



**Central
Tablelands
Water**

Business Paper

**Ordinary Meeting of
Central Tablelands Water**

20 August 2024

Blayney



Thursday, 15 August 2024

Notice to Members

Your attendance is requested at an Ordinary Meeting of Council to be held at the Darrell Sligar Centre, Blayney on Tuesday, 20 August 2024 at 2pm.

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

Graeme Haley
Acting 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 TUESDAY 20 AUGUST 2024

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12. REPORTS OF STAFF

12.1) LOCAL GOVERNMENT NSW ANNUAL CONFERENCE 2024 (CM.CF.1)

Author: Acting General Manager

IP&R Link: Strategic Priority 3: Regional leadership and collaboration – 3.1: Regional collaboration and partnerships – 3.2: Regional Leadership in the Water Sector – 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. Give approval for the Chairperson, Deputy Chairperson, General Manager and any other interested councillor(s) to attend the 2024 Local Government NSW Annual Conference in Tamworth, from 17 to 19 November 2024.

REPORT

The Local Government NSW Annual Conference is to be held at the Tamworth Regional Entertainment and Conference Centre from Sunday 17 November to Tuesday 19 November 2024.

Central Tablelands Water is an associate member of Local Government NSW (LGNSW). LGNSW is an independent organisation that exists to serve the interests of New South Wales general and special purpose councils.

LGNSW's objective is to strengthen and protect an effective, democratic system of Local Government across NSW by supporting and advocating on behalf of member councils and delivering a range of relevant, quality services.

This Conference is the annual policy-making event for NSW general-purpose councils, associate members and the NSW Aboriginal Land Council. It is the pre-eminent event of the local government year where local councillors come together to share ideas, debate issues, and work towards a better future in a post-COVID NSW.

All NSW councils, regional, country and metropolitan, meet from across the state, inclusive of mayors, councillors, general managers and senior staff.

In past years, the Chairperson, Deputy Chairperson, Councillors and General Manager have attended the annual LGNSW Conference, and it is expected that Council would again be represented at the 2024 Annual Conference of LGNSW.

As early bird registrations for this conference close on 27 September, the general manager is seeking interest from those councillors who would like to attend the conference. By completing the conference registrations early, a saving of \$370 per registration can be achieved.

Each year, LGNSW members submit a range of motions to the Annual Conference.

These motions relate to strategic local government issues affect members state-wide and introduce new or emerging policy issues. They are debated and resolved by conference delegates, with successful resolutions guiding LGNSW's advocacy priorities for the year ahead.

Members are encouraged to submit motions to the Annual Conference by Friday 16 August 2024 to allow for preparation of the Business Paper before the conference. Under the LGNSW Rules, the latest date motions can be accepted for inclusion in the business paper is Sunday 20 October 2024.

As attendees to past conferences will be aware, it is usually possible to consider a maximum of about 100 motions during conference debate. With 128 councils across NSW, as well as county councils and other related organisations, it can be challenging if members submit a large number of motions. LGNSW is asking members to submit only their highest priority motions for debate.

More information on submitting motions is available on the LGNSW website

Further information regarding the conference is available via the following web address:

<https://lgnswconference.org.au/>

BUDGET IMPLICATIONS

Operational Plan FY24/25.

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil.

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

Author: Acting General Manager
IP&R Link: Strategic Priority 3: Regional leadership and collaboration – 3.1: Regional collaboration and partnerships – 3.2: Regional Leadership in the Water Sector

RECOMMENDATION:

That Council note the report regarding the LGNSW Water Management Conference 2024.

REPORT

The Chairman, Deputy Chairman, Cr Somerville, the General Manager and the Director of Operations and Technical Services attended the 2024 LGNSW Water Management Conference in Goulburn from 24 July to 26 July 2024.

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. It also assists delegates to learn about the latest technical innovations and to share best practice knowledge in water governance and management.

The conference opening address was given by the LGNSW Chief Executive, Scott Phillips, followed by a pre-recorded message from the Federal Minister for the Environment and Water, Tanya Plibersek MP, and a personal address by NSW Minister for Water, Rose Jackson MLC. The NSW Shadow Minister for Water, Steph Cooke MP also attended and addressed delegates at the conference, emphasising her commitment to supporting local water utilities and the importance of utilities remaining under local government ownership.

Conference program highlights included presentations and discussions on the following:

- water loss management – a regional hub approach;
- how metering compliance improves water security: insights from the NSW regulator;
- Mid Coast Council's energy transition;
- planning for future drought with rainfall independent water supplies;
- harmonising risks: an all-hazards approach to strategic risk management and regional resilience;
- regional NSW local water utilities improving water literacy, water awareness and water efficiency through collaboration;
- DCCEEW's competency benchmark for local water utility operators;
- fire and water: addressing water quality challenges in Brogo-Bermagui;

- progressing stormwater harvesting in Orange; and
- Site visits enabled Goulburn/Mulwaree Council to showcase its infrastructure, old and new, including Goulburn Historic Waterworks Museum, Wastewater Treatment Plant, and Water Treatment Plant.

The conference was also a great opportunity to network with fellow water industry colleagues and see the latest technology in water management.

One of the highlights of the conference occurred at the official conference dinner, where Central Tablelands Water was announced as the winner of the Sam Samra Award as the most improved Local Water Utility in the State. This award reflects well on the Council as a whole, including the Board, Senior Management Team, office staff and field staff.

Albury City Council will be hosting the 2025 LGNSW Water Management Conference in September 2025.

BUDGET IMPLICATIONS

Operational Plan 24/25

POLICY IMPLICATIONS

Nil

ATTACHMENTS

- 1 Sam Samra Award



12.3) COUNCIL DECISION-MAKING PRIOR TO SEPTEMBER 2024 LOCAL GOVERNMENT ELECTIONS (CM.PL.1)

Author: Acting General Manager
IP&R Link: – 1.2: Compliance and Regulation

RECOMMENDATION:

That Council:

1. Note the Report

REPORT

Clause 393B of the Local Government (General) Regulation 2005 limits councils' ability to exercise some of their functions in the four weeks preceding the date of a local government election (the caretaker period).

Councils are expected to assume a "caretaker" role during election periods to ensure that major decisions are not made which would limit the actions of an incoming council.

- (1) *The following functions of a council must not be exercised by the council, or the general manager or any other delegate of the council (other than a Joint Regional Planning Panel, the Central Sydney Planning Committee or a local planning panel), during a caretaker period—*
 - (a) *entering a contract or undertaking involving the expenditure or receipt by the council of an amount equal to or greater than \$150,000 or 1% of the council's revenue from rates in the preceding financial year (whichever is the larger),*
 - (b) *determining a controversial development application, except where—*
 - i. *a failure to make such a determination would give rise to a deemed refusal under the Environmental Planning and Assessment Act 1979, section 8.11(1), or*
 - ii. *such a deemed refusal arose before the commencement of the caretaker period,*
 - (c) *the appointment or reappointment of a person as the council's general manager (or the removal of a person from that position), other than—*
 - i. *an appointment of a person to act as general manager under section 336(1) of the Act, or*
 - ii. *a temporary appointment of a person as general manager under section 351(1) of the Act.*
- (2) *Despite subsection (1), such a function may be exercised in a particular case with the consent of the Minister.*

Central Tablelands Water does not levy rates, so the implications of point (a) above are unclear. It would be prudent to apply the 1% limitation mentioned, to water sales (CTW's primary source of funds).

It is interesting to note that the regulation controlling tendering in Local Government has, in recent years, increased the tender threshold to \$250,000, this regulation has not been amended to match.

Central Tablelands Water is not a Determining Authority for Planning Purposes, so point (b) above does not apply.

The caretaker period for the September 2024 local government elections commences on Friday 16 August 2024 and ends on Saturday 14 September 2024.

BUDGET IMPLICATIONS

Nil.

POLICY IMPLICATIONS

N/A

ATTACHMENTS

Nil.

12.4) DELIVERY PROGRAM PROGRESS REPORT (FM.PL.1)

Author: Acting 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 Delivery Program 2022-2026 progress report as at June 2024.

REPORT

This report relates to and provides information regarding Council's progress in achieving the strategic outcomes prescribed in Council's Integrated Planning and Reporting Delivery Program 2022-2026. It provides information on the performance of Council's strategic objectives in a streamlined summary aligned directly with Council's Delivery Program 2022-2026.

In accordance with Section 404(5) of the *Local Government Act 1993*, the General Manager must ensure that regular reports are provided to Council as to progress with respect to the achievement of the principal activities detailed in the Delivery Program.

This report has been compiled in consultation with management and staff.

A copy of the Delivery Program Progress Report as at June 2024 is attached for information.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

- 1 DELIVERY PROGRAM PROGRESS REPORT JUNE 2024






CTW DELIVERY PROGRAM PROGRESS REPORT AS AT JUNE 2024

Traffic Lights Progress Key Indicator:





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

STRATEGIC PRIORITY 1

PROVIDING A HIGH QUALITY AND RELIABLE DRINKING WATER SUPPLY

KEY RESULT AREA – 1.1 SERVICE PROVISION THROUGH FIT FOR PURPOSE INFRASTRUCTURE								
DP REF.	ACTIVITY	PERFORMANCE MEASURE	22/23	23/24	24/25	25/26	COMMENTS	PROGRESS INDICATOR
1.1.1	Deliver capital works program based on asset management data.	Capital works milestones delivered	x	x	x	x	The Capital Works program is progressing. Stage 1 Reticulation mains renewals in Millthorpe and Canowindra are complete. Stage 2 Reticulation mains renewals are complete. Carcoar Water Treatment Plant's 12ML Clear Water Tank is complete. Tidyup works for Woodstock Pump Station is complete. Canomodine Pump Station refurbishment is complete, except for a modified floor plate expected completion September 2024.	
1.1.2	Review, update and implement maintenance program.	Maintenance program is delivered	x	x	x	x	CTW develops a maintenance program based on operational needs and asset condition on an annual basis.	
1.1.3	Develop and implement backflow prevention program.	Program is in place	x	x	x	x	Program is being finalised. Backflow devices have been fitted with QR coded tags to enable and give advanced warning of 12 month testing requirement.	
1.1.4	Undertake regular water meter replacement program.	Program is in place	x	x	x	x	Meter replacement program when the meter is above 7,500 kL is ongoing. Smart meters are being rolled out into areas of safety concerns i.e. 100km zones etc.	
1.1.5	Consider potential use of CTW's existing underutilised groundwater sources.	Water quality analysis undertaken.			x		To be delivered in FY24/25.	

CTW DELIVERY PROGRAM PROGRESS REPORT AS AT JUNE 2024

KEY RESULT AREA – 1.2 ENSURE COMPLIANCE WITH REGULATION								
DP REF.	ACTIVITY	PERFORMANCE MEASURE	22/23	23/24	24/25	25/26	COMMENTS	PROGRESS INDICATOR
1.2.1	Review and update CTW's Drinking Water Management System (DWMS).	DWMS updated in accordance with NSW Health DWMS guidelines.	x	x	x	x	Drinking Water Management System is reviewed and updated on an annual basis. An independently facilitated workshop was held in November 2022 with CTW's Water Quality staff and Senior Management to review the current DWMS. A strategic Water Treatment and DWMS workshop for the CTW Board was held October/November 2023. Final review completed.	
1.2.2	Inform and involve our customers and regulators about projects, programs and other activities.	Issuing of media releases and notification via social media. Performance monitoring reporting.	x	x	x	x	Notification regarding projects and programs are provided via CTW's website, facebook page, public notices in local newspapers, newsletters, householder pamphlets, local radio and television.	
1.2.3	Undertake strategic reviews of water treatment facilities.	Reviews completed	x	x			An independently facilitated workshop was held in late November 2022 with CTW's Water Quality staff, Senior Management, NSW Health and DPE Water to review the current water treatment facilities. A strategic Water Treatment and DWMS workshop for the CTW Board was held October/November 2023.	
1.2.4	Undertake regular water sampling programs in accordance with NSW Health DWMS guidelines.	Program ongoing with NSW Health DWMS.	x	x	x	x	Council has an extensive water quality sampling program in place which enables Council to meet regulatory water quality compliance requirements.	

CTW DELIVERY PROGRAM PROGRESS REPORT AS AT JUNE 2024

KEY RESULT AREA – 1.3 BEST PRACTICE ASSET MANAGEMENT								
DP REF.	ACTIVITY	PERFORMANCE MEASURE	22/23	23/24	24/25	25/26	COMMENTS	PROGRESS INDICATOR
1.3.1	Assets are managed strategically, using whole of life methodology to improve delivery of services and financial management	Asset management system in place	x	x	x	x	Revised Asset Management Plan adopted in June 2022.	
1.3.2	Review and update Integrated Water Cycle Management Plan (IWCM) in accordance with applicable regulatory best practice guidelines.	IWCM reviewed, updated and implemented in accordance with guidelines		x	x		CTW is participating in the CNSWJO Pilot IP&R project for the potential transition from IWCM Planning to the IP&R framework for Local Water Utilities strategic planning.	
1.3.3	Review and update strategic business plan (SBP) in accordance with applicable regulatory best practice guidelines.	SBP reviewed and updated in accordance with applicable regulatory guidelines.	x	x	x		CTW is participating in the CNSWJO Pilot IP&R project for the potential transition from IWCM Planning to the IP&R framework for Local Water Utilities strategic planning.	
KEY RESULT AREA – 1.4 MITIGATE ENVIRONMENTAL IMPACTS OF SERVICE DELIVERY								
DP REF.	ACTIVITY	PERFORMANCE MEASURE	22/23	23/24	24/25	25/26	COMMENTS	PROGRESS INDICATOR
1.4.1	Develop and implement a catchment management plan for Lake Rowlands.	Catchment management plan has been developed and implemented.	x	x	x	x	CTW is working in conjunction with Water NSW to develop a catchment management plan for Lake Rowlands. Water sampling will be undertaken during 24/25 & 25/26.	
1.4.2	Review and update Renewable Energy Action Plan (REAP) including solar and battery optimisation projects.	REAP reviewed and updated. Renewable energy projects delivered.	x		x		SMT are continuing to work with industry experts and the CNSWJO with a focus on solar and storage sites. Solar works have been commissioned at Canomodine Pump Station and Carcoar Water Treatment Plant sites allowing assessment of their performance to guide CTW to provide further recommendations of future installations within CTW's network.	
1.4.3	Continue to review operational processes with the objective of further mitigating environmental impacts.	Evidence of continuous improvement. Operational process efficiencies realised.	x	x	x	x	CTW's operational processes will continue to be reviewed to mitigate environmental impacts. Recommendations resulting from DPE inspections i.e. Chlorine injection system upgrades to Quandialla, Greys Hill, TM'L' Booster and Gooloogong Bore sites have been implemented.	

CTW DELIVERY PROGRAM PROGRESS REPORT AS AT JUNE 2024






KEY RESULT AREA – 1.5 EFFICIENT USE OF WATER								
DP REF.	ACTIVITY	PERFORMANCE MEASURE	22/23	23/24	24/25	25/26	COMMENTS	PROGRESS INDICATOR
1.5.1	Provide customers with regular and current information regarding how to use water wisely.	Number of water wise updates issued via social media and newsletters.	x	x	x	x	Water saving and monitoring measures are provided via CTW's website, newsletters, television advertising and Smart Water Mark.	
1.5.2	Develop and promote a source to tap educational program for schools in the water supply area.	Number of schools the educational program is delivered to in the supply area.	x	x	x	x	Source to tap educational program options are to be discussed with Smart Water Mark as part of membership. CTW water bottles are being rolled-out to all Primary Schools in the CTW supply area. This roll-out commenced in August 2023.	

STRATEGIC PRIORITY 2

AN EFFICIENT, SUSTAINABLE AND CUSTOMER FOCUSED ORGANISATION

KEY RESULT AREA – 2.1 QUALITY CUSTOMER SERVICE								
DP REF.	ACTIVITY	PERFORMANCE MEASURE	22/23	23/24	24/25	25/26	COMMENTS	PROGRESS INDICATOR
2.1.1	Review and update community/stakeholder engagement strategy.	Strategy has been reviewed and updated	x		x		A Community Engagement Strategy was adopted by Council in December 2020. This existing strategy will be reviewed over the next 6 months.	
2.1.2	Undertake customer satisfaction survey.	Survey is completed and feedback being used to improve performance	x		x		Customer satisfaction survey completed by independent research company in March 2019. The next customer satisfaction survey will be conducted during November/December 2024.	
2.1.3	Review and update levels of service and report on performance.	Levels of services reviewed and updated. Regular reporting of performance.	x	x	x	x	DPE Water LWU Annual Performance Monitoring reporting to be completed by the end of September 2024. Reporting templates for 23/24 have been provided by DPE Water for input. A capability review of CTW's Asset Software System to enable monitoring and reporting of CTW's LOS is currently underway.	
2.1.4	Provide regular updates to stakeholders and customers regarding projects and works	Number of updates issued via social media and newsletters.	x	x	x	x	Updates regarding CTW projects and works will continue to be provided via CTW's website, Facebook page and newsletters.	

