



**Central  
Tablelands  
Water**

**Business Paper**

**Ordinary Meeting of  
Central Tablelands Water**

**11 December 2024**

**Canowindra**



Friday, 6 December 2024

## Notice to Members

Your attendance is requested at an Ordinary Meeting of Council to be held at the Old Vic Inn, Canowindra on Wednesday, 11 December 2024 at 10am.

### Agenda

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

Yours faithfully

A handwritten signature in blue ink, appearing to be "Charlie Harris", is written below the text "Yours faithfully".

Charlie Harris  
**General Manager**

### **ACKNOWLEDGEMENT OF COUNTRY**

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

### **RECORDING OF MEETING STATEMENT**

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

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**HELD ON WEDNESDAY 11 DECEMBER 2024**

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**9. CHAIRPERSON'S MINUTES****9.1) CENTRAL JOINT ORGANISATION BOARD MEETING AND PARLIAMENT VISIT**

**Author:** General Manager

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**RECOMMENDATION:**

That the Chairperson's Minute, as read, be accepted and the contents therein be noted and endorsed

**CHAIRPERSON'S MINUTE**

On November 13 the GM and I attended the CNSWJO Board meeting in Sydney, followed by a Parliamentary visit on the 14th. This was well attended by a number of Ministers (including Water, Planning, Local Government, Regional Roads, Health, Emergency Services and a few more). A wide range of topics were discussed and we had a good half hour with the Premier as well. On behalf of CTW I would like to thank staff of the CNSWJO and local State Member Phil Donato who facilitated this long day of meetings.

I had the opportunity to ask the water minister, the Hon. Rose Jackson, about the Belubula Water Security project. I outlined the potential competing interests for use of BWSP water and was wanting assurance that town water supplies were the priority for the project. Minister Jackson emphatically and publicly expressed her view that town water security was her highest priority, and therefore the highest priority of the BWSP. It is a view we share.

On November 6 the GM and I attended a Roundtable in Cowra with Shadow Water Minister Steph Cooke and the Opposition Leader, Mark Speakman. Much of the discussion centred around the wishes of irrigators in the lower Lachlan, and again whether or not to resurrect the concept of raising of Wyangala Dam. Much was made of the statistic that, compared to other rivers in NSW, the Lachlan Valley is the least secure for general security rights (ie. irrigation), and some measures should be put in place to improve this. An alternative view might be that the statistics actually highlight that the Lachlan downstream of Wyangala is probably the most over-allocated river system in NSW. I believe that raising of Wyangala is a bridge too far and I doubt any State nor Federal Government would expend billions of taxpayer dollars to prop up this irrigation system.

Charlie and I spoke at length about the BWSP and highlighted the advantages of focusing on augmentation of Lake Rowlands Dam, which is a much more achievable project and would provide benefits for more people. Our suggestions were received positively, and it's clear that there is now bi-partisan support for the project, as well as Lake Rowlands augmentation being high on the advocacy list for the CNSWJO.

Lastly, as this is the last meeting before the end of the year, I would like to wish all Board members, and indeed all staff of CTW a very merry and very safe Xmas.

**ATTACHMENTS**

Nil

## 12. REPORTS OF STAFF

### 12.1) TRANSITION TO IP&R (WS.AG.2)

**Author:** General Manager

**IP&R Link:** – 1.2.2: Inform and involve our customers and regulators about projects, programs and other activities.

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#### **RECOMMENDATION:**

That Council note the report on Transitioning Council's Local Water Utility Strategic Planning from Integrated Water Cycle Management to Integrated Planning & Reporting and

1. note the advice from the Central NSW Joint Organisation (CNSWJO) regarding the priority of transitioning Council's Local Water Utility Strategic Planning from Integrated Water Cycle Management (IWCM) to Integrated Planning & Reporting (IP&R);
2. note that this transition is supported by a Practitioner's Toolkit developed by the CNSWJO with the support of the NSW Government and with advice from the Department of Climate Change, Energy, the Environment and Water (DCCEEW);
3. support CNSWJO advocacy on a sensible approach to the Department of Climate Change, Energy, the Environment and Water Regulatory and Assurance Framework;
4. commence the transition process for LWU Strategy; and
5. write to DCCEEW and the Minister for Water stating that this is the intention of Council.

#### **REPORT**

##### **Background**

While town water is critically important to regional communities and the NSW economy it is poorly recognised in strategic, legislative and funding frameworks.

In 2020, subsequent to the challenges across regional NSW during the last drought, the NSW Auditor General (the AG) found that the DPIE (now DCCEEW);

- had not effectively supported and overseen town water infrastructure planning;
- did not have a clear regulatory approach;

- lacked internal procedures and data to guide its support for LWUs; and
- had no strategy to target investments to the areas of greatest priority.<sup>1</sup>

To address the AG's concerns, the Department rolled out the Town Water Risk Reduction Program (TWRRP) and created the new Regulatory and Assurance Framework (the RAF). The final version of the Framework came into effect 1 July 2022.

The RAF details the *expectation* that a LWU will, amongst other things, *conduct effective, evidence-based strategic planning for water supply and sewerage services that applies the principles of adaptive planning and integrated water cycle management, and considers climate risks.*

Under its assurance role, the department establishes what outcomes it expects effective, evidence-based strategic planning to achieve and assesses whether a LWU's strategic planning achieves these outcomes to a reasonable standard.

To enable LWUs to meet these expectations, the Department has produced 12 Guidance Notes.<sup>2</sup> These were developed by different consultants and add up to 550 pages of advice.<sup>3</sup> Publicly naming Councils and County Councils not participating in the program is a feature of the new approach.<sup>4</sup> While early days, the language on this public site is confusing at best referring to Councils "not participating" when many are finalising and lodging IWCMs under the old system. Member Councils of CNSWJO report that the issue is not local government unwillingness but the Department's approval processes. Just as it was in 2020 and decades before.

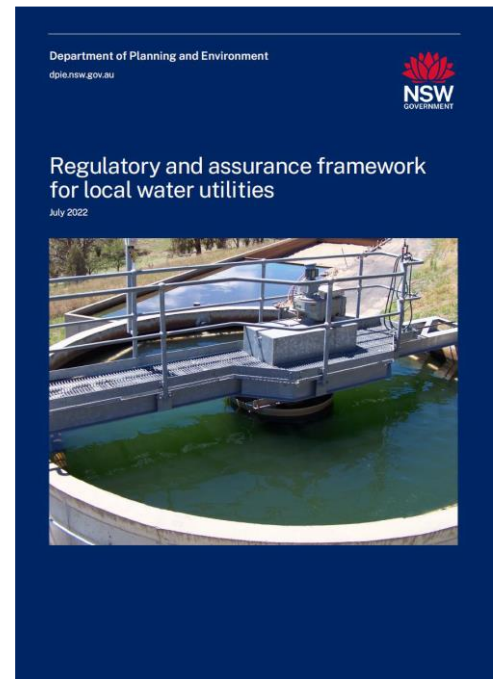
CNSWJO has consistently made the case that DCCEEW should not be in the business of regulating local government strategy as in NSW this is a function of Integrated Planning and Reporting under the Local Government Act. Accordingly, the region advocated for the Department to support industry wide transition from IWCM to IP&R. This report seeks concurrence of Council with this approach.

This position is supported by the independent evaluation of the TWRRP Phase 1 which makes the following recommendation for Phase 2 announced in December 2022:

**Recommendation 3:**

*The Department should ensure that it has done the necessary policy and preparation work ahead of the next local government elections in September 2024, to be able to encourage councils to integrate their local water utility strategic planning with the Integrated Planning and Reporting (IP&R) framework of the Local Government Act 1993 by the next cycle of IP&R (i.e., July 2025 to June 2029).*<sup>5</sup>

Despite some supportive commentary regarding IP&R on its website, the Department is of a view that their 550 pages of guidance was the answer and local water utilities should just work their way through this advice and "do strategy any way they like, as long as the



<sup>1</sup> <https://www.audit.nsw.gov.au/our-work/reports/support-for-regional-town-water-infrastructure>

<sup>2</sup> [Strategic planning outcomes | Water \(nsw.gov.au\)](https://www.nsw.gov.au/strategic-planning-outcomes/water)

<sup>3</sup> <https://www.industry.nsw.gov.au/water/water-utilities/best-practice-mgmt/iwcm/how>

<sup>4</sup> [Strategic Planning Assurance Dashboard v1 | Tableau Public](#)

<sup>5</sup> [Town Water Risk Reduction Program - Phase 1 Evaluation \(nsw.gov.au\)](#)

Department likes it.” This flies in the face of regulation under the Local Government Act while encouraging confusion and duplication. No further funding or facilitation has been provided by the Department and the Town Water Risk Reduction Program was reabsorbed into its business-as-usual bureaucracy.

To bring some sense into the process, the CNSWJO with funding from the Office of Local Government has developed a Practitioner’s Toolkit that distils the 550 pages of guidance into a step-by-step guide for Councils. The Toolkit has been designed to demonstrate that by following IP&R local water utilities will be able to meet the 106 assurance expectations in the 12 Guidance Notes. In this sense it has been designed to offer assurance to the Department while providing a roadmap for Councils to transition what was IWCM to IP&R.

### About the Toolkit

The Toolkit recognises that;

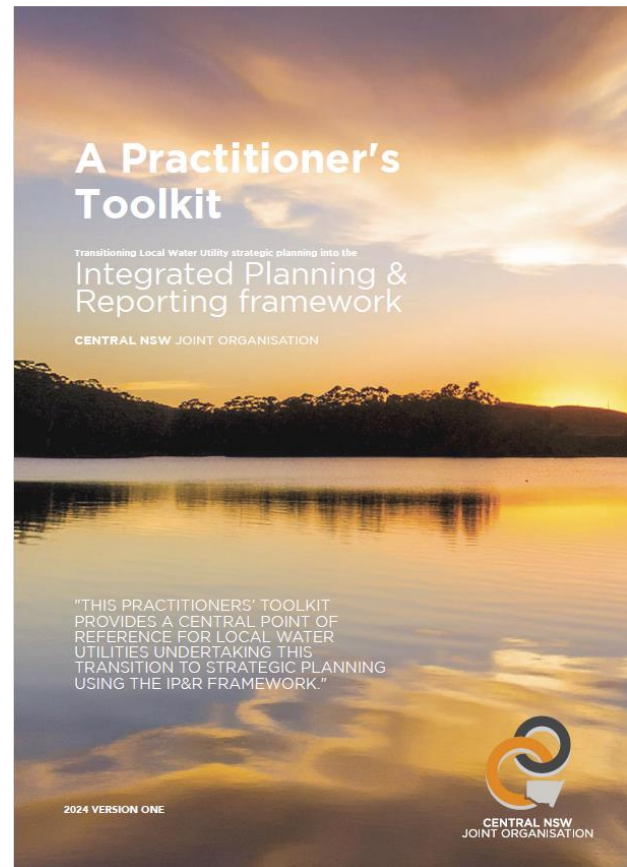
- IP&R is regulated under the Local Government Act and based on ISO 55000 for asset management -it is quite literally how councils operate;
- The IP&R framework considers the whole context of each council’s business – previous water strategic planning approaches have focussed on just water management and have not encouraged a wholistic and integrated view, which can impact on the quality of decision making by council staff and elected councillors;
- Where state agencies have ambition for embedded programming by local government the IP&R framework is the only sensible option; and
- IP&R is typically poorly understood and or leveraged by State agencies and there is opportunity for leading practice through a regional lens.

The objectives of the Toolkit are to;

- support LWUs to transition from IWCM to IP&R with its associated effectiveness and efficiencies including cost savings and reducing duplication;
- have Councils progress at their own pace with an opt in cohort Community Strategic Plan (CSP) (Business Activity Strategic Plan (BASP) for County Councils) ready for the next term of Council;
- enable embedment through the CNSWJO Water Utilities’ Alliance; and
- build relationships and capacity with key stakeholders including the Department.

A Project Steering Committee was formed to work with JO staff, a Subcommittee of General Managers and DPE Water representatives to be responsible for the Terms of Reference and to guide the co-design of the project approach as well as project planning, implementation and reporting.

A consultant was engaged to deliver two face-to-face workshops to co-design a pathway and toolkit to map the 12 elements of DPE Water’s LWU Strategic Planning into the IP&R framework.





The Toolkit was adopted by the Board and graphically designed for Council use. It has also been shared more broadly in an effort to bring this better approach to regional NSW.

The Annual Report due October of this year is the “first step” in the program however Council can start work when it is ready.

Finally, through the CNSWJO Water Utilities’ Alliance there is an opportunity to work together as water utilities and with NSW Government agencies to;

- aggregate input advice to the IP&R process, for example secure yield modelling;
- leverage State agency data for example ground water modelling;
- seek funding for inputs; and
- build capacity and improve practice.

### **Further advocacy is needed by Council**

Arguably, the RAF is at odds with the NSW Government’s Better Regulation principles which call for simplification, modernisation and consolidation of existing regulation as well as its benefits to outweigh its costs.<sup>6</sup>

The Department is unable to administer its existing assessment processes where Councils report receiving automated emails advising of extended delays in the issuing of licences, approvals and enquiry responses.

As very few Councils are following the new RAF pathway as yet, it is inconceivable that the Department in its current form will be able to administer its own framework as industry engages.

As a regulator there is a significant risk that the Department’s solution to their unworkable and duplicative assurance for local water utility strategy will be replaced by mandatory regulation where the reasoning could conceivably be “Councils are not participating voluntarily so it must be regulated.”

The CNSWJO is asking Council for support in advocating against more unnecessary regulation. Accordingly, Council should use this report to inform correspondence to the Minister and the Department.

<sup>6</sup> [TPP19-01 Guide to Better Regulation.pdf \(nsw.gov.au\)](#)

### **BUDGET IMPLICATIONS**

24/25 Operation plan

### **POLICY IMPLICATIONS**

<Type text here...>

### **ATTACHMENTS**

Nil

<sup>6</sup> [TPP19-01 Guide to Better Regulation.pdf \(nsw.gov.au\)](#)

**12.2) TRAINEESHIPS (PE.ES.2)**

**Author:** General Manager  
**IP&R Link:** – 2.3: Continuous Improvement Whilst Managing Risk Strategic Priority 2: An efficient, sustainable and customer focused organisation – 2.4: A capable and motivated workforce

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**RECOMMENDATION:**

1. That Council note the report on trainees.
2. That Council approve future funding for providing training courses to the trainees.

**REPORT****Introduction**

The NSW Government has acknowledged the critical role of Local Government in fostering employment within our communities. In recognition of this, the Office of Local Government (OLG) has committed to increasing employment numbers in Local Government by 15%. This initiative is supported by a substantial funding allocation of \$252.2 million over six years, aimed at employing 1,300 apprentices, trainees, and cadets in the local government sector.

**Funding Commitment**

To achieve this goal, the OLG has provided funding to local governments to directly employ trainees, apprentices, and cadets. This initiative is designed to address identified workforce shortages, with the water sector being highlighted as an area in need of assistance.

**Council's Application**

CTW has applied to this funding program with the intention of employing two trainees. These trainees will be integrated into the network operators and treatment operators team. They will be employed for a period of up to two years.

**Financial Support**

The funding program offers comprehensive financial support, covering 100% of the trainees' salaries and an additional 15% to cover on-costs.

**Conclusion**

This initiative represents a significant opportunity for our Council to address workforce shortages while providing valuable employment opportunities within our community. The support from the OLG will enable us to enhance our operational capacity and contribute to the overall goal of increasing employment in the local government sector. Council should approve additional funding that may be required to facilitate this program.

**BUDGET IMPLICATIONS**

The funding program will cover 100% of the trainees' wages and 15% of on-costs. However, it is anticipated that training costs may not be covered under this program and will need to be

considered in future budgets. Historically, training through the Central NSW Joint Organisation has been funded by the government, and we will pursue this opportunity for the trainees' enrolment.

Should funded training not be available, the estimated cost for training both trainees is approximately \$15,000. Despite this potential expense, the savings offered through the funding program are substantial, amounting to approximately \$160,000. This significant saving will positively impact our budget, allowing for better allocation of resources in our operations.

### **POLICY IMPLICATIONS**

Nil

### **ATTACHMENTS**

Nil

**12.3) LGNSW ANNUAL CONFERENCE 2024 (CM.CF.1)**

**Author:** 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

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**RECOMMENDATION:**

That Council note the report regarding the LGNSW Annual Conference 2024.

**REPORT**

The Deputy Chairman, Cr Nash and the General Manager attended the 2024 LGNSW Annual Conference in Tamworth from 17 November to 19 November 2024. Cr Gosewich represented Blayney Council and Cr Nash represented Cabonne Council.

The LGNSW Annual Conference is the annual policy making event for NSW general-purpose councils and associate members. CTW is an associate member of LGNSW. The conference is considered a key event of the local government calendar, where local councillors come together to share ideas and debate issues that shape the way Councils are governed.

The conference program included various guest speakers and keynote presentations, presentation of the AR Bluett Awards, conference business, panel presentations, sponsors and trade exhibition, as well as social networking events.

Conference Business involved over 110 motions being presented in the business paper. Motions of interest to CTW were:

Motion 3 Natural disasters - better support for local government. Recommendation 3 of the motion noted, inclusion of water and sewer reticulation and treatment infrastructure in the definition of an 'essential public asset'. This has been an ongoing issue for CTW and other Utilities that are not adequately protected under the State and Commonwealths disaster recovery funding due to the current guidelines.

Motion 11 Trainees and Apprentices. See separate report.

Motion 75 Optimising the IP&R Framework for local water utility planning. See separate report.

The conference was also a great opportunity to network with fellow local government industry colleagues.

All information regarding the 2024 conference is located on the [LGNSW website](#).

The 2025 Local Government Annual Conference will be held in Penrith with Penrith Council hosting the conference.

**BUDGET IMPLICATIONS**

Operational Plan 24/25

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil.

**12.4) POLICY REVIEWS - FRAUD CONTROL POLICY, WATER QUALITY MANAGEMENT POLICY, PROCUREMENT POLICY (CM.PL.1)****Author:** Governance Executive Support Officer**IP&R Link:** – 1.2: Compliance and Regulation**RECOMMENDATION:**

That Council:

1. Note the report;
2. Note the changes in the Fraud & Corruption Control Policy and Plan and adopt the policy.
3. Endorse the draft Procurement Policy and draft Water Quality Management Policy and place on public display for a period of 28 days, and
4. If no submissions are received during the Procurement Policy and Water Quality Management Policy public display period, be adopted.

