The chairperson of the committee will decide the agenda for each committee meeting. Each committee meeting is to be minuted to preserve a record of the issues considered and the actions and decisions taken by the committee.

The Mayor, General Manager and the Internal Audit Coordinator should attend committee meetings as non-voting observers. The external auditor (or their representative) is to be invited to each committee meeting as an independent observer. The chairperson can request Council's Chief Financial Officer, WHS & Risk Coordinator, Directors, any Councillors, any employee/contractor of the Council and any subject matter expert to attend committee meetings. Where requested to attend a meeting, persons must attend the meeting where possible and provide any information requested. Observers have no voting rights and can be excluded from a meeting by the chairperson at any time.

The committee can hold closed meetings whenever it needs to discuss confidential or sensitive issues with only voting members of the committee present.

The committee must meet separately with the Internal Audit Coordinator and the Council's external auditor at least once each year.

9.2 Dispute resolution

Members of the committee and the Council's management should maintain an effective working relationship and seek to resolve any differences they may have in an amicable and professional way by discussion and negotiation.

In the event of a disagreement between the committee and the General Manager or other senior managers, the dispute is to be resolved by the governing body.

Unresolved disputes regarding compliance with statutory or other requirements are to be referred to the Departmental Chief Executive of the Office of Local Government in writing.

9.3 Secretariat

The General Manager will nominate a staff member to provide secretariat support to the committee. The secretariat will ensure the agenda for each meeting and supporting papers are circulated after approval from the chairperson at least 3 business days, and no later than Friday prior to the scheduled meeting, if on a Wednesday.

Minutes must be approved by the chairperson and circulated within 2 weeks of the meeting to each member.

9.4 Resignation and dismissal of members

Where the chairperson or a committee member is unable to complete their term or does not intend to seek reappointment after the expiry of their term, they should give 2 months' notice to the chairperson and the governing body prior to their resignation to allow the Council to ensure a smooth transition to a new chairperson or committee member.

The governing body can, by resolution, terminate the appointment of the chairperson or an independent committee member before the expiry of their term where that person has:

- breached the council's code of conduct
- performed unsatisfactorily or not to expectations
- declared, or is found to be in, a position of a conflict of interest which is unresolvable
- been declared bankrupt or found to be insolvent
- experienced an adverse change in business status
- been charged with a serious criminal offence
- been proven to be in serious breach of their obligations under any legislation, or
- experienced an adverse change in capacity or capability.

The position of a Council member on the committee can be terminated at any time by the governing body by resolution.

9.5 Review arrangements

At least once every council term, the governing body must review or arrange for an external review of the effectiveness of the committee.

These terms of reference must be reviewed annually by the committee and once each council term by the governing body. Any substantive changes are to be approved by the governing body.

10. Further information

For further information on Council's Audit, Risk and Improvement Committee, contact [name] on [email address] or by phone [phone number].

Reviewed by Chairperson of the Audit, Risk and Improvement committee

[signed]

[date]

Reviewed by [council] in accordance with a resolution of the governing body.

[signed]

[date]

[resolution reference]

Next review date: [date]

11. Schedule 1 – Audit, Risk and Improvement Committee responsibilities

11.1 Audit

11.1.1 Internal Audit

- Provide overall strategic oversight of internal audit activities
- Act as a forum for communication between the governing body, General Manager, senior management, the internal audit function and external audit
- Coordinate, as far as is practicable, the work programs of internal audit and other assurance and review functions
- Review and advise the Council:
 - on whether the Council is providing the resources necessary to successfully deliver the internal audit function
 - if the Council is complying with internal audit requirements, including conformance with the International Professional Practices Framework
 - if the Council's Internal Audit Charter is appropriate and whether the internal audit policies and procedures and audit/risk methodologies used by the Council are suitable
 - of the strategic four-year work plan and annual work plan of internal audits to be undertaken by the Council's internal audit function
 - if the Council's internal audit activities are effective, including the performance of the internal audit coordinator and the internal audit function
 - of the findings and recommendations of internal audits conducted, and corrective actions needed to address issues raised
 - of the implementation by the Council of these corrective actions
 - on the appointment of the internal audit coordinator and external providers, and
 - if the internal audit function is structured appropriately and has sufficient skills and expertise to meet its responsibilities

11.1.2 External Audit

- Act as a forum for communication between the governing body, General Manager, senior management, the internal audit function and external audit
- Coordinate as far as is practicable, the work programs of internal audit and external audit
- Provide input and feedback on the financial statement and performance audit coverage proposed by external audit and provide feedback on the audit services provided
- Review all external plans and reports in respect of planned or completed audits and monitor council's implementation of audit recommendations
- Provide advice to the governing body and/or General Manager on action taken on significant issues raised in relevant external audit reports and better practice guides

11.2 Risk

11.2.1 Risk Management

Review and advise the Council:

- if the Council has in place a current and appropriate risk management framework that is consistent with the Australian risk management standard
- whether the Council is providing the resources necessary to successfully implement its risk management framework
- whether the Council's risk management framework is adequate and effective for identifying and managing the risks the Council faces, including those associated with individual projects, programs and other activities
- if risk management is integrated across all levels of the Council and across all processes, operations, services, decision-making, functions and reporting
- of the adequacy of risk reports and documentation, for example, the Council's risk register and risk profile
- whether a sound approach has been followed in developing risk management plans for major projects or undertakings
- whether appropriate policies and procedures are in place for the management and exercise of delegations
- if the Council has taken steps to embed a culture which is committed to ethical and lawful behaviour
- if there is a positive risk culture within the Council and strong leadership that supports effective risk management
- of the adequacy of staff training and induction in risk management
- how the Council's risk management approach impacts on the Council's insurance arrangements
- of the effectiveness of the Council's management of its assets, and
- of the effectiveness of business continuity arrangements, including business continuity plans, disaster recovery plans and the periodic testing of these plans.