CTW DELIVERY PROGRAM PROGRESS REPORT AS AT JUNE 2024

KEY RESULT AREA – 2.2 SOUND FINANCIAL MANAGEMENT								
DP REF.	ACTIVITY	PERFORMANCE MEASURE	22/23	23/24	24/25	25/26	COMMENTS	PROGRESS INDICATOR
2.2.1	Review and update long term financial plan (LTFP).	LTFP reviewed and updated annually	x	x	x	x	LTFP adopted June 2024. Reviews are undertaken during the Quarterly Budget Review process.	
2.2.2	Review schedule of fees and charges as part of the annual operational plan development for endorsement and adoption by council.	Annual Fees & Charges adopted by Council.	x	x	x	x	2024/25 Fees & Charges adopted June 2024. A review of the annual fees and charges for FY25/26 to be undertaken in March/April.	
2.2.3	Collaborate with constituent councils in the review and update of the Development Servicing Plan (DSP) in accordance with applicable guidelines.	DSP review and update completed in accordance with guidelines. DSP implemented.				x	To be reviewed and updated in 25/26.	
2.2.4	Explore additional revenue stream opportunities.	New income identified	x	x	x	x	Additional revenue stream opportunities explored on a continuous basis.	
2.2.5	Secure grant funding where available to support the delivery and development of services and infrastructure.	Grant funding applications successful	x	x	x	x	Grant funding opportunities continue to be advocated for where available. CTW's Main Artery Pipeline Augmentation project proposal was successful and is now being progressed. Disaster recovery funding was declined. CTW is active in sourcing further grant funding opportunities as they arise.	

CTW DELIVERY PROGRAM PROGRESS REPORT AS AT JUNE 2024

KEY RESULT AREA – 2.3 CONTINUOUS IMPROVEMENT WHILST MANAGING RISK								
DP REF.	ACTIVITY	PERFORMANCE MEASURE	22/23	23/24	24/25	25/26	COMMENTS	PROGRESS INDICATOR
2.3.1	Manage the risk management framework including the risk register.	Framework is in place and risk register regularly reviewed and updated.	x	x	x	x	Risk management framework and register are regularly reviewed and updated prior to Audit Risk and Improvement Committee (ARIC) meetings.	
2.3.2	Review and update Business Continuity Plan (BCP).	BCP reviewed and updated in consultation with insurers.		x	x	x	The BCP is being reviewed and updated in 24/25. CTW is working in conjunction with Statewide Mutual on this.	
2.3.3	Review and update internal audit plan in consultation with the Audit Risk and Improvement Committee (ARIC).	Internal Audit Plan adopted by ARIC. Internal Audits undertaken in accordance with the Plan.	x	x	x	x	Internal audit plan to be reviewed and updated in consultation with ARIC.	
2.3.4	Review and update CTW's Work, Health & Safety (WHS) policy and procedures in accordance with WHS legislation.	WHS policy and procedures updated and implemented.	x	x	x	x	CTW's WHS policy and procedures are continuously reviewed and updated in consultation with CTW staff.	
KEY RESULT AREA – 2.4 A CAPABLE AND MOTIVATED WORKFORCE								
DP REF.	ACTIVITY	PERFORMANCE MEASURE	22/23	23/24	24/25	25/26	COMMENTS	PROGRESS INDICATOR
2.4.1	Review, update and implement CTW's Workforce Management Strategy.	Strategy reviewed, updated and implemented.			x	x	CTW's Workforce Management Strategy 2022-2026 was adopted by Council in June 2022. The strategy is to be reviewed in 24/25 with a key focus on succession planning due to future retirements of senior staff.	
2.4.2	Provide staff with professional development opportunities to meet future needs.	Professional development needs identified in consultation with staff.	x	x	x	x	Professional development opportunities to be discussed and agreed during staff performance appraisals, or as training opportunities or needs arise.	
2.4.3	Develop capability and innovate with technological advances in the field.	Technology used in the field, operational efficiencies realised.	x	x	x	x	Technological advances in the field continue to be explored as they become available. This includes areas such as mapping infrastructure (GIS), meter reading, telemetry, etc.	



CTW DELIVERY PROGRAM PROGRESS REPORT AS AT JUNE 2024

STRATEGIC PRIORITY 3

REGIONAL LEADERSHIP AND COLLABORATION

KEY RESULT AREA – 3.1 REGIONAL COLLABORATION AND PARTNERSHIPS								
DP REF.	ACTIVITY	PERFORMANCE MEASURE	22/23	23/24	24/25	25/26	COMMENTS	PROGRESS INDICATOR
3.1.1	Work closely with Central NSW Joint Organisation (CNSWJO) including the Water Utilities Alliance (CWUA) for the continued delivery of safe and secure quality drinking water for the region.	Active participant of the CNSWJO and CWUA.	x	x	x	x	The Chairperson and General Manager attend Central NSWJO (CNSWJO) Board Meetings. The GM attends CNSWJO GMAC Meetings. DFCS attends CNSWJO HR Meetings. The GM or DOTS attend CNSWJO WUA Meetings. CTW Staff participate in joint CNSWJO Projects and training when applicable to CTW. Recent joint procurement and training activities includes: employee assistance program contract, renewable energy projects, IP&R training, and Water Loss Management training.	
3.1.2	Participate in CNSWJO opportunities for relevant joint procurement activities, knowledge and resource sharing, and advocacy for strategic regional priorities.	Opportunities identified, considered and pursued.	x	x	x	x		
3.1.3	Collaborate with and support constituent councils to attract residential, commercial and industrial growth to the region.	Growth in constituent councils is increased.	x	x	x	x	CTW continues to work with constituent councils to encourage growth in the region. Subdivisions in constituent council areas have increased over the past 2 years with more planned for the future.	
3.1.4	Consider further regional water security pipeline linkages to form a Central-West water grid.	Grant funding approved and project(s) commenced.	x	x	x	x	CTW in collaboration with Cabonne and Orange City Council as well as DPE Water continue to participate in the Sub-Regional Town Water Strategy (SRTWS) study. The purpose of the study is to provide additional water security and resilience to the participating councils and neighbouring local water utilities. CTW is also working in collaboration with Parkes and Forbes Shire Councils in the development of the Centroc Water Grid Project to further strengthen water security for the region.	
3.1.5	Reach agreement with all other relevant water utilities on the governance, management and operation of regional water assets across LGA boundaries.	Water Supply Agreements in place.	x	x	x	x	CTW are currently in the process of finalising water supply agreements (WSAs) with our existing interconnecting local water utilities. These WSAs are expected to be finalised in 24/25	
3.1.6	Continue to be a key delivery partner of the Belubula Water Security Project (BWSP) with Water Infrastructure NSW and WaterNSW.	BWSP business case completed. Continued advocacy for BWSP construction.	x	x	x	x	The Final Business Case is being prepared by DCCEEW. CTW is a key stakeholder along with Water NSW. GM is a member of the BWSP Project Control Group, which holds Monthly Meetings. Expected completion of Business Case mid to late 2026.	

CTW DELIVERY PROGRAM PROGRESS REPORT AS AT JUNE 2024

KEY RESULT AREA – 3.2 REGIONAL LEADERSHIP IN THE WATER SECTOR								
DP REF.	ACTIVITY	PERFORMANCE MEASURE	22/23	23/24	24/25	25/26	COMMENTS	PROGRESS INDICATOR
3.2.1	Explore opportunities to influence water industry policy and direction through participation in industry groups and bodies.	Active participation in water industry groups and policy development opportunities.	x	x	x	x	CTW continues to have a strong working relationship with DPE Water and WaterNSW. GM represents CTW on the WaterNSW Lachlan Customer Advisory Group. GM & DOTS regularly attend DPE Water regulatory framework workshops for the Town Water Risk Reduction Program and the development of the Regional Water Strategies and Water Sharing Plans.	
3.2.2	Continue to collaborate and build upon the strong relationship with the other water county councils and advocate collectively on water industry issues.	Regular meetings with other water county councils. Collective advocacy on water industry issues.	x	x	x	x	The GM continues to collaborate and build strong relationships within the water industry by attending regular meetings with the other water county council's general managers, DPE Water and WaterNSW executive staff.	

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

Author: Acting 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 June 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 June 2024.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

- 1 COUNCIL RESOLUTIONS UPDATE AUGUST 2024

COUNCIL RESOLUTIONS UPDATE

Council Resolutions Update – Meeting held 19 June 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.	<p>14/8/24 – The Hydrant Maintenance form has progressed to “Generation phase” with the new release of the Metrix Mobile Apps by Chartis Technology. Customisation of the front end dealing with the Hydrant Maintenance data manipulation and presentation relating to CTW Office staff has been successful.</p> <p>The Service Requests form has yet to be rolled out into a “Trial Phase” due to the Meter Change form “Trial Phase” taking priority to meet our WHS 2023 Self Audit priority actions obligations.</p> <p>Priority has now reverted back to progressing the “Trial Phase” Service Request form.</p> <p>Development of the Service Request Forms and Water Meter Forms front end data manipulation will progress after their respective “Trial Phase’s” have been completed.</p> <p>Status: ongoing</p>
24/040	19/6/24	Local Government Remuneration Tribunal	GM	That Council endorse its policy of paying the maximum fees to the Chairperson	1/7/24 – New fees updated by Creditors Officer.

				and Members of Central Tablelands County Council, as determined by the Local Government Remuneration Tribunal for Category County Council – Water.	Status: completed
24/043	19/6/24	Data Breach Policy, Cyber Security Policy & Legislative Compliance Policy	DFCS	That Council: 1.Note the minor changes in the policy 2. Adopt the Data Breach Policy and Policy Cyber Security 3.Amend the draft Legislative Compliance Policy so that under introduction the reference to common law be replaced with the word regulatory. 4.Amend the draft Legislative Compliance Policy under scope with reference to contracts and funding agreements being deleted. 5.Adopt the Legislative Compliance Policy after the amendments at 3 and 4 have been made.	Status: completed
24/054	19/6/24	Deed with a neighbouring property owner at Lake Rowlands	GM	That Council: 1.Note the report, and 2.Authorise Council’s Common Seal to be affixed to the Deed between Central Tablelands Water and the new property owner of “Coombing Vale”, Neville, to maintain the watering of stock on this property, currently sourced from Lake Rowlands.	Status: completed

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

Author: Acting 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 Interim General Manager and Director Operations & Technical Services were part of a Zoom Meeting as part of the Belubula Project Control Group (PCG) on Tuesday 2 July 2024 along with members of DCCEW and Water NSW.

The purpose of the Belubula Project Control Group (PCG) is to provide strategic direction, oversight, and decision-making authority throughout the business case development process. Its role will involve monitoring project progress and key risks, approving and advising project direction, escalating issues and risks as required, and reviewing and authorising submission of the FBC to the ELT.

The main purpose of this meeting was to give an update on progress to date and table, and seek comments on, a Draft Procurement Strategy and a Draft Project Plan.

BUDGET IMPLICATIONS

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

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil.

12.7) NSW PRODUCTIVITY AND EQUITY COMMISSION REVIEW OF FUNDING MODELS FOR LOCAL WATER UTILITIES (CM.CF.3)

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

RECOMMENDATION:

That Council receive and note the summary and recommendations of the NSW Productivity and Equity Commission Report into its Review of funding models for local water utilities.

REPORT

The NSW Productivity and Equity Commission released its Final Report into its Review of funding models for local water utilities on Monday 23 July 2024.

Attached is an executive summary of the report together with its recommendations.

BUDGET IMPLICATIONS

Nil at this stage

POLICY IMPLICATIONS

Nil at this stage

ATTACHMENTS

- 1 Summary and Recommendations of NSW Productivity and Equity Commission Report.

Executive summary

What has the Productivity and Equality Commissioner been asked to do?

Local councils are responsible for the efficient operation of water and sewerage services in New South Wales (NSW). These services are provided by 85 council-owned and operated local water utilities (LWUs) servicing around 90 Local Government Areas (LGAs).

Through the Town Water Risk Reduction Program, which was established in December 2020, the NSW Government has recognised the need to investigate alternative funding models for LWUs. In August 2023, the Minister for Water requested the Productivity and Equality Commission (The Commission) investigate funding options for LWUs to reduce service risks and improve financial sustainability for the sector - see Terms of Reference (Appendix A). In doing so, the Review has also considered:

- The diverse challenges facing the LWU sector in providing services across NSW including differences in customer numbers, revenues, costs and location
- The historic role of NSW Government funding across the sector, including recent grant programs
- The role of minimum levels of service across the sector and the implications for funding decisions
- The extent to which alternative funding models could improve the performance of LWUs
- Transition pathways to a new funding approach and ways to leverage the capabilities of State-Owned Corporations (SOCs)
- Pensioner rebates.

Throughout this review the Commission has respected the NSW Government's policy position that there shall be no forced amalgamations and that councils will continue as the owners of their water and sewerage assets.

Approach

The Review recommends a new strategic planning and funding approach to enable local water utilities in NSW to operate on a more financially sustainable basis. The Commission has undertaken a broad range of consultation, research, and modelling to inform the Review's findings and recommendations, including:

- Analysis of the existing legislative, regulatory and funding framework LWUs operate in.
- Public release of an Issues Paper in February 2024 which identified key issues impacting the ability of LWUs to sustainably deliver the services their communities expect. In response we received 42 detailed public submissions from across the sector.
- Extensive consultation with local government, State Government agencies, industry and other stakeholders via site visits and targeted discussions.
- Detailed analysis of the existing financial and service delivery performance of LWUs and a consideration of future costs.
- Analysis of possible future costs to provide different levels of service and the scope of different funding and financing options to allow LWUs to recover their costs.
- Analysis of best practice in other jurisdictions, previous reviews, and published research on operations and funding of LWUs.

Funding across the LWU sector

LWUs have operational and financial autonomy and are responsible for managing their operations, costs and generating revenues. Revenue from customers is the most significant source of funding for LWUs, generating around \$1.4 billion per annum.¹ These revenues and the extent to which they recover efficient costs vary significantly across LWUs. LWU customer revenues range from just under \$1.4 million to almost \$95 million per year.

Generally speaking, LWUs aim to achieve cost recovery over time. Charges are set by individual LWUs to meet their operating requirements. As a consequence, there is significant variation across LWUs in both the level of cost recovery achieved as well as the charges incurred by customers. Average bills vary significantly across LWUs, ranging from \$1,016 in Murrumbidgee Council to \$2,535 in Brewarrina Shire Council.²

The NSW Government has provided around \$80 million in funding per year to the LWU sector over the past decade through several grant programs. Historically, funding to the sector has been provided for emergencies or via grants programs to help councils struggling with the short-term capital needs to deliver a particular infrastructure project.

The demand for NSW Government funding across the LWU sector will grow in the future. Looking forward, it is difficult to assess the scale, scope and distribution of funding assistance across the sector as there is the complex interplay between customer expectations, service standards, capital planning and the differing potential revenue generation across 85 LWUs that effect this demand. In addition, the stance of the NSW Government and the design of funding programs directly effects the operational incentives and funding plans of LWUs.

In such a dynamic environment it is important to get the fundamentals correct so that any funding is targeted to those that need it most, addresses priority needs and provides strong incentives to focus on outcomes.

Smaller LWUs face the greatest challenges

Each LWU faces unique challenges due to their number of connections, and financial capacity. For example, 61 of the 85 LWUs, or 71 per cent, have less than 10,000 connections, with 19 of these having less than 2,000 connections.³⁴ LWUs can also face unique challenges, such as highly dispersed service areas, difficulty attracting or affording specialist skills and varying water security and water quality challenges. Over time, the combination of issues can have flow on impacts on LWU performance.

Across NSW location plays a role as, in general the further west a LWU is located the lower the customer base and revenues. While most (81 per cent) LWUs are in areas classified as 'regional' by the Australian Bureau of Statistics, 19 per cent are in remote areas in Western NSW and they tend to service some of the most socio-economically disadvantaged communities in NSW. As a result, these LWUs typically experience higher water bills, which places additional cost of living pressures on these vulnerable communities. The 16 remote LWU have an average revenue per connection of \$1,388 compared to the LWUs classed as regional with \$1,087. Within this remote grouping the highest revenue per connection is \$2,433 which is almost twice the average.

¹ In \$2021-22, based on five-year average to 2022.

² Average usage bill. In \$2021-22, based on five-year average to 2022.

³ The NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW) maintains a significant database of local water utilities performance against a range of asset management, operational, and financial metrics (The Performance Monitoring Database). The data is freely available online.

