

Cobar Water Board

**2018-2019
ANNUAL REPORT**

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Introduction

Cobar Water Board is a statutory authority established in 1963 under an Act of Parliament. The Board was established with the purpose of supplying bulk water to Cobar Shire Council (for subsequent treatment and distribution by that body to the town of Cobar) and the local mining companies.

Mining companies currently supplied with water from the Cobar Water Supply Scheme are Endeavor Operations Pty Ltd, Cobar Management and Peak Gold Mine.

The scheme also supplies water to other “minor” consumers, as approved by the Board.

Charter of the Board

Cobar Water Board is administered under the Water Management Act 2000. In accordance with this legislation, the Board is empowered to:

- Construct, maintain and operate works;
- Provide raw water by metered bulk supply to Cobar Shire Council, mining companies and other consumers approved by the Board;
- Carry out any activities for enabling the objects of the Act to be obtained, which include to provide for the integrated and sustainable use of water sources for the benefit of present and future generations; and
- Undertake any other activities or functions as are conferred and imposed upon it by the Act.

When exercising its functions the Board must have regard to the following:

- The efficient use of water resources;
- The principles of ecologically sustainable development (ESD);
- Public interest and present and future community needs;
- Environmental protection, pollution control and prevention;
- Best practice in the planning, management and operation of assets; and
- The efficient and effective management and use of natural, human and financial resources.

Aims & Objectives

Cobar Water Board aims to supply raw water at best value, at the rate of flow at times required by its major consumers. The complementary objective is to monitor projected demands, system conditions and the need for additional works and maintenance to ensure that the primary aim can be met through effective planning and management.

Cobar Water Board also aims to ensure that the operations of the Board are financially viable, ethical and are conducted in a manner which is consistent with the principles of ESD.

A Code of Conduct (see Appendix A) and a Guarantee of Service (see Appendix D) clearly define desired standards of efficiency, integrity and service.

History

Cobar is located in an area of rich mineral deposits and is a thriving outback town largely dependent on the mining industry for its continuing prosperity. The town has demonstrated sustained growth over a period of several years, and now has a claim to be considered as a regional centre. The area is arid and more than 140 kilometres from any permanent watercourse.

Up until 1963, regular water restrictions and frequent failure of supply, with consequent rail cartage of water from Nyngan, were an unfortunate fact of life in Cobar. The shortage in water restricted growth of the town and expansion of the mining activity.

With the proclamation of the Cobar Water Supply Act in 1963, Cobar Water Board came into existence with a charter to provide an adequate supply of bulk water to the Cobar Shire Council and the local mining companies, a goal it has never failed to achieve.

The first mining company to be serviced by the scheme was Cobar Management Pty Ltd (formerly Cobar Mines Pty Ltd). This was followed by Endeavor Mine in the early 1980's. In 1992, Peak Gold Mine began production. The water supply system has been greatly expanded in both capacity and complexity in recent years to meet the increased demands of the mining companies and the expansion of the town.

The Board is unique among statutory authorities in that the principal source of income derives from the private sector, which also is the major consumer of water supplied. The total cost of operations and capital costs are met by the consumers.

Description of the System

The Board's principal source of water is the Bogan River at Nyngan, where water is stored in a series of pools known as the Bogan Storages. The storages are formed by a weir (the Overshot Weir) and several earthen embankments. The Bogan River is an ephemeral stream, and is generally inadequate to meet the needs of the Board, Nyngan town and approved irrigators. Security is better assured by a connection to the Burrendong Dam via the Macquarie River at Warren through the Albert Priest Channel. Each user holds a Water Allocation Licence to ensure this supply. This channel is an approximately 70 kilometres long earth channel and was constructed in 1942. The channel discharges flows into the upper reaches of the Bogan Storages.

From Nyngan, the Board pumps water through parallel pipelines some 130 kilometres to a 1.14 ML reservoir at Fort Bourke Hill, Cobar. Hermidale booster pumping station, located mid-way along the pipelines, is in operation to increase the rate of flow to assist in the transfer of water. Raw water is distributed from Fort Bourke Hill Reservoir directly to the adjacent Council filtration plant, and to terminal storages located four (4) kilometres North West of Cobar. In an emergency, a limited quantity of water may be directed by gravity flow to the service reservoirs at the mines.

A pumping station at the Cobar Storages services the requirements of the mining companies. Water from the storages may also be pumped back to Fort Bourke Hill Reservoir in the event of failure of supply from Nyngan or to maximise the efficiency of system operation.

The Cobar Storages have a small catchment area. Following periods of significant rainfall and resultant run off, the quantity of water pumped from Nyngan can be reduced substantially, achieving considerable savings in power costs. The storages also ensure that an adequate supply can be maintained without interruption to the mining companies and Council during repairs, maintenance or modifications of main line pumping equipment, pipelines, or the Bogan River Storages. By acting as a buffer [storing or releasing water in accordance with variations in demand] operational management of the scheme is simplified and made more efficient.

The principal components of the Board's system are:

- ✓ Intake Works at Bogan River, Nyngan;
- ✓ Three (3) Pumping Stations;
- ✓ Catchment Area and Storages at Cobar;
- ✓ Four (4) Reservoirs
- ✓ Over 350 Kilometres of Pipeline.

Agreements

The relationship between the Board and the Major Consumers (Cobar Shire Council, Peak Gold Mine, CSA Mine and Endeavor Operations Pty Ltd) is regulated by a formal agreement, which defines the obligations and liabilities of all parties. The most recent agreement came into force in 1992.

An agreement exists between Bogan Shire Council, Cobar Water Board and the Albert Priest Channel Association for the purpose of defining responsibilities and allocating construction and maintenance costs for the Albert Priest Channel. The latest Albert Priest Channel Agreement became effective on 29 July 1989.