11.2.2 Internal controls

Review and advise the Council:

- whether the Council's approach to maintaining an effective internal audit framework, including over external parties such as contractors and advisors, is sound and effective
- whether the Council has in place relevant policies and procedures and that these are periodically reviewed and updated
- whether appropriate policies and procedures are in place for the management and exercise of delegations
- whether staff are informed of their responsibilities and processes and procedures to implement controls are complied with

- if the Council's monitoring and review of controls is sufficient, and
- if internal and external audit recommendations to correct internal control weaknesses are implemented appropriately.

11.2.3 Compliance

Review and advise the Council of the adequacy and effectiveness of the Council's compliance framework, including:

- if the Council has appropriately considered legal and compliance risks as part of the Council's risk management framework
- how the Council manages its compliance with applicable laws, regulations, policies, procedures, codes, and contractual arrangements, and
- whether appropriate processes are in place to assess compliance.

11.2.4 Fraud and corruption

Review and advise the Council of the adequacy and effectiveness of the Council's fraud and corruption prevention framework and activities, including whether the Council has appropriate processes and systems in place to capture and effectively investigate fraud-related information.

11.2.5 Financial management

Review and advise the Council:

- if the Council is complying with accounting standards and external accountability requirements
- of the appropriateness of the Council's accounting policies and disclosures
- of the implications for the Council of the findings of external audits and performance audits and the Council's responses and implementation of recommendations
- whether the Council's financial statement preparation procedures and timelines are sound
- the accuracy of the Council's annual financial statements prior to external audit, including:
 - management compliance/representations
 - significant accounting and reporting issues
 - the methods used by the Council to account for significant or unusual transactions and areas of significant estimates or judgements
 - appropriate management signoff on the statements
- if effective processes are in place to ensure financial information included in the Council's annual report is consistent with signed financial statements
- if the Council's financial management processes are adequate
- the adequacy of cash management policies and procedures
- if there are adequate controls over financial processes, for example:

- appropriate authorisation and approval of payments and transactions
- adequate segregation of duties
- timely reconciliation of accounts and balances
- review of unusual and high value purchases
- if policies and procedures for management review and consideration of the financial position and performance of the Council are adequate
- if the Council grants and tied funding policies and procedures are sound.

11.2.6 Governance

Review and advise the Council regarding its governance framework, including the Council's:

- decision-making processes
- implementation of governance policies and procedures
- reporting lines and accountability
- assignment of key roles and responsibilities
- committee structure
- management oversight responsibilities
- human resources and performance management activities
- reporting and communication activities
- information and communications technology (ICT) governance, and
- management and governance of the use of data, information and knowledge

11.3 Improvement

11.3.1 Strategic Planning

Review and advise the Council:

- of the adequacy and effectiveness of the Council's integrated, planning and reporting (IP&R) processes
- if appropriate reporting and monitoring mechanisms are in place to measure progress against objectives, and
- whether the Council is successfully implementing and achieving its IP&R objectives and strategies.

11.3.2 Service reviews and business improvement

- Act as a forum for communication and monitoring of any audits conducted by external bodies and the implementation of corrective actions (for example, NSW government agencies, Commonwealth government agencies, insurance bodies)
- Review and advise the Council:
 - If the Council has robust systems to set objectives and goals to determine and deliver appropriate levels of service to the community and business performance
 - if appropriate reporting and monitoring mechanisms are in place to measure service delivery to the community and overall performance, and
 - how the Council can improve its service delivery and the Council's performance of its business and functions generally

11.3.3 Performance data and measurement

Review and advise the Council:

- if the Council has a robust system to determine appropriate performance indicators to measure the achievement of its strategic objectives
- if the performance indicators the Council uses are effective, and
- of the adequacy of performance data collection and reporting.

Minutes of the Audit, Risk and Improvement Committee Meeting of Central Tablelands Water held at Blayney, on Thursday, 8 February 2024, commencing at 1.05pm

Present

Donna Rygate	(Chairperson – Independent Member – Voting)
Ron Gillard	(Independent Member – Voting)
Cr. David Somerville	(Alternate - Council Member – Voting)
Gavin Rhodes	(General Manager – Observer)
Peter McFarlane	(Director Finance and Corporate Services – Observer)
Noel Wellham	(Director Operations and Technical Services – Observer)
Achal Deo	(Governance & Executive Support Officer – Secretariat)

1. WELCOME

The Chairperson opened the meeting at 1.05pm. A welcome was extended to Cr. Somerville for attending the meeting in place of Cr. Marlene Nash.

2. ACKNOWLEDGEMENT OF COUNTRY

The Chairperson gave an acknowledgement of country.

3. DECLARATIONS OF ANY CONFLICTS OF INTEREST

Ron Gillard submitted his standing declaration that he has relationships with Weddin Shire Council, Cowra Council and Blayney Shire Council via ARIC membership of those councils. It was noted that both Ron Gillard and Donna Rygate have now submitted completed disclosure of interest forms.

4. DECLARATION OF ANY UNETHICAL BEHAVIOURS REPORTED TO COUNCIL

Nil

5. APOLOGIES AND APPLICATIONS FOR A LEAVE OF ABSENCE BY MEMBERS

Apologies were received from Katy Henry from Intentus and Cr. Marlene Nash.

6. CONFIRMATION OF MINUTES – MEETING 22 NOVEMBER 2023

Moved: Ron Gillard

Seconded: Cr Somerville

RESOLVED:

That the Committee confirms the Audit, Risk and Improvement Committee meeting minutes held on 22 November 2023.

This is Page No. 1 of the Minutes of the Central Tablelands Water Audit, Risk and Improvement Committee Meeting held on 8 February 2024

7. RECENT DEVELOPMENTS

Moved: Cr. Somerville

Seconded: Ron Gillard

RESOLVED:

That the Committee receive and note the report on recent developments since the 22 November 2023 meeting.