**REPORT**

The Fraud & Corruption Control Policy and Plan has minor changes highlighted in red in the attached policy. The changes were emphasised by the Audit, Risk and Improvement Committee.

The Procurement policy is a review of the previous version of the procurement policy. The policy was last updated in year 2016 and was long pending for an update. The updated policy is tailored to CTW's specific needs and objectives. It provides a range of guidance noted to keep in mind before procuring an item. The modern slavery act requirement has been included in the policy to ensure all tenders take into consideration all relevant ethical supply chain provisions identified in the Modern Slavery Act 2018.

The Water Quality Management Policy is also an updated version of the previous policy. The policy ensures CTW's managing water supply systems effectively to provide safe and reliable water, including high-quality drinking water that consistently meets the Australian Drinking Water Guidelines 2011 (ADWG) and customer and other regulatory requirements. This policy was updated with the help of Atoms Consulting.

**BUDGET IMPLICATIONS**

Expenses paid under this policy are included in the 2024/25 Operational Plan.

**POLICY IMPLICATIONS**

As per the report.

**ATTACHMENTS**

- |   |  |          |
|---|--|----------|
| 1 | Fraud & Corruption Control Policy & Plan | 19 Pages |
| 2 | Water Quality Management Policy          | 3 Pages  |
| 3 | Procurement Policy                       | 8 Pages  |



**POLICY**

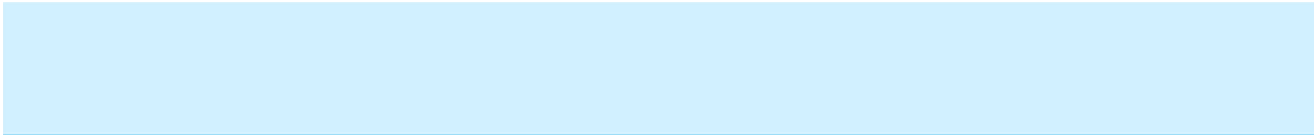


**CENTRAL TABLELANDS WATER**

**DRAFT 5**

**FRAUD  
AND  
CORRUPTION  
CONTROL  
POLICY AND PLAN**





## DOCUMENT CONTROL

| Document Title      |            | Fraud and Corruption Policy and Plan  |        |                  |                          |
|---------------------|------------|---|--------|------------------|--------------------------|
| Policy Number       |            | CTW-PR039   |        |                  |                          |
| Responsible Officer |            | Director Finance and Corporate Services   |        |                  |                          |
| Reviewed by         |            | Governance Executive Support Officer &<br>Director Finance and Corporate Services |        |                  |                          |
| Date Adopted        |            |   |        |                  |                          |
| Adopted by          |            | Council   |        |                  |                          |
| Review Due Date     |            |   |        |                  |                          |
| Revision Number     |            | 2   |        |                  |                          |
| Previous Versions   | Date       | Description of Amendments   | Author | Review/ Sign Off | Minute No: (if relevant) |
| 1                   | 14/10/2020 |   | DFCS   |                  | 20/095                   |
|                     |            |   |        |                  |                          |
|                     |            |   |        |                  |                          |
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## Introduction

Council is committed to preventing fraud at its origin and believes that an emphasis on prevention and detection is the best way to deal with fraud. The focus of Council's policy and plan on fraud control is to encourage the public and staff to understand that fraudulent acts against Council are unacceptable, may constitute a criminal offence and will be prosecuted.

This document sets out for Council for the strategic approach to be taken with regards to Fraud and Corruption by the organisation.

## Purpose

The purpose of the plan is to:

- Describes how Central Tablelands Water (CTW) responds to the threat of, and to actual occurrences of, fraudulent and/or corrupt behaviour.
- Ensure appropriate levels of oversight of Council's funds and resources are protected.
- Provide an environment and organisational culture that supports the integrity, security, and reputation of CTW Staff.
- Ensure Council continues to provide the optimum service levels to the CTW network.

## Scope

- This Policy applies to all persons employed at CTW, including Councillors, contractors, volunteers, and other officials.
- Persons wishing to report fraudulent or corrupt behaviour, or suspected behaviour, should refer firstly to the Public Disclosure Procedure, then to this policy and associated procedure.

## The Policy

Council promotes an organisational culture that will not tolerate any act of fraud or corruption. Council is committed to preventing, detecting, and responding to fraud and corruption.

The identification of fraud and corruption risks as well as the appetite, tolerance, and treatment of these are managed by using the Enterprise Risk Management Framework (2024).

Fraud and corruption risks are managed through:

- Identification of business processes which are potentially at risk of exposure to fraud and corrupt conduct.
- Controls to mitigate the risk of exposure.
- Procedures to investigate allegations of fraudulent or corrupt conduct.
- Implementation of procedures to appropriately manage incidents of fraud and corrupt conduct.
- Provision of training, awareness, and enforcement of Codes of Conduct to ensure Councillors, managers, staff, contractors, and volunteers are aware of their responsibilities in the prevention and management of fraud and corrupt conduct.
- Ensuring an environment in which fraudulent or corrupt conduct is discouraged.

The accompanying Fraud and Corruption Prevention Plan is designed to put these principles into practice. The Council has an obligation to develop and maintain appropriate systems and procedures to minimise the opportunity for fraudulent activity and to develop robust systems of detection to reduce the impact of any fraudulent activity.

## What is fraud and corruption?

Fraud and corruption can take many forms. The following are definitions with examples:

### Fraud

TC18-02 NSW Fraud and Corruption Control Policy defines fraud as “dishonestly obtaining a benefit, or causing a loss, by deception or other means”. In practice, fraud carried out by a public sector employee in his or her official capacity will also be corrupt conduct. In addition, certain frauds perpetrated on the agency by external parties could be found to be corrupt under the ICAC Act.

Examples of the types of conduct that would fall within the definition of fraud include (but are not limited to):

- Theft of Council assets and monies
- Misuse of Council assets, equipment or facilities
- Misuse of Council credit cards
- Timesheet fraud
- Accounting fraud (false invoices, misappropriation etc.)
- Unlawful use of, or obtaining property, equipment, material or services
- Providing false or misleading information to Council
- Making, or using false and forged documents
- Wrongfully using Council information or intellectual property

### Corruption

Corrupt conduct, as defined in the Independent Commission Against Corruption Act 1988 ("the ICAC Act"), is deliberate or intentional wrongdoing, not negligence or a mistake. It has to involve or affect an NSW public official or public sector organisation.

While it can take many forms, corrupt conduct occurs when:

- a public official improperly uses, or tries to improperly use, the knowledge, power or resources of their position for personal gain or the advantage of others
- a public official dishonestly exercises his or her official functions, or improperly exercises his or her official functions in a partial manner, breaches public trust or misuses information or material acquired during his or her official functions
- a member of the public influences, or tries to influence, a public official to use his or her position in a way that affects the probity of the public official's exercise of functions
- a member of the public engages in conduct that could involve one of the matters set out in section 8(2A) of the ICAC Act where such conduct impairs, or could impair, public confidence in public administration.

Examples of the types of conduct that would fall within the definition of corruption include (but are not limited to):

- Bribery, domestic or foreign – obtaining, offering or soliciting secret commissions, kickbacks or gratuities
- Fraud, forgery and embezzlement
- Theft or misappropriation of official assets
- Nepotism – preferential treatment of family members
- Cronyism – preferential treatment of friends
- Acting (or failing to act) in the presence of a conflict of interest

- Unlawful disclosure of Council information
- Blackmail
- Perverting the course of justice
- Colluding, conspiring with, or harbouring criminals
- Insider trading – misusing official information to gain an unfair private, commercial or market advantage for self or others
- Green-lighting – making official decisions that improperly favour a person or company, or disadvantage another.

**Common examples of fraud and corruption in the Council**

| Type of Fraud  | Examples of related risks  |
|--|--|
| <p><b>Rate Revenue Fraud</b><br/>Fraudulent manipulation of rates to receive a self-benefit</p>  | <p>Incorrectly claiming pensioner discounts to benefit employees, friends, family, and colleagues.<br/>Making changes to rates details to benefit employees, friends, family, and colleagues.</p>  |
| <p><b>Service delivery fraud</b><br/>Frauds relating to the use of Council provided services to which the resident would normally not be entitled</p>                    | <p>Oversupplying goods or services to benefit third parties<br/>Undersupplying to ‘skim’ good or services (or time that would normally be devoted to the service)</p>  |
| <p><b>Compensation fraud</b><br/>Frauds relating to falsely claiming Council responsibility for incidents and accidents and attempting to falsely claim compensation</p> | <p>Falsely claiming pedestrian accidents on footpaths or Council premises;<br/>Falsely claiming road quality-related accidents;<br/>Falsely claiming storm water or drainage related incidents.</p>  |
| <p><b>Grants fraud</b><br/>Frauds relating to grant funds not being used for the intended service delivery objective.</p>  | <p>Overpaying of grants, duplicating payments of grants or having grants claimed multiple times;<br/>Redirecting grant funds to personal accounts;<br/>Poor record keeping for grants, resulting in misstatement;<br/>Providing grants to individuals or organisations that do not meet the required criteria.</p> |

Types of Council business functions susceptible to fraud risk includes:

| Type of Fraud  | Examples of related risks   |
|--|---|
| <p><b>Procurement Fraud</b><br/>Frauds relating to the process of acquisition of goods, services and project delivery from third parties</p> | <p>Unauthorised use of corporate credit or fuel cards;<br/>Paying claims for goods or services that were not delivered;<br/>Receiving kickbacks or being involved in bribery, corruption or coercion related to manipulation of the procurement process</p> |
| <p><b>Travel and allowance fraud</b></p>   | <p>Making claims for journeys not made or overstating distance<br/>Reimbursing expenses not related to Council business</p>   |

|   |  |
|---|--|
| Frauds relating to falsely claiming reimbursement of costs of allowances for which there is no entitlement                        |  |
| <b>Payroll and salary fraud</b><br>Frauds relating to claiming pay that does not match work performed or conditions of employment | Creating ‘ghost’ employees to receive additional pay<br>Falsely claiming overtime  |
| <b>Employment fraud</b><br>Fraud relating to applicants falsely claiming qualifications and skills above their ability            | Misrepresenting skills, capabilities or qualifications to obtain employment<br>Forgery of reference documents  |
| <b>Asset fraud</b><br>Using Council assets for other than official purposes or gaining other personal benefit                     | Manipulation of asset value or fraudulent asset divestment process for personal gain<br>Stealing assets<br>Using Council assets or removing Council assets from premises without authorisation |
| <b>Exploiting council information</b><br>Using confidential or commercially sensitive information for personal gain.              | Falsifying official records<br>Providing confidential and sensitive information to others for personal gain<br>Using confidential and sensitive information for personal benefit               |

**Prevention Systems**

The Council’s prevention system consists of the following features: -

- Fraud Risk Assessments – as detailed in the Risk Framework;
- Fraud Control Plan;
- Ethical workforce – pre-employment screening to ensure staff employed are of the highest ethical behaviour;
- Separation of duties – to ensure no one staff member controls a process entirely;
- Delegations of authority – to ensure measures are in place to control activities;
- Position descriptions, Charters for Committees – limit the level of activity public officials can undertake.

**Fraud and corruption control policy statement**

CTW is committed to excellence in service performance and in meeting our statutory obligations. This includes maintaining a fraud and corruption prevention culture. We have zero tolerance for fraud and corruption.

We will deal appropriately with all allegations of fraud and corruption. All staff are encouraged to report suspected fraudulent and/or corrupt activities to their supervisor or manager or where appropriate, the General Manager, who will investigate and deal with the allegation. We will refer any instances of corrupt conduct to the NSW Independent Commission Against Corruption (ICAC), Office

of Local Government, the NSW Ombudsman and/or the New south Wales Police Service for investigation and possible prosecution. We will pursue the recovery of any losses incurred from fraud and corruption activities, after considering all relevant issues.

**Fraud and Corruption Control Plan**

The plan is comprised of three stages – prevention, detection and response, and following ten elements.

**Fraud and Corruption Control Model**

| Element                                    | Distribution across the 3 stages |           |          |
|--|----------------------------------|-----------|----------|
|  | Prevention                       | Detection | Response |
| 1. Coordination mechanisms                 | √                                |           |          |
| 2. Risk management system                  | √                                | √         | √        |
| 3. Internal controls                       | √                                | √         | √        |
| 4. Reporting processes                     |                                  | √         | √        |
| 5. Protections for disclosers              |                                  | √         | √        |
| 6. External Reporting                      |                                  |           | √        |
| 7. Investigation management processes      |                                  | √         | √        |
| 8. Code of conduct                         | √                                |           |          |
| 9. Organisational culture change           | √                                | √         | √        |
| 10. Client and community awareness program | √                                | √         |          |

**Responsibility Structure**

The General Manager, Managers and Directors are authorised to receive reports of fraud. If the suspected fraud relates to the General Manager, then the matter can be reported to the Chairperson, as per the reporting mechanism for the Model Code of Conduct.

Reports regarding suspicious and/or illegal activities can also be reported directly to external agencies including:

- NSW Police Force
- Office of Local Government
- The NSW Independent Commission Against Corruption (ICAC)
- The NSW Ombudsman.

All staff are expected to report known or suspected fraud to the General Manager, Managers or Directors as soon as possible.

| Positions  | Responsibilities  |
|--|---|
| Councillors  | <p>As the decision-making body of Council, Councillors are responsible for ensuring that:</p> <ul style="list-style-type: none"> <li>• Their conduct and behaviour conform with the local government principles and responsibilities of Councillors as detailed within the Local Government Act 1993 and Code of Conduct for Councillors.</li> <li>• Sufficient resources are allocated to enable the proactive mitigation of fraud and corruption risks.</li> </ul>  |
| The General Manager                                      | <ul style="list-style-type: none"> <li>• The General Manager will notify the chairperson of any suspected corrupt conduct at an appropriate time subject to the confidentiality and non-disclosure requirements and obligations imposed upon them at law or by ICAC or any other regulatory agency or body who may subsequently take up any investigation of the reported conduct and the intent of such obligations to maintain the effectiveness and integrity of any such investigation into the reported conduct.</li> <li>• Ensure appropriate resources are provided to implement the plan</li> <li>• Ensuring managers are aware of their fraud and corruption control responsibilities</li> </ul> |
| Director Finance & Corporate Services                    | <ul style="list-style-type: none"> <li>• Ensure finance procedures adequately address fraud and corruption risk.</li> <li>• Co-ordinates access to financial information to audit authorities.</li> <li>• Ensure procurement procedures adequately address fraud and corruption risk.</li> <li>• Ensure Council maintains appropriate insurance cover.</li> </ul>   |
| Director of Operations & Technical Services and Managers | <ul style="list-style-type: none"> <li>• Review and update operational risk registers.</li> <li>• Set effective internal controls to detect fraudulent and corrupt activities.</li> <li>• Regularly review relevant control systems as part of the fraud and corruption risk assessment.</li> <li>• Establish adequate segregation of duties for all functions where the potential for fraud or corruption risk has been assessed as high.</li> <li>• Encourage the reporting of any suspected fraud, corrupt conduct or maladministration.</li> <li>• Immediately report all internally reported cases of suspected fraud and corruption to their Director.</li> </ul>                                   |

|  |   |
|--|---|
| <p>Council's Delegated Officers (including Managers and Directors)</p> | <ul style="list-style-type: none"> <li>• Ensure employees, volunteers and contractors are aware of this policy</li> <li>• Participate in internal audit, fraud and corruption risk assessment activities, awareness raising activities and other relevant elements of the Fraud and Corruption Control Plan</li> <li>• Conform to relevant fraud and corruption risk control measures</li> <li>• Role model appropriate behaviours in regard to fraud and corruption</li> </ul>   |
| <p>Audit, Risk &amp; Improvement Committee</p>                         | <ul style="list-style-type: none"> <li>• Endorse the Fraud and Corruption Control Plan &amp; Policy</li> <li>• review and assess the effectiveness of Council's processes and controls for preventing, detecting, and responding to fraud and corruption.</li> <li>• Oversee the internal audit program</li> <li>• Monitor fraud and corruption risk control measures</li> <li>• Review management reports about actual or suspected instances of fraud or corruption and actions taken.</li> </ul>   |
| <p>Governance &amp; Executive Support officer</p>                      | <ul style="list-style-type: none"> <li>• Organise Fraud Awareness Training.</li> <li>• Assist Director Finance &amp; Corporate Services to review and update the Fraud &amp; Corruption Control Policy &amp; Plan.</li> </ul>   |
| <p>All Employees</p>   | <ul style="list-style-type: none"> <li>• Participate in fraud and corruption risk assessment activities, awareness raising activities and other relevant elements of the Fraud and Corruption Control Policy and Plan.</li> <li>• Ensure to notified fraudulent or corrupt behaviour, or suspected behaviour to General Manager or Directors, as soon as practicable.</li> <li>• Conform to Council's policies and procedures regarding fraud and corruption control, including but not limited to the Employee Code of Conduct.</li> </ul> |
| <p>Internal Audit (Outsourced)</p>                                     | <ul style="list-style-type: none"> <li>• assist Council to manage fraud control by advising on the risk of fraud.</li> <li>• design and recommend adequacy on internal controls.</li> <li>• assist in detecting fraud by considering fraud risks as part of its audit planning and being alert to indicators that fraud may have occurred.</li> </ul>   |

**Preparation of a Fraud Control Plan**

Fraud control requires the implementation of a number of key control strategies which contribute to an effective fraud control framework. These strategies are interdependent and subject to a cyclic process of review and enhancement. The strategies are grouped in four key themes:

- **Fraud prevention** involves those strategies designed to prevent fraud from occurring in the first instance;
- **Fraud detection** includes strategies to discover fraud as soon as possible after it has occurred;



- **Fraud response** covers the systems and processes that assist an organisation to respond appropriately to an alleged fraud when it is detected.
- **Fraud monitoring, reporting and evaluation** are strategies to provide assurance that legislative responsibilities are being met, as well as promoting accountability by providing information that demonstrates compliance with specific fraud control strategies.

### **Third Party Management Systems**

The Council establishes appropriate controls, segregation of duties and delegations of authority to deal with third parties.

### **Review of Fraud & Corruption Control Policy and Plan**

This policy will be reviewed each council term or more frequently in response to legislative change or changes in the control environment.