An agreement exists between the Board and Bogan Shire Council for the control and funding of the Overshot Weir works on the Bogan River at Nyngan. This agreement was signed in 1970.

Impacts & Initiatives

GENERAL

The Board is facing continual challenges in respect to future infrastructure upgrades, continuing growth and expansion of mining activities and the need to ensure an efficient, effective and secure water supply. This section provides an outline of some of the events that are expected to impact on the Board's activities, as well as the initiatives that the Board has, or is about to undertake.

WATER ALLOCATION

Changes to water management legislation in NSW mean that the Board is now unable to seek an increase in the allocation of water from the Macquarie River to meet expanding industrial (e.g. mining) demands. Should the Board, or other water user, require water for industrial purposes in addition to its existing entitlement, it will need to engage in trading and purchase water from other licensed holders.

SERVICE DELIVERY

The Board has continued to engage Cobar Shire Council to provide the Technical/Operational and Administrative/Financial management of Cobar Water Board on an agreement basis.

Budgetary processes have been revised and improved and the audit of the annual accounts has resulted in no adverse comment or instruction from the Auditor.

CONSULTANTS DISCLOSURE

During 2018/2019 several consultants were engaged to carry out works on behalf of Cobar Water Board and provide the necessary reports:

- NSW Public Works to undertake professional consultancy work for the investigation, design, documentation, tendering and site supervision for the Cobar Water Supply Pipeline Replacement and Pumping System Upgrade Project;
- NSW Public Works with assistance from Cobar Shire Council to undertake the Project Management Work for the Cobar Water Board Pipeline Replacement and Pumping System Upgrade Project;
- Energy Management Services to provide advice on electricity costs for preparation of Budgets and monitoring of energy costs through the board's electricity supplier using E21 Energy Plus.

MULTICULTURAL POLICIES & SERVICES PROGRAM

Cobar Water Board does not have any staff, nor does it plan to engage any in the future. All Administration and Technical duties are performed by Cobar Shire Council, with whom Cobar Water Board has an Administration/Technical Agreement.

All legislative requirements, as set out in the *Annual Reports (Statutory Bodies) Regulation 2010*, are covered by Cobar Shire Council.

WORK HEALTH AND SAFETY

As part of the Board's ongoing commitment to Work Health and Safety, all contract staff have been made aware of the amendments to the Work Health and Safety Act 2011, Local Government Act 1993 and the Protection of the Environment (Operations) Act 1997.

The Board reports no incidents or accidents for the 2018/2019 financial year.

GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009

No formal access applications were received during the 2018/2019 reporting period, nor were there any withdrawn applications.

EQUAL EMPLOYMENT OPPORTUNITY

Whilst Cobar Water Board has no employees, the Board continues to foster Equal Employment Opportunity principles in terms of the Board's membership.

All parties to the Board nominate a representative who is then appointed by the Minister for Primary Industries. The Board makes no recommendation to the parties who should be nominated for appointment. The Board consists of 5 men and 1 woman as board members.

GOVERNMENT ENERGY MANAGEMENT POLICY

In accordance with the Premier's Memorandum 98-35, the Board has formally adopted the NSW Government Energy Management Policy, with the Secretary being the Energy Manager.

Energy management goals and performance indicators are being developed in consultation with the Energy supplier.

PUBLICATIONS

The 2017/2018 Annual Report and the 2017/2018 GIPA Annual Report were the only publications produced for the public during 2018/2019, and are available from the Secretary upon request.

The Annual Report and GIPA Annual Report are printed 'in house' with no external production costs. The Annual Report and GIPA Annual Report are also available on Cobar Shire Council's website at www.cobar.nsw.gov.au.

RISK MANAGEMENT AND INSURANCE

Whilst it is not believed appropriate to insure against what are generally considered 'business' risks, action has been taken to identify and effect adequate insurance cover in respect of all major operating risks particularly in areas of industrial special risks, public and products liability, broad form fidelity, and personal accident.

As at the 30 June 2019 the Board has obtained re-insurance of all existing policies.

Consumers

MAJOR CONSUMERS

Cobar Shire Council	Council treats water at its filtration plant and supplies the township of Cobar.
Endeavor Operations Pty Ltd	Uses water for mining activities at the Endeavor Mine.
Peak Gold Mine	Uses water for mining activities at the Peak Gold Mine.
CSA Mine	Uses water for mining activities at the CSA Mine.

MINOR CONSUMERS

With the approval of the Board, owners whose properties lie adjacent to the pipeline and are outside the town area may be provided with a connection from the Board's pipelines under the corresponding Shires licence. They may utilise the raw water, when available, for domestic and stock watering purposes.

Such users are metered and charged directly to Cobar Shire Council and Bogan Shire Council.

PAYMENT FOR WATER USED

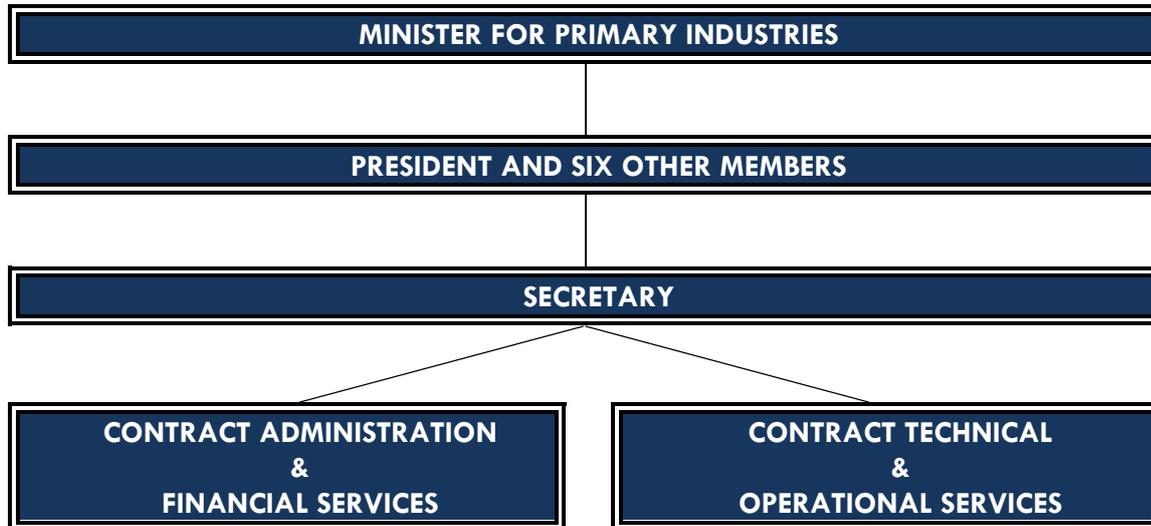
All users are metered, and pay for water on a basis that fully embraces 'user pays' principles and avoids any cross subsidisation.