Proceedings in brief : the major developments discussed were the Belubula Water Security Project, the completion of the 12 ML Reservoir at Carcoar Water Treatment Plant, the emergency renewal of Trunk Main C at Jacks Creek near Canowindra, and the \$150K funding from the Safe and Secure Water Program (SSWP) for CTW's Main Artery Pipeline Augmentation project. The SSWP funding is to support projects get to a tender ready stage.

8. FINANCIAL STATEMENT UPDATES

Moved: Ron Gillard

Seconded: Cr. Somerville

RESOLVED:

1. That the Committee note the proposed Audit Arrangements for 2024/25 and 2025/26.
2. That the report on Special Schedule 7 at 30 June 2023 be noted.

9. INTERNAL AUDIT STATUS REPORT AND ACTION PLAN

Moved: Cr. Somerville

Seconded: Ron Gillard

RESOLVED:

1. That the Committee note the report regarding progress on the actioning of Fraud Health Risk Assessment and Project Management Audit recommendations.
2. That the Committee note the update of the Risk Register in respect of Corporate matters noting that the Operations section of the register will be updated in time for the May meeting.

10. SUPERANNUATION UPDATE

Moved: Ron Gillard

Seconded: Cr. Somerville

RESOLVED:

That the Committee note that an ATO Ruling will be sought by Local Government NSW (LGOV) with respect to the applicability of superannuation to fees paid to independent ARIC members.

11. COUNCIL POLICY UPDATES

Moved: Cr. Somerville

Seconded: Ron Gillard

RESOLVED:

That the Committee note the draft Gifts and Benefits policy that will be presented to Council at the February meeting.

Director Operations & Technical Services left the meeting at 2.48pm.

12. NEW RISK MANAGEMENT AND INTERNAL AUDIT FRAMEWORK – DRAFT TRANSITION PLAN

Moved: Ron Gillard

Seconded: Cr. Somerville

RESOLVED:

That the Committee note the draft transition plan to implement the new guidelines.

Proceedings in brief: the transition plan matters discussed were adding an additional member to the Committee, Council member to become non voting, appointment of an internal Audit Co-ordinator, designing new terms of reference for the Committee and developing an Internal Audit Charter.

13. GENERAL BUSINESS

NIL

14. NEXT MEETING

The following ARIC meeting dates were confirmed for this year:

- 9th May, 2024
- 7th August, 2024 – Chairperson requested that this be an online meeting
- 14th November, 2024

Next Meeting: The next ARIC meeting of Central Tablelands Water will be held at the Darrell Sligar Centre at 110 Hills Lane, Blayney on 9th May at 11am.

There being no further business, the Chairperson declared the meeting closed at 2.56pm.

12.12) LAKE ROWLANDS CATCHMENT MANAGEMENT PLAN UPDATE (WS.SP.4)

Author: Director Operations & Technical Services
IP&R Link: Strategic Priority 1: Provide a high quality and reliable drinking water supply – 1.4.1: Develop and implement a catchment management plan for Lake Rowlands. – 1.4.3: Continue to review operational processes with the objective of further mitigating environmental impacts. – Strategic Priority 3: Regional leadership and collaboration

RECOMMENDATION:

That Council note the progress regarding the development of the Lake Rowlands Catchment Management Plan.

REPORT

As reported previously, during the development of CTW's 2022-2026 Delivery Program, mitigating environmental impacts of service delivery was identified by Council as a key priority area. Subsequently, the development and implementation of a catchment management plan for Lake Rowlands was proposed and supported as an activity for the key priority area.

The development of a catchment management plan for Lake Rowlands is currently in progress with the following aspects and aspirations being considered:

- Maintain and improve raw water quality
- Minimisation of future manganese issues
- Further engagement with upstream and downstream landholders
- Identification of native wildlife, vegetation, sensitive ecosystems, and communities
- Adequacy of flows above and below the dam for water quality and environmental purposes
- Identification of risks to raw water quality, including microbiological, chemical and physical

With the recent DPE Water notification that the Belubula Water Security Project (BWSP) Final Business Case (FBC) is proceeding via the draft Lachlan Regional Water Strategy, CTW will continue to collaborate with the BWSP team regarding studies being undertaken in and around the Lake Rowlands catchment (i.e. native wildlife, vegetation, sensitive ecosystems and communities). This will enable the sharing of information and reduce duplication in developing the plan.

CTW Senior Management have also recently engaged with WaterNSW who are undertaking a catchment management expert advisory program for interested local water utilities across NSW. This program is being funded by DCCEEW as a component of Phase 2 of the Town Water Risk Reduction Program (TWRRP). This will enable local water utilities to accelerate responses to audits to improve local dam safety and address water quality risks, leveraging the systems and expertise of WaterNSW.

Project Update

In following from earlier correspondence and discussions, CTW staff met with WaterNSW representatives from 4th to 6th of June 2024 as part of "Phase 1 – Discovery Phase," timeframed by WaterNSW to occur mid May until the end of July 2024.

Additional Phases, "Phase 2 – Risk Reduction Controls" and "Phase 3 - Resiliency & Capability Development" are timeframed for mid July to end of September 2024 and mid September to mid October 2024 respectively.

The itinerary of the recent visit (4-6 June) is summarised below:

Tuesday 4/6/24

- Site visit to Lake Rowlands with CTW staff, including Trunk Main A and Trunk Main X pipeline originates, plus upstream creeks flowing through villages of Barry and Neville.