⁴ 19 (22 per cent) are classed as very small LWUs have less than 2,000 connections, 42 (19 per cent) are small LWUs - between 2,000 and 10,000 connections, 10 (12 per cent) are medium LWUs - between 10,000 and 20,000 connections, and 14 (16 per cent) are large LWUs - having more than 20,000 connections.

Many LWUs are struggling, and future challenges will only exacerbate cost and price pressures

Future challenges are expected to have significant cost and price implications for local communities. Responding to changes in regulatory standards, population changes, increasing water security and climate change risks, replacing ageing infrastructure and increases in costs are all emerging concerns for LWUs and local councils. We have also heard LWUs face a shortage of skilled people to effectively manage water and sewerage operations and that LWUs are competing for the same, limited labour pool placing further pressure on costs. While these trends will impact LWUs differently, they are likely to place upward pressure on both capital and operating costs.

LWUs will need to generate higher own source funding to ensure ongoing financial viability. The Commission's review of current prices indicates that many LWUs have the potential to increase their user charges and increase customer revenues over time. Specifically, our analysis suggests that the LWU sector have the capacity to raise additional revenue of over \$6.5 billion over 20 years (\$2024-25).

While such increases may be justified on the basis of ensuring ongoing financial sustainability of LWUs, whether this is adequate to meet future funding challenges depends on a range of factors including customer expectations, and the cost and timing of required investments. The Commission also acknowledges that each LWU is an independent business and higher customer revenues will allow some but not all LWUs to meet the costs of delivering services.

Existing funding arrangements undermine LWU incentives to operate efficiently

Historically, the NSW Government has played a significant role in funding the LWU sector's capital works under various grant programs. Despite some recent improvements in program design, capital grants continue to create poor financial incentives for the LWU sector. Over the long-run, grants:

- Are an uncertain and volatile funding source
- Are often poorly targeted and at risk of political interference
- Create a bias towards capital solutions
- Move away from 'user pays' charging while reducing price signals to customers.

Laying the foundations for an autonomous, efficient and financially sustainable LWU sector

The Commission recognises the existing and future challenges faced by LWUs, and the need to provide targeted funding to those LWUs which are not financially sustainable. Notwithstanding this, it is important that LWUs demonstrate that their operations are as efficient as possible and that customers are making a reasonable level of contribution for the services they receive.

Against this benchmark the Commission has formed the view that the current funding model for LWUs is not effectively working and needs urgent reform. This Review outlines a new approach to strategic planning and funding which is fairer, more transparent and will foster more efficient and financial sustainable LWUs able to meet future challenges.

The recommended approach is based on a partnership between NSW Government and LWUs and will create a framework for setting strategic priorities to ensure that the financial resources are allocated in a transparent and consistent way to optimise the effectiveness of finite government resources.

Funding for LWUs needs to be informed by a comprehensive principles-based framework to ensure the delivery of the NSW Government's commitment to 'provide healthy, safe and reliable water supplies' in regional and remote communities. Accordingly, there are three major areas of reform across the whole of the LWU sector:

1. Fit for purpose regulation – the NSW Government should ensure that the water quality, security and environmental requirements that it places on the LWU sector are based on identified problems and that any proposed response is thoroughly considered to ensure that money is spent wisely.
2. Working to develop a common understanding and strategic development of priorities – the NSW Government should work with LWUs to develop a new strategic understanding of the LWU sector and identify state-wide priorities so that funding addresses the most urgent problems facing the sector.
3. Development of a Local Water Utilities Funding Policy, including the establishment of a Community Service Obligation (CSO) funding mechanism – to ensure that NSW Government funding is provided to those LWUs who need it the most and partnerships can be agreed where required.

Funding programs must become smarter and be based on partnerships where required.

While CSOs will be targeted to LWUs who struggle with cost recovery, we have heard that funding may be required to address specific issues such as skills shortages. The introduction of a CSO does not rule out flexibility in funding programs such as training initiatives, including training 'on country' for First Nations water operators and delivering training through a collection of councils.

Regardless of the mechanism the principles which should guide the funding framework include the following:

- funding aligns with explicit NSW Government objectives,
- that there is consistent treatment of LWUs,
- funding is targeted to those LWUs that are facing affordability issues and are transparent,
- funding provides a predictable and stable source of financial support,
- funding is linked to measurable performance improvements, and
- administration costs are minimised where feasible.

Applying these principles should mean that LWUs do not receive funding unless they demonstrate that they are providing a basic level of service efficiently and that they are unable to increase user charges in order to generate additional revenues without such increases leading to enduring affordability issues for consumers.

In addition, the Commission has found there are a set of Local Government Areas (LGAs) in Western NSW that are unlikely to be able to operate LWUs on a commercial basis without ongoing external support. This region should be the priority group of LWUs considered under the new funding approach.

The challenges these LWUs face include low revenues, difficulties in retaining skilled staff, accessing appropriate training and increasing costs due to water quality and security issues. Even though they face common challenges, the councils are not homogeneous. Increasing costs and the shift to a CSO funding model represents the opportunity to establish a sustainable solution.

As such a fourth area of reform is recommended: A fundamental reform process review of the water and sewerage service delivery and financial sustainability in Western NSW.

It is essential that the principle of co-design is followed in this review.

Delivering change

The proposed funding approach could reduce overall NSW Government expenditure and reduce the cost to taxpayers compared to a continuation of the practices from the past 20 years where funding has been provided in a reactive manner to water sector challenges as they arise. Figure 1 provides an overview of the proposed LWU Sector Reform Package.

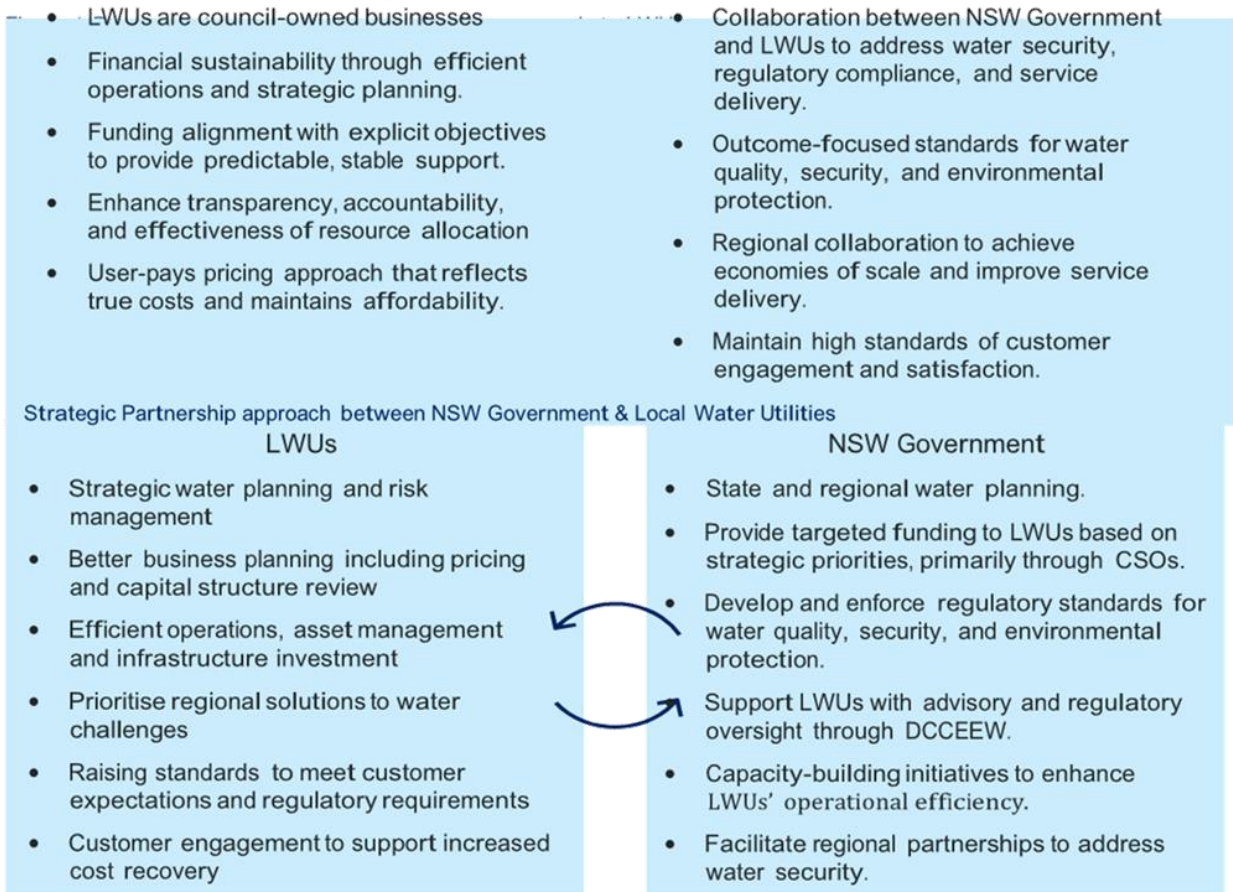
The proposed reforms should be implemented prior to the provision of new funding programs to the LWU sector.

Implementation will require a sustained and collaborative effort led by Department of Climate Change, Energy, the Environment and Water (DCCEEW) in partnership with local water utilities and sector representatives, and should be supported by agencies across the NSW Government.

The DCCEEW should lead the LWU Sector Reform Implementation Steering Committee and respective Working Groups, with support from other agencies. A separate Regulatory Review Steering Committee should focus on improving regulatory approaches and designing a new approach for water and sewerage services in Western NSW, and include senior representatives from DCCEEW, OLG, NSW Health and EPA. The reforms will need to be supported by extensive engagement with the LWU sector and industry.

The Commission's proposed recommendations to deliver on this new approach are outlined in the following section – Recommendations and actions.

Figure 2: Proposed strategic planning and funding approach to LWU sector



Fit for purpose regulation	<ul style="list-style-type: none"> • Ensure implementation of minimum water quality standards is efficient • Ensure implementation of minimum environmental standards is efficient • Set outcomes-focused standard for water security that can be implemented at the local level • Incorporate customer retail service standard into RAF
Establishing LWU priorities	<ul style="list-style-type: none"> • Publish Preliminary Sector Overview to support new funding approach • Publish Sector Priorities Plan & use as basis of investment in LWU sector • Integrate RAF into Integrated Planning & Reporting Framework
Develop LWU Funding Policy	<ul style="list-style-type: none"> • Enhance efficiency, transparency & effectiveness of LWU funding by establishing funding principles • Adopt LWU Investment Framework to ensure targeted funding to LWUs & minimise overall costs to NSW Government • Adopt LWU Funding Policy • Adopt CSO Policy as primary funding approach to LWUs • Develop & adopt Basic Level of Service as part of LWU Funding Policy • Evaluate pensioner rebates on all water & wastewater services and propose best way of delivering policy objective
Review of Western NSW water & wastewater services	<ul style="list-style-type: none"> • Identify most efficient & effective structure for Western NSW LWUs • Develop Strategic Business Case for new funding approach to Western NSW LWUs (before progressing to Final Business Case) • Introduce new structure and funding approach for Western NSW LWUs

Recommendations and actions

The role of NSW Government and its funding	
Recommendation 1	<p>Assess the design of any future funding approach against LWU funding principles identified by the Commission.</p> <p>These include ensuring that funding is aligned to NSW Government objectives, consistent, targeted and transparent, predictable and stable, linked to improved performance, and easy to administer.</p> <p>Targeting will mean that an LWU should not receive funding unless it demonstrates it is providing a basic level of service efficiently and that it is unable to increase own source revenues in the first instance.</p>
Recommendation 2	<p>Use the LWU funding principles to review Safe and Secure Water Program funding that has been earmarked but not formally allocated.</p> <p>DCCEEW should utilise the findings of this review to ensure that its approach to targeting is fit for purpose and addresses affordability issues. This should identify opportunities to allocate funding to councils with less capacity to fund or finance new capital investment through user charges and capital structure reform.</p>
Using a strategic approach to better allocate funding	
Recommendation 3	<p>Prepare a stocktake of existing strategic planning for LWU sector, including state, regional and local plans, and develop a preliminary Sector Overview outlining future challenges, expenditure, and potential funding shortfalls to support a new funding approach.</p> <p>The preliminary Sector Overview should identify the current pipeline and priorities in the sector (both operational and capital) and critical gaps in LWU or NSW Government planning.</p> <p>The development of the Sector Overview should be governed by a Steering Committee including NSW Treasury and Infrastructure NSW and involve LWUs and sector representatives.</p>
Recommendation 4	<p>Develop a LWU Investment Framework to ensure funding to LWU sector is well targeted and minimises overall cost to NSW Government.</p> <p>LWU Investment Framework should include a <i>LWU Funding Policy</i> and a <i>Sector Priorities Plan</i>.</p> <p>The Framework should improve alignment between the objectives of the NSW Water Strategy, regional water strategies, and NSW Government funding programs through the <i>Sector Priorities Plan</i>.</p> <p>The NSW Government should not agree to any new funding programs for LWU sector until the Framework has been adopted.</p>
Recommendation 5	<p>Prepare a draft LWU Funding Policy, with release for sector consultation prior to finalisation.</p> <p>The draft LWU Funding Policy should be released by early 2025 for discussion with LWUs, with a first formal Policy to be finalised by mid-2025. The Funding Policy should outline pathways to enable councils to seek funding and give effect to the LWU funding principles.</p>

Recommendation 6 Work with LWUs and other NSW Government agencies to develop a Sector Priorities Plan

A *Sector Priorities Plan* should set out the NSW Government’s priorities for the LWU sector over the short to medium-term (2 to 4 years).

DCCEEWS should develop an interim Plan, based on existing water strategic planning, as soon as practicable, and revise the Plan by the middle of 2025, incorporating any updated water strategic planning available. The Plan should be updated annually.

Recommendation 7 Make strategic planning for water supply and sewerage services an explicit requirement for all councils in regional NSW, with key elements of the Regulatory Assurance Framework to be incorporated into the Integrated Planning and Reporting Framework.

Establishing CSO payments

Recommendation 8 Introduce a CSO payment mechanism as a new funding approach for the sector.

CSO payments should focus on LWUs which are unable to achieve full cost recovery from user charges without creating undue affordability issues within their communities.

Recommendation 9 Develop a CSO Policy as part of the LWU Funding Policy in consultation with the sector over the next 12 months.

A CSO Policy should include guidance on eligibility and information requirements, assessment processes, including roles and responsibilities, elements of a service level agreement, and reporting requirements and administration.

Recommendation 10 Provide a report to the NSW Productivity & Equality Commissioner on the implementation of the CSO policy after 12 and 24 months.

When reviewing the CSO policy, the NSW Productivity and Equality Commissioner should consult sector participants to determine whether the proposed CSO policy should be revised.

Service levels and minimum service standards

Recommendation 11 Ensure that implementation of minimum standards across the sector is efficient.

To ensure implementation of minimum water quality standards is efficient, NSW Health and the EPA should publish and implement a regulatory and enforcement strategy consistent with the NSW Government Guide to Better Regulation. NSW Health and EPA should conduct Regulatory Impact Statements (RISs) of their minimum standards.

NSW Health and the EPA should contribute to DCCEEWS’s development of a Sector Priorities Plan, including scoping aggregate cost and financial implications of relevant standards and setting priorities for investment.

These processes should result in an approach on how to implement standards for LWUs where the cost of compliance is unacceptably high.

Recommendation 12 Review the role of regulators in planning processes undertaken prior to submission of an application for water treatment and sewage works under section 60 approval processes.

DCCEEW work with NSW Health and the EPA that regulatory objectives are clear at the commencement of approval processes relevant to s.60 of the *Local Government Act 1993* to ensure that responses are commensurate to risks.

Recommendation 13 Establish an outcomes-focused standard for water security that outlines NSW-wide expectations while providing LWUs with flexibility to manage given local conditions.

The NSW Government should prescribe methods and approaches for assessing the performance of an LWU in meeting water security expectations and enable prioritisation for the *Sector Priorities Plan*. The Level of Service Objective for water security for LWUs should be set by the NSW Government based on an acceptable risk.

DCCEEW should conduct a Regulatory Impact Statement (RIS) of the establishment of a outcomes-focused water security standard.

Recommendation 14 Develop a voluntary customer retail service standard for LWUs.

A voluntary customer retail service standard should be developed to outline procedures and practices to protect customers, and be included in the Regulatory Assurance Framework.

Elements of this guidance should be made mandatory for receiving funding for any revised state funded hardship payments to ensure implementation of critical state policies such as privacy protection and family violence prevention.

Recommendation 15 Develop and adopt a Basic Level of Service description under its LWU Funding Policy in consultation with the LWU sector.