### **Acknowledgement**

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

- Riverina Water
- Blayney Shire Council
- Redland City Council

## Fraud & Corruption Control Plan

### 1. Fraud Control Prevention

Fraud prevention strategies are the first line of defence and provide the most cost-effective method of controlling fraud within the organisation. To be effective, fraud prevention within an organisation requires several contributory elements, including an ethical organisational culture, a strong awareness of fraud among employees, suppliers and clients, and an effective internal control framework.

Key elements of effective fraud prevention include:

- A robust Fraud Policy and Code of Conduct;
- Sound fraud risk management processes;
- A comprehensive Fraud Control Plan;
- Prudent employees;
- Regular Fraud Awareness training;
- Fraud-related controls for activities with a high fraud risk exposure;
- System controls to ensure accurate and up-to-date data;
- Communication about investigation outcomes to demonstrate that allegations and incidences of fraud are serious and appropriately dealt with.

### Preventative Measures

#### Code of Conduct - Employees

A robust Employee Code of Conduct is integral in establishing an ethical culture and Council's Code of Conduct reinforces the need for honest ethical behaviour. The induction process for new staff includes an understanding of the Code of Conduct and the behaviour expected of all Council employees. The Code of Conduct training is mandatory and required to be undertaken by all employees every two years.

#### Code of Conduct - Councillors

Councillors need to make difficult decisions that do not always have unanimous support in the community. In order to maintain confidence Councillors must ensure that these decisions are made in the ethical and impartial manner. The Model Code of Conduct provides a foundation for ethical decision making in local government.

The obligations of Council officials under the Model Code of Conduct are informed by eight key principles:

- Integrity
- Leadership
- Selflessness
- Impartiality
- Accountability
- Openness
- Honesty
- Respect

Councillors should exercise due care in undertaking their functions by acquainting themselves with the requirement of the Local Government ACT 1993, the Council's Code of Conduct, the detail of the matters they are dealing with, and any factors which may affect their involvement in decision-making.

### Conflicts of Interest

The management of conflicts of interest is an integral part of establishing an ethical culture. The primary concern within a government organisation is the conflict between private and public interests, and the effective management of this issue. Council's Code of Conduct outlines the process to manage conflicts of interests.

### Recruitment and Selection of employees

The screening of employees is an integral part of an organisation's Fraud Prevention Strategy. Practical steps are taken in the screening of new staff members (in high-risk areas) including:

- Verification of identity, identification is cited by the selection panel at the interview or via the criminal history checking process where there is a requirement for a driver's licence to be presented;
- National police criminal history checks are undertaken for senior council roles;
- Reference checks, two recent reference checks are mandatory for appointments made by selection panels. It is always preferred to accept at least one of the references from a recent supervisor/manager;
- Consideration through interview and the selection panel can enquire as to any employment history gaps and reasons for those gaps.

### Risk Profile Management

Certain processes or activities have a higher fraud exposure than others. These high-risk areas are analysed to determine whether they need to be the subject of specific fraud controls. It is important that the controls established to manage these high-risk areas are actively monitored and understood by relevant personnel. Examples of processes with a higher inherent fraud risk include accounts payable; cash handling; pre-payments; travel and subsistence payments; works contracts; and grant programs.

Examples of specific preventative fraud controls that can be applied to one or more identified fraud risks include:

- Segregation of duties
- Hard coded IT system controls (access restrictions and financial delegations on processing transactions)
- Effective procedural controls and management oversight where appropriate
- Physical access restrictions
- The deterrent effect of undertaking regular and random quality assurance checks by management to determine the existence of a service or goods procured
- Regular supplier reviews and the maintenance of a register of non-compliance/breaches of contractual conditions and reporting requirements

### Fraud Awareness Training

All staff members should have a general awareness of fraud and corruption, how they should respond and Council's processes if this type of activity is detected or suspected within the workplace. Fraud Awareness training is an effective method of ensuring that all employees are aware of their responsibilities for fraud control and of expectations pertaining to ethical behaviour in the workplace. Council officers undertake mandatory Fraud and Corruption training.

## 2. Fraud Control – Detection

Measures to detect internal, external and complex fraud fall into two main categories, passive measures and active measures, as illustrated below:

The source of fraudulent activity may be:

**Internal:** perpetrated by an employee or contractor of an organisation;

**External:** perpetrated by a customer or an external service provider; or

**Complex:** involve collaboration between employees, contractors, and external service providers.

Measures to detect internal, external, and complex fraud fall into two main categories, passive measures and active measures:

| Passive measures  | Active measures   |
|---|---|
| Include controls or activities that do not require the active and ongoing involvement of management but exist as a means by which fraud is detectable within an organisation. | Include controls that require the assertive involvement of management and by their nature are designed to detect or assist in detecting fraud within an organisation. |

### Passive Detection Measures

#### Effective Internal Controls

ELT must be alert to the potential for Fraud and Corruption to occur and remain wary of factors which may leave Council vulnerable to Fraud and Corrupt Conduct, including:

- changes to delegations
- implementation of cost cutting measures
- contracting out and outsourcing
- the impact of new technology, or
- change to risk management practices.

#### Considering warning signs

Awareness of warning signs (red flags) for possible fraud or corruption is a useful method of detection. Often fraud indicators are inter-related and, in some situations, evidence of one indicator may imply a potential risk but may not constitute fraud or corruption. The more inter-related indicators identified, the higher the risk of potential fraud or corruption.

Examples of Internal & External Fraud to be mindful of:

| Internal fraud                                  | External fraud  |
|---|---|
| Unauthorised use of Council plant and equipment | Theft of money or goods from Council                                |
| Claiming un-worked hours on time sheets         | Obtaining benefits by use of false identity or false qualifications |

|   |  |
|---|--|
| Theft of money or goods from Council or its customers   | Supplying goods or services of a lower standard or quality than promised   |
| Allowing contractors to not fully meet contract requirements  | Invoices which look different to previous invoices issued by the same provider   |
| Deliberate transfer or miscoding of financial transactions to achieve favourable reported budget outcomes in a performance bonus environment. | Expenditure has exceeded approved budgets for grant funding but there is not adequate information to explain the variance  |
|   | A high volume of transactions from one service provider, such as a registered training organisation, used to support a licence, may indicate collusion between applicants and the provider |
|   | A high volume of attempts to obtain sensitive information such as usernames, passwords and credit card details (e.g. Phishing emails, whaling attacks).                                    |

Internal controls are an effective detector of fraud. Examples of detecting internal controls include:

- regular independent reconciliation of accounts;
- independent confirmation of service delivery where suppliers are paid in advance for services;
- management review.
- physical security for example:
  - security cameras
  - staff who know their jobs (people that are familiar with their jobs are more likely to be able to identify anomalies);
  - job rotation/mandatory leave;
  - comparisons between budgeted and actual figures and the follow-up on discrepancies;
  - audit trails and system access logs and the regular review of these;
  - exception reporting
  - quality assurance;
  - random audits;

#### The Process to Report Fraud Allegations

Allegations made by employees, contractors, and members of the public can often lead to the uncovering of fraud. One-way organisations can detect fraud is through encouraging employees, contractors, service providers and, where relevant, members of the public to report their suspicions of fraud through the Public Interest Disclosure protocols.

#### Allegations made by Employees

Fraud is a criminal offence and as such comes under the provisions of criminal law administered through the Police services. Where an employee has some evidence or suspicion of fraud there are several avenues for reporting.

### *Code of Conduct for employees*

Where a matter particularly relates to an alleged breach of the Code of Conduct provision is made in that policy for employees to report the matter directly to their supervisor, Manager, **Directors, and the General Manager**.

### *Suspicion of Fraud*

Where an employee suspects that a Council employee or contractor may be undertaking fraudulent activities, the matter should be raised with the employees' immediate **Manager** or if that is not appropriate the **Director**.

Allegations made against the **General Manager** are dealt with under the **Public Interest Disclosure Policy**.

### *Allegations made by External Parties*

Members of the public (including Council's customers, suppliers and other stakeholders) can play a role in reporting suspected fraud. These parties may be aware of fraud occurring within Council or being committed against Council by an outside party.

Allegations made from external parties need to be in writing or translated into a written form as soon as reasonably practical. The exception being allegations made against the **General Manager** which are dealt with under the **Public Interest Disclosure Policy**.

### *Allegation made against the General Manager*

Allegations made against the **General Manager** are to be directed to the **Chairperson** in accordance with Council's **Public Interest Disclosure Policy**.

### *Public Interest Disclosures*

Council is committed to the disclosure, in the public interest, of information about wrongdoing in the public sector and to provide protection for those who make disclosures. Public Interest Disclosure Policy sets out all the relevant details associated with disclosure of reportable conduct including disclosure process, investigation and protection.

### *Active Detection Measures*

Active fraud detection measures are controls or activities that require the assertive involvement of management. These measures can be broadly categorised as:

- monitoring and review activities, focused on employees and customers at risk;
- data mining and/or data matching

**Monitoring and Review Activities**

There are a number of “red flags” or early warning signs of fraud activity which can be used to help profile possible internal perpetrators. These early warning signs are summarised in the table below:

| Early warning signs: people   | Early warning signs: areas or activities                                       |
|---|--|
| Unwillingness to share duties; refusal to take leave  | Financial information reported is inconsistent with key performance indicators |
| Refusal to implement internal controls  | Abnormally high and increasing costs in a specific cost centre function        |
| The replacement of existing suppliers upon appointment to a position or unusually close association with a vendor or customer | Dubious record keeping   |
| A lifestyle above apparent financial means; the provision of gifts to other staff members                                     | High overheads   |
| Failure to keep records and provide receipts  | Bank reconciliations not up to date  |
| Chronic shortage of cash or seeking salary advances   | Inadequate segregation of duties   |
| Past legal problems (including minor previous thefts)   | Reconciliations not performed on a regular basis                               |
| Addiction problems (substance or gambling)  | Small cash discrepancies over a period of time                                 |

**3. Fraud Control – Response**

It is not proposed to have a Fraud Control officer but rather the General Manager and Directors undertake tasks to support the Fraud & Corruption Control Plan.

**Internal Reporting and Escalation**

CTW has considered whether it should establish a fraud and corruption incident register.

It is considered that the size of the Council does not warrant such a register being established as there is already reporting requirements of the NSW Ombudsman, Independent Commission Against Corruption and the Minister for Local for the various levels of fraud detected.

**External Reporting**

CTW has a zero tolerance to fraud and corruption.

Where evidence is established of corruption and/or fraud, involving CTW, either internally or externally, it will be reported to the authority deemed appropriate in the circumstances, including, but not limited to, NSW Police, NSW Ombudsman and the Independent Commission Against Corruption.

#### Format for reports to law enforcement agencies

Should it become necessary, CTW will provide, as a minimum, the following items to the law enforcement agency in a manner required by the law enforcement agency to ensure minimal duplication of effort:

- a summary of the allegations.
- a list of witnesses and potential witnesses.
- a list of suspects and potential suspects.
- copies of all statements, depositions or affidavits obtained to that point including and in particular, any written statement made by the subject of the investigation.
- a copy of the transcript of any interview conducted with a person suspected of involvement in the matters alleged.
- a copy of any electronic media on which such interviews have been recorded.
- copies of all documentary evidence obtained to that point (ultimately the law enforcement agency will probably require the original documents, in which case copies should be retained by CTW).
- any charts or diagrammatical summaries of the allegations and evidence that CTW may have produced.

#### Civil action for recovery of losses – Policy for Recovery Action

Central Tablelands Water will initiate appropriate recovery action where there is clear evidence of fraud or corruption and where the likely benefits of such recovery will exceed the funds and resources invested in the recovery action.

#### **4. Fraud Control – Monitoring, Evaluation and Reporting**

Effective Monitoring and evaluation of Council's fraud control strategies can assist managers and other decision-makers to:

- Assess the continued relevance and priority of fraud strategies in the light of current and emerging risks;
- Test whether fraud strategies are targeting the desired high areas;
- Ascertain whether there are more cost-effective ways of combatting fraud.

Evaluations also have the capacity to establish casual links, and, over time, an Evaluation Strategy has the potential to provide insights into:

- The appropriate balance between fraud prevention and detection strategies;
- The relative weighting of incentives that focus on reducing the potential losses from fraud in the first instance, as opposed to discovering fraud after it has occurred.



## Definitions

|                            |   |
|----------------------------|---|
| External Fraud             | Fraud committed against Council by non-Council staff such as by customers, suppliers or contractors.  |
| Internal Fraud             | <p>Fraud that is also known as "workplace fraud". It is fraud that is committed by Council staff in the workplace of Council.</p> <p>Whilst internal fraud forms part of corrupt conduct, it is delineated here as a separate entity due to the fact that internal fraud can be perpetrated by an individual acting alone, also fraud in its own right occurs predominately when governance systems in place fail. i.e. that fraud is possible when systems in place are deficient and an organisation's resistance to fraud is ultimately found within the structures of the organisation.</p>   |
| Bribe or Bribery           | <p>Offering, promising, giving, accepting or soliciting of an undue advantage of any value (which could be financial or non-financial), and irrespective of location(s), in violation of applicable law, as an inducement or reward for a person acting or refraining from acting in relation to the performance of that person's duties.</p> <p>Note 1 entry: The above is a generic definition. The meaning of the term "bribery" is as defined by the anti-bribery law.</p>  |
| Gifts, Benefits and Bribes | <p>Any gifts or benefits provided to, or any attempt to give a gift or benefit to, a Council officer, is managed by Council's Gifts and Benefits Policy. The Policy prescribes when a gift may or not be accepted and relevant processes for dealing with such matters.</p> <p>Bribes are given to influence the way a recipient carries out their official functions. For example, not responding to or report any illegal or unauthorised activity or procure goods and services from a specific person or company.</p> <p>Higher risk areas for exposure to such behaviour includes:</p> <ul style="list-style-type: none"> <li>- Officers who approve or can influence decisions</li> <li>- Officers who procure goods and services for Council</li> <li>- Regulatory and compliance staff</li> <li>- Staff who carry out work with the private sector</li> </ul> |

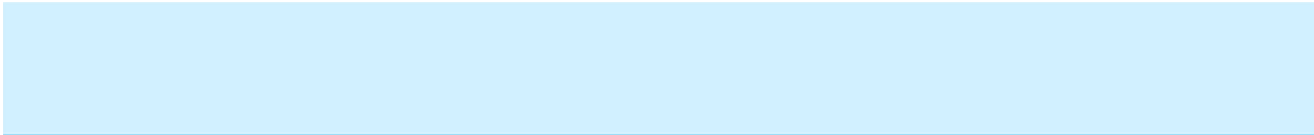
**POLICY**



**CENTRAL TABLELANDS WATER**

**DRAFT**

**WATER  
QUALITY  
MANAGEMENT  
POLICY**



## DOCUMENT CONTROL

| Document Title      |            | Water Quality Management Policy            |        |                  |                          |
|---------------------|------------|--|--------|------------------|--------------------------|
| Policy Number       |            | CTW-PRO19                                  |        |                  |                          |
| Responsible Officer |            | Director Operations and Technical Services |        |                  |                          |
| Reviewed by         |            |  |        |                  |                          |
| Date Adopted        |            |  |        |                  |                          |
| Adopted by          |            | Council                                    |        |                  |                          |
| Review Due Date     |            |  |        |                  |                          |
| Revision Number     |            | 2  |        |                  |                          |
| Previous Versions   | Date       | Description of Amendments                  | Author | Review/ Sign Off | Minute No: (if relevant) |
| 1                   | 12/10/2016 |  | DFCS   |                  | 16/079                   |
|                     |            |  |        |                  |                          |
|                     |            |  |        |                  |                          |
|                     |            |  |        |                  |                          |
|                     |            |  |        |                  |                          |

## WATER QUALITY MANAGEMENT POLICY

### VISION

To provide high quality, consistently safe and reliable drinking water to the people served by Central Tablelands Water (CTW).

### COMMITMENT

The CTW Council is committed to managing water supply systems effectively to provide safe and reliable water, including high-quality drinking water that consistently meets the *Australian Drinking Water Guidelines 2011 (ADWG)* and customer and other regulatory requirements. To achieve this, in partnership with stakeholders and relevant agencies, CTW will:

- Ensure that protection of public health is recognised as being of paramount importance.
- Maintain appropriate communications and partnerships with all relevant agencies in management of water supply systems.
- Implement and maintain a Drinking Water Management System (DWMS) that complies with the ADWG, the requirements specified by NSW Health and any other regulatory requirements.
- Effectively identify potential threats and manage risks to drinking water quality at all points along the delivery chain from source water to the customer.
- Work in partnership with stakeholders to consider their needs and expectations.
- Ensure appropriate and timely monitoring of drinking water quality and that corrective actions are undertaken at Critical Control Points to ensure continuously safe drinking water is delivered to customers.
- Develop and implement appropriate and effective incident and emergency response plans.
- Promote awareness of drinking water quality management amongst employees, contractors, and the community, and where appropriate, provide relevant training.
- Recognise the importance of community participation in decision making processes and the need to ensure that community expectations are met
- Participate in and support appropriate research and development activities to ensure continued understanding of drinking water quality issues and performance.
- Contribute to the development of industry regulations and guidelines, and other standards relevant to public health and the water cycle.
- Continually improving practices by assessing performance against Central Tablelands Water commitments and stakeholder expectations.

All managers and employees involved in the supply of drinking water are responsible for understanding, implementing, maintaining and continuously improving the DWMS.

All aspects of this policy will be conducted in manner that protects the health and safety of employees, contractors and the community.

Council will provide sufficient resources to ensure these policy requirements are achieved.

| <b>Approval and Review</b> |             |  |
|----------------------------|-------------|--|
| <b>Signature</b>           | <b>Name</b> | <b>Title</b>                               |
|                            |             | General Manager                            |
|                            |             | Director Operations and Technical Services |



**POLICY**

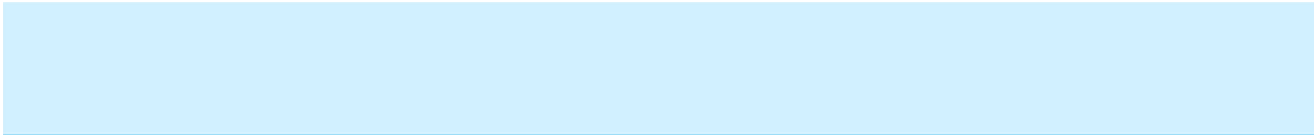


**CENTRAL TABLELANDS WATER**

**DRAFT 2**

# **PROCUREMENT POLICY**





## DOCUMENT CONTROL

| Document Title      |            | Procurement Policy                      |        |                  |                          |
|---------------------|------------|---|--------|------------------|--------------------------|
| Policy Number       |            | CTW-PR029                               |        |                  |                          |
| Responsible Officer |            | Director Finance and Corporate Services |        |                  |                          |
| Reviewed by         |            | Director                                |        |                  |                          |
| Date Adopted        |            |   |        |                  |                          |
| Adopted by          |            | Council                                 |        |                  |                          |
| Review Due Date     |            |   |        |                  |                          |
| Revision Number     |            |   |        |                  |                          |
| Previous Versions   | Date       | Description of Amendments               | Author | Review/ Sign Off | Minute No: (if relevant) |
| 1                   | 12/10/2016 |   | DFCS   |                  | 16/079                   |
|                     |            |   |        |                  |                          |
|                     |            |   |        |                  |                          |
|                     |            |   |        |                  |                          |
|                     |            |   |        |                  |                          |

## Policy Statement

### 1.1 Purpose

The purpose of this Procurement Policy (Policy) is to establish a framework for the efficient, transparent, and ethical procurement of goods, services, and works by Central Tablelands Water.