Wednesday 5/6/24

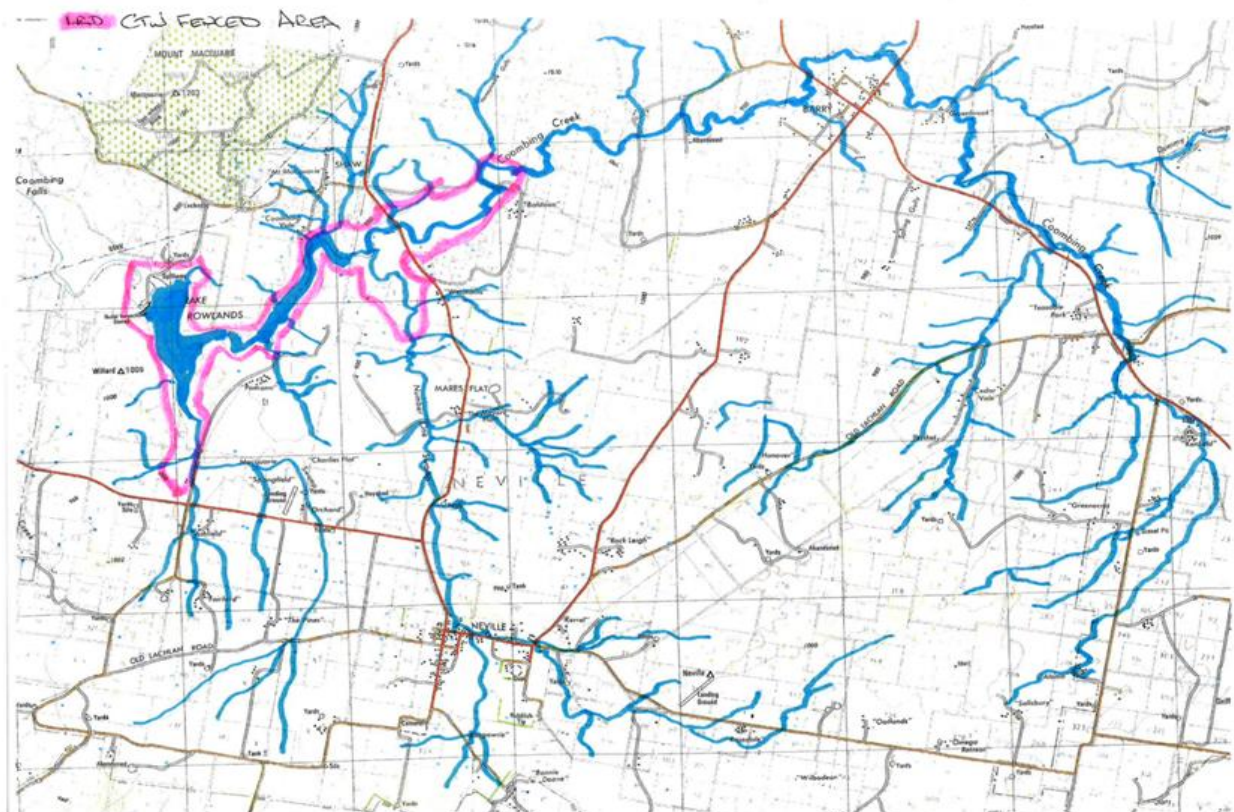
- Site visits to pipeline from Lake Rowlands - WTP, current WTP and future WTP site
- Site visit to Lake Rowlands Dam to provide backdrop for Channel 7 interview with CTW and WaterNSW representatives.
- CTW Office meeting in preparation for initial workshop – discussion with GM and DOTS.

Thursday 6/6/24

- Deliver initial Catchment Management Plan (CMP) workshop, attended by CTW staff (CTW Chairman, Management & Operational staff)

The initial CMP workshop consisted of various presentations including a personal presentation from Stuart Naylor relating directly to his involvement in the Greater Sydney Water Catchment Area management. It was reinforced that WaterNSW would apply the same consistencies when assisting CTW with the development of their CMP.

CTW has invited WaterNSW to provide a similar presentation to CTW Councillors as well as Blayney Councillors and the Blayney Community, as the management of private lands, as shown in below map, is outside of CTW's fenced areas, therefore outside of CTW's direct control.



BUDGET IMPLICATIONS

Operational Plan 2023/24

POLICY IMPLICATIONS

Water Quality Policy

ATTACHMENTS

Nil.

12.13) SUB-REGIONAL TOWN WATER STRATEGY UPDATE (WS.SP.4)

Author: Director Operations & Technical Services
IP&R Link: Strategic Priority 1: Provide a high quality and reliable drinking water supply – Strategic Priority 2: An efficient, sustainable and customer focused organisation – Strategic Priority 3: Regional leadership and collaboration – 3.1: Regional collaboration and partnerships – 3.1.4: Consider further regional water security pipeline linkages to form a Central-West water grid. – 3.1.5: Reach agreement with all other relevant water utilities on the governance, management and operation of regional water assets across LGA boundaries.

RECOMMENDATION:

That Council note the update report of the Sub-Regional Town Water Strategy.

REPORT**Background**

Cabonne Council (Cabonne) and CTW commissioned an assessment into potential opportunities to develop a more integrated approach to water supply across the footprint of the two organisations. This assessment also recognised that Orange City Council (OCC) has water supply connections in place to both the Cabonne and CTW networks, and so was included in considerations relating to a future regional water supply network.

Stage 1 Report - Strategic Water Review

A high-level Strategic Water Review across the operational areas of Cabonne, CTW and OCC water utilities was undertaken to identify potential opportunities for better integration of these water supply networks.

Development of a Sub-Regional Town Water Strategy (SRTWS)

A detailed evaluation of the options outlined in the Stage 1 Strategic Water Review Report is now being undertaken to fully understand the key issues associated with each option, with the aim of developing an overall action plan for delivery of each viable option in accordance with the DPE Regional Town Water Strategy (RTWS) framework.

The outcomes of this strategy will provide guidance for each individual LWUs strategic and long-term planning for water infrastructure, aligning with sub-regional objectives.

The three Councils, Cabonne, CTW and Orange, agreed to investigate development of a Sub-Regional RTWS (SRTWS) based on the outcomes of the Stage 1 investigations.