Management & Structure

ACCESS

The Board does not maintain a permanently staffed office. Its administrative records are located with the Secretary. During 2018/2019, the Secretary was the General Manager of Cobar Shire Council. Cobar Shire Council also undertook the administrative/financial and technical/operational support and supervision functions of the Board on a fee for service basis.

To facilitate access, enquiries about the Board's activities are handled by Cobar Shire Council, which ensures availability of information to the public during normal business hours (8.00am to 4.30pm).



Board Membership

Board membership is defined under the Water Management Act 2000. The Act states that the Board is to consist of seven (7) part-time members appointed by the Governor. Three of the members are to be nominated by Cobar Shire Council; three are to be selected by the Minister for Primary Industries from persons nominated by the mining companies and the President of the Board is appointed by the Governor based on nominations provided to the Minister.

MEMBERSHIP OF COBAR WATER BOARD 2018/2019

MEMBER	APPOINTED TO	DETAILS
Mr Doug McKay President	25 May 2021	Independently nominated Board President.
Mr Peter Abbott Cobar Shire Council	4 May 2021	Mr Abbott is a Councillor of 'The Council of the Shire of Cobar'
Mr Phil Gilligan Endeavor Operations Pty Ltd	3 December 2019	Mr Gilligan is the Safety Health and Environmental Manager of Endeavor Operations Pty Ltd.
Mrs Lilliane Brady OAM Cobar Shire Council	16 December 2021	Mrs. Brady is a Councillor and Mayor of the Shire of Cobar
Mr H. G. P. Yench Cobar Shire Council	16 December 2021	Mr Yench is a Councillor of 'The Council of the Shire of Cobar'
Mr. Tom Martin Peak Gold Mine	Resigned June 2019	Mr Martin is the Electrical Superintendent of Peak Gold Mines Pty Ltd.

Peter Vlatko General Manager of Cobar Shire Council acts as the Board's Secretary.

Board Meetings

Four meetings of the Board were held in the twelve month period to 30 June 2019.

MEMBER	19.09.18	15.11.18	28.02.19	13.06.19
D. McKay	-	√	√	√
G. Yench	√	√	√	-
P. Abbott	√	√	√	√
L. Brady OAM	√	√	√	√
T Martin	-	-	√	√
P. Gilligan	-	√	√	-

Board Officers as at 30 June 2019

OFFICER	POSITION	DETAILS
Mr. Peter Vlatko	Secretary	Mr. Vlatko is the General Manager, Cobar Shire Council, appointed as the Board's Secretary.
Simon Pradhan	Contract Technical Services	Mr. Pradhan is the Acting Director of Engineering Services, Cobar Shire Council.
Mr. Kym Miller	Contract Administration/ Financial Services	Mr. Miller is the Director of Finance and Community Services, Cobar Shire Council.

Board Employees

Cobar Shire Council commenced to perform the administrative/financial and technical/operational functions of the Board on a contractual basis on 2 January 1996. This arrangement has continued in the 2018/2019 financial year, with the Board continuing to have no employees. Peter Vlatko General Manager of Cobar Shire Council is appointed the Board Secretary.

Finance

Loans

The Board has no loans as at the 30 June 2019.

Review of Operations

Provision of Services

Requests for service generally relate to enquiries from the Major Consumers about water supply to their facilities. Cobar Shire Council staff are contracted to handle all such enquiries directly, including out-of-hours calls that relate to interruption to supply or other supply difficulties. Matters of policy on the provision of service are determined at Board Meetings.

Performance Indicators

Two specific qualitative performance indicators are currently used to assist in monitoring the performance of the Board:

Distribution Reliability	Measured by the number of unplanned interruptions, which are defined as an unplanned interruption of supply of more than thirty [30] minutes to an end user [e.g. a consumer or mining operation, but not delivery to a reservoir].
Consumer Satisfaction	Measured by the number of consumer complaints, which are defined as any complaint from consumer relating to the provision of service from the Board's operations.

The targets set have been based on an analysis of past performance and take into account the operational improvements made in recent years.