This Policy ensures that the procurement practices align with contemporary standards, promote competition, uphold integrity and delivery value for all our stakeholders while adhering to legal and regulatory requirements.

### 1.2 Objectives

The objective of this policy is to:

- Provide consistency and control over procurement practices;
- Demonstrate accountability to ratepayers;
- Ensure Council's procurement activities to be fair, ethical and transparent
- Increase the probability of obtaining best value for Council in the expenditure of public funds;
- Ensure compliance with Local Government Act 1993 and relevant regulations, guidelines and best practice in all of Councils Procurement activities.

### 1.3 Scope

This Policy applies to all Council officers and representatives who undertake procurement activities on behalf of Council.

### 1.4 Responsibilities

Responsibilities for this this Policy is as follows:

| Position                                       | Responsibilities   |
|--|--|
| <b>Councillors and Administrators</b>          | The role of Councillors or the Administrator(s) is to provide the strategic direction for this policy and ensure it complies with legislative requirements. When determining a tender, a Council decision should be made in the accordance with the objectives of this policy. The Council will also determine the General Manager’s delegations which will influence how this policy is executed. |
| <b>General Manager</b>                         | The General Manager is responsible for determining the appropriate delegations to Council staff to enable them to administer and perform procurement activities in a way that promotes integrity and value for money.  |
| <b>Director Finance and Corporate Services</b> | The Director Finance and Corporate Services is responsible for the implementation of this policy. The Director Finance and Corporate Services will establish internal controls to ensure the execution of this policy is in accordance with its intended outcomes. The Director Finance and Corporate Services is responsible for regularly reviewing this policy                                  |

|                                  |   |
|----------------------------------|---|
|                                  | and the Procurement Guidelines to ensure they are congruent and ensuring the reporting requirements of this policy are completed. The Director Finance and Corporate Services will provide sound, reliable advice to the Council and General Manager on procurement matters.  |
| <b>Council staff</b>             | Council staff must adhere to this policy and the Procurement Procedures whilst conducting or participating in a procurement activity. Council staff are also to act in accordance with Council’s Code of Conduct and are required to only procure goods and services applicable to their delegated authority for the use of Council. Council staff must ensure that engagement of a supplier is conducted through issuing a formal commitment from Council (or other third parties) by using a Purchase Order or other form of agreement (excluding Credit Card purchases). |
| <b>Contractors and Suppliers</b> | Suppliers must act in good faith and ethically in accordance with Council’s Code of Conduct when participating in a Council led procurement activity. Code of Conduct and Work Health and Safety provisions extended to when a contractor or supplier is engaged and delivering a service or providing a good on of behalf of Council.  |

**1.5 Review of the Procurement Policy**

This policy will be reviewed each council term or more frequent in response to legislative change or the control environment.

**1. Guidance Notes**

**1.1 Conduct of Council staff**

Council staff (and all persons engaged in procurement on Council’s behalf) must maintain the principles of integrity, transparency and accountability, good management practices, and prevention of misconduct when undertaking procurement activities for Council.

All members of staff have an overriding responsibility to act impartially and with integrity, avoiding conflicts of interest.

In procurement matters:

- Treat potential and existing suppliers with equality and fairness;
- Maintain confidentiality of Commercial in Confidence matters and information such as contract prices and other sensitive information;
- Councillors must not improperly direct or improperly influence a member of council staff in the exercise of any power on/ in the performance of any duty or function.
- Members of staff must also comply with the Code of Conduct.
- All staff engaged in the evaluation of quotation or tender evaluations must adhere to this Policy.
- All Councillors and Staff must adhere to councils Gifts and Benefits Policy in matters of procurement.



### 1.2 Conflicts of Interest

CTW staff shall at all times avoid situations in which private interest’s conflict, or might reasonably be thought to conflict, or have the potential to conflict, with their duties. All perceived, direct or indirect conflicts of interest must be declared, recorded and saved prior to entering into any procurement activities.

CTW staff involved in the procurement process, in particular preparing tender documentation, including writing tender specifications, tender opening, and tender evaluation panels, must:

- Avoid conflicts, whether actual, potential or perceived, arising between their official duties and their private interests. Private interests include the financial and other interests of CTW, plus their relatives and close associates;
- Declare that there is no conflict of interest. Where future conflicts, or relevant private interests arise CTW staff must make their manager, or the chairperson of the relevant tender evaluation panel aware and allow them to decide whether the officer should continue to be involved in the specific Procurement exercise; and
- Observe prevailing CTW, and governmental, guidelines on how to prevent or deal with conflict-of-interest situations and not take advantage of any tender related information whether or not for personal gain.

### 1.3 Accountability and Transparency

Accountability in procurement means being able to explain and evidence what has happened.

The test of accountability is that an independent third party must be able to see clearly that a process has been followed and that the process is fair and reasonable.

All procurement activities will follow Council’s procurement policies and procedures.

Additionally:

- The responsible Council staff must be able to account for all procurement decisions made over the lifecycle of all goods, services and works purchased by the Council;
- Where necessary, brief tenderers regarding the documented decision-making process, and

All procurement activities are to leave an audit trail for monitoring and reporting purposes.

### 1.4 Gifts and Benefits

CTW staff shall at all times ensure compliance with CTW’s Gifts & Benefits Policy, which prohibits the offering or acceptance of promotional goods, rewards, benefits or any other form of incentive in relation to the purchase of goods and services.

### 1.5 Value for Money

Maintaining integrity in the procurement process by adhering to principles of transparency and accountability, good management practices, and prevention of misconduct are considered the principles that will provide value for Council.

CTW staff are not required to accept any or the lowest cost submission. Instead, CTW staff are required to take into account issues of fit for purpose, quality, whole of life costs, sustainability the accessibility

of the service and other relevant factors when assessing best value for Council as part of their procurement activities.

### 1.6 Sustainable Procurement

CTW recognises it has an implicit role in furthering sustainability objectives, through its procurement of goods, services and works.

CTW will maintain a procurement framework designed to support the achievement of value for Council outcomes and facilitate opportunities to further organisational environmental, social and economic development objectives.

### 1.7 Social Procurement

Council is committed to Social Procurement by:

- Procurement practices are sustainable and strategically aligned with the wider Council objectives;
- Achieving greater value for Council across the community through the use of effective procurement;
- Ensuring all businesses have the same opportunity to tender for Council contracts;
- Enhancing partnerships with other Councils, suppliers and community stakeholders;
- Building and maintaining a strong community by exploring ways to generate local employment and further strengthening the local economy;
- Purchasing ethical and fair-trade goods to support equitable, local, national and international trade; and
- Follow modern Slavery compliance requirements (refer 1.9)

### 1.8 Environmental Sustainability

Where applicable, CTW staff shall consider the following environmental principles as part of their procurement activity:

- REFUSE – Choose not to purchase a product/service.
- REDUCE – Choose to purchase less of a given product/service.
- REUSE – Purchase a product of extended life or of multiple uses.
- RECYCLE – Purchase a product that contains amounts of non-virgin materials.
- REPLACE – Choose to replace or offset the resources purchased in a product.

### 1.9 Modern Slavery Compliance

Council is committed to doing all that it can to prevent slavery and human trafficking in its activities and to ensure as far as is practicable that its supply chains are free from slavery and/or human trafficking. Council will ensure all tenders take into consideration all relevant ethical supply chain provisions identified in the Modern Slavery Act 2018.

- **Commitment to eradicate modern slavery:** Council is committed to preventing and eradicating modern slavery within its supply chains and operations. Modern slavery encompasses human trafficking, forced labour, and other forms of exploitation. Council expects its suppliers and contractors to share this commitment and to implement measures to address and mitigate the risks of modern slavery.

- **Supplier Due Diligence and reporting requirements:** The Council is involved with Central NSW Joint Organisation (CNSWJO) which undertakes a collaborative Modern Slavery assessment of suppliers. This collaborative process will offer efficiencies by lessening the burden on suppliers utilised across regional councils in responding to multiple surveys requesting the same or similar information. This work will result in a central data list accessible to councils for informational purposes. CNSWJO will then conduct this work on an ongoing basis to keep track of suppliers utilised throughout the region and their risk levels concerning modern slavery.
- **Non-Compliance:** Failure to comply with the Modern Slavery Act or the requirements outlined in this policy may result in termination of contracts, and suppliers may be removed from Council's list of approved vendors.
- **Training and Awareness:** Council will provide training and awareness programs for its employees involved in procurement activities to recognise and address modern slavery risks. This will include training on identifying indicators of modern slavery, understanding supplier obligations, and reporting mechanisms.
- **Continuous Improvement:** Council is committed to continuous improvement in its efforts to combat modern slavery. This policy will be reviewed each council term or more frequent in response to legislative change or the risk environment.

### 1.10 Procurement Procedure

Procurement Procedures are developed to assist CTW to meet the requirements of Procurement Policy and the principles underpinning procurement activities across the Council.

All councilors, Council staff and all persons undertaking procurement activities on Council's behalf are required to follow the procurement procedure requirements.

### 1.11 Prequalified Supplier of Goods and Services.

Council may use existing contracts of the State Government, Local Government Procurement (LGP) Central NSW Joint Organisation or other suppliers registered on a Constituent Councils pre-qualified supplier register as is deemed appropriate for the procurement activity.

Council, if resources enable may establish and use a register of pre-qualified suppliers of goods and services if:

- It would be costly to prepare and evaluate invitations each time the goods and services are needed; or
- The capability or financial capacity of the supplier is critical; or
- There is significant security considerations; or
- Compliance with defined standards is a pre-condition of offer to contract; or
- The ability of local businesses to supply the goods and services needed by CTW needs to be established or encouraged.

### 1.12 Breaches of this policy

A breach of this policy by a Council Officer will be dealt with in accordance with Council's Code of Conduct Policy. The Code of Conduct Policy articulates the standards of ethical behaviour expected of Council officials and external service providers in their dealings with Council.

Evidence of corrupt and/or unethical conduct by a Council official could lead to (but not limited to):

- Disciplinary action;
- Dismissal;
- Investigation for corruption, inappropriate or unethical conduct; and
- Referral of the matter for criminal investigation.

Evidence of corrupt and/or unethical conduct by a contractor or supplier participating in a procurement activity or engaged to conduct works on behalf of Council could lead to (but not limited to):

- Tender disqualification;
- Contract termination;
- Loss of future work with Council;
- Investigation for corruption, inappropriate or unethical conduct; and
- Referral of the matter for criminal investigation.

#### **Statutory Requirements**

Local Government Act 1993  
 Local Government (General) Regulation 2005  
 Local Government (Tendering) Regulation 1999  
 Local Government (Financial Management) Regulation 1999  
 Government Information (Public Access) Act 2009  
 Privacy and Personal Information Protection Act 1998  
 Trade Practices Act 1974 (Cth)  
 A New Tax System (Goods and Services Tax) Act 1999 (Cth)  
 Electronic Transaction Act 2000 (Cth)  
 Occupational Health and Safety Act 2000  
 Personal Information Protection Act 2004 (Cth)  
 State Records Act 1998

#### **Related Policy/Procedure**

Code of Conduct  
 Procurement Policy  
 Corporate Credit Cards Policy  
 Enterprise risk management Policy  
 Project Management Policy & Methodology

#### **Government References**

NSW Government Procurement Policy and Framework  
 NSW Government Procurement Policy and Guidelines Paper  
 NSW Government Code of Practice for Procurement  
 NSW Government Tendering Guidelines  
 Department of Local Government Tendering Guidelines for NSW Local Government

**12.5) ANNUAL FINANCIAL STATEMENTS AND AUDITORS REPORT YEAR ENDING 30 JUNE 2024 (FM.FR.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).

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**RECOMMENDATION:**

That Council receive the 2023/24 Financial Statements and Auditors Reports.

**REPORT**

Council's Financial Statements for the year ending 30 June 2024 have been completed and in accordance with Section 418 (1) of the Local Government Act 1993 (the Act) are now presented to the public.

In accordance with Section 420 of the Act, any person may make a submission in writing with respect to Council's Annual Financial Statements or the Auditor's Reports. The closing date for submissions is Wednesday 18 December 2024.

A copy of Council's Audited Financial Statements may be viewed on Council's website at [www.ctw.nsw.gov.au](http://www.ctw.nsw.gov.au) or alternately are available at Council's Administration Office located at 30 Church Street, Blayney.

Ms Katy Henry on behalf of the Audit Office of NSW will be outlining the conduct of the Audit and the Auditor's Reports at this meeting.

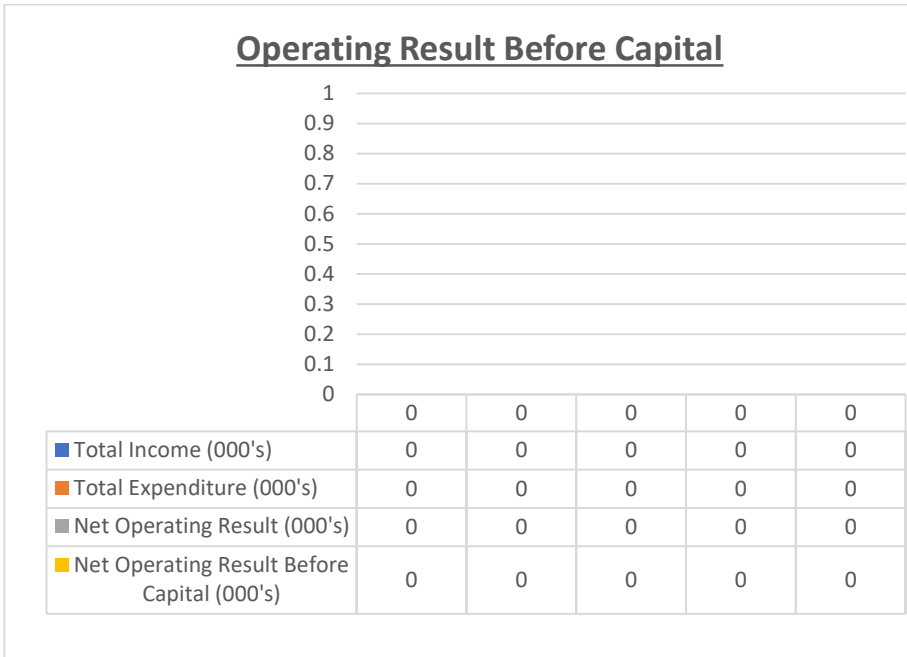
The draft accounts were sent to Council's Audit Risk and Improvement Committee (ARIC) for review prior to submission. The Financial Statements were lodged with the Office of Local Government (OLG) on 24 October 2023 after unqualified audit reports had been received. This lodgement met the deadline set by the Office of Local Government of 31 October 2024.

It is important to also acknowledge the efforts and support of Katy Henry and her team from Intentus, Farish Ali, and the NSW Audit Office staff, for their efforts in getting the Financial Statements signed off in a timely manner.

Council also recognises the support and efforts of John Stuart from John Stuart and Associates for assisting with the completion of the Statements and with the conduct of the final Audit. Particular mention is made of John's quick turnaround of changes when formatting amendments were requested.

Everyone is encouraged to review the full set of Financial Statements and Audit Reports available on Council's website at: [www.ctw.nsw.gov.au](http://www.ctw.nsw.gov.au). Any submissions, questions or queries can be directed to [water@ctw.nsw.gov.au](mailto:water@ctw.nsw.gov.au)

Below are some key comparisons of the 2023/24 result compared to the previous four years.



The Net Operating result before Capital was a loss of \$140K compared to a loss of \$526K the previous year.

The main features of the result were:

- Total user fees and charges increased from \$4,956 in 22/23 to \$5,557K in 23/24. This was lower than the original budget of 5,872K due to lower water sales than estimated.
- Total expenses increased by 5.7% from \$7,800K in 22/23 to \$8,242K in 23/24. This was attributable to a 10.5% increase in depreciation to 3,014K. Depreciation now being the lest single expense category for Council.

**Depreciation**



The above table indicates the increasing impact that depreciation is having upon the operating result of Council. Depreciation expense has increased by 179% from 2006/07 and 29% since 2020/21

Depreciation is now costing Council approximately \$490 per connection. This is now a significant burden upon Council’s operating environment.

**Statement of Financial Position**

| <u>Statement of Financial Position</u> |   |   |   |   |   |
|--|---|---|---|---|---|
| 1                                      |   |   |   |   |   |
| 0.9                                    |   |   |   |   |   |
| 0.8                                    |   |   |   |   |   |
| 0.7                                    |   |   |   |   |   |
| 0.6                                    |   |   |   |   |   |
| 0.5                                    |   |   |   |   |   |
| 0.4                                    |   |   |   |   |   |
| 0.3                                    |   |   |   |   |   |
| 0.2                                    |   |   |   |   |   |
| 0.1                                    |   |   |   |   |   |
| 0                                      | 0 | 0 | 0 | 0 | 0 |
| ■ Total Assets (000's)                 | 0 | 0 | 0 | 0 | 0 |
| ■ Total Liabilities (000's)            | 0 | 0 | 0 | 0 | 0 |
| ■ Total Equity (000's)                 | 0 | 0 | 0 | 0 | 0 |

Total equity increased from \$112.73M in 22/23 compared to \$120.18M in 23/24. This increase in total equity was primarily attributable to the \$4.77M asset infrastructure valuation indexation and \$2.68M operating result after the inclusion of capital items for 2023/24.