A Proposal to Proceed with the development of the SRTWS was submitted by the three Councils to DPE Water in July 2021. Formal approval was received from DPE Water on 10 August 2021, with the project being identified as “Safe and Secure Water Program – Cabonne, Orange and Central Tablelands Water Sub-Regional Town Water Strategy (SSWP270)”. Funding for the project was also approved subject to agreement of the project plan being approved by DPE Water.

Update of Progress

A Working Group Committee meeting was held on 29 May 2024 and was attended by the CTW GM, Cabonne Technical Director, Cabonne Water & Sewer Manager, Orange City Council (OCC) Utilities Manager, SRTWS Project (consultants), and DPE Water Regional Manager.

The SRTWS Project Manager provided an update on project tasks, outlining tasks completed and expected completion dates. Below is a summary of tasks and the status of those tasks:

Task 1: Collate data/review studies

Completion date: April 2023

Task 2a-b: Water demand analysis-base

Projected Completion date: July 2024

Primary project consultant to review their high-level water demand analysis following receipt of the more detailed assessment undertaken by secondary project consultant under tasks 2c-f.

Task 2c-f: Water demand analysis-optional

Projected Completion date: June 2024

Draft report from secondary project consultant was circulated to working group members for comment. Report to be finalised by 28 June.

Task 3: Water security analysis

Surface Water

Projected Completion Date: August 2024

OD Hydrology undertook water security analysis of additional surface water projects following the workshop in August 2023. Upon completion of the groundwater assessment a full regional water security analysis will then be completed, and scenarios assessed.

Groundwater

Projected Completion Date: August 2024

A detailed RFQ document was developed in collaboration with DCCEEW in December 2023.

An RFQ process was then run, with a closing date of late December 2023 to engage a consultant to undertake Task 3(c) Groundwater Water Security Analysis. Responses were received in late December from the following 4 organisations:

- CM Jewell
- GHD
- Reditus P/L
- Hydroilex

Following an initial evaluation the proposals were forwarded to DCCEEW in February 2024 for assessment by the Groundwater Management & Science (GMS) Group as required under the terms of the project funding deed.

An initial response was received in early April, with a request by GMS Group for further clarification from respondents. These were provided by 10 April and then forwarded onto the DCCEEW Groundwater Management & Science Group who provided final comments on 30 April.

The outcome of this process resulted in Chris Jewell being advised that he was the preferred consultant on 14 May. A start-up meeting was held on 16 May following which Chris Jewell provided the Information Request which has been circulated to all participating councils.

It is anticipated that this assessment will take approximately 3 months to complete, provided information from each LWU is forthcoming in a timely manner.

This would result in this phase of the project being completed by mid August 2024.

Task 4: Bulk Hydraulic Analysis

Projected Completion date: July 2024

This task is 95% complete.

Task 5: Water Quality Analysis

Projected Completion date: July 2024

Draft report from secondary project consultant has been circulated to participating councils for comment. Report to be finalised by 28 June 2024.

Task 6: Condition Review

Projected Completion date: July 2024

Primary project consultant have commenced this task, which they will progress over the next 1-2 months. CTW have recently undertaken asset management work which will be made available for this study.

Task 7: Options Identification

Projected Completion date: September 2024

Primary project consultant has collated an extensive list of potential projects which will be assessed once the water security assessment (task 3) has been completed.

A workshop to be held in late August, where the various options/scenarios can be assessed via a MCA process. The outcome of this workshop will inform the draft report which should be completed in late August for DCCEEW to review, with the aim of delivering the final report, including concurrence from DCCEEW, by the end of September 2024.

Next steps

The completion of the Groundwater Assessment is the last remaining major task to be completed.

In order to achieve the revised deadlines outlined above it is critical that all participating councils commit to the provision of as much of the information as requested by Chris Jewell in a timely and detailed manner.

It is likely that there will be some data gaps in the required groundwater information, which will impact on the reliability of these sources to address future water security. However, it is expected that the groundwater assessment will provide an overall indication of the relative value of groundwater supplies, which may result in some scenarios, which involve groundwater, requiring further investigation to verify reliability.

As outlined above the aim is to complete this project by the end of September 2024, however, notification was received from DCCEEW on 14 June that the funding agreement has been extended to 31 December 2025.

BUDGET IMPLICATIONS

Operational Plan 2023/24

POLICY IMPLICATIONS

Nil.

ATTACHMENTS

Nil.

12.14) PERFORMANCE OF COUNCIL'S SYSTEMS (WS.MO.4)

Author: Director Operations & Technical Services
IP&R Link: Strategic Priority 1: Provide a high quality and reliable drinking water supply – Strategic Priority 2: An efficient, sustainable and customer focused organisation – 2.1.3: Review and update levels of service and report on performance.

RECOMMENDATION:

That Council note the information in the report.

REPORT

FROM 1/4/2024 to 31/5/2024

a) *Main Breaks*

	Location	Date	Size / Type	Comment
Carcoar	TMB – Coombing Park	03/04/2024	250mm	R&RP
Carcoar	Naylor St - Bridge	19/04/2024	120mm	DNR
Blayney	Doust St	12/05/2024	100mm	DNR
Blayney	Mitchell St	28/05/2024	150mm	DNR
Canowindra	TMC – Belubula Way	10/04/2024	75mm	Weld
Eugowra	Cnr Loftus & Park St	11/04/2024	100mm	R&RP
Eugowra	Meadow Bank Rd	23/04/2024	90mm	DNR
Canowindra	Trajerie Pump Station	05/05/2024	50mm	Weld
Nyrang Creek	Glenrowan	15/05/2024	100mm	R&RP
Canowindra	TMC - Jacks Creek	23/05/2024	263mm	Weld
Canowindra	TMC – Belubula Way	30/05/2024	263mm	R&RP



Notes

1. CTW Mains (Trunk & Retic) Break score of 11/573km == 1.91/100km.

Rolling Value across 12mths = 5.58/100km which is lower than the 2017-18 NSW State Median benchmark of 9.0 breaks/100km.