DISTRIBUTION RELIABILITY (NUMBER OF INTERRUPTIONS)

	2016/2017	2017/2018	2018/2019
TARGET	0	0	0
ACTUAL	0	0	0

CONSUMER SATISFACTION (NUMBER OF COMPLAINTS)

	2016/2017	2017/2018	2018/2019
TARGET	0	0	0
ACTUAL	0	0	0

Operational Statistics

WATER CONSUMPTION (ML)

CONSUMER	2016/2017	2017/2018	2018/2019
Cobar Shire Council	1,218	1,395	1,148
Peak Gold Mine	626	474	487
Endeavor Operations Pty Ltd	416	726	886
Cobar Management Pty Ltd	899	933	919
Minor Consumers	43	60	38
TOTAL (Megalitres)	3,202	3,588	3,478
Water Pumped From Nyngan (ML)	3,918	4,034	3,756

HIGHEST MONTHLY CONSUMPTION (ML)

CONSUMER	2016/2017	2017/2018	2018/2019
Cobar Shire Council	171 (Dec)	212 (Jan)	162 (Jan)
Peak Gold Mine	82 (Jul)	67 (May)	73 (Dec)
Endeavor Operations Pty Ltd	64 (Nov)	73 (May)	122 (Aug)
Cobar Management Pty Ltd	143 (Jan)	92 (Jul)	108 (Jan)
All Consumers	406 (Dec)	410 (Jan)	420 (Dec)

RAINFALL AND RUNOFF

COBAR STORAGE CATCHMENT AREA	2017/2018	2018/2019
Rainfall (mm)	172	248
Runoff (ML)	0	0

NOTE: Average rainfall for Cobar is 390mm.

Operating Budget 2018/2019

ADMINISTRATION, OPERATION AND MAINTENANCE EXPENDITURE

DESCRIPTION	ESTIMATE TO 30/6/19	ACTUAL TO 30/6/19	ESTIMATE TO 30/6/20
Administration	432,550	444,842	357,800
Operations Maintenance	4,517,070	5,619,803	4,983,706
Total	4,949,620	6,064,644	5,341,506
ADMINISTRATION			
Members Allow and Exp.	9,550	9,210	9,550
Contract - Admin/Finance	260,000	260,000	274,000
Audit Fees	27,000	27,800	27,000
Insurance	33,000	43,035	45,000
Other	103,000	104,797	2,250
ADMINISTRATION SUB TOTAL	432,550	444,842	357,800
SYSTEMS OPERATIONS AND MAINTENANCE COSTS			
NYNGAN PUMP STATION			
Contract Supervision	11,736	18,189	11,992
Mechanical	50,000	62,780	100,000
Contract - Service	75,703	87,246	101,471
Electricity	700,000	590,409	550,000
Other	6,000	427,645	5,000
SUB TOTAL	843,439	1,186,269	768,463
HERMIDALE PUMP STATION			
Contract Supervision	1,619	2,493	2,334
Mechanical	50,000	80,083	100,000
Contract - Service	10,442	19,943	19,749
Electricity	400,000	535,725	550,000
Other	2,000	488,189	1,000
SUB TOTAL	464,061	1,126,433	673,083
STORAGES			
Contract Supervision	8,498	13,247	5,272
Mechanical	50,000	70,784	100,000
Contract - Service	54,819	34,090	44,606
Electricity	350,000	252,133	300,000
Other	40,800	66,088	12,000
SUB TOTAL	504,117	436,342	461,878
COBAR RESERVOIR			
Other	2,000	1,132	2,000
SUB TOTAL	2,000	1,132	2,000
GRAVITY MAINS			
Contract Supervision	405	609	80

Other	4,610	9,114	7,681
SUB TOTAL	5,015	9,723	7,761
APC MAINTENANCE			
APC Maintenance	200,000	324,386	280,000
SUB TOTAL	200,000	324,386	280,000
PIPELINE NYNGAN - COBAR			
Contract Supervision	11,736	18,395	11,992
Mechanical	150,000	99,192	300,000
Contract - Service	75,703	30,086	101,471
Other	32,000	17,087	2,000
SUB TOTAL	269,439	164,760	415,463
PIPELINE CANBELEGO			
Contract - Service	5,809	2,111	1,142
Other	5,221	31	5,000
SUB TOTAL	11,030	2,142	6,142
PUMPS CSA			
Contract Supervision	1,214	1,847	1,489
Contract - Service	7,831	5,589	12,599
Other	2,000	168	2,000
SUB TOTAL	11,045	7,603	16,088
PUMPS ENDEAVOR			
Contract Supervision	1,214	1,814	1,690
Contract - Service	7,831	7,631	14,301
Other	2,000	1,345	2,000
SUB TOTAL	11,045	10,790	17,991
PUMPS FORT BOURKE HILL			
Contract Supervision	3,237	10,126	5,272
Contract - Service	20,884	29,927	2,000
Other	2,000	4,971	44,606
SUB TOTAL	26,121	45,024	51,878
MISCELLANEOUS			
Vehicle Expenses	40,000	26,854	25,000
Project Management	0	4,918	
SUB TOTAL	40,000	31,772	25,000
DEPRECIATION			
Water Supply Works	2,124,128	2,253,328	2,252,328
Plant and Equipment	5,630	20,098	5,630
SUB TOTAL	2,129,758	2,273,426	2,257,958
SYSTEMS OPERATIONS AND MAINTENANCE COSTS SUB TOTAL	4,517,070	5,619,803	4,983,706
TOTAL	4,949,620	6,064,644	5,341,506

Appendix A



Code of Conduct

COBAR WATER BOARD

CODE OF CONDUCT

Cobar Water Board is a statutory authority established to supply bulk water to Peak Gold Mine, Endeavor Mine, and Cobar Shire Council (for subsequent treatment and distribution by that body to the town of Cobar) and to be responsible for administration of its area in accordance with the applicable legislation. It must do that in the best interests of its major consumers, as well as the public in general.

The public is entitled to expect that:

- the business of the Board is conducted with efficiency and integrity;
- members and contractual staff obey the spirit and letter of the law, and in particular, the provision of all relevant statutes, regulations and instruments;

CONFLICT AND DISCLOSURE OF INTEREST

CONFLICT OF INTEREST

- a) Members and contractual staff shall ensure there is no conflict or incompatibility between their personal interests and the impartial fulfillment of their public or professional duties.
- b) Contractual staff shall not knowingly engage in private work with or for any person or body with an interest in a proposed or current dealing with the Board, without first making disclosure to the Secretary or the Board. In this respect, it does not matter whether advantage is in the fact obtained, as any appearance that private dealings could conflict with performance of public duties must be scrupulously avoided.
- c) Contractual staff shall notify the Secretary or the Board prior to undertaking a dealing in land in the area of the Board (other than purchasing or selling the principal place of residence), and shall obtain written approval from the Secretary or Board prior to engaging in any outside employment or other business dealings that relate to the activities of the Board.
- d) Contractual staff undertaking regulatory, inspectorial, recruitment or other discretionary functions shall make disclosure before dealing with relatives or persons with whom they are closely associated and, whenever possible or in doubt, shall disqualify themselves from dealing with those persons.