The Basic Level of Service (LoS) should:

- include drinking water supply, wastewater and financial assistance as services
- outline a level of service guidance for the purposes of requesting funding
- provide guidance on extending services to new areas.

Provision of Services in Western NSW

Recommendation 16 Immediately establish a reform process to identify and implement the most efficient and effective structure for providing water and sewerage services in Western NSW.

The reform process should ensure councils and customers retain responsibility for any decision-making pertaining to their council’s involvement. The reform process should be conducted on an opt-in basis.

Recommendation 17 Develop a Strategic Business Case (SBC) for CSO funding to Western NSW LWUs based on the output of the reform process.

The Commission considers that a new Western NSW LWU entity could be the first candidate for a CSO agreement.

Pensioner rebates

- Recommendation 18 Evaluate pensioner rebate on all water services before the 2025-26 Budget.
DCCEEW should lead an evaluation to identify the policy objectives of existing water pensioner rebates and assess appropriateness of existing arrangements for providing concessions, including eligibility criteria.
The evaluation should consider alternative policy options to deliver on the policy objectives, including exploring broader cost of living options to address affordability challenges for low-income cohorts.
- Recommendation 19 Fund any targeted concessions/rebates deemed necessary in the LWU sector via a transparent CSO.
- Recommendation 20 Develop a service level agreement with OLG where a CSO is paid to all LWUs to support rebates/concessions to address hardship pressures.
The service level agreement should include key performance indicators to measure the effectiveness of the CSO in meeting its stated objectives. This could be done in aggregate for the LWU sector with appropriate reporting requirements.
- Recommendation 21 Include the principles and approach to funding a CSO for hardship rebates in the *LWU Funding Policy* to be developed over the next 12 months.

12.8) LOCAL GOVERNMENT POLICY LAB WORKSHOP CSU AND CENTRAL WEST JOINT ORGANISATION 30 & 31 JULY 2024 (CM.CF.3)

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

RECOMMENDATION:

That Council receive and note the Acting General Manager's Report on the Local Government Policy Lab Workshop held 30th and 31st July 2024.

REPORT

Charles Sturt University in conjunction with Central West Joint Organisation held a Local Government Policy Lab Workshop in Orange on 30th and 31st July 2024.

The workshop was conducted over 2 days, with the first day was titled "Valuing urban water in the strategic framework".

The program for this day was begun with an address by Professor Clive Hamilton, AM, CSU Professor of Public Ethics titled 'Living Hot – Surviving and thriving on a heating planet'.

Professor Hamilton posed the question on whether we need an adaptation plan at the regional scale to survive and thrive on a warming planet.

Professor Hamilton advised that CSU had created a Centre for Climate Resilience. This centre will work with stakeholders going forward to pursue climate resilience.

This address was followed by a Water Policy Update. The update comprised the following three topics:

1. What has changed since the Murray Darling Basin Plan Part 1?
2. Rise of the Regions – What has changed in Regional NSW?
3. The National Urban Water Landscape

The afternoon session on day one commenced with a panel session discussion about 'What was learned through experience on Murray Darling Basin Plan Part 1 that needs to change in Murray Darling Basin Plan Part 2?'

This was followed by another panel session that looked at

1. Where is local urban water security in the Plan moving forward?
2. Are there steps that we can take as a regional network to ensure that local urban water security is a key focus in the Plan moving forward? and
3. What role could localism and local catchment management play in the Murray Darling Basin Plan Part 2?

The second day of the workshop was titled "A new approach to managing water".

The program for this day commenced with an address by Ms Liliane Geerling who outlined Water Catchment Management in the Netherlands

A subsequent plenary session discussed whether the experience of the Netherlands is transferable to the Lachlan.

The meeting then examined the question of how to transfer the Dutch model to the Lachlan Valley.

The day concluded with a synthesis session that was aimed at crafting policy advice and advocacy for the Murray Darling Basin Plan Part 2.

A draft Report on the outcomes of the Workshop is attached for information. A more formal report will be issued in coming weeks.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

- 1 Draft Outcomes from Local Gov Policy Lab Workshop 30 & 31 Aug 2024

Report from the
Productive Water
Policy Lab
30 and 31 August
at Charles Sturt
University
Bloomfield
Campus



ToC

Attendees

Darren Sturgiss	Bathurst Regional Council
Mark Dicker	Blayney Shire Council
Graeme Haley	Central Tablelands Water
David Waddell	Orange City Council
Kent Boyd	Parkes Shire Council
Neil Westcott	Parkes Shire Council
Matthew Trapp	Lithgow City Council
Jess Jennings	Bathurst Regional Council
Bruce Reynolds	Blayney Shire Council
John Newstead	Blayney Shire Council
Craig Gosewisch	Blayney Shire Council
Cr Kevin Beatty	Cabonne Council Chair, Central NSW Joint Organisation
Cr Marlene Nash	Cabonne Council
Cr Andrew Rawson	Central Tablelands Water
Cr Jason Hamling	Orange City Council
Noel Wellham	Central Tablelands Water
Nikki Kiss	Cowra Council
Marg Applebee	Parkes Shire Council
Cr Jacob Cass	Parkes Shire Council
Jenny Bennett	Central NSW Joint Organisation
Meredith Macpherson	Central NSW Joint Organisation
Kate Barker	Central NSW Joint Organisation
Carolyn Griffin	Central NSW Joint Organisation
Jessie Parish	Central NSW Joint Organisation
Julia Andrews	Charles Sturt University
Professor Mark Evans	Charles Sturt University
Professor Lee Baumgartner	Charles Sturt University
Dr Amy Fallon	Gulbali Institute Agriculture, Water and Environment Charles Sturt University
Robbie Sefton	Seftons
Ross Thompson	Charles Sturt University
Samantha Beresford	Charles Sturt University
Camilla Lonsdale	James Martin Institute
Liliane Geerling	Partners for Water

Zahid Islam	Charles Sturt University
Alfred Wong	Charles Sturt University
Felicity Small	Charles Sturt University
Lala Senevirathna	Charles Sturt University
Nariman Saeed	Charles Sturt University
Miao Li	Charles Sturt University
Nicholas Pawsey	Charles Sturt University
Cameron Clarke	Charles Sturt University
Katherine Doyle	Charles Sturt University
Peter Thew	Charles Sturt University
Josh Gordon	Regional Development Australia, Central West
Katrina Annis-Brown	Office of Local Government
Ricky Puata	Regional Economic Development - Western NSW Department of Primary Industries and Regional Development
Mr Stuart Wilson	Water Services Association of Australia
Mr Alexis van der Weyden	Frontier Economics
Cr Craig Davies	Chair Alliance of Western Councils
Tom Green	Lachlan Valley Water Association
Mark Lamb	Murray Darling Association
Glenn Daley	Lachlan Valley Water
Vicki Seccombe	Business NSW
Peter Thomas	Murray-Darling Basin Authority
Adam West	Murray-Darling Basin Authority
Gavin Pryde	Murray-Darling Basin Authority
Andrew Francis	Parkes Shire Council

Precis

At the request of Councillors of the region, more opportunities are being created for collaborative work on policy to inform advocacy and programming at the regional level.

Policy Labs has been developed in collaboration with Charles Stuart University to explore the issues important to our communities with a view to action this region can work on to shift the dial. The second Policy Lab for Central NSW Councils was held August 30 and 31 2024 at the Bloomfield CSU Campus in Orange.

Purpose

This two-day event in Orange brought academics, industry, government, water industry professionals and community representatives together to explore the role of localism in water management in central and broader regional NSW.

Drawing on local, national and international water management research and experience, the aim was to inform and make recommendations on policy and its implementation for improved water management for regional communities.

Themes

Participants heard from keynote speakers, Clive Hamilton, CSU Professor of Public Ethics on Living Hot-Surviving and thriving on a heating planet and Liliane Geerling, Program Coordinator of the Partners for Water Programme from the Netherlands Enterprise and Development Agency.

Day one focused on how to ensure the value of town water and water for productive use is recognised in the strategic framework. Themes explored will include the current policy landscape, and lessons learned through the implementation of the Murray Darling Basin Plan. What needs to change to ensure the growth and prosperity of inland communities in a water constrained future?

Day two considered new approaches to water management. Participants will hear about the Dutch experience and how water management works in the Lachlan Valley. Could the Dutch approach work in the central NSW context and what would be needed to turn the dial?

Approach

Using an action learning model, the Policy Lab included presentations followed by facilitated panel discussions and table activities.

Output

The event will culminate in the development of a paper synthesising discussion that will inform the co-design of policy and collateral for advocacy purposes.

Recommendations to the Board

The following recommendations are drawn from the event

Agenda

Day One

Clive Hamilton, CSU Professor of Public Ethics on Living Hot-Surviving and thriving on a heating planet set the scene for the event.

As the world will become 2-3 degrees warmer more extreme events will occur.

The Australian three tiers of government is not enabling the response that is required where federal government has the money, state have the power and local government has the responsibility. Money spent on disaster by government:

- 97% of spend on clean up and recovery
- 3% on prevention.

A new COAG agreement in climate change adaptation is required as all the effort is anticipated at the individual level and this is clearly not going to work as the flooding and fire events over the past 5 years has shown.

Place -based adaptation being hampered by funding and resourcing constraints of rural and regional councils – disproportionately impacted by climate change.

CSU announced its new Living Hot Centre for Climate Resilience for building resilience by local communities and councils. The new centre will shift focus to what be done to protect Australians living in a heating planet.

This was followed by scene setting asking what has changed since Murray Darling Basin Plan Part 1. Professor Mark Evans and Professor Ross Thompson spoke to the following points:

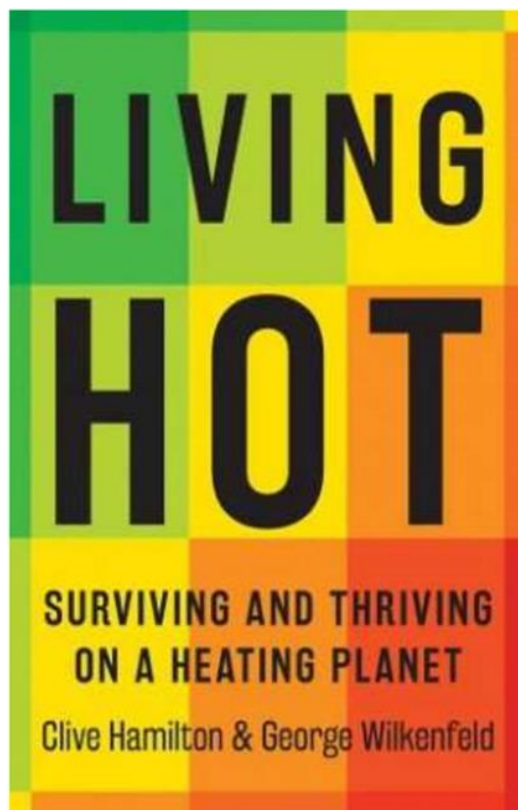
- summary of lessons from last time.
- what was promised but not delivered in terms of localism.
- how has the river system changed?
- what are the benefits of localism?

Rise of the Regions - What has changed in regional NSW? Ms Jenny Bennett spoke to the following points:

- population growth
- markets & financial situation (food security and local value add needed)
- living with climate volatility
- Rewiring of Regional NSW

Mr Stuart Wilson, Deputy CEO & Chief Economist Water Services Association of Australia (WSAA) spoke to The National Urban Water Landscape.

This was followed by two panel sessions.



Firstly, Prof Mark Evans and Prof Ross Thompson posed the question

What have you learned through your experience of Murray Darling Basin Plan 1 that needs to change in Murray Darling Basin Plan Part 2?

Panel members:

Robbie Sefton, Chair, Independent assessment of social and economic conditions in the Murray–Darling Basin Panel

Cr Craig Davies - National President Murray Darling Assoc/Mayor Narromine Council

Tom Green, Chair, Lachlan Valley Water Association

Tom – hydrology has been too much of a focus and hasn't really achieved much.

Plan doesn't allow for adaption/change from 2011.

Craig –Would like to see carp eradication expedited 88kg/ha of river = carp problem and Macquarie river has 1344kg, swamping out native fish. Why haven't we implemented Carp Herpes Virus? 357mil carp in MDB.

Water security people deserve better. 2015 Macquarie river huge # of gig released leaving 4% in water store. How are we going to supply water to the people as weather events get more extreme.

Robbie – Worried fish window may have closed based on animal welfare. Worried about biomass of carp eradication.

Focus on fish and communities and what connects us then we would be able to get some good outcomes collectively. Concerned about local councils and the capacity they have to deal with issues. \$300mil from fed to state to deal with MDB – where is the planning?

Politics overriding good science/common sense. Getting harder to influence policy

The second panel session explored local water security posing the questions: **where is local urban water security in the Plan moving forward?**

Are there steps that we can take as a regional network to ensure that local urban water security is a key focus in the Plan moving forward?

What role could localism and local catchment management play in the Murray Darling Plan Part 2?

Panel members:

Mr Stuart Wilson, Deputy CEO & Chief Economist - Water Services Association of Aust.

Mr Mark Lamb, CEO Murray Darling Assoc.

Cr/Dr Jess Jennings, Mayor of Bathurst

Mr Alexis van der Weyden – Frontier Economics

Jess – Bathurst identified as at risk of insufficient water supply 2800ML shortfall. How do you shut down a town with no water? Industry closes down – job losses, schools close – parents can't work. \$11mil/week to train in water. What is urban water? opportunity cost of not having secure water. Storm water harvesting 1 and 2 and pipe to Chifley – strong position for future. After drought thought there would be a state-wide drought plan that would feed into MDB plan. Doesn't seem to have changed much – still fighting for money to implement infrastructure.

Need this kind of network to come together and flesh out.

Mark – Communities that rely on the basin extends far beyond the actual basin. Need to balance social, economic and balance.

Alexis – Is it possible to have a social and economic balance in the MDB? MDB plan is a distraction, too much faith in the commonwealth and states to provide a sustainable funding mechanism and plan. Power needs to be in LWU hands. Are we setting the value sufficiently

high. +10% chance of Orange running short (Means 1 in 10 chance of running out of water).
City not as reliant on politics, greater water security.

Up to LWUs to ensure all options are on the table. Need an economic framework that will speak bureaucrats' language.

Onus on LWU to say we expect this level of investment. Grants programs not a viable long term framework.

Stuart - need a good way of describing water security to be able to have a brutally honest discussion with the community. Helps to understand cost increase to maintain infrastructure etc.

A workshop session synthesized the thinking on the day and is summarised as follows:

- Local action has always been critical to achieving Basin outcomes since the 2004 National Water Initiative.
- Localism is a balancing act between achieving local, regional and Basin wide benefits.
- There is increasing convergence between metro and regional understanding of the problem.
- Significant data and measurement gaps exist – we need to join up the dots.
- The challenges continue to be at the systems level. A new COAG Agreement is required to address these.
- We cannot wait for change – we must act as a social movement, develop a vision and a regional action plan and find resources to deliver on our regional promise. Long term funding compacts are key.
- Water security and productive water remain poorly recognised in the various frameworks.
- The new agenda must include making the change to address low hanging fruit as in the mendacious carp example.
- Research is needed to bridge the gaps and build our profile as a source of authority.
- An influencing strategy and communications strategy will inform our advocacy.
- High-quality local actions prove our capacity to act.

General agreement around: forging a regional climate adaptation plan following the Living Hot idea; developing a research program around best practice in town water planning, management and delivery; and delivering better public education on the climate challenge.

Could the protection of native fish could be the trojan horse for enhancing broader river health?

Day 2

Ms Liliane Geerling was the keynote speaker providing advice on how the Dutch manage water.

The Netherlands is a pioneer country in water management. It is widely known for its track record in reclaiming land from the sea, as well as its world-class engineering, strong water industry, and agricultural performance.

Liliane Geerling is trained as a spatial planner and has always had a focus in her professional career on socially inclusive and environmental planning. Planning with water (too much, too little, too dirty) has become a recurrent theme over the last twenty years. After working for the city of Rotterdam, private spatial advisory firms and in higher education, Lilianne started working as programme coordinator for the international water programme Partners for Water in October 2023. This programme supports water security via co-creation in several countries around the globe.