b) Service Activities and Requests

ACTIVITIES	THIS PERIOD					Total Meters
	2021	2022	2023	2024	% of Total meters	
BLAYNEY	22	29	22	28	1.85%	1511
CHECK METER READING	1	2	0	2	0.13%	
CUSTOMER DAMAGED METER	1	0	0	0	0.00%	
DIRTY WATER COMPLAINT	0	1	0	1	0.07%	
HYDRANT LEAKING	0	3	0	0	0.00%	
LEAKING METER	9	13	9	8	0.53%	
LEAKING SERVICE	3	2	2	4	0.26%	
LOW PRESSURE COMPLAINT	0	1	1	2	0.13%	
MAIN BREAK	1	1	0	0	0.00%	
MAINTENANCE - GENERAL	4	6	2	6	0.40%	
METER NEW / REPLACEMENT	3	0	7	3	0.20%	
METER NOT SHUTTING OFF	0	0	1	1	0.07%	
QUALITY COMPLAINT	0	0	0	1	0.07%	
Total Complaints = 4						

ACTIVITIES	THIS PERIOD					Total Meters
	2021	2022	2023	2024	% of Total meters	
CANOWINDRA	27	13	21	32	2.78%	1152
CHECK METER READING	0	1	2	0	0.00%	
DIRTY WATER COMPLAINT	0	0	0	0	0.00%	
HYDRANT LEAKING	0	0	0	0	0.00%	
LEAKING METER	1	3	6	8	0.69%	
LEAKING SERVICE	4	1	5	13	1.13%	
LOW PRESSURE COMPLAINT	0	1	0	0	0.00%	
MAIN BREAK	3	5	0	1	0.09%	
MAINTENANCE - GENERAL	5	1	6	5	0.43%	
METER NEW / REPLACEMENT	8	0	0	2	0.17%	
METER NOT SHUTTING OFF	1	0	1	2	0.17%	
METER SPECIAL METER READING	5	0	0	0	0.00%	
NO WATER COMPLAINT	0	1	1	1	0.09%	
QUALITY COMPLAINT	0	0	0	0	0.00%	
Total Complaints = 1						

ACTIVITIES	THIS PERIOD					Total Meters
	2021	2022	2023	2024	% of Total meters	
CARCOAR	2	0	1	3	2.22%	135
CHECK METER READING	0	0	1	0	0.00%	
LEAKING METER	2	0	0	0	0.00%	
LEAKING SERVICE	0	0	0	2	1.48%	
MAIN BREAK	0	0	0	0	0.00%	
METER NOT SHUTTING OFF	0	0	0	1	0.74%	
NO WATER COMPLAINT	0	0	0	0	0.00%	
Total Complaints = 0						

ACTIVITIES	THIS PERIOD					Total Meters
	2021	2022	2023	2024	% of Total meters	
CARGO	3	1	0	1	0.60%	167
LEAKING METER	2	0	0	0	0.00%	
LEAKING SERVICE	1	0	0	0	0.00%	
MAIN BREAK	0	1	0	0	0.00%	
NO WATER COMPLAINT	0	0	0	1	0.60%	
Total Complaints = 1						

ACTIVITIES	THIS PERIOD					Total Meters
	2021	2022	2023	2024	% of Total meters	
CUDAL	6	3	2	10	4.13%	242
CHECK METER READING	0	0	0	0	0.00%	
LEAKING METER	1	2	0	2	0.83%	
LEAKING SERVICE	0	0	2	6	2.48%	
MAIN BREAK	0	1	0	0	0.00%	
MAINTENANCE - GENERAL	0	0	0	1	0.41%	
METER NEW / REPLACEMENT	5	0	0	1	0.41%	
METER NOT SHUTTING OFF	0	0	0	0	0.00%	
Total Complaints = 0						

ACTIVITIES	THIS PERIOD					Total Meters
	2021	2022	2023	2024	% of Total meters	
EUGOWRA	3	4	18	6	1.54%	390
BURST METER	0	0	1	0	0.00%	
CHECK METER READING	0	0	0	1	0.26%	
CUSTOMER DAMAGED SERVICE	0	0	0	0	0.00%	
HYDRANT LEAKING	0	0	0	1	0.26%	
LEAKING SERVICE	1	2	0	0	0.00%	
LOW PRESSURE COMPLAINT	0	0	1	0	0.00%	
MAIN BREAK	0	1	1	0	0.00%	
MAINTENANCE – GENERAL	0	0	7	2	0.51%	
METER NEW / REPLACEMENT	1	1	5	1	0.26%	
METER NOT SHUTTING OFF	1	0	2	1	0.26%	
NO WATER COMPLAINT	0	0	1	0	0.00%	
Total Complaints = 0						

ACTIVITIES	THIS PERIOD					Total Meters
	2021	2022	2023	2024	% of Total meters	
GRENFELL	10	15	19	29	2.14%	1354
BURST METER	0	1	0	0	0.00%	
CHECK METER READING	0	2	1	6	0.44%	
DIRTY WATER COMPLAINT	0	0	0	0	0.00%	
HYDRANT LEAKING	0	0	1	0	0.00%	
LEAKING METER	4	7	9	4	0.30%	
LEAKING SERVICE	2	0	1	7	0.52%	
MAINTENANCE – GENERAL	2	2	0	0	0.00%	
METER NEW / REPLACEMENT	2	2	6	7	0.52%	
METER NOT SHUTTING OFF	0	0	1	4	0.30%	
QUALITY COMPLAINT	0	0	0	1	0.07%	
Total Complaints = 1						

ACTIVITIES	THIS PERIOD					Total Meters
	2021	2022	2023	2024	% of Total meters	

LYNDHURST	1	1	0	4	1.85%	162
LEAKING METER	0	1	0	3	1.85%	
LEAKING SERVICE	0	0	0	0	0.00%	
LOW PRESSURE COMPLAINT	0	0	0	0	0.00%	
MAINTENANCE – GENERAL	1	0	0	0	0.00%	
METER NEW / REPLACEMENT	0	0	0	1	0.75%	
Total Complaints = 0						