PERSONAL BENEFIT

USE OF CONFIDENTIAL INFORMATION

Members and contractual staff shall not use confidential Board information, to gain advantage for themselves or for any other person or body, in ways which are inconsistent with their obligation to act impartially, or properly to cause harm or detriment to any person, body or the Board.

IMPROPER OR UNDUE INFLUENCE

Members and contractual staff shall not take advantage of their position to improperly influence other members or contractual staff in the performance of their duties or functions, in order to gain undue or improper (direct or indirect) advantage or gain for themselves or for any other person or body.

GIFTS AND BRIBERY

- a) Members and contractual staff shall not seek or accept (directly or indirectly) from any person or body, any immediate or future gift, reward or benefit (other than a token kind, or moderate acts of hospitality) for themselves or for any other person or body, relating to their status with the board, or their performance of any duty or work which touches or concerns the board.
- b) If any gift, reward or benefit other than of a token kind, or moderate acts of hospitality, is offered, disclosure must be made in a prompt and full manner to the Secretary or the President.

PERSONAL BEHAVIOUR OF MEMBERS AND CONTRACTUAL STAFF

CONDUCT OF MEMBERS AND CONTRACTUAL STAFF

Members and contractual staff shall;

- a) act properly and in accordance with the requirements of the law and the terms of this Code;
- b) act in good faith (i.e. honestly, for the proper purpose, and without exceeding their powers) in the interests of the Board and the community;
- c) make no allegations which are unseemly or derogatory unless true, in the public interest and pertaining to the matter before the Board;
- d) refrain from any form of conduct, in the performance of their official or professional duties, which may cause any reasonable person unwarranted offence or embarrassment;
- e) always act in accordance with their obligation of fidelity to the Board;
- f) observe the highest standards of honesty and integrity, and avoid conduct which might suggest any departure from these standards;

- g) bring to the notice of the secretary and/or the President any dishonesty on the part of any other members of staff; and
- h) be frank and honest in their official dealings with each other.

CONDUCT OF CONTRACTUAL STAFF

Contractual staff shall;

- a) while on duty, give their whole time and attention to Board business and ensure that their work is carried out efficiently, economically and effectively, and that their standard of work reflects favourably both on themselves and on the Board;
- b) obey lawful orders given by any persons having authority to make or give such orders, with any doubts as to the priority of any such orders being taken up with the superior of the person who gave the order and, if resolution cannot be achieved, with the Secretary, and
- c) give effect to the lawful policies of their Board, whether or not they agree with or approve of them.

ADMINISTRATIVE AND MANAGEMENT PRACTICES

Members and contractual staff should ensure compliance with proper and reasonable administrative practices and standards of conduct, and professional and responsible management practices.

DEALING WITH BOARD PROPERTY

USE OF BOARD FACILITIES, FUNDS, CONTRACTUAL STAFF AND EQUIPMENT

Members and contractual staff shall;

- a) be scrupulously honest in their use of Board facilities, funds, contractual staff and equipment and shall not permit their misuse (or the appearance of misuse) by any other person or body;
- b) use Board resources entrusted to them effectively and economically in the course of their duties, and not otherwise; and
- c) not use Board resources, including the services of the Board contractual staff for private purposes (other than when supplied as part of a contract of employment), unless legally and properly authorised to do so, and payments are made where appropriate.

TRAVELING AND SUSTENANCE EXPENSES

Members and contractual staff shall claim or accept travelling and sustenance expenses arising out of travel only on matters which have a direct bearing on Board business.

ACCESS TO INFORMATION

Members and contractual staff should ensure that members are given access to all Board held information necessary for them to properly perform their duties and meet their responsibilities as members.

Appendix B



Detailed Operational Data

ENERGY CONSUMPTION**PERIOD ENDING 30 JUNE 2019**

	ELECTRICITY (KW)	GREENHOUSE GAS EMISSIONS (TONNES)
July - September	1744752	1640.00
October - December	1694301	1593.00
January - March	1794642	1687.00
April - June	1528751	1437.00
TOTAL	6762446	6357.00

WATER CONSUMPTION**PERIOD ENDING 30 JUNE 2019**

WATER CONSUMED (ML)						
MONTH	COUNCIL	PGM	ENDEAVOR	CSA	MINOR	TOTAL
July	76	20	82	81		259
August	77	59	122	61		319
September	77	45	54	62	8	246
October	98	47	75	85		305
November	97	37	94	87		315
December	157	73	97	82	11	420
January	162	48	86	108		404
February	114	43	73	75		305
March	100	48	34	77	11	270
April	88	29	78	89		284
May	55	21	49	58		183
June	47	17	42	54	8	168
TOTAL	1148	487	886	919	38	3478

Appendix C



Summary of Land

A summary of land occupied by Cobar Water Board is set out below.