<https://partnersforwater.nl/about-us/>

10.00am-10.45am	International Lesson-drawing: Water Catchment Management in the Netherlands Ms Liliane Geerling, Program Coordinator, Partners for Water programme Netherlands Enterprise and Development Agency
10.50am -11.00am	Plenary discussion facilitated by Professor Ross Thompson Are those experiences transferable to the Lachlan context?
11.00 am- 11.20am	Morning tea
11.25am- 11.35am	Lachlan Valley - Case study How the Lachlan Valley Works? Mr Tom Green, Chair Lachlan Valley Water
11.40am -12.20pm	Group Session - Could the Dutch model work in the Lachlan Valley? Mapping exercise around actions to move the dial to enable sustainable water management Prof Mark Evans and Prof Ross Thompson will pose the questions: <ul style="list-style-type: none"> - What has been your experience on the ground? - What is needed for business investment in the context of the Lachlan Valley? - What would be needed to make the Dutch model work in the Lachlan Valley?
12.25pm- 12.45pm	Synthesis session with Prof Mark Evans, Prof Ross Thompson and Liliane Geerling on crafting policy advice and advocacy for the Murray Darling Basin Plan Part 2.
12.50pm-1.00pm	Jenny Bennett summarises key learnings and outcomes next steps

12.9) 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 5 June, 2024.
2. That Council receive and note the Audit Risk and Improvement Committee Minutes of the meeting of 7 August, 2024.
3. That Council endorse the appointment of Liz Jeremy as an independent member of the Audit Risk and Improvement Committee.
4. That Council formalise the appointment timeframes for the current Audit Risk and Improvement Committee Members as follows;

Name	Appointment Date for Current Term	Proposed Term End Date
Donna Rygate	17/01/2022	16/01/2026
Ron Gillard	21/03/2022	20/03/2026

5. That Council formally approve the continuation of Donna Rygate as the Audit, Risk and Improvement Committee Chairperson.

REPORT**Meeting Minutes**

The minutes for the Audit Risk and Improvement Committee (ARIC) for meetings held on the 5 June and 7 August 24 are attached to this report. The draft Financial Statements for the year ended 30 June 2024 will be distributed to the Committee members out of session on Friday 16 August, 2024.

Appointment of Third Committee Member

The addition of a third independent member to ARIC is required pursuant to the new regulatory requirements that came into effect on 1 July, 2024.

After an extensive expressions of interest (EOI'S) and recruitment process, Liz Jeremy has been nominated as the third independent member of the Audit Risk and Improvement Committee (ARIC).

Our thanks to Blayney Shire Council who provided resources and support for both the conduct of EOI process and secretarial support for the selection committee.

The selection committee consisting of the ARIC Chairperson and a representative from each of the participating Councils (Cr Cook was the CTW representative) was formed.

The committee shortlisted the candidates in accordance with the EOI criteria and then interviewed a short list of candidates from which Liz was selected.

Liz is a former general manager of Bellingen Shire Council and currently sits on the Nambucca Valley ARIC, Narromine ARIC , Far North West Joint Organisation ARIC and the ARIC's of the JO member Councils of Bourke, Cobar and Walgett.

Liz is based near Bellingen in northern NSW so the conduct of ARIC meetings in terms of venues and methods will be reviewed to ensure the most efficient operation of the Committee. Reasonable travel costs to facilitate Liz attending meetings at Blayney in person will be met from the ARIC budget. Those costs will be shared by the three participating Councils being Blayney, CTW and Upper Macquarie County Council.

Continuation of the Appointment of Current Independent Members.

The terms of reference (TOR) require that independent members are to be appointed for up to 4 years and cannot serve more than 8 years in any 10 year period.

There is also a requirement in the TOR to preserve knowledge retention and provide for orderly succession within ARIC. This requirement in the TOR makes it preferred that not more than one member retire from the committee because rotation in a single year. In this regard we will aim to stagger term end dates in the future as term end dates approach.

A timeframe is proposed below with appointment dates and proposed term end dates shown for current members:

Name	Appointment Date for Current Term	Proposed Term End Date
Donna Rygate	17/01/2022	16/01/2026
Ron Gillard	21/03/2022	20/03/2026

Whilst this timing presents some challenges it is noted that Liz Jeremy's maximum term will end on 20 August, 2032. There also may be opportunities to appoint new members prior to the proposed term end dates to provide an induction and hand over period.

Continuation of Chairperson

The TOR requires that Council appoint an ARIC Chairperson. Donna Rygate has expressed an interest in continuing as Chairperson until the end of her current term. The above recommendation formalises that continuing appointment.

BUDGET IMPLICATIONS

The 24/25 draft budget allocation for the Internal Audit function is \$35,700 inclusive of ARIC meeting costs and members fees.

Members fees and reasonable travel expenses will be met from this budget. It also includes the completion of one internal audit engagement per year.

Committee secretarial support and executive time will be met from recurrent operational votes.

POLICY IMPLICATIONS

Nil

ATTACHMENTS

- 1 ARIC Minutes 5 June 2024
- 2 ARIC Minutes 7 August 2024

Minutes of the ARIC Meeting of Central Tablelands Water held on Microsoft Teams, on Wednesday, 5 June 2024, commencing at 10.06am

Present

Donna Rygate	(Chairperson – Independent Member – Voting)
Ron Gillard	(Independent Member – Voting)
Cr. Marlene Nash	(Council Member – Voting)
Gavin Rhodes	(General Manager – Observer)
Peter McFarlane	(Director Finance and Corporate Services – Observer)
Achal Deo	(Governance & Executive Support Officer – Secretariat)

1. WELCOME

The Chairperson opened the meeting at 10.06am and extended thanks and best wishes to the General Manager as this is the last ARIC meeting that he will be attending at CTW.

2. ACKNOWLEDGEMENT OF COUNTRY

The Chairperson gave an acknowledgement of country.

3. DECLARATION OF ANY CONFLICT OF INTEREST

Standing disclosures of interests were submitted by all members.
The Chairperson also advised the meeting that she had been appointed as the Chairperson of Central Tablelands Local Land Services.

4. DECLARATION OF ANY UNETHICAL BEHAVIOURS REPORTED TO COUNCIL

Nil

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

An apology was received from Director Operations & Technical Services - Noel Wellham.

6. CONFIRMATION OF MINUTES FROM PREVIOUS MEETING

*Proceedings in brief:
Refer to item # 12.1*

This is Page No. 1 of the Minutes of the Central Tablelands Water Audit, Risk and Improvement Committee Meeting held on 5 June 2024

7. REPORTS OF STAFF

Proceedings in brief:

Note: Item numbers generated automatically in InfoCouncil as 12.1 etc.

12.1) MINUTES OF THE ARIC MEETING HELD ON 8 FEBRUARY 2024 (CM.AU.3)

RESOLVED:

That the Minutes of the ARIC Meeting of Central Tablelands Water, held on 8 February 2024, be confirmed.

(Ron Gillard/ Cr. Marlene Nash)

Proceedings in brief:

*The Chairperson advised to correct a minor error in the minutes: item #10 Local government NSW **(LGOV)** which should read as **(LGNSW)**.*

12.2) RECENT DEVELOPMENTS (CM.AU.3)

RESOLVED:

That the Committee receive and note the report on recent developments since the 8 February 2024 meeting.

(Cr. Marlene Nash/ Ron Gillard)

Proceedings in brief:

The main issues mentioned were an update on the Belubula Water Security Project, the Water Loss Management Initiative, Drinking Water Management Assessment Workshop, Lake Rowlands catchment management plan and General Manager's resignation.

Proceedings in brief:

Katy Henry joined the meeting at 10.15am to discuss the audit engagement letter and draft formatted General Purpose Financial Statements.

12.3) FINANCIAL STATEMENTS UPDATE - 2023-24 (FM.AC.1)

RESOLVED:

1. That ARIC note the 2023-24 Audit Engagement Plan
2. That ARIC note the early closure draft formatted General Purpose Financial Statements for 2023-24

(Ron Gillard/ Cr. Marlene Nash)

This is Page No. 2 of the Minutes of the Central Tablelands Water Audit, Risk and Improvement Committee Meeting held on 5 June 2024

Proceedings in brief:

Katy Henry left the meeting at 10.38am.

12.4) INTERNAL AUDIT RECOMMENDATIONS (CM.AU.3)

RESOLVED:

1. That ARIC to note the status reports on the Fraud Health checks and Project Management Internal Audit recommendations.
2. It was noted that some work remains to implement the recommendations.

(Cr. Marlene Nash/ Ron Gillard)

12.5) GOVERNANCE POLICY UPDATES (GO.PO.1)

RECOMMENDATION:

1. That ARIC to note the Data Breach Policy, Cyber Security Policy & Legislative Compliance Policy.

(Ron Gillard/ Cr. Marlene Nash)

Proceedings in brief:

There were few changes suggested by the Chairperson in cyber security policy and legislative policy which will be done and presented at the Council meeting to be held on 19 June 2024.

12.6) ARIC DRAFT TERMS OF REFERENCE AND APPOINTMENT OF INTERNAL AUDIT CO-ORDINATOR (CM.AU.1)

RECOMMENDATION:

1. That ARIC review the draft terms of reference.
2. That ARIC recommend to Council the appointment of Director of Finance and Corporate Services as the Internal Audit Co-ordinator.
3. That ARIC note the recruitment processes being undertaken to obtain a third independent member for the Committee.

(Cr. Marlene Nash/ Ron Gillard)

5. QUESTIONS ON NOTICE

The Chairperson extended her best wishes to the General Manager for his new role and thanked him for his consistent and constructive work with the Committee over many years.

This is Page No. 3 of the Minutes of the Central Tablelands Water Audit, Risk and Improvement Committee Meeting held on 5 June 2024

Proceedings in brief:

The General Manager thanked the ARIC committee for supporting him in his years of service at CTW.

6. CONCLUSION OF THE MEETING

Next Meeting: The next meeting of Central Tablelands Water ARIC will be held online on 7th August 2024 – Time to be confirmed.

There being no further business, the Chairperson declared the meeting closed at 11.28am.

This is Page No. 4 of the Minutes of the Central Tablelands Water Audit, Risk and Improvement Committee Meeting held on 5 June 2024

Minutes of the ARIC Meeting of Central Tablelands Water held on Microsoft Teams, on Wednesday, 7 August 2024, commencing at 11.05am

Present

Donna Rygate	(Chairperson – Independent Member – Voting)
Ron Gillard	(Independent Member – Voting)
Cr. Marlene Nash	(Council Member – Non-Voting)
Graeme Haley	(General Manager – Observer)
Peter McFarlane	(Director Finance and Corporate Services – Observer)
Achal Deo	(Governance & Executive Support Officer – Secretariat)

Proceedings in brief:

All items are resolved by consensus

1. WELCOME

The Chairperson opened the meeting at 11.05am.

2. ACKNOWLEDGEMENT OF COUNTRY

The Chairperson gave an acknowledgement of country.

3. DECLARATION OF ANY CONFLICT OF INTEREST

Standing disclosures of interests were submitted by all members.

4. DECLARATION OF ANY UNETHICAL BEHAVIOURS REPORTED TO COUNCIL

Nil

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

An apology was received from Director Operations & Technical Services - Noel Wellham.

6. CONFIRMATION OF MINUTES FROM PREVIOUS MEETING

Proceedings in brief:

Refer to item # 12.1

This is Page No. 1. of the Minutes of the Central Tablelands Water Audit, Risk and Improvement Committee Meeting held on 7 August 2024

7. REPORTS OF STAFF

Proceedings in brief:

Note: Item numbers generated automatically in InfoCouncil as 12.1 etc.

12. REPORTS OF STAFF**12.1) MINUTES OF THE ARIC MEETING HELD ON 5 JUNE 2024 (CM.AU.3)****RESOLVED:**

That the Minutes of the ARIC Meeting of Central Tablelands Water, held on 5 June 2024, be confirmed.

Proceedings in brief:

Katy Henry & Farisha Ali joined the meeting at 11.13am.

Discussions were held based on the interim management letter with Ms Henry and Ms Ali.

Katy Henry & Farisha Ali left the meeting at 11.33am.

12.2) RECENT DEVELOPMENTS (CM.AU.3)**RESOLVED:**

That the Committee receive and note the report on recent developments since the 5 June 2024 meeting.

Proceedings in brief:

The committee congratulated the CTW team for receiving the Sam Samra Award as the Most Improved Water Service Provider in NSW for 2024. The Sam Samra Award was presented to CTW at NSW's Annual Water Management Conference held in Goulburn.

Cr. Nash asked questions regarding the process for appointment of the new General Manager and the Acting General Manager provided responses.

12.3) FINANCIAL STATEMENTS UPDATE - 2023-24 (FM.AC.1)**RESOLVED:**

1. That ARIC note the status of the 2023-24 Financial Statements
2. That ARIC note the interim audit management letter dated 1 August 2024.

This is Page No. 2. of the Minutes of the Central Tablelands Water Audit, Risk and Improvement Committee Meeting held on 7 August 2024

12.4) DRAFT ANNUAL REPORT TO COUNCIL FOR 23-24 (CM.AU.1)**RESOLVED:**

1. That Council receive and note the draft Annual Report for 23-24.
2. That the Annual Report be referred to the next meeting of Council.

12.5) INTERNAL AUDIT RECOMMENDATIONS IMPLEMENTATION (CM.AU.3)**RESOLVED:**

That an updated report be provided to the next Committee meeting.

12.6) THIRD INDEPENDENT MEMBER SELECTION AND APPOINTMENT (CM.AU.1)**RESOLVED:**

That the committee receive and note appointment of Liz Jeremy as an independent member.

13. QUESTIONS ON NOTICE

Nil

14. CONCLUSION OF THE MEETING

Next Meeting: The next meeting of Central Tablelands Water ARIC will be held on 14 November 2024 – 11am.

There being no further business, the Chairperson declared the meeting closed at 11.49am.

12.10) FINANCIAL MATTERS - INVESTMENT REPORT AS AT 31 JULY, 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 July 2024 be noted.

REPORT**Cash and Investments**

The investment summary below represents Council's total investments as of 31 July, 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 two most significant pieces of economic news over the past month has been the June 24 Quarter Consumer Price Index (CPI) and the August meeting of the Reserve Bank of Australia (RBA).

The June quarter CPI came in at 3.8% up from 3.6% in the March Quarter. This was less than 4.0% that was forecast by some commentators. Inflation remains outside the RBA target rate of 2.0% to 3.0% and is persisting at a higher rate for longer than most people expected.

After much speculation about the cash rate, the RBA at the August meeting, maintained it at a rate of 4.35%. Further to this the RBA Governor's public statements indicated that it is unlikely that the cash rate will decrease for at least 6 months. This provided some certainty as to the future direction of interest rates, as there had been speculation that rates may rise or that there will be multiple rate cuts before the end of the year.

In response to this the term deposit market has remained subdued with 12 month rates remaining around 5.0%. Rates around this mark are expected to continue into the medium term as the cash rate remains unchanged. A number of Approved Deposit Institutions are offering lower rates as their portfolios remain fairly full as demand for loan funding has been subdued.

BUDGET IMPLICATIONS

If rates continue at current levels throughout 24/25 , Council will meet its budget.

POLICY IMPLICATIONS

Council's Investment Policy allows the flexibility to continue to operate effectively in the current market with minimal risk.

Terms around 12 months are still offering good rates and some special rate offers may come along that Council can take up.