**Cash Flow Statement**

| <u>Cash Flow Statement</u>                       |   |   |   |   |   |
|--|---|---|---|---|---|
| 1  |   |   |   |   |   |
| 0.9  |   |   |   |   |   |
| 0.8  |   |   |   |   |   |
| 0.7  |   |   |   |   |   |
| 0.6  |   |   |   |   |   |
| 0.5  |   |   |   |   |   |
| 0.4  |   |   |   |   |   |
| 0.3  |   |   |   |   |   |
| 0.2  |   |   |   |   |   |
| 0.1  |   |   |   |   |   |
| 0  | 0 | 0 | 0 | 0 | 0 |
| ■ Cash Flow from Operations (000's)              | 0 | 0 | 0 | 0 | 0 |
| ■ Cash Flow Used in Investing Activities (000's) | 0 | 0 | 0 | 0 | 0 |
| ■ Cash Flow Used in Financing Activities (000's) | 0 | 0 | 0 | 0 | 0 |

Council generated \$5,829K of cash from operations in 23/24 which exceeded the \$3,999K received in 2022/23. This difference was primarily attributable to the balance of the capital grant received for the Carcoar 12ML reservoir and improved water user charges collected in 23/24.

Cash flow used for investing activities totalled \$6,439K which included \$5,148K for asset expenditure.

Council currently has no borrowings so no funds were utilised for financing activities.

Council has a strong cash position however it should be noted that a substantial majority of Council’s finds are either externally or internally restricted.

**Cash and Investments**

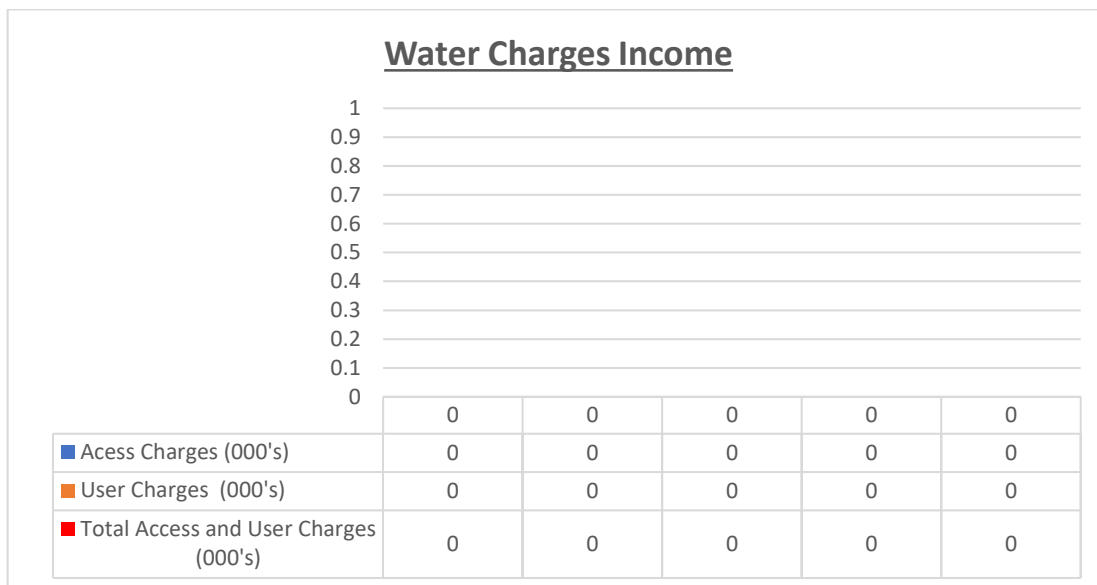
| <u>Cash and Investments</u>        |     |       |       |       |       |
|------------------------------------|-----|-------|-------|-------|-------|
|                                    | 1   | _____ | _____ | _____ | _____ |
|                                    | 0.9 | _____ | _____ | _____ | _____ |
|                                    | 0.8 | _____ | _____ | _____ | _____ |
|                                    | 0.7 | _____ | _____ | _____ | _____ |
|                                    | 0.6 | _____ | _____ | _____ | _____ |
|                                    | 0.5 | _____ | _____ | _____ | _____ |
|                                    | 0.4 | _____ | _____ | _____ | _____ |
|                                    | 0.3 | _____ | _____ | _____ | _____ |
|                                    | 0.2 | _____ | _____ | _____ | _____ |
|                                    | 0.1 | _____ | _____ | _____ | _____ |
|                                    | 0   | _____ | _____ | _____ | _____ |
|                                    |     | 0     | 0     | 0     | 0     |
| Internal Restrictions (000's)      |     | 0     | 0     | 0     | 0     |
| External Restrictions (000's)      |     | 0     | 0     | 0     | 0     |
| Unrestricted Cash (000's)          |     | 0     | 0     | 0     | 0     |
| Total Cash and Investments (000's) |     | 0     | 0     | 0     | 0     |

Council’s total cash and investments totalled \$10758K in 23/24. This consisted of external restrictions (deposits and bonds) of \$12K, \$9,946K of internal restrictions (allocated at discretion of Council through budget adoption or separate resolution) and \$800K of unrestricted funds that can be used to cover working capital requirements.

It is notable that the level of unrestricted cash increased to 800K at the 30 June 23/24 in response to a higher level of payables outstanding at year end. Payables increased from 594K at 30 June 2023 to 965K at 30 June 2024.

**Water Charges Income**





In 23/24 Council's water sales increased to \$5,286K from \$4,782K in 22/23. This was less than budget and was attributable to wetter conditions than expected. It is notable that the 2023/24 water sales were only 7.7% higher than that achieved in 2019/20.

Council's capacity to renew ageing infrastructure is significantly impacted by reduced water sales growth primarily driven by climatic conditions. The last 4 years have presented challenges to the financial sustainability of local water utilities located in areas where above average rainfall occurs. This provides challenges when setting future fees and charges and complying with the regulatory assurance framework. (particularly full cost recovery)

**BUDGET IMPLICATIONS**

The operating result before capital was lower than expected in 23/24 due to lower than estimated water sales and increased depreciation costs.

Council aims to achieve positive operating results before capital so it can fund the renewal of its infrastructure so can maintain its levels of service.

**POLICY IMPLICATIONS**

**ATTACHMENTS**

Nil.

**12.6) QUARTERLY BUDGET REVIEW STATEMENT - 30 SEPTEMBER 2024 (FM.FR.1)**

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

**RECOMMENDATION:**

That Council adopt the budget review statement for the quarter ended 30 September 2024 and the variations therein be voted.

**REPORT**

The Quarterly Budget Review Statement (QBRS) for the period ended 30 September, 2024 is submitted for consideration by Council in accordance with clause 203 of the Local Government (General) Regulation 2005.

The net operating result before capital that was originally estimated to be a loss of \$149,971 is now estimated to be a deficit of \$316,971. This is an increase in the loss over the quarter of \$167,000.

The main reasons for this adjustment were:

- An increased estimate of \$257,000 for additional water infrastructure asset depreciation.
- An increased estimate by \$90,000 for depreciation recovered on the sale of surplus vehicles.

The capital expenditure budget is estimated to increase from \$2.482M in the original budget to an estimated \$4.663M. This increase has been largely attributable to the rollover of projects from 23/24 of \$2.171M.

A further capital expenditure vote of \$9,933 was added due to a late invoice received for electrical work on the 12 ML Reservoir at Carcoar Water Treatment Plant. This has been funded from the Infrastructure restriction.

It is notable that water sales have been disrupted in by regular rain events in the first half of the financial year. This may require an adjustment in a future budget review if those conditions continue.

**BUDGET IMPLICATIONS**

The overall revised budget result indicates that the financial position of the Council remains sound, however, rising costs and reduced revenues will continue to remain a challenge over the course of 2024/25.

**POLICY IMPLICATIONS**

The budget result indicates that being able to produce a sustained period of positive operating results before capital will be difficult unless water sales improve over time and depreciation costs continue to rise faster than revenue. This impacts Council's capacity to renew its large asset base.

**ATTACHMENTS**

- 1 September 2024 QBRS - 10 Pages

Central Tablelands Water

**Quarterly Budget Review Statement**  
for the period 01/07/24 to 30/09/24

| <b>Table of contents</b>                                  | <b>page</b> |
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Central Tablelands Water

**Quarterly Budget Review Statement**  
for the period 01/07/24 to 30/09/24

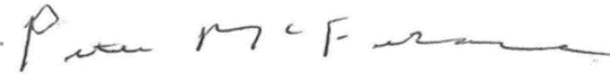
**Report by responsible accounting officer**

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

**30 September 2024**

It is my opinion that the Quarterly Budget Review Statement for Central Tablelands Water for the quarter ended 30/09/24 indicates that Council's projected financial position at 30/6/25 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

Signed:



29/11/2024

Responsible accounting officer

## Budget Review Statement as at 30 September 2024

Council's Revised Income and Expenditure for the year 2024/2025

| Original<br>Budget | <u>Operating Revenue</u>                          | Revised<br>Budget                  |
|--------------------|---|------------------------------------|
| 1,980,353          | Availability Charges                              | 1,980,353                          |
| 6,655,593          | User Charges                                      | 6,655,593                          |
| 385,000            | Interest and Investment Income                    | 385,000                            |
| 136,311            | Other Revenues                                    | 136,311                            |
| 374,290            | Capital Grants and Contributions                  | 484,921                            |
| -                  | Operational Grants and Contributions              | -                                  |
| 40,000             | Gains on Disposal of Assets                       | 130,000                            |
| 9,571,547          | <b>Total Operating Revenue</b>                    | <b>9,772,178</b>                   |
|                    | <u>Operating Expenses</u>                         |                                    |
| 3,086,012          | Employee Costs                                    | 3,086,012                          |
| 2,954,416          | Materials & Contracts                             | 2,964,416                          |
| 9,800              | Legal Costs                                       | 9,800                              |
| 279,000            | Consultants                                       | 269,000                            |
| 20,000             | Other Expenses                                    | 20,000                             |
| 2,998,000          | Depreciation and Impairment                       | 3,255,000                          |
| 9,347,228          | <b>Total Operating Expenses</b>                   | <b>9,604,228</b>                   |
| 224,319            | <b>Operating Result for Period After Capital</b>  | <b>Surplus/(Deficit) 167,950</b>   |
| (149,971)          | <b>Operating Result for Period Before Capital</b> | <b>Surplus/(Deficit) (316,971)</b> |
|                    | <u>Less Non-Operating Expenditure</u>             |                                    |
| 2,482,006          | Acquisitions of Assets                            | 4,663,360                          |
| 261,032            | Transfer to Reserves - Plant                      | 261,032                            |
| 2,000,000          | Transfer to Reserves - Renewal Reserves           | 2,000,000                          |
|                    | Transfer from Leave Liability                     | 100,000                            |
| 90,000             | Transfer to Reserves - ELE                        | 90,000                             |
| 40,000             | Transfer to Reserves - Consultancy                | 40,000                             |
| 838,855            | Transfer Estimated Budget Surplus/(Deficit)       | 996,997                            |
| 5,711,893          |   | <b>8,151,389</b>                   |
| (5,487,574)        |   | (7,983,439)                        |
|                    | <u>Add Non-Operating Revenue</u>                  |                                    |
| 221,032            | Book Value of Assets Sold                         | 221,032                            |
| 300,000            | Transfer from Reserves - Plant                    | 300,000                            |
| 30,000             | Transfer from Reserves - ELE                      | 130,000                            |
| 120,000            | Transfer from Consultancy Restriction             | 120,000                            |
| 1,818,542          | Transfer from Reserves - Infrastructure           | 3,957,407                          |
| 0                  | Transfer from Reserves - Development Assistance   | 0                                  |
| -                  | Transfer from External Restriction                | 0                                  |
| 2,489,574          |   | 4,728,439                          |
| (2,998,000)        |   | (3,255,000)                        |
|                    | <u>Add Expenses not Involving Flow of Funds</u>   |                                    |
| 2,998,000          | Depreciation                                      | 3,255,000                          |
| \$ -               | <b>Budget (Cash) Result Surplus/(Deficit)</b>     | <b>\$ -</b>                        |

Central Tablelands Water

**Quarterly Budget Review Statement**

for the period 01/07/24 to 30/09/24

**Income & expenses budget review statement**

Budget review for the quarter ended 30 September 2024

**Income & expenses - General Fund**

| (\$000's)  | Original budget  | Approved Changes | Revised budget   | Variations for this | Notes | Projected year end result | Actual YTD figures |
|--|------------------|------------------|------------------|---------------------|-------|---------------------------|--------------------|
|  | 2024/25          | Revotes          | 2024/25          | Sep Qtr             |       |                           |                    |
| <b>Income</b>  |                  |                  |                  |                     |       |                           |                    |
| Annual charges   | 1,980,353        |                  | 1,980,353        |                     |       | 1,980,353                 | 504,864            |
| User charges and fees                                  | 6,655,593        |                  | 6,655,593        | -                   |       | 6,655,593                 | 1,201,359          |
| Other revenues   | 136,311          |                  | 136,311          | -                   |       | 136,311                   | 32,653             |
| Grants and contributions - operating                   | -                | -                | -                | -                   |       | -                         | -                  |
| Grants and contributions - capital                     | 374,290          | 110,631          | 484,921          | -                   |       | 484,921                   | 50,258             |
| Interest and investment revenue                        | 385,000          |                  | 385,000          | -                   |       | 385,000                   | 141,631            |
| Net gain from disposal of assets                       | 40,000           |                  | 40,000           | 90,000              | (a)   | 130,000                   | 7,469              |
| <b>Total income from continuing operations</b>         | <b>9,571,547</b> | <b>110,631</b>   | <b>9,682,178</b> | <b>90,000</b>       |       | <b>9,772,178</b>          | <b>1,938,234</b>   |
| <b>Expenses</b>  |                  |                  |                  |                     |       |                           |                    |
| Employee benefits and on-costs                         | 3,086,012        |                  | 3,086,012        | -                   |       | 3,086,012                 | 735,818            |
| Materials and services                                 | 2,964,416        |                  | 2,964,416        | -                   |       | 2,964,416                 | 994,516            |
| Depreciation and amortisation                          | 2,998,000        |                  | 2,998,000        | 257,000             | (b)   | 3,255,000                 | 813,750            |
| Legal costs  | 9,800            |                  | 9,800            | -                   |       | 9,800                     | -                  |
| Consultants  | 269,000          |                  | 269,000          | -                   |       | 269,000                   | 86,737             |
| Other expenses   | 20,000           |                  | 20,000           | -                   |       | 20,000                    | 4,545              |
| <b>Total expenses from continuing operations</b>       | <b>9,347,228</b> | <b>-</b>         | <b>9,347,228</b> | <b>257,000</b>      |       | <b>9,604,228</b>          | <b>2,635,366</b>   |
| <b>Net operating result from continuing operations</b> | <b>224,319</b>   | <b>110,631</b>   | <b>334,950</b>   | <b>(167,000)</b>    |       | <b>167,950</b>            | <b>(697,132)</b>   |
| <b>Net operating result from all operations</b>        | <b>224,319</b>   | <b>110,631</b>   | <b>334,950</b>   | <b>(167,000)</b>    |       | <b>167,950</b>            | <b>(697,132)</b>   |
| <b>Net Operating Result before Capital Items</b>       | <b>(149,971)</b> | <b>-</b>         | <b>(149,971)</b> | <b>(167,000)</b>    |       | <b>(316,971)</b>          | <b>(747,390)</b>   |

Central Tablelands Water

**Quarterly Budget Review Statement**  
for the period 01/07/24 to 30/09/24

**Income & expenses budget review statement**  
**Recommended changes to revised budget**

Budget Variations being recommended include the following material items:

**Notes Details**

|     |  |
|-----|--|
| (a) | Council sold 5 vehicles in October and additional depreciation was recovered. Replacement of fleet vehicles had been delayed due to lead time in sourcing replacements.  |
| (b) | Estimated additional Infrastructure depreciation based on actual depreciation for 2023/24. Water infrastructure values are also indexed annually which increases depreciation expense. 2024/25 is also incorporates the first full year depreciation for the new 12 ML Reservoir and the Woodstock Pump Station. |
| (c) |  |
| (d) |  |
| (e) |  |
| (f) |  |
| (g) |  |