LOCATION	OWNER	AREA	LOCAL GOVT. AREA	CURRENT USE
Nyngan	M.P.W.	10.08 ha	Bogan Shire	P.S. No. 1 and Suction Line
Hermidale	M.P.W.	0.06 ha	Bogan Shire	P.S. No. 2 and Balance Tank
Mt. Boppy	M.P.W.	0.12 ha	Cobar Shire	Balance Tank and Reservoir Site
Cobar	M.P.W.	1.81 ha	Cobar Shire	Fort Bourke Hill Res. Filtration Plant
Cobar	M.P.W.	485.2 ha	Cobar Shire	P.S. No. 3 In Ground Tank
Cobar Mine	M.P.W.	0.12 ha	Cobar Shire	Service Reservoir
Cobar	C.W.B.	0.08 ha	Cobar Shire	Board Cottage

Appendix D



Guarantee of Service

COBAR WATER BOARD

GUARANTEE OF SERVICE

OUR ROLE

The primary role of Cobar Water Board is to supply raw water at minimum cost, and at a specific required rate of flow to four (4) major consumers, and a number of minor consumers which may vary from time to time.

OUR CLIENTS

The principal clients of the Board are the Cobar Shire Council, the Endeavor Operations Pty Ltd, Peak Gold Mine, Cobar Management and a number of minor consumers consisting essentially of rural land holders.

OUR COMMITMENT TO CLIENTS

The Board is committed primarily to providing raw water at minimum cost, at the required rate of flow, and at times required by its major and minor consumers. The complementary objective is to monitor projected demands, system conditions and the need for additional works and maintenance to ensure that the primary aim is met.

COBAR WATER BOARD'S STANDARD OF SERVICE

The level of services with respect to the supply of water will depend on the particular locality. For those localities where specific arrangements apply, the Board will provide water in accordance with those arrangements.

AVAILABILITY OF SUPPLY

Under normal conditions the Board will provide an unrestricted supply of water. Restrictions will only become necessary in the event of a breakdown.

CONNECTION

Connection to the water system will be provided where practicable to those parties whose land the Nyngan to Cobar pipeline crosses. On occasions where a high level of construction is required to provide the connection, special arrangements, incorporating the payment of a capital contribution may be necessary.

QUALITY OF SUPPLY

The Board's Charter is to supply raw water only. The quality of raw water supplied will be limited to the quality of water at the source.

RESPONSE TO SYSTEM FAILURES AND COMPLAINTS

The Board offers 24 hour emergency service. Response times to the water supply problems will for 80% of the calls be immediate and 20% within 2 hours of receiving the call.

Customer complaints about various aspects of the water supply will be responded to immediately in 90% of the time, and within 1 working day 10% of the time.

SUGGESTIONS, ENQUIRIES AND COMPLAINTS

The Board welcomes suggestions for improving services and the opportunity to address inquiries and complaints. All suggestions, inquiries or complaints should be directed to the Secretary of the Board who can be contacted on the number below.

CONTACT DIRECTORY

PRESIDENT	
Mr. Doug McKay	0427 474 411
SECRETARY	
Mr. Peter Vlatko	(02) 6836 5888
FACSIMILE	(02) 6836 3964
POSTAL ADDRESS	PO Box 8 COBAR NSW 2835

OFFICE HOURS

The Office of Cobar Water Board is housed in the Cobar Shire Council Offices, 36 Linsley Street Cobar NSW. Business hours are 8.00am - 4.30pm, Monday to Friday.

Appendix E



Financial Statements/Audit Opinion For the twelve (12) month period ended 30th June 2019



Mr Kym Miller
Acting Secretary
Cobar Water Board
PO Box 8
COBAR NSW 2835

Contact: Karen Taylor
Phone no: (02) 9275-7311
Our ref: D1921126/0106

12 September 2019

Dear Mr Miller

STATUTORY AUDIT REPORT
for the year ended 30 June 2019
Cobar Water Board

I have audited the financial statements of Cobar Water Board (the Board) as required by the *Public Finance and Audit Act 1983* (PF&A Act). This Statutory Audit Report outlines the results of my audit for the year ended 30 June 2019, and details matters I found during my audit that are relevant to you in your role as one of those charged with the governance of the Board. The PF&A Act requires me to send this report to the Board, the Minister and the Treasurer.

This report is not the Independent Auditor's Report, which expresses my opinion on the Board's financial statements. I enclose the Independent Auditor's Report, together with the Board's financial statements.

My audit is designed to obtain reasonable assurance the financial statements are free from material misstatement. It is not designed to identify and report all the matters you may find of governance interest. Therefore, other governance matters may exist that I have not reported to you.

My audit is continuous. If I identify new significant matters, I will report these to you immediately.

Audit result

I expressed an unmodified opinion on the Board's financial statements and I have not identified any significant matters since my previous Statutory Audit Report.

Misstatements in the financial statements

Misstatements are differences between what has been reported in the financial statements and what is required in accordance with the Board's financial reporting framework. Misstatements can arise from error or fraud.

I have certain obligations for reporting misstatements:

- the PF&A Act requires agencies to obtain the Auditor-General's approval for all changes to the financial statements originally submitted for audit. The more significant/material changes are reported in a Statutory Audit Report
- the Auditing Standards require matters of governance interest and significant misstatements identified during the audit to be communicated to those charged with governance
- statutory obligations require the Auditor-General to report misstatements resulting from or not detected because of failures in internal controls and/or systemic deficiencies which pose a significant risk to the Board.

The financial statements did not contain misstatements.

Compliance with legislative requirements

My audit procedures are targeted specifically towards forming an opinion on the Board's financial statements. This includes testing whether the Board has complied with legislative requirements that may materially impact the financial statements. The results of the audit are reported in this context. My testing did not identify any reportable instances of non-compliance with legislative requirements.

Auditor-General's Report to Parliament

The 2019 Auditor-General's Report to Parliament will incorporate the results of the audit.

Publication of the Statutory Audit Report

I consider this Statutory Audit Report to fall within the definition of 'excluded information' contained in Schedule 2(2) of the *Government Information (Public Access) Act 2009*. Under Schedule 1(6) of this Act, please seek the Audit Office's consent before releasing this report publicly. Agencies are advised to also seek approval from the Minister(s) and the Treasurer before publishing this report.