ATTACHMENTS

- 1 Cash and Investment Balances at 31 July 2024

		Credit Rating	Term (Days)	Rate	Maturity Date	% of Portfolio
Short Term Deposits	\$ 9,300,000.00					92.65%
Bank Vic - Curve Securites	600,000	BBB+	367	5.20%	16/06/25	5.98%
Bank of QLD - Curve Securitiies	500,000	A-	180	5.12%	10/09/24	4.98%
Bank of QLD - Curve Securitiies	500,000	A-	331	4.95%	31/01/25	4.98%
Reliance/Unity Bank	500,000	Unrated	366	5.50%	4/08/24	4.98%
ING - Curve Securites	500,000	A	365	5.20%	16/10/24	4.98%
ING - Curve Securites	500,000	A	365	5.11%	26/03/25	4.98%
ING - Curve Securites	500,000	A	367	5.48%	4/11/24	4.98%
NAB - Curve Securites	500,000	AA-	365	5.20%	4/10/24	4.98%
Commonwealth Bank of Australia	500,000	AA-	364	5.00%	13/09/24	4.98%
ING - Curve Securites	500,000	A	365	5.14%	14/03/25	4.98%
Bank of QLD - Curve Securitiies	500,000	A-	270	5.00%	6/12/24	4.98%
Macquarie Bank - Curve Securites	200,000	A+		4.65%	At Call	1.99%
NAB - Curve Securites	500,000	AA-	365	4.95%	2/04/25	4.98%
ING - Curve Securites	500,000	A	365	5.25%	9/10/24	4.98%
Bank of QLD - Curve Securitiies	500,000	A-	365	5.25%	25/09/24	4.98%
NAB - Curve Securites	500,000	AA-	365	5.40%	2/07/25	4.98%
Bank Vic - Curve Securites	500,000	BBB+	368	5.20%	10/06/25	4.98%
Reliance/Unity Bank	500,000	Unrated	366	5.35%	14/07/25	4.98%
NAB - Curve Securites	500,000	AA-	365	5.22%	19/09/24	4.98%
At Call Deposits	\$ 737,313.45					7.35%
Commonwealth Bank - General Account	\$ 131,223.77	AA-	At Call	4.20%	N/A	
Commonwealth Bank - BOS Account	\$ 606,062.86	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	\$ 10,037,313.45					100%

Average Rate on Term Deposits	
90 Day BBSW for July 2024	4.4899%
Average Rate on Term Deposits	5.1639%
Margin over 90 day BBSW	0.6740%

Average Term - Short Term Deposits (days) 344

Long Term Credit Rating	Amount \$	%
AA-	\$ 3,237,286.63	32.24%
A+	\$ 200,000.00	2.00%
A	\$ 2,500,000.00	24.91%
A-	\$ 2,000,000.00	19.93%
BBB+	\$ 1,100,000.00	10.96%
Unrated	\$ 1,000,026.82	9.96%
Total	\$ 10,037,313.45	100.00%

BANK RECONCILIATION

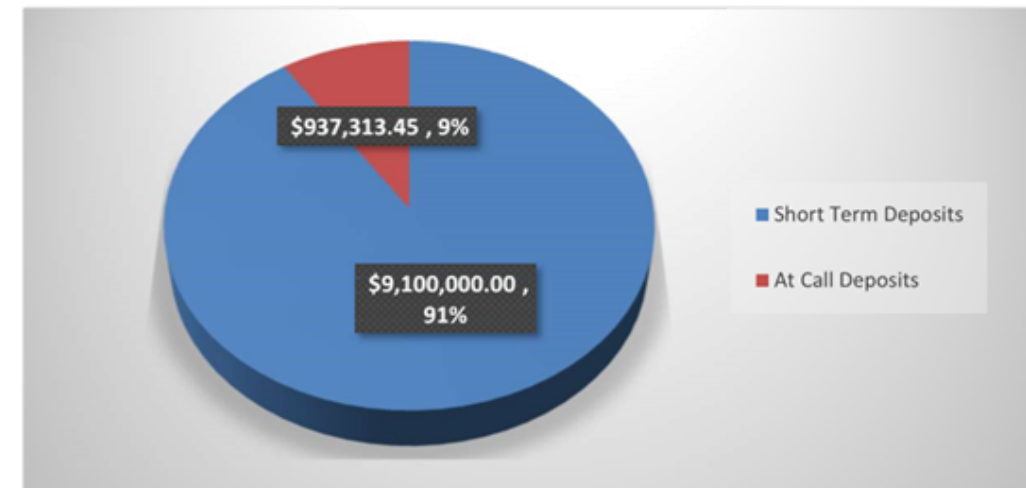
Balance as per Bank Statement	\$ 113,797.17
Add: Visa card purchases presented July 2024	\$ 16,680.28
Add: Payment received 01.08.2024	\$ 651.68
Add: Eftpos receipting 31.07.2024 deposited 01.08.24	\$ 94.64

Balance as per Cash Book \$ 131,223.77

GENERAL FUND

(a) Cash Book Balance	\$ 737,313.45
(b) Bank Balance	\$ 737,313.45

Short Term Deposits	\$ 9,100,000.00
At Call Deposits	\$ 937,313.45



12.11) FINANCIAL STATEMENT CERTIFICATES 2023/24 (FM.FR.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).

RECOMMENDATION:

1. That Council's Financial Reports be referred to audit in accordance with Section 413(1) of the Local Government Act 1993.
2. That Council notes that the Annual Financial Reports have been compiled in accordance with:
 - a) The Local Government Act 1993 (as amended) and the regulations made thereunder;
 - b) The Australian Accounting Standards and Professional pronouncements; and
 - c) The Local Government Code of Accounting Practice and Financial Reporting.
3. That Council endorses the Annual Financial Reports as fairly presenting the Council's operating result and financial position for the year, and that the Financial Reports accord with Council's accounting and other records.
4. That Council states that it is not aware of any matter that would render this report false and misleading in any way.
5. That Council, in accordance with Section 413 (2) (c) of the Local Government Act 1993 authorises the Chairman, Councillor , Acting General Manager and Responsible Accounting Officer to sign the required Statements relating to the General Purpose Financial Report and the Special Purpose Financial Report.
6. That Council delegates to the General Manager the authority to issue the Financial Statements upon receipt of the Auditor's Reports.
7. That Council endorse the internal restrictions as listed in Note C1-3 of the General Purpose Financial Statements.

REPORT

Section 413 (2) (c) of the Local Government Act 1993, requires Council to prepare Financial Reports and to refer those reports for audit within four (4) months after the end of the financial year (s416 (1)).

Council staff are completing a draft set of financial statements for 2023/24 and a copy will be tabled at the meeting.

As the financial statements are only in draft form (unaudited), a full commentary regarding the result will not be presented until after the audit has been completed.

As part of the Financial Reports, Council is required to present a statement of its opinion on the reports in accord with Sec 413 of the Local Government Act 1993. A copy of the form of the Councillors and Management Statements are attached for both the General Purpose Financial Report and the Special Purpose Financial Report.

Council's Responsible Accounting Officer and Acting General Manager are required to endorse the certificates along with the Council members. All signatories will be signing the Certificates at the conclusion of the meeting.

Council is also asked to endorse the listing of internal restrictions shown at Note C1-3. These restrictions have been reconciled after the determination of the cash and investment balances at 30 June, 2024. A listing of these restrictions are attached to this report.

Council retains an unrestricted cash balance of \$800K to provide working capital for any unplanned operational requirements. This has been increased from \$500K at 30 June 2023 in line with the increase in payables outstanding at 30 June, 2024.

Any transfer from internally restricted funds requires the endorsement of Council through either the adopted budget, through the quarterly budget review process (QBRS) or a separate resolution voting the funds by Council.

Once the auditor has completed the audit and has submitted their report, Council must fix a date for a meeting at which the auditor's report will be presented and give public notice of the date. This date must be at least seven (7) days after the date on which notice is given, but not more than five (5) weeks after the auditor's reports are given to Council.

The General Manager will also authorise lodgement of the accounts with the Office of Local Government upon receipt of the Audit reports.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

- 1 GPFS Certificate YE 30-6-2024
- 2 SPFS Certificate YE 30-6-2024
- 3 Cash Restrictions at 30-6-2024

Central Tablelands Water

General Purpose Financial Statements

for the year ended 30 June 2024

Statement by Councillors and Management

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 20 August 2024.

Cllr Andrew Rawson
Chairperson
20 August 2024

Cllr David Somerville
Councillor
20 August 2024

Graeme Haley
Acting General Manager
20 August 2024

Peter McFarlane
Responsible Accounting Officer
20 August 2024

Central Tablelands Water

Special Purpose Financial Statements

for the year ended 30 June 2024

Statement by Councillors and Management

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

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

- NSW Government Policy Statement, *Application of National Competition Policy to Local Government*
- Division of Local Government Guidelines, *Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality*
- The Local Government Code of Accounting Practice and Financial Reporting
- Sections 3 and 4 of the NSW Department of Planning and Environment, *Water's Regulatory and assurance framework for local water utilities.*

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

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

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

Signed in accordance with a resolution of Council made on 20 August 2024.

Cllr Andrew Rawson

Chairperson

20 August 2024

Cllr David Somerville

Councillor

20 August 2024

Graeme Haley

Acting General Manager

20 August 2024

Peter McFarlane

Responsible Accounting Officer

20 August 2024

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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	10,758	9,968
Less: Externally restricted cash, cash equivalents and investments	(12)	(12)
Cash, cash equivalents and investments not subject to external restrictions	10,746	9,956
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Other contributions	12	12
Total external restrictions	12	12

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

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

\$ '000	2024	2023
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(b) Internal allocations

Cash, cash equivalents and investments not subject to external restrictions	10,746	9,956
Less: Internally restricted cash, cash equivalents and investments	<u>(9,946)</u>	<u>(9,456)</u>
Unrestricted and unallocated cash, cash equivalents and investments	800	500

Internal allocations

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

Plant and vehicle replacement	886	771
Infrastructure replacement	7,646	7,465
Employees leave entitlement	753	598
Development reserve	461	482
Consultancy	<u>200</u>	<u>140</u>
Total internal allocations	9,946	9,456

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

\$ '000	2024	2023
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(c) Unrestricted and unallocated

Unrestricted and unallocated cash, cash equivalents and investments	800	500
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12.12) UNCOMPLETED WORKS - REVOTES OF EXPENDITURE AT 30 JUNE 2024 (FM.BA.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:

That Council revoke the uncompleted works and adjustments be made to the adopted 2024/25 Operational Plan.

REPORT

This report is to recommend the revoting of capital works projects that were not completed during the 2023/24 financial year. These revotes, if adopted by Council will then form part of the 2024/25 Operational Plan and will be incorporated into the September 2024 Quarterly Budget Review Statement.

These revotes have been considered in consultation with the relevant staff and the Senior Management Team.

Revotes consist of costs that have already been committed by way of purchase order or contract, together with planned works that have not been completed within the 2023/24 financial year.

As a rule, unspent operational expenditure will not be revoked unless there is firm commitment by way of purchase order, contract outstanding or the funds relate to unexpended grant or contribution monies.

The recommended revotes are listed in the table below:

Details	Amount \$	Funding Source
Pumping Station Renewals	126,468	Rolling Program – Infrastructure Restriction
Telemetry Upgrades	50,589	Rolling Program – Infrastructure Restriction
Depot Upgrades	170,936	Design underway – Infrastructure Restriction
New Metering – Lake Rowlands – TMA and TMX	6,526	To be completed - Infrastructure Restriction
Gooloogong Bore Switchboard	113, 617	Installation not yet completed – Infrastructure Restriction
Eugowra Pump Station Renewal	80,693	Works to be finalised – Infrastructure Restriction
Trunk Main – SID – Western Artery – TMB TMC TMU	221,262	Investigation in progress – 50% Infrastructure Restriction 50% Grant
Trunk Main U Renewal 7 kms – Canomodine Pump Station to Top of Hill	320,000	Works not yet commenced – Infrastructure Restriction.

Bangaroo Pump Station Renewal	13, 886	Works underway – Infrastructure Restriction
Water Loss Metering Project – Various Sites	40,233	Works underway – Infrastructure Restriction
Reticulation Mains Renewals	491,130	Works underway. Blayney, Carcoar and Millthorpe to be completed – Infrastructure Restriction.
Carcoar Water Treatment Plant – Access Road Seal	16,216	Works underway – Infrastructure Restriction
Blayney Water Treatment Plant – Access Road and Carpark Seal	23,763	Works underway – Infrastructure Restriction
Town – Village - Water Restriction Signage	80,000	Works deferred until regulatory framework adopted across the State – Infrastructure Restriction
Renewal Energy Infrastructure	363,602	To fund additional renewal energy projects as per action plan – Infrastructure Restriction
Upgrade Automatic Filling Stations	52,500	Works underway in 24-25 – Infrastructure Restriction
Total Capital Revotes	2,171,421	

All these revotes are fully cash funded from the source detailed above.

BUDGET IMPLICATIONS

These revotes if approved will be incorporated into the September 2024 Quarterly Budget Review Statement.

The additional capital budget of \$2,171,421 will increase the adopted Capital Budget for 2024/25 from \$2,482,006 to \$4,653,427.

POLICY IMPLICATIONS

Clause 211 (1) of the Local Government (General) Regulation 2005 requires that Council must not incur a liability for expenditure of money unless a meeting of Council has:

- a. approved the expenditure, and
- b. voted the money necessary to meet the expenditure.

The adoption of the revoted works will allow funding for those works to be included in the 2024/25 Operational Plan.

ATTACHMENTS

Nil.

12.13) MAKING OF FEES AND CHARGES - NON POTABLE WATER FEE (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:

That in accordance with Sections 501, 502, 503, 539, 541, and 552 of the Local Government Act 1993, Council make the following water charge:

Non-Potable Water	\$3.17 per kilolitre
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REPORT

In the report to make the water charges at the 19 June meeting, the fee for the supply of non-potable water was incorrectly shown as \$2.97 when it should have been \$3.17 per kilolitre.

The charge of \$3.17 per kilolitre was the part of the draft Operational Plan for 24/25 that was adopted by Council at the 19 June meeting.

Accordingly, there is no need to readvertise the fee.

Generally, in the case of new fee or charge section 610F of the Local Government Act 1993 requires that an exhibition period of 28 days be undertaken.

The non potable water was incorporated in Council's fees and charges a number of years ago. The purpose of the charge is to cover the situation where non-portable water is supplied by Council, but in particular from the Blayney bore.

It is noted that the supply of non-potable water is not a core business of Council, so the fee has not been used since it was first adopted in 2020/21.

BUDGET IMPLICATIONS

In accord with the adopted 2024/25 Operational Plan.

Council has not put any estimated revenue from non-potable water in the 2024-25 Operational Plan.

POLICY IMPLICATIONS

The made charge is now in accord the Council's adopted Revenue Policy for 2024-25.

ATTACHMENTS

Nil.

12.14) DISCLOSURES BY COUNCILLORS AND DESIGNATED PERSONS (GO.CO.3)

Author: Director Finance & Corporate Services
IP&R Link: Strategic Priority 2: An efficient, sustainable and customer focused organisation – 2.3: Continuous Improvement Whilst Managing Risk

RECOMMENDATION:

That the “Disclosures by Councillors and Designated Persons” Returns for the period ending 30 June 2024, as tabled be received.

REPORT

In accordance with Section 440AAB of the Local Government Act 1993, all returns disclosing interests of Councillors and designated persons, for the period 1 July 2023 to 30 June 2024, must be tabled at the first meeting of Council following the last day for lodgement of the returns. This date was 30 September 2024.

As this is the final meeting of the current Council, the returns have been gathered so they can be presented at this meeting.

Accordingly, a copy of the returns will be tabled at this meeting for each Councillor who held office as at 30 June 2024, as well as the General Manager, Acting General Manager, Director Finance & Corporate Services, and Director Operations & Technical Services who were all designated persons during the 2023-24 year.

It is noted that independent members of the Audit and Risk Committee are also considered to be designated persons. Returns have been received from those members and have been tabled.

As noted above, this is a requirement of the Local Government Act 1993 under Section 440AAB and Council Model Code of Conduct.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil.

12.15) MODERN SLAVERY RISK ASSESSMENT PROJECT UPDATE (CM.AG.3)

Author: Director Finance & Corporate Services
IP&R Link: – 3.1: Regional collaboration and partnerships – 3.1.2: Participate in CNSWJO opportunities for relevant joint procurement activities, knowledge and resource sharing, and advocacy for strategic regional priorities.

RECOMMENDATION:

That Council note the Central NSW Joint Organisation Modern Slavery Report and participate in ongoing collaboration across the region to minimise duplication and reduce regulatory burden.

REPORT

This update report has been provided by the Central NSW JO.

Background

Council will recall the Modern Slavery Risk Assessment Project is being progressed through the CNSWJO and participating members. Please find the previous report to Council attached.

The NSW Modern Slavery Amendment Act, 2021 requires local government to take reasonable steps to ensure that goods and services procured by and for Council are not the product of modern slavery.

Guidance on reasonable steps was provided in December 2023 please find more detail in its regard in a table below. Arguably this Guidance is onerous and impractical.

CNSWJO is keen to provide as much support and advice as possible with a view to ensuring Council does not duplicate effort and is aware of the policy position of the CNSWJO Board regarding Modern Slavery.

Policy advice

Where efforts to counteract slavery are laudable, they must be practical and achievable. The current guidance from the Office of the Anti-slavery Commissioner is neither practical nor achievable, rather it reflects a poor understanding of Councils and their suppliers.

Modern Slavery Legislation has not considered the resourcing impacts on local government and is yet another cost shift from a poorly resourced regulator.

The CNSWJO Board has been using the Case Study on Modern Slavery on the cover page of this report for advocacy purposes where on the one hand both the NSW Government generates resource intensive cost shifts like compliance with this legislation, then rate caps and finally conducts an inquiry in local government financial sustainability – all in a less than six months.

Operational Program support

CNSWJO is of a view that the work it is undertaking drives a sensible pathway supporting the objectives of the modern slavery legislation.

A central database has been developed using information on suppliers provided by member councils. The database identifies medium and high-risk suppliers, who then receive a survey

link requesting information about their modern slavery policies, reports, training and communication. In December, the survey was sent to over 300 suppliers who had until 29 February 2024 to respond with the requested information. Responses were received from 45 suppliers.

Work is now underway to collect information from Local Government Procurement (LGP) who has also conducted a similar risk assessment on many of the same suppliers. Prior to the survey being sent again, CNSWJO will ensure that any information already collected via LGP is incorporated into the database to avoid duplication.