ACTIVITIES	THIS PERIOD					Total Meters
	2021	2022	2023	2024	% of Total meters	
MANDURAMA	3	3	1	2	0.00%	134
CHECK METER READING	0	0	0	1	0.75%	
LEAKING METER	0	1	0	0	0.00%	
LEAKING SERVICE	2	0	1	0	0.00%	
LOW PRESSURE COMPLAINT	0	1	0	0	0.00%	
MAINTENANCE – GENERAL	0	0	0	1	0.75%	
METER NEW / REPLACEMENT	1	1	0	0	0.00%	
Total Complaints = 0						

ACTIVITIES	THIS PERIOD					Total Meters
	2021	2022	2023	2024	% of Total meters	
MANILDRA	9	3	3	3	1.05%	285
CUSTOMER DAMAGED MAIN	0	0	0	0	0.00%	
HYDRANT LEAKING	0	0	1	0	0.00%	
LEAKING METER	0	0	0	0	0.00%	
LEAKING SERVICE	3	0	0	1	0.35%	
MAIN BREAK	3	0	1	0	0.00%	
MAINTENANCE – GENERAL	0	2	0	1	0.35%	
METER NEW / REPLACEMENT	3	1	0	1	0.35%	
NO WATER COMPLAINT	0	0	1	0	0.00%	
Total Complaints = 0						

ACTIVITIES	THIS PERIOD					Total Meters
	2021	2022	2023	2024	% of Total meters	
MILLTHORPE	2	7	4	3	0.43%	463
BURST METER	0	1	0	0	0.00%	
CHECK METER READING	0	0	2	1	0.22%	
LEAKING METER	0	1	0	1	0.22%	
LEAKING SERVICE	0	2	1	1	0.22%	

LOW PRESSURE COMPLAINT	0	0	1	0	0.00%	
MAIN BREAK	0	1	0	0	0.00%	
MAINTENANCE - GENERAL	1	2	0	0	0.00%	
METER NOT SHUTTING OFF	0	0	0	0	0.00%	
METER SPECIAL METER READING	1	0	0	0	0.00%	
PATHCOCK FAILURE	0	0	0	0	0.00%	
Total Complaints = 0						

ACTIVITIES	THIS PERIOD					Total Meters
	2021	2022	2023	2024	% of Total meters	
QUANDIALLA	2	2	0	0	0.00%	101
BURST METER	1	0	0	0	0.00%	
CHECK METER READING	0	1	0	0	0.00%	
LEAKING METER	1	0	0	0	0.00%	
LEAKING SERVICE	0	0	0	0	0.00%	
METER NEW / REPLACEMENT	0	1	0	0	0.00%	
Total Complaints = 0						
TOTAL ACROSS CTW TOWNSHIPS						
	90	81	91	121	1.49%	6096

Notes:

1. Comparison values listed each year use data from the period covering the same months of the year i.e. April and May.
2. Total Meters is the number of meters connected to properties.
3. CTW complaint rolling value score across 12mths == 5.58, which is slightly higher than the 2017/18 NSW State median of 5.0 complaints/1000 connections.
4. CTW Total Service Activities and Requests score == 1.49%, which is below CTW benchmark of 5% across all townships.

c) *Lake Rowlands*

The current level of Lake Rowlands Dam is 99% (13.6.24) with the Dam’s scour valve closed.

d) *Water Services*

Since 1st May 2024, there have been an additional ten (10) new domestic water services connected to, and one (1) water meter disconnected from Council’s mains.

e) *Water transfer through CTW ⇔ OCC pipeline*

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

BUDGET IMPLICATIONS

Nil.

POLICY IMPLICATIONS

Nil.

ATTACHMENTS

Nil.

12.15) MAINTENANCE OF COUNCIL'S SYSTEMS (WS.MO.4)

Author: Director Operations & Technical Services
IP&R Link: Strategic Priority 1: Provide a high quality and reliable drinking water supply – 1.1.2: Review, update and implement existing maintenance program. – 1.1.4: Undertake regular water meter replacement program. – 1.5: Efficient use of water

RECOMMENDATION:

That Council note the information in the General Report.

REPORT**GENERAL REPORT**

- a) Meter Reading
The last meter read for the 2023-24 financial year commenced in accordance with CTW's meter reading schedule.
- b) Meter Change Program
There have been fifty six (56) water meter changes since the previous reporting period.
- c) Water Filtration Plants & Associated Ancillary Plants
Blayney Water Treatment Plant (BWTP) and Carcoar Water Treatment Plant (CWTP) has maintained their full operational performance. BWTP Fluoride package plant has maintained its full operational performance. CWTP Fluoride package plant was returned to service after gearbox and feeder repairs where completed. BWTP and CWTP Chlorination package plants have maintained their full operational performance.
- d) Pump Stations
Cleaning of pump stations listed under general maintenance has continued throughout the supply network over the past months.
- e) Drinking Water Quality
There have been no reportable incidences of exceeding CTW's Critical Control Points for the delivery of drinking water from CTW's Water Treatment Plants.
- f) Trunk Mains
Ongoing telemetry monitoring of Trunk Mains continue as part of daily observations. Network Operator inspections continue to be hampered due to restricted staff resources and higher priority works.
- g) Hydrants
Ongoing inspections and maintenance requirements have continued throughout towns on the CTW supply network during the previous three months.
- h) Rural Scheme renewals
No renewals have been undertaken for this 2023-24 financial year.

i) Reticulation main renewals

Reticulation mains renewal has continued in the South Canowindra area.

BUDGET IMPLICATIONS

Nil.

POLICY IMPLICATIONS

Nil.

ATTACHMENTS

Nil.