Acknowledgment

I thank the Board's staff for their courtesy and assistance.

Yours sincerely



Karen Taylor
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

Cobar Water Board

ABN: 82 617 007 174

FINANCIAL STATEMENTS FOR THE PERIOD ENDED

30 June 2019



COBAR WATER BOARD
ABN: 82 617 007 174

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COBAR WATER BOARD
ABN: 82 617 007 174

STATEMENT BY THE BOARD

Pursuant to Section 41C (1B) and (1C) of the Public Finance and Audit Act 1983 we state that:

1. the financial statements consisting of the income statement, statement of other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements exhibit a true and fair view of the financial position and of the financial performance of the Cobar Water Board for the year ending 30 June 2019;
2. the financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2015, Treasurer's Directions and the Australian Accounting Standards (including Interpretations); and
3. there are reasonable grounds to believe that the Board will be able to pay its debts as and when they become due and payable. We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

This statement is signed for and on behalf of the board by:

Doug McKay

PRESIDENT


Date: 12.9.19.

Peter Vlatko

SECRETARY




Date: 12.9.19

COBAR WATER BOARD
ABN: 82 617 007 174

INCOME STATEMENT
FOR THE PERIOD ENDING 30 JUNE 2019

	Note	2019 \$'000	2018 \$'000
Revenue	1	5,408	5,681
Depreciation and amortisation expenses	2	(2,273)	(2,128)
System operating and maintenance expenses	2	(3,347)	(2,099)
Other expenses	2	(368)	(354)
Revaluation decrement/impairment of asset held for sale	2, 5	(76)	-
Net result		<u>(656)</u>	<u>1,100</u>

The accompanying notes form part of these financial statements.

COBAR WATER BOARD
ABN: 82 617 007 174

STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDING 30 JUNE 2019

	Note	2019 \$'000	2018 \$'000
Net result		(656)	1,100
Other comprehensive income: Items that will not be classified to surplus/(deficit)			
Net increase/(decrease) in property, plant and equipment revaluation	6	1,139	1,753
		<hr/>	<hr/>
Total comprehensive income		483	2,853

The accompanying notes form part of these financial statements.

COBAR WATER BOARD
ABN: 82 617 007 174

STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDING 30 JUNE 2019

	Note	2019 \$'000	2018 \$'000
CURRENT ASSETS			
Cash and cash equivalents	3	3,605	5,124
Receivables	4	1,382	466
Prepayments	4	46	
Accrued Income	4	30	
Assets Held-for-sale	5	96	172
Investments	3	2,044	-
TOTAL CURRENT ASSETS		7,203	5,762
NON-CURRENT ASSETS			
Plant and equipment	6	73,003	73,883
TOTAL NON-CURRENT ASSETS		73,003	73,883
TOTAL ASSETS		80,206	79,645
CURRENT LIABILITIES			
Payables	9	598	520
TOTAL CURRENT LIABILITIES		598	520
TOTAL LIABILITIES		598	520
NET ASSETS		79,608	79,125
EQUITY			
Reserves		87,419	86,280
Accumulated deficits		(7,811)	(7,155)
TOTAL EQUITY		79,608	79,125

The accompanying notes form part of these financial statements.

COBAR WATER BOARD
ABN: 82 617 007 174

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDING 30 JUNE 2019

	Note	Accumulated Deficits \$'000	Asset Revaluation Reserve \$'000	Total \$'000
Balance at 1 July 2018		(7,155)	86,280	79,125
Net result		(656)		(656)
Other comprehensive income				
Net increase/(decrease) in property, plant and equipment	6		1,139	1,139
Total comprehensive income for the year			1,139	1,139
Balance at 30 June 2019		(7,811)	87,419	79,608
Balance at 1 July 2017		(8,255)	84,527	76,272
Net result		1,100		1,100
Other comprehensive income				
Net increase/(decrease) in property, plant and equipment	6		1,753	1,753
Total comprehensive income for the year			1,753	1,753
Balance at 30 June 2018		(7,155)	86,280	79,125

The accompanying notes form part of these financial statements.

COBAR WATER BOARD
ABN: 82 617 007 174

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDING 30 JUNE 2019

	Note	2019 \$'000	2018 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		4,628	4,503
Payments to suppliers (inclusive of GST)		(4,045)	(3,332)
Grants received		94	2,108
Interest received		100	58
Other income		-	-
Net cash from operating activities		777	3,337
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase property, plant and equipment		(2,298)	(2,671)
Net cash from investing activities		(2,298)	(2,671)
Net increase (decrease) in cash and cash equivalents		(1,519)	666
Cash and cash equivalents at beginning of financial year		5,124	4,458
Cash and cash equivalents at end of financial year	3	3,605	5,124

The accompanying notes form part of these financial statements.

COBAR WATER BOARD
ABN: 82 617 007 174

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 30 JUNE 2019

		2019 \$'000	2018 \$'000
Note 1	Revenue		
	Water supply sales	4,986	3,707
	Grants received	120	1,703
	Interest received	102	68
	Maintenance contributions	200	200
	Other revenues	-	3
	Total revenue	5,408	5,681

Recognition and Measurement

In terms of the Agreement between the Board, Cobar Shire Council and the three Mining Companies, the Board's obligations are to carry out certain works, to maintain and operate existing and future water works and to make available to the Council and the Mining Companies agreed quantities of water. Charges for water supplied each year are to be determined at a level to meet net operating, maintenance and administrative costs.

Revenue from water supply charges is recognised on an accrual basis when the water is provided.

Grant recognition is in accordance with AASB 1004. Income from contributions is recognised when the Board obtains control of the contribution. Control is normally obtained upon receipt of cash.

Interest revenue is recognised as the interest accrues using the effective interest method.

2019-2020 Recognition: The only revenue applicable for grant recognition is the Resource for Region funding for valve replacement.