CNSWJO staff are working closely with Ms Donna Eastburn from Bathurst Regional Council who has provided a great deal of guidance to the risk assessment project. Advice is also being sought from LGP through their Sustainable Choice program.

Further, in December 2023, the Office of the Anti-slavery Commissioner released Guidance on Reasonable Steps to Manage Modern Slavery Risks in Operations and Supply Chains. While CNSWJO staff are reviewing the guidance and determining how to best support member councils, the following table sets out the implementation milestones of the Guidance for Reasonable Steps:

<i>Date</i>	<i>Milestone</i>
1 January 2024	<i>Guidance takes effect</i>
Contracts pre-dating 1 January 2024	<p>Do contracts need to be renegotiated? <i>There is no general expectation that contracts or agreements pre-dating this Guidance will be re-negotiated.</i></p> <ul style="list-style-type: none"> • <i>Exceptionally, where modern slavery risks in an ongoing operational activity or procurement are Heightened, covered entities must not only use leverage but also develop it where they lack it. This is consistent with Australia’s commitment to the UN Guiding Principles on Business and Human Rights and recent adherence to the OECD Council Recommendation on the Role of Government in Promoting Responsible Business Conduct. In some cases, especially where there is a salient risk of ongoing modern slavery in the performance of the contract, this could mean that entities do need to consider exploring contractual adjustments in order to develop this leverage.</i> <p>What steps are reasonable where earlier contracts are still on foot? <i>Where a contract pre-dates 1 January 2024 but remains on foot, reasonable steps may be required – for example in relation to contract management. This may necessitate an assessment of the GRS due diligence level associated with a contract already entered into, and still on foot – see Part 4.</i></p> <ul style="list-style-type: none"> • <i>Contract management may require using existing forms of leverage, such as contractual obligations to abide by workplace health and safety standards (locked accommodation, excessive working hours, abusive behaviour). Some procurement contracts or agreements may already include references to ISO 45001 Occupational Health and Safety Management Systems, ISO 26000 Social Responsibility, or ISO 20400 Sustainable Procurement.</i> • <i>Ongoing contracts may also activate expectations under this Guidance relating to supplier capability development, grievance mechanisms and remediation.</i>

	<p>Do entities have to report on activities and procurement prior to 1 January 2024?</p> <p>Many covered entities had obligations to take reasonable steps that commenced on 1 July 2022. They must report on the reasonable steps they have taken since that time. (See Appendix K GRS Annual Reporting Template.) While the Guidance only takes effect from 1 January 2024, it may provide inspiration for reporting on earlier activity. Further clarifications about reporting expectations are set out below, with reference to when reporting takes place.</p>
<p>Reporting between 1 January 2024 and 30 June 2024</p>	<p>Entities reporting in 2024 on activity undertaken from 1 January 2023 to 31 December 2023 need only use the Guidance as inspiration. They are however still expected to report using the provided template and online form. In monitoring this reporting, the Commissioner will take into account that the Guidance was not available until December 2023 and only takes effect on 1 January 2024.</p>
<p>1 July 2025</p>	<p>Transactional reporting obligations relating to heightened modern slavery due diligence (HMSDD) procurements commence. Entities should file an online report with the Office of the Anti-slavery Commissioner within 45 days of the entry into force of any contract:</p> <ul style="list-style-type: none"> • arising from a ‘Heightened’ modern slavery due diligence procurement process; and • with a value of AU \$150,000 (including GST) or more. For more detail see Appendix L Heightened MSDD reporting.
<p>Annual reporting occurring between 1 July 2024 and 31 December 2024</p>	<p>Entities reporting on activity undertaken from 1 July 2023 to 30 June 2024 should endeavour to report against the Guidance for the full year of activities – see Part 6. These entities may find it necessary to assess the GRS due diligence level associated with transactions that took place before 1 January 2024, in order to meet the annual reporting obligations set out in this Guidance. In monitoring this reporting, the Commissioner will take into account that the Guidance was not available until December 2023 and only takes effect on 1 January 2024.</p> <p>In reviewing this reporting, the Anti-slavery Commissioner will focus in particular on:</p> <ol style="list-style-type: none"> 1. conformance with Part 1 of this Guidance; 2. Heightened MSDD contexts; 3. procurement related to <ul style="list-style-type: none"> – information and communication technologies (ICT) – cleaning services.
<p>Annual reporting occurring between 1 January 2025 and 31 December 2025</p>	<p>Guidance in effect. Covered entities expected to make best efforts to conform with all aspects of this Guidance. In reviewing this reporting in 2025, the Anti-slavery Commissioner will pay attention to:</p> <ol style="list-style-type: none"> 4. Heightened MSDD contexts; 5. procurement related to <ul style="list-style-type: none"> – information and communication technologies (ICT) – cleaning services – renewable energy and – domestically produced food and agriculture
<p>Annual reporting between 1 January 2026</p>	<p>Guidance in effect. Covered entities expected to make best efforts to conform with the Guidance. In reviewing this reporting in 2026, the Anti-slavery Commissioner will pay attention to:</p> <ul style="list-style-type: none"> • modern slavery risk management in Heightened MSDD contexts;

<p>and 31 December 2026</p>	<ul style="list-style-type: none"> • <i>procurement related to</i> <ul style="list-style-type: none"> – <i>information and communication technologies (ICT)</i> – <i>cleaning services</i> – <i>renewable energy</i> – <i>domestically produced food and agriculture and</i> – <i>construction.</i>
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Where the resourcing required by councils to demonstrate compliance with the requirements outlined above is burdensome, General Managers of the region have proposed that a meeting be coordinated to determine the progress each council is making as well as to determine what further support is required. This is being progressed.

Conclusion

Modern Slavery Legislation has generated significant resourcing impacts for Councils. The CNSWJO is both advocating and providing operational support for Council to help minimise these impacts.

Value for Council

The work on Modern Slavery being undertaken by the CNSWJO is part of the regional Best Practice in Aggregated Procurement Program. The Toolkit for this program was fully funded by the NSW Government and its implementation comes at no extra cost to Council outside membership fees to the JO.

The return on investment from the fees Council contributes to the JO for the 2022/2023 year was 9.4:1. This is primarily for cost savings on aggregated procurement and grant funding.

This is a copy of the report that was provided to Council at the meeting on 13 December , 2023.

Recommendation: That Council note the progress of the regional modern slavery compliance project supported by CNSWJO.

Introduction

The NSW Modern Slavery Amendment Act, 2021 requires all Local Government Sites to take reasonable steps to ensure that goods and services procured by and for Council are not the product of modern slavery.

Modern Slavery is defined as the severe exploitation of other people for personal or commercial gain. It is estimated that globally 50 million people are trapped in modern slavery. It has been identified that there are around 41,000 potential victims in Australia.

Modern slavery comes in many forms. The most common forms are:

- Human trafficking – involves transporting, recruiting, or harbouring people for the purpose of exploitation, using violence, intimidation, threats or coercion.
- Forced labour – any work or services which people are forced to do against their will under the threat of some form of punishment this includes debt bondage, child slavery and servitude.

Slavery exists in all stages of the supply chain, from the picking of raw materials to the manufacturing of goods and at the later stages of shipping and delivery to consumers.

Background

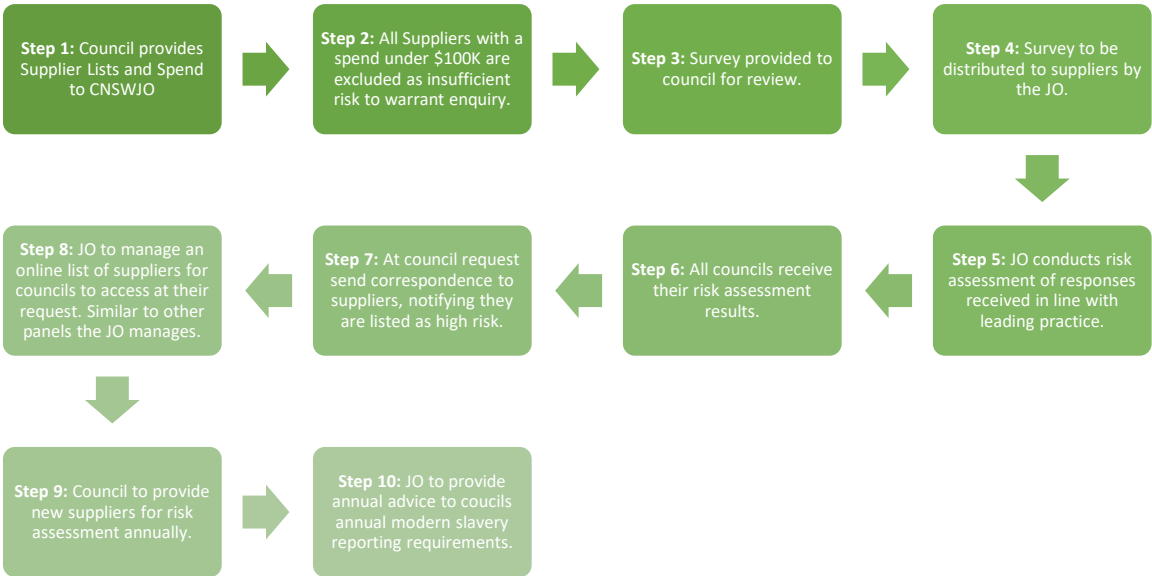
CNSWJO, at the request of members is developing a regional approach to compliance that is:

- offering efficiencies and reducing council resource required;
- managing an ongoing supplier risk assessment; and
- the one point of contact for suppliers for councils in the region to minimise the extent to which businesses need to respond to the modern slavery risk assessment process.

Project Objectives: This project serves to provide CJSWJO, its member and associate member councils that the suppliers they are engaged with are not providing goods and services that are the product of modern slavery, and it will allow an assessment of all the suppliers across councils. It will require suppliers to demonstrate their compliance with the regulations and ensure they are thinking about modern slavery and implementing practices and policies in their workplace to avoid inappropriate workplace practices.

Project Deliverables: This project will consist of a survey distributed to the member council's suppliers. CNSWJO will facilitate an evaluation detailing each supplier's risk rating.

Flow Chart



Efficiencies and other value to councils

A regional approach to modern slavery will enable efficiencies by shifting the focus from an individual council process to a regional collaborative effort to understand the region's suppliers and conduct assessments from a regional point through the Joint Organisation. Completing this assessing work through the Joint Organisation will lessen the burden on suppliers who are utilised across councils throughout the region in responding to multiple surveys requesting the same or similar information. This work will result in a central data list that will be accessible for informational purposes to councils.

Council resources will still be required, as outlined in the above flow chart, in annually updating supplier lists and in keeping data accurate and up to date; however, councils will not be required to conduct the risk assessment each year, as this task will fall upon the Joint Organisation. With this process being an annual task, councils will then be able to report as required on the progress and status of keeping up to date with modern slavery legislation and taking a proactive stance in addressing modern slavery in their supply chains.

Manage an ongoing supplier risk assessment

The Joint Organisation will manage an ongoing/ annual supplier risk assessment as per the flow chart provided above. The steps taken will allow the Joint Organisation and member councils to keep track of suppliers utilised throughout the region and their risk levels concerning modern slavery.

The Joint Organisation, at the discretion of member councils, will advise suppliers of their risk rating when it exceeds a low rating. Any supplier with a medium to high-risk rating will be advised by the Joint Organisation of this rating and offered support to reduce their risk or modern slavery practices in their supply chains, where possible.

One point of contact for suppliers for councils in region to minimise the extent to which businesses need to respond to the modern slavery risk assessment process.

The new modern slavery regulations are applicable across the board for Organisations with a supply chain, if each individual organisation or council were to approach these requirements individually the number of surveys being distributed for completion would be excessive. Particularly throughout regions such as Central NSW where councils in utilise the same or similar suppliers for the provision of goods and services. When factoring this in, it is optimal for the surveying to be completed through one point of contact to minimise the duplication and work required of the regions suppliers.

Financial and resourcing impacts

CNSWJO will manage the process including costs of surveys and the evaluation of the surveys.

No costs are anticipated to councils at this time.

Risk Assessment Evaluation Criteria

Collaboration with Bathurst Regional Council has informed the following risk evaluation process.

The criteria used in evaluating a supplier’s modern slavery risk rating will include:

- Council spend with a supplier over \$100K (annual spend below \$100K is considered minor and will therefore be allocated a low rating);
- Modern Slavery Ratings List; and
- Country of origin in supply chain.

CATEGORY	OCCUPATIONS	RATING
ARTISTS	ARTISTS, PERFORMERS, BANDS, WRITERS, SPEAKERS,MCEE	LOW
CONSULTANTS	ARCHITECTS, PLANNERS, HERITAGE CONSULTANTS, INSPECTORS, SURVEYORS, DOCTORS, SOLICITORS,VALUERS	LOW
EMPLOYMENT	EMPLOYMENT, LABOUR HIRE, STAFF	LOW
FINANCIAL	AUDITORS, FINANCIAL CONSULTANTS, ACCOUNTANTS, SOLICITORS, BANKS, INSURANCE	LOW
FOOD	RESTAURANTS, FOOD VENDORS, JAMS AND PICKLES, CATERERS	LOW
GOVT	LOCAL, FEDERAL & STATE GOVERNMENT, LGP, TENDERLINK, AUST POST, INDUSTRY STANDARDS, LEGISLATION, ATO	LOW
HIRE	VENUE HIRE, EQUIPMENT HIRE, LEASES, STAGES ETC	LOW
LANDSCAPING	ARBORISTS, MOWING, MAINTENANCE, LANDSCAPERS, PLANTS, FLORISTS, GRAVEL	LOW
MEDIA	MAGAZINES, NEWSPAPERS, INFLUENCERS, TV, RADIO, SUBSCRIPTIONS, PHOTOGRAPHERS, MARKETING, PRINTING, WEB DESIGN	LOW
MEMBERSHIP	ASSOCIATIONS, BOARDS, SOCIETIES, SUBSCRIPTIONS, LICENCES, BUY LOCAL	LOW
MUSEUMS	ART GALLERIES, MUSEUMS, LIBRARIES, BOOKS	LOW
SOFTWARE	SOFTWARE, INTERNET, SUBSCRIPTIONS AND LICENCES, LINE RENTAL	LOW
TRAINERS	TRAINERS, CONFERENCES, WORKSHOPS, SEMINARS, WEBINARS	LOW
EVENTS	MAJOR HIRE OF PRODUCTS IE FERRIS WHEEL, ICE RINK	MED

SERVICES	PERFORMING A SERVICE IE PLANT HIRE, EQUIPMENT SERVICES, INSPECTIONS, CALIBRATIONS, PAINTERS, TRANSPORT & FREIGHT COMPANIES, DELIVERY SERVICES	MED
CHEMICALS	CLEANING COMPANIES, CHEMICAL COMPANIES, GAS, FUEL, ADDITIVES, ASBESTOS,	HIGH
CLOTHING	UNIFORMS, PPE	HIGH
CONSTRUCTION	MATERIALS USED FOR ANY BUILDING OR CONSTRUCTION INCLUDING PLUMBERS AND ELECTRICIANS; MACHINERY PURCHASES OR REPAIRS	HIGH
ENERGY	ENERGY COMPANIES, SOLAR PANELS AND LITHIUM BATTERIES	HIGH
HARDWARE	COMPUTER HARDWARE, CABLES ETC, PHONES, TABLETS	HIGH
MISC PRODUCTS	MUSEUMS STOCK, MISC PRODUCTS, ONE OFFS, SUPERMARKETS, SOUVENIERS, FURNITURE, ELECTRICAL ITEMS, SECURITY	HIGH
VEHICLES	CAR, TRUCKS, TRAILERS, LAWNMOWERS & OTHER EQUIPMENT INCLUDING ALL PARTS & SERVICES	HIGH
OTHER	CASE BY CASE TO BE DETERMINED: OVERSEAS PRODUCTS	TBA

REMOVED FROM LIST	EMERGENCY SERVICES, FUNDING, GRANTS, DONATIONS, SPONSORSHIP, SCHOOLS UNIVERSITIES AND ALL GOVERNMENT DEPARTMENT DEPARTMENTS.	
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Evaluation of High-Risk Respondents

Once suppliers have responded to the surveying, they will receive a risk rating.

Low risk countries/regions - Australia, New Zealand, UK, Canada, Europe

Medium risk countries - Malaysia, Mexico, Nepal, Philippines, Singapore, Sri Lanka, Thailand

High risk countries/regions - North Korea, Eritrea, Mauritania, Saudi Arabia, Türkiye, Tajikistan, United Arab Emirates, Russia, Afghanistan, Kuwait, India, China, North Korea, Pakistan, Russia, Indonesia, Nigeria, Türkiye, Bangladesh, United States

Conclusion

This project anticipates completion by 30 June 2024 with ongoing support provided to councils. The report is provided for noting.