Central Tablelands Water

**Quarterly Budget Review Statement**  
for the period 01/07/24 to 30/09/24

**Capital budget review statement**

Budget review for the quarter ended 30 September 2024

**Capital budget - General Fund**

| (\$000's)                                       | Original         | Approved changes | Revised          | Variations   | Notes    | Projected        | Actual         |
|---|------------------|------------------|------------------|--------------|----------|------------------|----------------|
|   | budget           |                  |                  |              |          |                  |                |
|   | 24-25            | Revotes          | 24-25            | Mar Qtr      |          | result           | figures        |
| <b>Capital expenditure</b>                      |                  |                  |                  |              |          |                  |                |
| <b>New assets</b>                               |                  |                  |                  |              |          |                  |                |
| - Telemetry Upgrades                            | 50,000           | 50,589           | 100,589          |              |          | 100,589          | 12,382         |
| - Town Village Restriction Signage              | -                | 80,000           | 80,000           |              |          | 80,000           |                |
| - Reticulation Mains - New Connections          | 41,400           |                  | 41,400           |              |          | 41,400           |                |
| - Renewable Energy Infrastructure               | -                | 363,602          | 363,602          |              |          | 363,602          |                |
| - Land Acquisition - Crown Land Sites           | 50,000           |                  | 50,000           |              |          | 50,000           |                |
| - New Metering Lake Rowlands                    |                  | 6,526            | 6,526            |              |          | 6,526            |                |
| - New Metering - Gooloogong Bore                |                  |                  | -                |              |          | -                |                |
| - New Metering - Quandialla Bore                |                  |                  | -                |              |          | -                |                |
| - Water Loss Monitoring Program - Meters etc    | 50,000           | 40,233           | 90,233           |              |          | 90,233           | 32,992         |
| - Carcoar 12ML Reservoir                        |                  |                  | -                | 9,933        | (a)      | 9,933            | 9,933          |
| - Woodstock Pump Station                        |                  |                  | -                |              |          | -                |                |
| <b>Total New Assets</b>                         | <b>191,400</b>   | <b>540,950</b>   | <b>732,350</b>   | <b>9,933</b> | <b>-</b> | <b>742,283</b>   | <b>55,307</b>  |
| <b>Renewal assets (replacement)</b>             |                  |                  |                  |              |          |                  |                |
| - Pump Station Renewals                         | 54,855           | 126,468          | 181,323          |              |          | 181,323          |                |
| - Vehicle Replacements                          | 522,064          |                  | 522,064          |              |          | 522,064          |                |
| - Other Plant & Equipment                       | 31,050           |                  | 31,050           |              |          | 31,050           | 11,150         |
| - Office Equipment                              | 52,137           |                  | 52,137           |              |          | 52,137           |                |
| - Blayney Office - Outdoor Refurb               | 20,350           |                  | 20,350           |              |          | 20,350           |                |
| - Blayney Office Indoor Refurb                  |                  |                  | -                |              |          | -                |                |
| - Grenfell Depot Storm Damage Refurb            |                  |                  | -                |              |          | -                |                |
| - Depot Refurbishments                          | 200,000          | 170,936          | 370,936          |              |          | 370,936          |                |
| - Trunk Main U Renewals - 7kms                  | 500,000          | 320,000          | 820,000          |              |          | 820,000          |                |
| - Trunk Mains Design Western Artery             |                  | 221,262          | 221,262          |              |          | 221,262          | 31,955         |
| - Trunk Main C Creek Crossing                   | 250,000          |                  | 250,000          |              |          | 250,000          |                |
| - Manildra Trunk Main (Flood Event)             |                  |                  | -                |              |          | -                |                |
| - Cargo Pump Station Renewal                    |                  |                  | -                |              |          | -                |                |
| - Conomadine Pump Station Renewal               |                  |                  | -                |              |          | -                |                |
| - Bangaroo Booster pump                         |                  | 13,886           | 13,886           |              |          | 13,886           | 5,756          |
| - Eugowra Booster Pump Renewal                  |                  | 80,693           | 80,693           |              |          | 80,693           |                |
| - Gooloogong Bore Renew Switchboard             |                  |                  | -                |              |          | -                |                |
| - Blayney WTP - Reseal Access Road and Carpark  |                  | 23,763           | 23,763           |              |          | 23,763           | 6,582          |
| - Carcoar WTP - Reseal internal Access Road     |                  | 16,216           | 16,216           |              |          | 16,216           | 16,818         |
| - Renew Carcoar WTP Fluoride Plant              | 100,000          |                  | 100,000          |              |          | 100,000          |                |
| - Reservoir Recoating Program - 6 Reservoirs    | 250,000          |                  | 250,000          |              |          | 250,000          |                |
| - Carcoar Town Reservoir - Recoat and Stairwell | 42,000           |                  | 42,000           |              |          | 42,000           |                |
| - Carcoar Town Reservoir - Relocate Pumps       | 25,000           |                  | 25,000           |              |          | 25,000           |                |
| - Carcoar WTP - PLC Upgrade                     | 70,000           | 113,617          | 183,617          |              |          | 183,617          |                |
| - Blayney Water Treatment Plant Renewals        | 31,050           |                  | 31,050           |              |          | 31,050           |                |
| - Carcoar Water Treatment Plant Renewals        | 62,100           |                  | 62,100           |              |          | 62,100           | 15,360         |
| - Reticulation Mains Renewals Program           | 80,000           | 491,130          | 571,130          |              |          | 571,130          | 18,558         |
| - Automatic Filling Station Upgrades            |                  | 52,500           | 52,500           |              |          | 52,500           |                |
| - Trunk Main I - Relocation                     |                  |                  | -                |              |          | -                |                |
| <b>Total Renewed Assets</b>                     | <b>2,290,606</b> | <b>1,630,471</b> | <b>3,921,077</b> | <b>-</b>     | <b>-</b> | <b>3,921,077</b> | <b>106,179</b> |
| <b>Total capital expenditure</b>                | <b>2,482,006</b> | <b>2,171,421</b> | <b>4,653,427</b> | <b>9,933</b> | <b>-</b> | <b>4,663,360</b> | <b>161,486</b> |
| <b>Capital funding</b>                          |                  |                  |                  |              |          |                  |                |
| Water Charges                                   |                  |                  | -                |              |          | -                | -              |
| Capital grants & contributions                  | 374,290          | 110,631          | 484,921          |              |          | 484,921          | 50,258         |
| Reserves:                                       |                  |                  |                  |              |          |                  |                |
| - Internal restrictions/reserves                | 1,886,684        | 2,060,790        | 3,947,474        | 9,933        | (b)      | 3,957,407        | 41,732         |
| Receipts from sale of assets                    |                  |                  |                  |              |          |                  |                |
| - Vehicle Sales                                 | 221,032          |                  | 221,032          |              |          | 221,032          | 69,496         |
| <b>Total capital funding</b>                    | <b>2,482,006</b> | <b>2,171,421</b> | <b>4,653,427</b> | <b>9,933</b> |          | <b>4,663,360</b> | <b>161,486</b> |
| <b>Net capital funding - surplus/(deficit)</b>  | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>     |          | <b>-</b>         | <b>-</b>       |

This statement forms part of Council's Quarterly Budget Review Statement (GBRS) for the quarter ended 30/09/24 and should be read in conjunction with the total GBRS report.



Central Tablelands Water

**Quarterly Budget Review Statement**  
for the period 01/07/24 to 30/09/24

**Capital budget review statement**  
**Recommended changes to revised budget**

Budget variations being recommended include the following material items:

**Notes Details**

|     |  |
|-----|--|
| (a) | Late invoice received from electrical contractor for work on electrical connections for 12ML reservoir located at Carcoar Water Treatment Plant. Invoice was received after creditor cut off at 30 June, 2024. |
| (b) | Funds from infrastructure restriction to fund additional expenditure.  |
| (c) |  |
| (d) |  |
| (d) |  |
| (f) |  |
| (g) |  |
| (h) |  |
| (i) |  |

**Central Tablelands Water**

**Quarterly Budget Review Statement**  
for the period 01/07/24 to 30/9/24

**Leakage Allowances Granted - Financial Year to Date**

| <u>Sept Qtr.</u> | <u>No of Applications Granted</u> | <u>Total Allowance KIs</u> | <u>Total Allowance Granted \$</u> |
|------------------|-----------------------------------|----------------------------|-----------------------------------|
| Residential      | 2                                 | 167.50                     | 653.58                            |
| <b>Total</b>     | <b>2</b>                          | <b>167.50</b>              | <b>653.58</b>                     |

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

Central Tablelands Water

**Quarterly Budget Review Statement**  
for the period 01/07/24 to 30/09/24

**Contracts budget review statement**

Budget review for the quarter ended 30 September 2024  
**Part A - Contracts listing** - contracts entered into during the quarter

| Contractor                  | Contract detail & purpose  | Contract value<br>GST Inc | Start date | Duration of contract | Budgeted (Y/N) | Notes                        |
|-----------------------------|--|---------------------------|------------|----------------------|----------------|------------------------------|
| National Concrete Solutions | Leakage Maintenance and Coating - Eugowra,Cudal,Manildra and Cargo Reservoir | 163,553                   | 17/09/24   | 4 Months             | Y              | Operating and Capital Budget |
| National Concrete Solutions | Leakage Maintenance and Coating - Lyndhurst and Mandurama Reservoir          | 71,089                    | 17/09/24   | 4 Months             | Y              | Operating and Capital Budget |
| Statewide Mutual            | General Insurances   | 244,839                   | 01/07/24   | 12 Months            | Y              | Operational Budget           |
|                             |  |                           |            |                      |                |                              |
|                             |  |                           |            |                      |                |                              |
|                             |  |                           |            |                      |                |                              |
|                             |  |                           |            |                      |                |                              |
|                             |  |                           |            |                      |                |                              |
|                             |  |                           |            |                      |                |                              |
|                             |  |                           |            |                      |                |                              |
|                             |  |                           |            |                      |                |                              |
|                             |  |                           |            |                      |                |                              |
|                             |  |                           |            |                      |                |                              |
|                             |  |                           |            |                      |                |                              |
|                             |  |                           |            |                      |                |                              |
|                             |  |                           |            |                      |                |                              |
|                             |  |                           |            |                      |                |                              |

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

| Central Tablelands Water  |   |                             |                               |   |  |                 | <b>Quarterly Budget Review Statement</b><br>for the period 01/07/24 to 30/09/24 |
|---|---|-----------------------------|-------------------------------|---|--|-----------------|---|
| <b>Cash and Investments budget review statement</b>   |   |                             |                               |   |  |                 |   |
| Budget review for the quarter ended 30 September 2024   |   |                             |                               |   |  |                 |   |
| <b>Cash &amp; investments - General Fund</b>  |   |                             |                               |   |  |                 |   |
|   | <u>Opening<br/>Balance<br/>1-7-2024</u> | <u>Budgeted<br/>Tfrs to</u> | <u>Budgeted<br/>Tfrs from</u> | <u>Projected<br/>Closing<br/>Balance 30-<br/>6-2025</u> | <u>Actual<br/>Closing<br/>Balance 30-<br/>9-24 *</u> | <u>Variance</u> |   |
| <b>Restriction</b>  | <b>(000's)</b>                          | <b>(000's)</b>              | <b>(000's)</b>                | <b>(000's)</b>  | <b>(000's)</b>                                       | <b>(000's)</b>  |   |
| External Restrictions   | 12                                      |                             |                               | 12  | 12   | 0               |   |
| Plant and Vehicles  | 886                                     | 261                         | 300                           | 847   | 847  | 0               |   |
| Infrastructure  | 7,646                                   | 2,000                       | 3,957                         | 5,689   | 9,316  | 3,627           |   |
| Employees Leave Entitlements  | 753                                     | 90                          | 130                           | 713   | 813  | 100             |   |
| Development Assistance  | 461                                     |                             | 0                             | 461   | 461  | 0               |   |
| Consultancy   | 200                                     | 40                          | 120                           | 120   | 190  | 70              |   |
| <b>Total Restrictions</b>   | <b>9,958</b>                            | <b>2,391</b>                | <b>4,507</b>                  | <b>7,842</b>  | <b>11,639</b>  | <b>3,797</b>    |   |
| Unrestricted Cash   | 800                                     |                             |                               |   | 424  |                 |   |
| <b>Total Cash and Investments</b>   | <b>10,758</b>                           |                             |                               |   | <b>11,215</b>  |                 |   |
| <b>Consisting of:</b>   |   |                             |                               |   |  |                 |   |
| Cash at Bank  | 1,458                                   |                             |                               |   | 915  |                 |   |
| Investments   | 9,300                                   |                             |                               |   | 10,300   |                 |   |
| <b>Total Cash and Investments</b>   | <b>10,758</b>                           |                             |                               |   | <b>11,215</b>  |                 |   |
| * As per the adopted Operational Plan   |   |                             |                               |   |  |                 |   |
| Variance amount is the difference between the projected restrictions balance based upon the actual restrictions amount at 1 July 2024 and the estimated balance based upon the latest QBRS. |   |                             |                               |   |  |                 |   |
| Unrestricted cash is based upon the projected 30 June , 2025 restrictions based on the 30 September,2024 cash and investments balances  |   |                             |                               |   |  |                 |   |
| This means that it is greater than it would be based on actual reserve transfers at 30 September 2024   |   |                             |                               |   |  |                 |   |



**12.7) FINANCIAL MATTERS - INVESTMENT REPORT AS AT 30 NOVEMBER, 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).

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**RECOMMENDATION:**

That the information in relation to Council's Cash and Investments as at 30 November, 2024.

**REPORT****Cash and Investments**

The investment summary below represents Council's total investments as of 30 November , 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**

Economic uncertainty regarding future interest rates has dominated the news over the past month.

The September quarter consumer price index (CPI) figures indicated a slowing of headline inflation down to 2.8% for the year. Core inflation was measured at 3.3% which is still above the Reserve Bank of Australia target band of 2.0 to 3.0%.

A couple of pieces of other economic data contributed to the unease that the RBA is feeling that is leading to reluctance to cut interest rates. These being:

- The resilience of the labour market and strength in underlying employment.
- The high level of services inflation with costs such rents and insurances increasing annually at rates exceeding 6.0% per annum.

The RBA has therefore decided to keep the cash rate on hold at 4.35% at the present time despite cuts in the US, England, Canada and New Zealand. The RBA have indicated that core inflation (sometimes called underlying or the trimmed mean level of inflation) will need to come down to a sustainable level within the 2.0 or 3.0% target range before they will consider a rate cut.

This has resulted in term deposit rates becoming a little stronger at the 12 month point of the maturity cycle. This has assisted Council in obtaining some competitive rates at levels over 5.0%. The option is always there for Council to go shorter on the maturity cycle if the rates are competitive on shorter terms.

### **BUDGET IMPLICATIONS**

Unless interest rates fall sharply, which is unlikely given the economic outlook , Council will make its budget for investment income for the 24/25 financial year.

### **POLICY IMPLICATIONS**

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

Council is always seeking the best return possible whilst following the risk parameters of the Investment Policy.

### **ATTACHMENTS**

- 1 Cash and Investments at 30 November 2024

|   |                         | Credit Rating | Term (Days) | Rate  | Maturity Date | % of Portfolio |
|---|-------------------------|---------------|-------------|-------|---------------|----------------|
| <b>Short Term Deposits</b>                | <b>\$ 10,300,000.00</b> |               |             |       |               | <b>91.02%</b>  |
| Bank Vic - Curve Securites                | 600,000                 | BBB+          | 367         | 5.20% | 16/06/25      | 5.30%          |
| Bank of QLD - Curve Securitiies           | 500,000                 | A-            | 182         | 4.90% | 11/03/25      | 4.42%          |
| Bank of QLD - Curve Securitiies           | 500,000                 | A-            | 331         | 4.95% | 31/01/25      | 4.42%          |
| Reliance/Unity Bank                       | 500,000                 | Unrated       | 365         | 5.15% | 4/08/25       | 4.42%          |
| ING - Curve Securites                     | 500,000                 | A             | 365         | 5.03% | 16/10/25      | 4.42%          |
| ING - Curve Securites                     | 500,000                 | A             | 365         | 5.11% | 26/03/25      | 4.42%          |
| ING - Curve Securites                     | 500,000                 | A             | 364         | 5.10% | 3/11/25       | 4.42%          |
| NAB - Curve Securites                     | 500,000                 | AA-           | 210         | 5.00% | 2/05/25       | 4.42%          |
| NAB - Curve Securites                     | 500,000                 | AA-           | 364         | 4.90% | 12/09/25      | 4.42%          |
| ING - Curve Securites                     | 500,000                 | A             | 365         | 5.14% | 14/03/25      | 4.42%          |
| Bank of QLD - Curve Securitiies           | 500,000                 | A-            | 270         | 5.00% | 6/12/24       | 4.42%          |
| Macquarie Bank - Curve Securites          | 200,000                 | A+            |             | 4.65% | At Call       | 1.77%          |
| NAB - Curve Securites                     | 500,000                 | AA-           | 365         | 4.95% | 2/04/25       | 4.42%          |
| NAB - Curve Securites                     | 500,000                 | AA-           | 180         | 5.00% | 8/04/25       | 4.42%          |
| Bank of QLD - Curve Securitiies           | 500,000                 | A-            | 181         | 4.95% | 26/03/25      | 4.42%          |
| NAB - Curve Securites                     | 500,000                 | AA-           | 365         | 5.40% | 2/07/25       | 4.42%          |
| Bank Vic - Curve Securites                | 500,000                 | BBB+          | 368         | 5.20% | 10/06/25      | 4.42%          |
| MyState - Curve Securites                 | 500,000                 | BBB+          | 365         | 5.00% | 3/09/25       | 4.42%          |
| AMP - Curve Securites                     | 500,000                 | BBB+          | 300         | 5.02% | 19/06/25      | 4.42%          |
| Reliance/Unity Bank                       | 500,000                 | Unrated       | 366         | 5.35% | 14/07/25      | 4.42%          |
| NAB - Curve Securites                     | 500,000                 | AA-           | 180         | 4.95% | 18/03/25      | 4.42%          |
| <b>At Call Deposits</b>                   | <b>\$ 1,015,710.17</b>  |               |             |       |               | <b>8.98%</b>   |
| Commonwealth Bank - General Account       | \$ 449,430.05           | AA-           | At Call     | 4.20% | N/A           |                |
| Commonwealth Bank - BOS Account           | \$ 566,253.30           | AA-           | At Call     | 4.25% | N/A           |                |
| Reliance Credit Union - Cheque Account    | \$ 26.82                | Unrated       | At Call     | 0.00% | N/A           |                |
| <b>Total Value of Investment Funds</b>    | <b>\$ 11,315,710.17</b> |               |             |       |               | <b>100%</b>    |
| <b>Average Rate on Term Deposits</b>      |                         |               |             |       |               |                |
| 90 Day BBSW for November 2024             | 4.4216%                 |               |             |       |               |                |
| Average Rate on Term Deposits             | 5.0500%                 |               |             |       |               |                |
| Margin over 90 day BBSW                   | 0.6284%                 |               |             |       |               |                |
| Average Term - Short Term Deposits (days) | 309                     |               |             |       |               |                |
| <b>Long Term Credit Rating</b>            |                         |               |             |       |               |                |
|   | <b>Amount \$</b>        | <b>%</b>      |             |       |               |                |
| AA-                                       | \$ 4,015,683.35         | 35.48%        |             |       |               |                |
| A+  | \$ 200,000.00           | 1.77%         |             |       |               |                |
| A   | \$ 2,000,000.00         | 17.67%        |             |       |               |                |
| A-  | \$ 2,000,000.00         | 17.67%        |             |       |               |                |
| BBB+                                      | \$ 2,100,000.00         | 18.56%        |             |       |               |                |
| Unrated                                   | \$ 1,000,026.82         | 8.84%         |             |       |               |                |
| <b>Total</b>                              | <b>\$ 11,315,710.17</b> | <b>99.99%</b> |             |       |               |                |

**BANK RECONCILIATION**

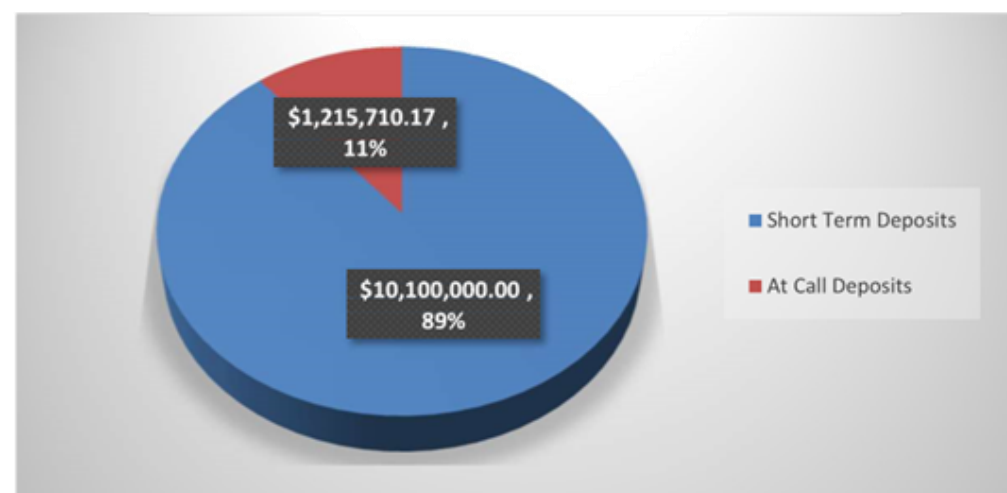
|   |    |            |
|---|----|------------|
| Balance as per Bank Statement                   | \$ | 433,285.21 |
| Add: Visa card not yet processed September 2024 | \$ | 8,788.62   |
| Add: Cash receipting deposited 02.12.2024       | \$ | 486.35     |
| Add: Visa card not yet processed November 2024  | \$ | 6,869.87   |

|                          |    |            |
|--------------------------|----|------------|
| Balance as per Cash Book | \$ | 449,430.05 |
|--------------------------|----|------------|

**GENERAL FUND**

|                       |    |              |
|-----------------------|----|--------------|
| (a) Cash Book Balance | \$ | 1,015,710.17 |
| (b) Bank Balance      | \$ | 1,015,710.17 |

|                            |                         |
|----------------------------|-------------------------|
| <b>Short Term Deposits</b> | <b>\$ 10,100,000.00</b> |
| <b>At Call Deposits</b>    | <b>\$ 1,215,710.17</b>  |





**12.8) PROJECT UPDATES (CA.PJ.1)****Author:** General Manager**IP&R Link:** Strategic Priority 1: Provide a high quality and reliable drinking water supply

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**RECOMMENDATION:**

1. That Council Note the update on the various projects currently underway.

**REPORT****Water Loss Management**

This project is continuing, however will be delayed due to DOTS leave. It is expected the project will be completed in the new year.