12.16) WATER LOSS MANAGEMENT INITIATIVE (WS.MO.4)

Author: Director Operations & Technical Services
IP&R Link: Strategic Priority 1: Provide a high quality and reliable drinking water supply – 1.5: Efficient use of water – 1.1: Service provision through fit for purpose infrastructure – 1.1.2: Review, update and implement existing maintenance program. – Strategic Priority 3: Regional leadership and collaboration – 3.1: Regional collaboration and partnerships – 3.1.1: Work closely with Central NSW Joint Organisation (CNSWJO) including the Water Utilities Alliance (CWUA) for the continued delivery of safe and secure quality drinking water for the region.

RECOMMENDATION:

That Council note the information in the report.

REPORT

Central Tablelands Water (CTW) has engaged with the Central NSW Joint Organisation (CNSWJO) to be part of a Water Loss Management Initiative Program, in which grant funding can be used to assist with purchasing appropriate materials.

CTW has nominated a combination of high pressure meter units that will be suitable for monitoring Trunk Main flows as well as lower pressure meter units that will be suitable for monitoring Reservoir outflows. All new meter units selected will integrate with CTW's telemetry system to provide values of instantaneous flowrates (litres/second), continuous quantity value (ML/KL) and daily totalising (ML/day).

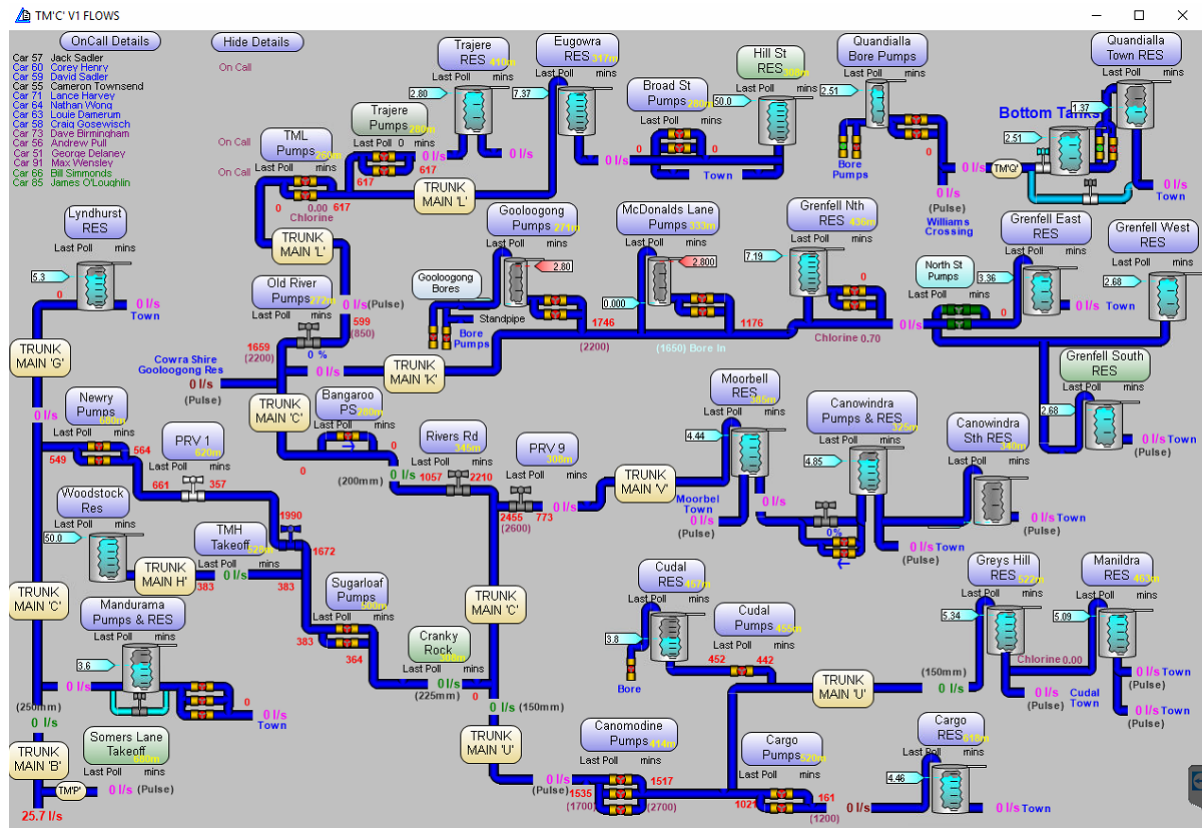
CTW has been successful in obtaining grants totaling \$58,405.00 to date. However, CTW believes an expansion of these meter units throughout the entire network system will provide multiple benefits when merged with the current telemetry system.

CTW has taken possession of three (3) high pressure meters, with the remaining two (2) high pressure meters and four (4) low pressure meters known to be in transit.

Two of the high pressure meters, including a new Solar telemetry station, have been installed at Jacks Creek crossing with the third high pressure meter being installed at Bangaroo Pump Station. These sites, along with an additional four (4) low pressure sites are planned to be installed and commissioned by the end of June 2024.

An additional nineteen (19) low pressure meters are also on track for delivery by end of June 2024, which will position CTW to make an additional claim on any remaining grant money not spent by other participants of the project.

All planned sites are shown in the below diagram, where new telemetry sites are shown in green, high pressure Trunk Main meters are shown in green and low pressure meters are shown in pink.



BUDGET IMPLICATIONS

Nil.

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil.

13. QUESTIONS ON NOTICE

(General Manager)

No questions on notice were received.

ATTACHMENTS

Nil

14. CONFIDENTIAL MATTERS

RECOMMENDATION:

That, as the business for the Ordinary Meeting has now concluded, Council Proceed into Committee of the Whole to discuss the items referred to in the report

14.1) DEED WITH A NEIGHBOURING PROPERTY OWNER AT LAKE ROWLANDS (WS.SP.4)

This matter is considered to be confidential under Section 10A(2) (a) of the Local Government Act, as it deals with personnel matters concerning particular individuals.