Attachment/s: Nil

BUDGET IMPLICATIONS

Nil at this stage.

POLICY IMPLICATIONS

Council's procurement policy will be reviewed to include the Modern Slavery Act requirements.

ATTACHMENTS

- 1 MODERN SLAVERY CASE STUDY

Case Study – Modern Slavery Legislation – how an under resourced State entity drives costs up for Local Government and their suppliers.

Everyone supports the idea of fighting modern slavery through better supply chains. How should this be implemented?

As it stands, councils must manage the modern slavery risks of their supply chains including international businesses. Every council, every supply chain. Councils must report their compliance in a formal Annual Report to the Auditor General, annually online with the Anti-Slavery Commission and as from 1 July 2025 Online Reporting to the Anti-Slavery Commission for all contracts arising from any high-risk procurement with a value of \$150K within 45 days from the date of contract.

Suppliers deemed high risk must be surveyed. Surveys alone are not enough; councils must also demonstrate due diligence and show what they are doing to reduce the risks including following up non respondents and offering them support in lowering their risks. All suppliers must be informed of their ratings. The total list of suppliers for Bathurst Regional Council is approximately 4,000, with over 100 currently rated as high risk. The estimate for the CNSWJO region's members is 14,600, with a lot of overlap.

Meanwhile the advice on the Federal Attorney General's website is that though they have a Register for Modern Slavery they do not check the veracity of the advice therein. Checking become councils' job. The Commissioner suggests that this could include contacting business directly – hopefully councils have staff fluent in the languages of those countries viewed as high risk.

To be compliant, legal advice directed there be 14 questions on Modern Slavery in every procurement activity the CNSWJO undertakes. Every supplier responding to Requests for Quotation and Tender must respond to these questions. The Commissioner's guidance is suggesting these questions should be weighted between 5-10%. This competes with other criteria like safety, capability, quality, environmental, pricing and supporting local providers.

CNSWJO is undertaking this work collaboratively to try and reduce duplication both for suppliers and councils and can report that suppliers are furious.

Case Study: Modern Slavery Legislation

12.16) 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 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, including previously reported onsite meeting 4th to 6th of June 2024, CTW's Director of Operations and Technical Services

(DOTS) engaged with key WaterNSW representatives on 22nd July and 7th August 2024 as part of regular update meetings.

Key deliveries resulting from these meetings include;

Baseline Monitoring Program

Four grab samples to be collected by CTW for monthly WQ analysis (12 month duration) :

1. Coombing Ck at Darington Bridge on Neville Road
2. Macquarie Swamp at Panomar Rd
3. Number one swamp - upstream of junction to Coombing Ck
4. Raw water inlet to Carcoar WTP

- Possibility to do event sampling (e.g. wet weather or unusual conditions)
- Council should have received information pack via email
- Council will receive bottles, labels, and COCs asap.
- WNSW will pay for Freight and analysis of samples.

Site:	
Sampling by:	
Lab Analysis	
True Colour @ 420nm	
Total Dissolved Solids	
Total Hardness as CaCO3	
Total Manganese	
Filtered Manganese	
Total Iron	
Filtered Iron	
Total aluminium	
Organic Carbon Total (TOC)	
pH	
Conductivity @25 C	
Turbidity	
Nitrogen Total	
Phosphorous Total	
E. coli	
Total Coliforms	
Algae speciation (total, cyanobacteria, biovolume and ASU)	
Field Testing (if possible)	
pH	
turbidity	
dissolved oxygen (mg/L and %sat)	
temperature	
conductivity	



Mapping Updates – Land use

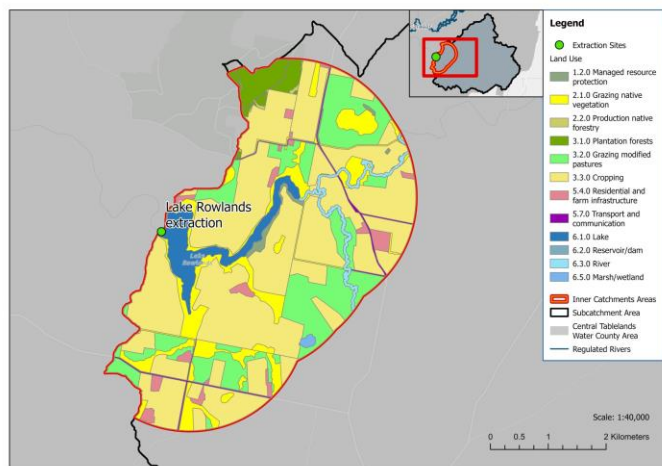
ALUM Inner Catchment mapping indicates:

- Cropping (56%) (cereals, hay, lucerne, cotton, oilseed, pulses). CTW indicated this is incorrect.
- grazing modified pastures (18%) (Pasture and forage production, both annual and perennial)
- grazing native vegetation (11%)

ALUM landuse mapping for the inner catchment don't match ground truth – layer is incorrect

Central Tablelands Local Land Services data supports that the layer is incorrect – Annual return data –

- ~ approximately 20,000 head of sheep and 10,000 head of cattle being run in the Lake Rowlands area.
- grazing is orders of magnitude (20 times) higher than the amount of cropping area in the reported returns



The above foundation work will assist with highlighting the main water quality catchment hazards and gaps.

BUDGET IMPLICATIONS

Operational Plan 2023/24

POLICY IMPLICATIONS

Water Quality Policy

ATTACHMENTS

Nil.

12.17) 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.

CTW has assisted Chris by providing him access to all CTW's bore fields

BUDGET IMPLICATIONS

Operational Plan 2023/24

POLICY IMPLICATIONS

Nil.

ATTACHMENTS

Nil.

12.18) 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 1/6/2024 to 31/7/2024

a) *Main Breaks*

Location		Date	Size / Type	Comment
Blayney	Queen St	03/06/2024	100mm PVC	R&RP
Garland	Mt McDonald Rd	13/06/2024	100mm AC	R&RP
Millthorpe	Pym St	15/06/2024	150mm AC	R&RP
Millthorpe	Victoria St	03/07/2024	100mm AC	R&RP
Canowindra	George Russell Drive	23/06/2024	65mm DNR	R&RP
Canowindra	The Pines	19/07/2024	100mm AC	R&RP



Notes

1. CTW Mains (Trunk & Retic) Break score of 6/573km == 1.05 /100km.
 Rolling Value across 12mths = 6.11/100km which is lower than the 2022-23 NSW State Median benchmark of 12.56 breaks/100km.

b) *Service Activities and Requests*

ACTIVITIES	PREVIOUS YEARS	THIS PERIOD
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	2021	2022	2023	2024	% of Total meters	Total Meters
BLAYNEY	16	25	29	25	1.65%	1514
BURST METER	0	1	0	0	0.00%	
CHECK METER READING	0	0	3	1	0.07%	
DIRTY WATER COMPLAINT	0	0	0	1	0.07%	
HYDRANT LEAK	0	1	0	0	0.00%	
LEAKING METER	4	14	11	11	0.73%	
LEAKING SERVICE	4	2	3	5	0.33%	
LOW PRESSURE COMPLAINT	0	0	2	0	0.00%	
MAIN BREAK	1	1	0	0	0.00%	
MAINTENANCE - GENERAL	2	4	5	1	0.07%	
METER NEW / REPLACEMENT	5	1	4	2	0.13%	
METER NOT SHUTTING OFF	0	1	1	3	0.20%	
NO WATER COMPLAINT	0	0	0	0	0.00%	
PATHCOCK FAILURE	0	0	0	0	0.00%	
QUALITY COMPLAINT	0	0	0	1	0.07%	
Total Complaints = 2						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Meters
	2021	2022	2023	2024	% of Total meters	
CANOWINDRA	20	27	16	22	1.91%	1154
BURST METER	0	0	0	0	0.00%	
CHECK METER READING	0	1	0	0	0.00%	
DIRTY WATER COMPLAINT	0	0	1	1	0.09%	
HYDRANT LEAKING	0	1	1	0	0.00%	
LEAKING METER	5	6	4	6	0.52%	
LEAKING SERVICE	1	5	6	7	0.61%	
LOW PRESSURE COMPLAINT	1	0	1	0	0.00%	
MAIN BREAK	4	2	1	1	0.09%	
MAINTENANCE - GENERAL	6	3	1	2	0.17%	
METER NEW / REPLACEMENT	3	9	0	3	0.26%	
NO WATER COMPLAINT	0	0	0	2	0.17%	
METER NOT SHUTTING OFF	0	0	1	0	0.00%	
Total Complaints = 3						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Meters
	2021	2022	2023	2024	% of Total meters	
CARCOAR	3	3	3	1	0.74%	136
LEAKING METER	1	2	2	0	0.00%	

LEAKING SERVICE	1	0	0	1	0.74%	
MAIN BREAK	1	0	0	0	0.00%	
METER NOT SHUTTING OFF	0	0	1	0	0.00%	
QUALITY COMPLAINT	0	1	0	0	0.00%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Meters
	2021	2022	2023	2024	% of Total meters	
CARGO	5	1	1	3	1.80%	167
LEAKING METER	0	0	1	1	0.60%	
LEAKING SERVICE	1	0	0	0	0.00%	
LOW PRESSURE COMPLAINT	0	0	0	0	0.00%	
MAIN BREAK	1	1	0	0	0.00%	
MAINTENANCE - GENERAL	2	0	0	1	0.60%	
METER NEW / REPLACEMENT	1	0	0	1	0.60%	
NO WATER COMPLAINT	0	0	0	0	0.00%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Meters
	2021	2022	2023	2024	% of Total meters	
CUDAL	2	5	5	8	3.31%	242
BURST METER	0	1	0	0	0.00%	
DIRTY WATER COMPLAINT	0	0	0	0	0.00%	
HYDRANT LEAKING	0	1	0	0	0.00%	
LEAKING METER	1	0	1	6	2.48%	
LEAKING SERVICE	0	2	3	0	0.00%	
MAIN BREAK	0	0	0	0	0.00%	
MAINTENANCE - GENERAL	0	0	0	1	0.41%	
METER NEW / REPLACEMENT	0	0	1	0	0.00%	
NO WATER COMPLAINT	1	1	0	1	0.41%	
Total Complaints = 1						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Meters
	2021	2022	2023	2024	% of Total meters	
EUGOWRA	0	4	18	10	2.56%	390
BURST METER	0	0	1	0	0.00%	
CHECK METER READING	0	0	0	1	0.26%	
CUSTOMER DAMAGED METER	0	0	1	0	0.00%	
LEAKING METER	0	1	0	3	0.77%	

LEAKING SERVICE	0	0	2	1	0.26%	
MAIN BREAK	0	0	0	0	0.00%	
MAINTENANCE – GENERAL	0	1	2	3	0.77%	
METER NEW/REPLACEMENT	0	1	11	2	0.51%	
METER NOT SHUTTING OFF	0	1	0	0	0.00%	
NO WATER COMPLAINT	0	0	1	0	0.00%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Meters
	2021	2022	2023	2024	% of Total meters	
GRENFELL	19	12	11	13	0.89%	1355
BURST METER	0	1	0	0	0.00%	
CHECK METER READING	0	0	1	1	0.07%	
CUSTOMER DAMANGED METER	0	1	0	0	0.00%	
CUSTOMER DAMAGED SERVICE	0	0	0	0	0.00%	
DIRTY WATER COMPLAINT	0	0	0	1	0.07%	
LEAKING METER	11	2	4	5	0.37%	
LEAKING SERVICE	2	1	3	2	0.15%	
LOW PRESSURE COMPLAINT	0	2	0	0	0.00%	
MAIN BREAK	0	0	0	0	0.00%	
MAINTENANCE – GENERAL	0	1	0	0	0.00%	
METER NEW / REPLACEMENT	6	3	3	2	0.15%	
METER NOT SHUTTING OFF	0	0	0	1	0.07%	
NO WATER COMPLAINT	0	1	0	1	0.07%	
Total Complaints = 2						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Meters
	2021	2022	2023	2024	% of Total meters	
LYNDHURST	1	0	0	4	2.47%	162
LEAKING METER	0	0	0	2	1.23%	
LEAKING SERVICE	0	0	0	0	0.00%	
METER NEW / REPLACEMENT	1	0	0	0	0.00%	
METER NOT SHUTTING OFF	0	0	0	1	0.62%	
NO WATER COMPLAINT	0	0	0	1	0.62%	
PATHCOCK FAILURE	0	0	0	0	0.00%	
Total Complaints = 1						

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

MANDURAMA	3	3	0	2	0.00%	134
CHECK METER READING	0	0	0	1	0.22%	
LEAKING METER	0	2	0	1	0.75%	
LEAKING SERVICE	1	0	0	0	0.00%	
LOW PRESSURE COMPLAINT	0	0	0	0	0.00%	
MAIN BREAK	1	1	0	0	0.00%	
METER NEW / REPLACEMENT	1	0	0	0	0.00%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Meters
	2021	2022	2023	2024	% of Total meters	
MANILDRA	2	3	6	10	3.51%	285
BURST METER	0	0	0	0	0.00%	
CHECK METER READING	0	0	0	1	0.35%	
CUSTOMER DAMAGED METER	0	0	0	0	0.00%	
DIRTY WATER COMPLAINT	0	0	0	3	1.05%	
HYDRANT LEAKING	0	0	0	1	0.35%	
LEAKING METER	1	1	0	1	0.35%	
LEAKING SERVICE	0	0	5	3	1.05%	
LOW PRESSURE COMPLAINT	0	0	0	1	0.35%	
MAINTENANCE - GENERAL	0	1	0	0	0.00%	
METER NEW / REPLACEMENT	1	0	0	0	0.00%	
METER NOT SHUTTING OFF	0	0	1	0	0.00%	
NO WATER COMPLAINT	0	1	0	0	0.00%	
Total Complaints = 3						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Meters
	2021	2022	2023	2024	% of Total meters	
MILLTHORPE	7	5	5	11	2.38%	463
BURST METER	0	1	0	0	0.00%	
CHECK METER READING	0	0	1	2	0.43%	
DIRTY WATER COMPLAINT	0	1	0	1	0.22%	
LEAKING METER	1	0	2	1	0.22%	
LEAKING SERVICE	0	0	0	2	0.43%	
MAIN BREAK	3	2	1	1	0.22%	
MAINTENANCE – GENERAL	2	1	0	4	0.86%	
METER NEW / REPLACEMENT	1	0	0	0	0.00%	
METER NOT SHUTTING OFF	0	0	1	0	0.00%	
Total Complaints = 1						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Meters
	2021	2022	2023	2024	% of Total meters	
QUANDIALLA	0	0	0	4	0.98%	102
LEAKING METER	0	0	0	0	0.00%	
LEAKING SERVICE	0	0	0	1	0.98%	
LOW PRESSURE COMPLAINT	0	0	0	1	0.98%	
MAINTENANCE – GENERAL	0	0	0	2	1.96%	
METER NEW / REPLACEMENT	0	0	0	0	0.00%	
Total Complaints = 1						
TOTAL ACROSS CTW TOWNSHIPS						
	78	88	94	113	1.85%	6104

Notes:

1. Comparison values listed each year use data from the period covering the same months of the year i.e. June and July.
2. Total Meters is the number of meters connected to properties.
3. CTW complaint rolling value score across 12mths == 7.37, which is lower than the 2022-23 NSW State median of 9.5 complaints/1000 connections.
4. CTW Total Service Activities and Requests score == 1.85%, which is below CTW benchmark of 5% across all townships.

c) *Lake Rowlands*

The current level of Lake Rowlands Dam is 103.4% (13.8.24) with the Dam’s scour valve closed.

d) *Water Services*

Since 1st June 2024, there have been an additional nine (9) 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.

12.19) 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 was completed in accordance with CTW's meter reading schedule.
- b) Meter Change Program
There have been thirty-eight (38) 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 and CWTP Fluoride package plants have maintained their full operational performance. 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 a combination of restricted staff resources and wet weather conditions.
- 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 Canowindra area.

BUDGET IMPLICATIONS

Nil.

POLICY IMPLICATIONS

Nil.

ATTACHMENTS

Nil.

12.20) 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 was 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 total (ML/day).

CTW has taken possession of all high pressure and low-pressure meters.

Four (4) of the five (5) high pressure Trunk Main meters, including a new Solar telemetry station at Jacks Creek, have been installed. Commissioning of these sites, including four (4) low pressure meter installations, have been hampered by poor weather conditions and staff availability.

Installation of the fifth high pressure meter and an additional six (6) low pressure meters are programmed for completion prior to starting the next meter reading cycle in October 2024.

BUDGET IMPLICATIONS

Nil.

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil.

13. QUESTIONS ON NOTICE

(General Manager)

No questions on notice were received.

ATTACHMENTS

Nil