**Sub Regional Town Water Management**

See separate report from the project manager, attachment – SRTWS\_PM Report\_Dec24

**Lake Rowlands Catchment Management Plan**

CTW and WNSW staff met in November to discuss

- Phase 3 workshop was held on 12 November and feedback is currently being incorporated into the draft Source Water Strategy (SWS) document.
- The draft document is expected to be provided mid-December for review and feedback.
- The SWS contains action plans and suggested priorities of the plans and projects. Three priority actions have been developed for implementation over the upcoming 2 years, plus medium and long term actions.
- Baseline Monitoring program has been active since August taking monthly samples for laboratory analysis. This includes 2 incoming waterway sites upstream of Lake Rowlands and additional pesticides sampling.
- Options to improve the water quality from Lake Rowlands have been developed and will be incorporated into the SWS.

**Belubula Water Security Project**

The Belubula Water Security Project (BWSP) is being undertaken by Department of Climate Change Energy Environment and Water (DCCEE) through funding from the NSW State and Federal Governments. The project is considering four key options.

**1. New Pipeline Between Lake Rowlands Dam and Carcoar Dam**

- Transfer capacity: up to 2 gigalitres of water per year.

**2. Raising the Lake Rowlands Dam Wall**

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This is Page No. 63 of the Agenda presented to the Ordinary Meeting of Central Tablelands County Council held at Canowindra on 11 December 2024

- Increase storage capacity from 4.5 gigalitres to 8 gigalitres.

### 3. **New Dam Construction Downstream of Lake Rowlands**

- Location: 2.5 kilometers downstream.
- Purpose: Additional storage and water security.

### 4. **Operational Rules for an Interregional Pipeline**

- Connection: Belubula and Macquarie valleys.

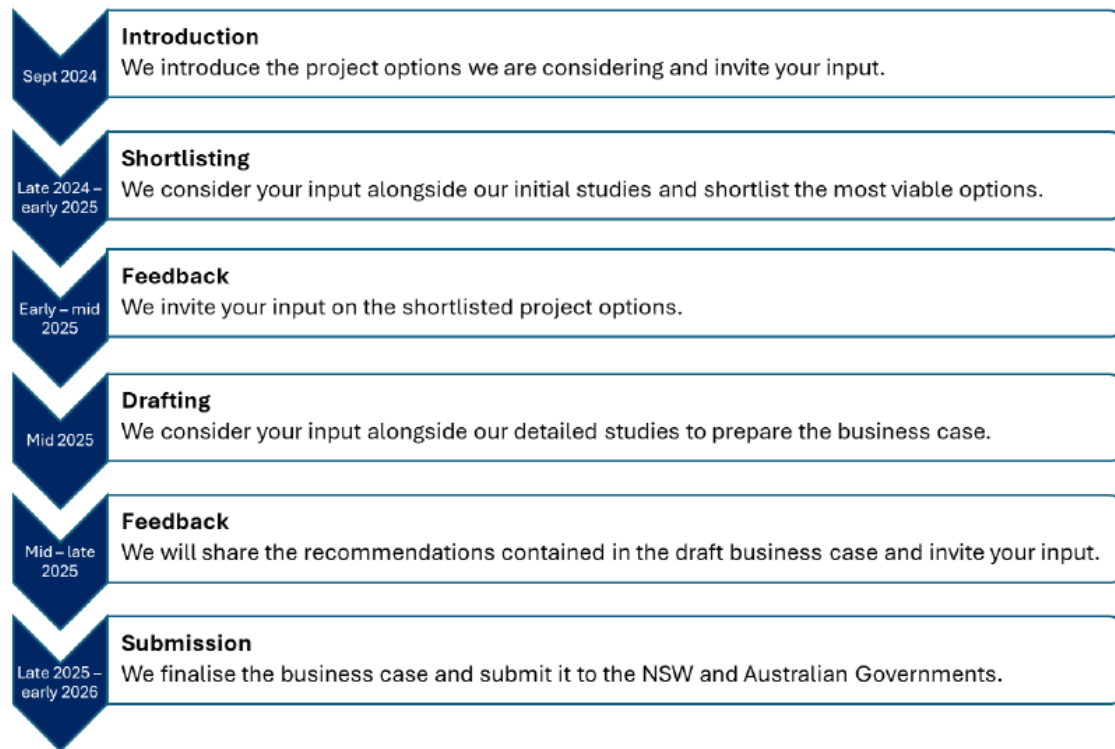
The project will review the specific benefits and impacts including technical details of each option to deliver the information that will inform a final business case. The business case will demonstrate which option/s will provide the greatest value in providing secure and reliable water across the Central West and Western regions.

The project is in the consultant engagement phase to undertake the technical investigation and reporting to undertake the following activities:

- Business Case report writer - complete
- Heritage investigation and report - complete
- Environmental investigation and report - complete
- Hydrology investigation and report – current RFQ, contract end December
- Engineering concept designs – current RFQ contract end December

At the time of writing this report the project remains on time with the consultants undertaking their work in the first half of 2025.

The following timeline provides high level information on the BWSP. The publicly available information is available on the Departments website: [Belubula Water Security Project | NSW Government Water](#)



We hope to have a draft copy of the service needs chapter in the next week for review. Further chapters of the business case will be made available for review throughout next year.

Drinking Water Management System Audit Readiness Review

CTW operates our drinking water treatment in accordance with the Australian Drinking Water Guidelines (ADWG) and the Public Health Act 2010.

A ‘quality assurance program’ (QAP) – known as a Drinking Water Management System (DWMS) for local water utilities – is required by the Public Health Act 2010, along with the Public Health Regulation 2022. The Regulation sets out specific requirements for the DWMS.

Evaluation and audit of how drinking water quality is being managed is an element of the ADWG. Water utilities should plan for external review or audit to demonstrate how they satisfy the requirements of the Public Health Act 2010 and Regulation 2012.

The Central NSW JO has engaged Atom Consulting to undertake a Drinking Water Management Audit readiness review. To prepare for an external audit, utilities may choose to undertake a readiness review against the external audit criteria. The readiness review is not mandatory but provides an opportunity to have a ‘new set of eyes’ over their processes and identify any gaps or opportunities for improvement that can be addressed before the formal review occurs.

CTW is the first utility within the Central JO region to undertake the Audit readiness review. CTW's Water Quality Manager has completed the site inspection and documentation audit with the external consultant. A report is expected to be produced in the coming weeks on the outcomes of the Audit.

**BUDGET IMPLICATIONS**

23/24 Operations plan

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

- 1 SRTWS\_PM Report\_Dec24 5 Pages

**Cabonne, Orange and Central Tablelands Water  
Sub Regional Town Water Strategy SSWP270  
Project Update to Working Party- 4 Dec 2024**

**1 PROJECT TASK UPDATE**

**Task 1: Collate data/review studies**

Original completion date: 22/11/22

Actual Completion date: April 23

**Task 2a-b: Water demand analysis-base**

Original completion date: 16/02/23

Actual Completion date: December 2024

**Task Update**

Premise have reviewed the high level water demand analysis following receipt of the more detailed assessment undertaken by PWA under tasks 2c-f.

Task completed.

**Task 2c-f: Water demand analysis-optional**

Original completion date: 23/02/23

Actual Completion date: December 2024

**Task Update**

Draft report from PWA was circulated at previous Working Party meeting on 7 June 2024

No feedback was received so it is assumed that the information contained in this report is all endorsed by each LWU.

Report deemed finalised and will be provided to DCCEEW for review.

**Task 3: Water security analysis**

Original completion date: 02/03/23

**Surface Water**

Actual Completion Date: May 2024

**Task Update**

OD Hydrology undertook water security analysis of additional surface water projects following the workshop in August 2023..

**Groundwater**

**Projected Completion Date: December 2024**

**Task Update**

Chris Jewell has completed the Groundwater Study, which looked at 7 groundwater sources across the study area.

- Molong
- Cumnock
- Yeoval
- Cudal
- Bangaroo
- Goolongong and
- Quandialla

The Orange groundwater sources were not included in this report as has identified a number of potential groundwater opportunities for assessment in the water supply scenarios.

The Groundwater Report needs to be reviewed by DCCEEW Groundwater group, which is hoped to be completed by the end of January.

In summary the report identified that a number of these groundwater sources have the capacity to contribute to the overall water security across the study area. However the report also indicates that the impacts of climate change are likely to reduce the capacity of some of these sources by up to 25%. In addition a substantial amount of work is required to either re-equip a number of bores to enable extraction of existing licenced entitlements, undertake long term monitoring to assess the impacts of extraction over the longer term or seek additional licence entitlements to augment the capacity of some bores.

The report identifies that the existing bores in Molong and Cumnock, along with an additional bore currently under investigation near the Quarry in Molong, could provide additional water for the Molong Water Supply. The existing bores at Goolongong and Bangaroo have significant additional capacity to augment the CTW system. The Quandialla bores have capacity to supply Quandialla in the long term. The Yeoval bores have high salinity levels which impact on the opportunity to utilise these for additional town water supply. The Cudal bore has an existing share allocation of 100ML/a, and could be utilised to augment the CTW supply network.

Premise need to collate this information into a detailed report which will form part of the overall draft report. This report will be completed by the end of January 2025.

**Task 4: Bulk Hydraulic Analysis**

**Original completion date:** 16/02/23

**Projected Completion date:** December 2024

**Task Update**

This task has been delayed due to data from CTW not being provided in a timely manner. The study will need to be completed with a number of assumptions made if the necessary data is not forthcoming.

**Task 5: Water Quality Analysis**

**Original completion date:** 16/02/23

**Actual Completion date:** December 2024

**Task Update**

Draft report from PWA was circulated at the June Working Group meeting. No feedback was provided so it is assumed this report is accepted by each LWU.

Report deemed finalised and will be provided to DCCEEW for review.

**Task 6: Condition Review**

**Original completion date:** 24/02/23

**Projected Completion date:** January 2025

**Task Update**

Premise have advised this work is around 70% complete.

**Task 7: Options Identification**

**Original completion date:** 31/03/23

**Projected Completion date:** February 2025

**Task Update****Network water security analysis**

OD Hydrology has commenced an overall assessment of the water security across all water supplies across the study area.

A copy of the proposed scenarios to be modelled will be provided at the meeting on Wednesday.

This work is due to be completed by the end of December. A workshop will need to be scheduled in the New Year to review the outcomes of this work and develop any preferred scenarios to be adopted for inclusion in the draft report, which should be completed for review by DCCEEW by March 2025.

## 2 FUNDING DEED

The funding deed was finalised and signed by Cabonne Council and DPE Water on 2<sup>nd</sup> March 2023.

Now that the key elements of the project are better understood and realistic timelines can be established, there needs to be a discussion with DCCEEW to update the existing milestones in the Deed. It is suggested that the following amendments be made:

### Mandatory Milestones

#### Milestone 2 Completion of Water Security and demand data studies

|                       |                 |
|-----------------------|-----------------|
| Original date         | 30 April 2023   |
| Proposed Revised date | 24 January 2025 |

#### Milestone 3 Completion of Final SRTWS document with concurrence from DPE Water

|                       |               |
|-----------------------|---------------|
| Original date         | 31 July 2023  |
| Proposed Revised date | 25 April 2025 |

### Optional Milestones

#### Milestone A: Completion of Optional Item 1 Water Security Analysis Technical Paper

|                       |                 |
|-----------------------|-----------------|
| Original date         | 31 July 2023    |
| Proposed Revised date | 24 January 2025 |

#### Milestone B: Completion of Optional Item 2 Estimate of current and future population

|                       |                 |
|-----------------------|-----------------|
| Original date         | 31 July 2023    |
| Proposed Revised date | 4 December 2024 |

#### Milestone C: Completion of Optional Item 3 Estimation of Future Water Demands

|                       |                 |
|-----------------------|-----------------|
| Original date         | 31 July 2023    |
| Proposed Revised date | 4 December 2024 |



Milestone D: Completion of Optional Item 4 Bulk Hydraulic Analysis

Original date                      3 July 2023  
 Proposed Revised date        20 December 2024

Milestone E: Completion of Optional Item 5 Water Quality review

Original date                      31 July 2023  
 Proposed Revised date        4 December 2024

**3 EXPENDITURE**

The current status of the project is as follows

| Expenditure to date                                 | To be provided at Meeting on 4 <sup>th</sup> Dec |
|---|--|
| Total expected expenditure (including existing POs) | \$369,590  |
| Total project funds available                       | \$365,000  |
| Potential max overrun                               | \$4,951.36                                       |

The original project estimate included an amount of \$100,000 for consultants to undertake the water security assessments. The actual total cost of this work is \$104,590-OD Hydrology \$40,000, CM Jewell \$64,590.

**4 GENERAL**

The completion of the Groundwater Assessment is the last remaining major task which is now essentially completed. Once the overall water security assessment is completed by OD Hydrology it is proposed to hold a workshop with all LWUs and DCCEEW staff to assess the various potential scenarios and then complete the report for review by DCCEEW.

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

**Author:** Project Manager  
**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

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**RECOMMENDATION:**

That Council note the information in the General Report.

**REPORT****GENERAL REPORT**

- a) Meter Reading  
Meter reading for the 2024-25 financial year continues in accordance with CTW's meter reading schedule.
- b) Meter Change Program  
There have been Nineteen (19) 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.
- 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 yet for 2024-25 financial year.
- i) Reticulation main renewals

Reticulation mains renewal have continued in the Canowindra areas. Blayney areas have commenced. Blayney and Canowindra mains renewals are scheduled to continue into the new year.

**BUDGET IMPLICATIONS**

Nil.

**POLICY IMPLICATIONS**

Nil.

**ATTACHMENTS**

Nil.

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

**Author:** Project 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 – 2.1.3: Review and update levels of service and report on performance.

**RECOMMENDATION:**

That Council note the information in the report.

**REPORT**

**FROM 1/10/2024 to 30/11/2024**

a) *Main Breaks*

| Location       |                   | Date       | Size / Type     | Comment |
|----------------|-------------------|------------|-----------------|---------|
| Canowindra     | Cowra St          | 01/10/2024 | 100mm AC        | R&RP    |
| Canowindra     | TMC Mandurama Rd  | 01/10/2024 | 225mm Steel     | R&RP    |
| Cudal          | Cudal Common      | 03/10/2024 | 100mm Cast Iron | R&RP    |
| Canowindra     | TMC Mandurama Rd  | 03/10/2024 | 225mm STEEL     | R&RP    |
| Trajere Scheme | 500m Pump station | 24/10/2024 | 80mm AC         | R&RP    |
| Cudal          | Wall St           | 29/10/2024 | 100mm PVC       | R&RP    |
| Canowindra     | TMC Mandurama Rd  | 20/11/2024 | 225mm STEEL     | R&RP    |
| Canowindra     | Pauls Lane        | 22/11/2024 | 100mm white PVC | R&RP    |
| Canowindra     | Cable Lane        | 22/11/2024 | 100mm AC        | R&RP    |
| Mandurama      | Gold St           | 17/11/2024 | 100mm AC        | R&RP    |

*Typical repairs examples*



**Notes:**

CTW Mains (Trunk & Retic) Break score of 10/573km == 1.74/100km.

Rolling Value across 12mths = =7.504/100km 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 |                   | Total meters |
|-------------------------|----------------|-----------|----------|-----------|-------------|-------------------|--------------|
|                         | 2020           | 2021      | 2022     | 2023      | 2024        | % of Total meters |              |
| <b>BLAYNEY</b>          | <b>19</b>      | <b>18</b> | <b>6</b> | <b>23</b> | <b>21</b>   | <b>1.36%</b>      | <b>1545</b>  |
| BURST METER             | 2              | 0         | 0        | 0         | 1           | 0.06%             |              |
| CHECK METER READING     | 0              | 1         | 0        | 1         | 2           | 0.13%             |              |
| CUSTOMER DAMAGED METER  | 0              | 0         | 0        | 0         | 1           | 0.06%             |              |
| DIRTY WATER COMPLAINT   | 0              | 0         | 0        | 0         | 0           | 0.00%             |              |
| LEAKING METER           | 6              | 4         | 4        | 9         | 7           | 0.45%             |              |
| LEAKING SERVICE         | 2              | 2         | 0        | 1         | 3           | 0.19%             |              |
| LOW PRESSURE COMPLAINT  | 0              | 0         | 0        | 0         | 1           | 0.06%             |              |
| MAIN BREAK              | 2              | 1         | 0        | 0         | 0           | 0.00%             |              |
| MAINTENANCE - GENERAL   | 4              | 2         | 2        | 1         | 2           | 0.13%             |              |
| METER NEW / REPLACEMENT | 2              | 3         | 0        | 9         | 4           | 0.26%             |              |
| METER NOT SHUTTING OFF  | 1              | 2         | 0        | 2         | 0           | 0.00%             |              |
| NO WATER COMPLAINT      | 0              | 2         | 0        | 0         | 0           | 0.00%             |              |
| PATHCOCK FAILURE        | 0              | 1         | 0        | 0         | 0           | 0.00%             |              |
| RESERVOIR MAINTENANCE   | 0              | 0         | 0        | 0         | 0           | 0.00%             |              |
| Total Complaints = 21   |                |           |          |           |             |                   |              |

| ACTIVITIES            | PREVIOUS YEARS |           |           |           | THIS PERIOD |                   | Total meters |
|-----------------------|----------------|-----------|-----------|-----------|-------------|-------------------|--------------|
|                       | 2020           | 2021      | 2022      | 2023      | 2024        | % of Total meters |              |
| <b>CANOWINDRA</b>     | <b>25</b>      | <b>10</b> | <b>22</b> | <b>18</b> | <b>14</b>   | <b>1.26%</b>      | <b>1115</b>  |
| BURST METER           | 0              | 0         | 0         | 0         | 0           | 0.00%             |              |
| CHECK METER READING   | 0              | 0         | 1         | 0         | 1           | 0.09%             |              |
| DIRTY WATER COMPLAINT | 0              | 1         | 0         | 0         | 0           | 0.00%             |              |
| HYDRANT LEAKING       | 0              | 0         | 1         | 0         | 0           | 0.00%             |              |
| LEAKING METER         | 13             | 3         | 13        | 10        | 5           | 0.45%             |              |
| LEAKING SERVICE       | 3              | 1         | 2         | 6         | 5           | 0.45%             |              |

|                         |   |   |   |   |   |       |  |
|-------------------------|---|---|---|---|---|-------|--|
| LOW PRESSURE COMPLAINT  | 0 | 0 | 0 | 0 | 0 | 0.00% |  |
| MAIN BREAK              | 5 | 2 | 0 | 0 | 0 | 0.00% |  |
| MAINTENANCE - GENERAL   | 1 | 0 | 2 | 1 | 0 | 0.00% |  |
| METER NEW / REPLACEMENT | 2 | 2 | 0 | 1 | 2 | 0.18% |  |
| METER NOT SHUTTING OFF  | 0 | 1 | 0 | 0 | 0 | 0.00% |  |
| NO WATER COMPLAINT      | 1 | 0 | 3 | 0 | 0 | 0.00% |  |
| QUALITY COMPLAINT       | 0 | 0 | 0 | 0 | 0 | 0.00% |  |
| RESERVOIR MAINTENANCE   | 0 | 0 | 0 | 0 | 0 | 0.00% |  |
| RESTORATION WORK        | 0 | 0 | 0 | 0 | 1 | 0.09% |  |
| Total Complaints = 14   |   |   |   |   |   |       |  |

| ACTIVITIES            | PREVIOUS YEARS |          |          |          | THIS PERIOD |                   | Total meters |
|-----------------------|----------------|----------|----------|----------|-------------|-------------------|--------------|
|                       | 2020           | 2021     | 2022     | 2023     | 2024        | % of Total meters |              |
| <b>CARCOAR</b>        | <b>2</b>       | <b>0</b> | <b>1</b> | <b>0</b> | <b>2</b>    | <b>1.39%</b>      | <b>144</b>   |
| CHECK METER READING   | 0              | 0        | 0        | 0        | 0           | 0.00%             |              |
| LEAKING METER         | 1              | 0        | 0        | 0        | 0           | 0.00%             |              |
| MAINTENANCE - GENERAL | 0              | 0        | 1        | 0        | 0           | 0.00%             |              |
| LEAKING SERVICE       | 1              | 0        | 0        | 0        | 2           | 1.39%             |              |
| Total Complaints = 2  |                |          |          |          |             |                   |              |

| ACTIVITIES              | PREVIOUS YEARS |          |          |          | THIS PERIOD |                   | Total meters |
|-------------------------|----------------|----------|----------|----------|-------------|-------------------|--------------|
|                         | 2020           | 2021     | 2022     | 2023     | 2024        | % of Total meters |              |
| <b>CARGO</b>            | <b>4</b>       | <b>5</b> | <b>0</b> | <b>2</b> | <b>0</b>    | <b>0.00%</b>      | <b>168</b>   |
| LEAKING METER           | 2              | 1        | 0        | 0        | 0           | 0.00%             |              |
| LEAKING SERVICE         | 0              | 0        | 0        | 1        | 0           | 0.00%             |              |
| LOW PRESSURE COMPLAINT  | 0              | 0        | 0        | 0        | 0           | 0.00%             |              |
| MAIN BREAK              | 0              | 1        | 0        | 0        | 0           | 0.00%             |              |
| METER NEW / REPLACEMENT | 2              | 2        | 0        | 1        | 0           | 0.00%             |              |
| NO WATER COMPLAINT      | 0              | 1        | 0        | 0        | 0           | 0.00%             |              |
| Total Complaints = 0    |                |          |          |          |             |                   |              |

| ACTIVITIES          | PREVIOUS YEARS |          |          |          | THIS PERIOD |                   | Total meters |
|---------------------|----------------|----------|----------|----------|-------------|-------------------|--------------|
|                     | 2020           | 2021     | 2022     | 2023     | 2024        | % of Total meters |              |
| <b>CUDAL</b>        | <b>1</b>       | <b>2</b> | <b>6</b> | <b>4</b> | <b>7</b>    | <b>2.42%</b>      | <b>248</b>   |
| CHECK METER READING | 0              | 0        | 0        | 0        | 1           | 0.40%             |              |
| HYDRANT LEAKING     | 0              | 0        | 0        | 0        | 0           | 0.00%             |              |
| LEAKING METER       | 0              | 1        | 0        | 2        | 1           | 0.40%             |              |
| LEAKING SERVICE     | 1              | 0        | 2        | 2        | 1           | 0.40%             |              |

|                         |   |   |   |   |   |       |  |
|-------------------------|---|---|---|---|---|-------|--|
| LOW PRESSURE COMPLAINT  | 0 | 0 | 1 | 0 | 0 | 0.00% |  |
| MAIN BREAK              | 0 | 0 | 1 | 0 | 0 | 0.00% |  |
| MAINTENANCE - GENERAL   | 0 | 0 | 1 | 0 | 0 | 0.00% |  |
| NO WATER COMPLAINT      | 0 | 0 | 1 | 0 | 2 | 0.81% |  |
| METER NEW / REPLACEMENT | 0 | 0 | 0 | 0 | 1 | 0.40% |  |
| METER SPECIAL READING   | 0 | 0 | 0 | 0 | 1 | 0.40% |  |
| QUALITY COMPLAINT       | 0 | 1 | 0 | 0 | 0 | 0.00% |  |
| Total Complaints = 7    |   |   |   |   |   |       |  |

| ACTIVITIES              | PREVIOUS YEARS |          |          |          | THIS PERIOD |                   | Total meters |
|-------------------------|----------------|----------|----------|----------|-------------|-------------------|--------------|
|                         | 2020           | 2021     | 2022     | 2023     | 2024        | % of Total meters |              |
| <b>EUGOWRA</b>          | <b>3</b>       | <b>5</b> | <b>9</b> | <b>3</b> | <b>12</b>   | <b>2.49%</b>      | <b>442</b>   |
| CHECK METER READING     | 0              | 0        | 0        | 0        | 1           | 0.23%             |              |
| CUSTOMER DAMAGED METER  | 0              | 0        | 0        | 0        | 0           | 0.00%             |              |
| DIRTY WATER COMPLAINT   | 0              | 0        | 0        | 0        | 1           | 0.23%             |              |
| LEAKING METER           | 2              | 0        | 3        | 2        | 5           | 1.13%             |              |
| MAINTENANCE - GENERAL   | 0              | 0        | 1        | 0        | 3           | 0.68%             |              |
| LEAKING SERVICE         | 0              | 1        | 3        | 0        | 1           | 0.23%             |              |
| MAIN BREAK              | 1              | 1        | 0        | 0        | 0           | 0.00%             |              |
| METER NEW / REPLACEMENT | 0              | 1        | 0        | 0        | 1           | 0.23%             |              |
| METER NOT SHUTTING OFF  | 0              | 0        | 0        | 1        | 0           | 0.00%             |              |
| NO WATER COMPLAINT      | 0              | 0        | 2        | 0        | 0           | 0.00%             |              |
| QUALITY COMPLAINT       | 0              | 2        | 0        | 0        | 0           | 0.00%             |              |
| Total Complaints = 12   |                |          |          |          |             |                   |              |

| ACTIVITIES              | PREVIOUS YEARS |           |           |           | THIS PERIOD |                   | Total meters |
|-------------------------|----------------|-----------|-----------|-----------|-------------|-------------------|--------------|
|                         | 2020           | 2021      | 2022      | 2023      | 2024        | % of Total meters |              |
| <b>GRENFELL</b>         | <b>13</b>      | <b>11</b> | <b>14</b> | <b>30</b> | <b>23</b>   | <b>1.66%</b>      | <b>1326</b>  |
| CHECK METER READING     | 0              | 0         | 0         | 0         | 0           | 0.00%             |              |
| CUSTOMER DAMAGED MAIN   | 1              | 0         | 0         | 0         | 0           | 0.00%             |              |
| CUSTOMER DAMAGED METER  | 0              | 0         | 0         | 0         | 0           | 0.00%             |              |
| DIRTY WATER COMPLAINT   | 2              | 1         | 2         | 1         | 0           | 0.00%             |              |
| LEAKING METER           | 4              | 1         | 5         | 0         | 14          | 1.06%             |              |
| LEAKING SERVICE         | 0              | 4         | 4         | 24        | 1           | 0.08%             |              |
| LOW PRESSURE COMPLAINT  | 1              | 0         | 0         | 0         | 0           | 0.00%             |              |
| MAIN BREAK              | 2              | 1         | 0         | 0         | 0           | 0.00%             |              |
| MAINTENANCE – GENERAL   | 2              | 1         | 0         | 1         | 1           | 0.08%             |              |
| METER NEW / REPLACEMENT | 0              | 2         | 0         | 3         | 4           | 0.30%             |              |

|                        |   |   |   |   |   |       |  |
|------------------------|---|---|---|---|---|-------|--|
| METER NOT SHUTTING OFF | 0 | 0 | 2 | 0 | 1 | 0.08% |  |
| METER SPECIAL READING  | 1 | 0 | 0 | 0 | 0 | 0.00% |  |
| NO WATER COMPLAINT     | 0 | 1 | 1 | 0 | 0 | 0.00% |  |
| PATHCOCK FAILURE       | 0 | 0 | 0 | 0 | 1 | 0.08% |  |
| QUALITY COMPLAINT      | 0 | 0 | 0 | 1 | 0 | 0.00% |  |
| STOP VALVE FAILURE     | 0 | 0 | 0 | 0 | 1 | 0.08% |  |
| Total Complaints = 23  |   |   |   |   |   |       |  |

| ACTIVITIES              | PREVIOUS YEARS |          |          |          | THIS PERIOD |                   | Total meters |
|-------------------------|----------------|----------|----------|----------|-------------|-------------------|--------------|
|                         | 2020           | 2021     | 2022     | 2023     | 2024        | % of Total meters |              |
| <b>LYNDHURST</b>        | <b>2</b>       | <b>0</b> | <b>0</b> | <b>2</b> | <b>1</b>    | <b>0.57%</b>      | <b>174</b>   |
| HYDRANT LEAKING         | 1              | 0        | 0        | 0        | 0           | 0.00%             |              |
| LEAKING METER           | 0              | 0        | 0        | 1        | 1           | 0.57%             |              |
| LEAKING SERVICE         | 1              | 0        | 0        | 0        | 0           | 0.00%             |              |
| MAINTENANCE – GENERAL   | 0              | 0        | 0        | 0        | 0           | 0.00%             |              |
| METER NEW / REPLACEMENT | 0              | 0        | 0        | 1        | 0           | 0.00%             |              |
| Total Complaints = 1    |                |          |          |          |             |                   |              |

| ACTIVITIES              | PREVIOUS YEARS |          |          |          | THIS PERIOD |                   | Total meters |
|-------------------------|----------------|----------|----------|----------|-------------|-------------------|--------------|
|                         | 2020           | 2021     | 2022     | 2023     | 2024        | % of Total meters |              |
| <b>MANDURAMA</b>        | <b>6</b>       | <b>0</b> | <b>0</b> | <b>1</b> | <b>4</b>    | <b>3.54%</b>      | <b>113</b>   |
| DIRTY WATER             | 1              | 0        | 0        | 0        | 0           | 0.00%             |              |
| HYDRANT LEAKING         | 0              | 0        | 0        | 0        | 0           | 0.00%             |              |
| LEAKING METER           | 3              | 0        | 0        | 0        | 2           | 1.77%             |              |
| LEAKING SERVICE         | 1              | 0        | 0        | 0        | 1           | 0.88%             |              |
| LOW PRESSURE COMPLAINT  | 0              | 0        | 0        | 0        | 1           | 0.88%             |              |
| MAIN BREAK              | 1              | 0        | 0        | 0        | 0           | 0.00%             |              |
| MAINTENANCE – GENERAL   | 0              | 0        | 0        | 0        | 0           | 0.00%             |              |
| METER NEW / REPLACEMENT | 0              | 0        | 0        | 1        | 0           | 0.00%             |              |
| Total Complaints = 4    |                |          |          |          |             |                   |              |

| ACTIVITIES             | PREVIOUS YEARS |          |          |          | THIS PERIOD |                   | Total meters |
|------------------------|----------------|----------|----------|----------|-------------|-------------------|--------------|
|                        | 2020           | 2021     | 2022     | 2023     | 2024        | % of Total meters |              |
| <b>MANILDRA</b>        | <b>1</b>       | <b>8</b> | <b>0</b> | <b>1</b> | <b>6</b>    | <b>2.08%</b>      | <b>288</b>   |
| LEAKING METER          | 1              | 2        | 0        | 0        | 4           | 1.39%             |              |
| LEAKING SERVICE        | 0              | 1        | 0        | 0        | 1           | 0.35%             |              |
| LOW PRESSURE COMPLAINT | 0              | 1        | 0        | 0        | 0           | 0.00%             |              |
| MAIN BREAK             | 0              | 1        | 0        | 0        | 0           | 0.00%             |              |



|                         |   |   |   |   |   |       |  |
|-------------------------|---|---|---|---|---|-------|--|
| MAINTENANCE - GENERAL   | 0 | 2 | 0 | 0 | 1 | 0.35% |  |
| METER NEW / REPLACEMENT | 0 | 1 | 0 | 1 | 0 | 0.00% |  |
| Total Complaints = 6    |   |   |   |   |   |       |  |

| ACTIVITIES              | PREVIOUS YEARS |          |          |          | THIS PERIOD |                   | Total meters |
|-------------------------|----------------|----------|----------|----------|-------------|-------------------|--------------|
|                         | 2020           | 2021     | 2022     | 2023     | 2024        | % of Total meters |              |
| <b>MILLTHORPE</b>       | <b>5</b>       | <b>1</b> | <b>9</b> | <b>7</b> | <b>3</b>    | <b>0.64%</b>      | <b>469</b>   |
| LEAKING METER           | 2              | 0        | 2        | 3        | 1           | 0.21%             |              |
| LEAKING SERVICE         | 1              | 1        | 2        | 1        | 1           | 0.21%             |              |
| MAIN BREAK              | 1              | 0        | 0        | 0        | 0           | 0.00%             |              |
| MAINTENANCE - GENERAL   | 0              | 0        | 4        | 1        | 0           | 0.00%             |              |
| LOW PRESSURE COMPLAINT  | 0              | 0        | 1        | 1        | 0           | 0.00%             |              |
| METER NEW / REPLACEMENT | 0              | 0        | 0        | 1        | 1           | 0.21%             |              |
| METER NOT SHUTTING OFF  | 0              | 0        | 0        | 0        | 0           | 0.00%             |              |
| PATHCOCK FAILURE        | 0              | 0        | 0        | 0        | 0           | 0.00%             |              |
| QUALITY COMPLAINT       | 1              | 0        | 0        | 0        | 0           | 0.00%             |              |
| Total Complaints = 3    |                |          |          |          |             |                   |              |

| ACTIVITIES            | PREVIOUS YEARS |          |          |          | THIS PERIOD |                   | Total meters |
|-----------------------|----------------|----------|----------|----------|-------------|-------------------|--------------|
|                       | 2020           | 2021     | 2022     | 2023     | 2024        | % of Total meters |              |
| <b>QUANDIALLA</b>     | <b>1</b>       | <b>1</b> | <b>0</b> | <b>0</b> | <b>0</b>    | <b>0.00%</b>      | <b>102</b>   |
| LEAKING METER         | 0              | 0        | 0        | 0        | 0           | 0.00%             |              |
| LEAKING SERVICE       | 1              | 0        | 0        | 0        | 0           | 0.00%             |              |
| MAINTENANCE - GENERAL | 0              | 1        | 0        | 0        | 0           | 0.00%             |              |
| Total Complaints = 0  |                |          |          |          |             |                   |              |

|                                   |           |           |           |           |           |              |             |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|--------------|-------------|
| <b>TOTAL ACROSS CTW TOWNSHIPS</b> | <b>82</b> | <b>61</b> | <b>67</b> | <b>91</b> | <b>93</b> | <b>1.48%</b> | <b>6134</b> |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|--------------|-------------|

**Notes:**

1. Comparison values listed each year use data from the period covering the same months of the year i.e. August and September.
2. Total Meters is the number of meters connected to properties.
3. CTW complaint rolling value score across 12mths == 7.173, which is lower than the 2022-23 NSW State median of 9.5 complaints/1000 connections.
4. CTW Total Service Activities and Requests score == 1.48 %, which is below CTW benchmark of 5% across all townships.

*c) Lake Rowlands*

The current level of Lake Rowlands Dam is 98% (5-12-24) with the Dam's scour valve closed.

*d) Water Services*

Between the 1st of October and the 30th of November, there have been Six (6) new connections, Zero (0) Reconnections & Zero (0) disconnections.

There have been 18 Elster meters changes & 1 smart/digital meter changes.

*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.

**13. QUESTIONS ON NOTICE**

(General Manager)

No questions on notice were received.

**ATTACHMENTS**

Nil