Note 2	Expenses		
	Depreciation of Non-Current Assets		
	- Water supply network	2,253	2,121
	- Engineers cottage	-	-
	- Plant and equipment	20	7
	Total depreciation	2,273	2,128
		76	-
	Impairment/revaluation decrement of asset held for sale	76	-
	Operating and maintenance	3,347	2,099
	Other	368	354
		3,791	2,453

Recognition and Measurement

Operating and maintenance costs are charged as expenses incurred, except where they relate to the replacement or an enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.

Note 3	a) Cash and Cash Equivalents		
	Cash at bank and in hand	3,605	5,124
		3,605	5,124
	Reconciliation of cash		
	Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
	Cash and cash equivalents	3,605	5,124
		3,605	5,124

COBAR WATER BOARD
ABN: 82 617 007 174

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 30 JUNE 2019

Note 3 Cash and Cash Equivalents (continued)

Recognition and Measurement

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current

liabilities on the statement of financial position.

	\$'000	\$'000
b) Investments		
Financial assets at amortised cost	<u>2,044</u>	<u>-</u>
Total Cash and cash equivalents and Investments	<u>5,649</u>	<u>5,124</u>
Financial Assets at amortised cost/held to maturity (2018)		
Long term deposits	<u>2,044</u>	<u>-</u>

Note 4 Receivables

Trade receivables	1,382	453
Accrued income	30	13
Prepayments	<u>46</u>	<u>-</u>
	<u>1,458</u>	<u>466</u>

Ageing of Receivables

Current	1,417	427
0-30 days	28	36
31-60 days	-	-
61-90 days	13	1
90 days +	<u>-</u>	<u>2</u>
	<u>1,458</u>	<u>466</u>

Recognition and Measurement

Receivables are initially recognised at fair value, and subsequently at amortised cost using the effective interest method, less an allowance for any impairment of receivables.

Cobar Water Board has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected allowance. To measure the expected losses trade receivables has been grouped based on days overdue.

The recoverability of trade receivables is regularly reviewed throughout the reporting period.

At 30 June 2019, no trade receivables were considered to be impaired. (2018 - \$Nil).

Note 5 Assets Held-for-sale

Land and Buildings	<u>96</u>	<u>172</u>
	<u>96</u>	<u>172</u>

The land and building were revalued by Red Earth Real Estate in June 2019. An impairment loss has been recognised in note 2.

Recognition and Measurement

Assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

They are measured at the lower of their carrying amount and fair value less costs to sell.

COBAR WATER BOARD
ABN: 82 617 007 174

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 30 JUNE 2019

Note 5 Assets Held-for-sale (continued)

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Note 6 Property, Plant and Equipment	2019	2018
	\$'000	\$'000
Water supply works		
Gross carrying amount	178,702	175,888
Less accumulated depreciation	<u>(106,052)</u>	<u>(102,129)</u>
Net carrying amount	<u>72,650</u>	<u>73,759</u>
Capital work in progress		
Gross carrying amount	<u>254</u>	<u>-</u>
	<u>254</u>	<u>-</u>
Freehold land		
Gross carrying amount	<u>14</u>	<u>14</u>
	<u>14</u>	<u>14</u>
Plant and equipment:		
Gross carrying amount	131	131
Less accumulated depreciation	<u>(46)</u>	<u>(21)</u>
Net carrying amount	<u>85</u>	<u>110</u>
Total Property, Plant and Equipment	<u>73,003</u>	<u>73,883</u>

(a) Movements in Carrying Amount

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land	Buildings	Plant and Equipment	Water Supply Works	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2019						
Net carrying amount at start of year	14	0	110	73,759	-	73,883
Additions	-	-	-	-	254	254
Assets held for sale	-	-	-	-	-	-
Net revaluation increment/(decrement)	-	-	(5)	1,144	-	1,139
Depreciation expense	-	-	(20)	(2,253)	-	(2,273)
Net carrying amount at end of year	<u>14</u>	<u>-</u>	<u>85</u>	<u>72,650</u>	<u>254</u>	<u>73,003</u>
2018						
Net carrying amount at start of year	19	-	25	64,964	6,579	71,587
Additions	-	-	92	9,158	(6,579)	2,671
Assets held for sale	-	-	-	-	-	-
Net revaluation increment/(decrement)	(5)	-	-	1,758	-	1,753
Depreciation expense	-	-	(7)	(2,121)	-	(2,128)
Net carrying amount at end of year	<u>14</u>	<u>-</u>	<u>110</u>	<u>73,759</u>	<u>-</u>	<u>73,883</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 30 JUNE 2019

Note 6 Property, Plant and Equipment (continued)

Recognition and Measurement

Acquisition of assets

The cost method of accounting is used for the initial recording of all acquisition of assets controlled by the Board. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction.

Capitalisation thresholds

Water supply works assets with a cost of less than \$10,000 and all other assets with a cost of less than \$500 are not capitalised.

Revaluation

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 14-1). Due to the specialised nature of the Board's water supply assets, its fair value is determined as its estimated current replacement costs. The determination of estimated current replacement cost for these assets is based on estimates of modern engineering equivalent replacement asset values ("MEERA") on a whole of facility basis and takes into account condition-based assessments of the assets and its asset lives to determine their remaining service potential. When the Board's Water Supply assets are revalued, any accumulated depreciation is restated proportionately with the change in the gross carrying amount of the asset so that the net carrying amount of the asset after revaluation equals its revalued amount.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the income statement, the increment is recognised immediately as revenue in the income statement. Revaluation decrements are recognised immediately as expenses in the income statement, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets.

Impairment

As a not-for-profit entity, AASB 136 *Impairment of Assets* is unlikely to arise. AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, where an asset is already measured at fair value, impairment can only arise if selling costs are material. Selling costs for the Board's assets are regarded as immaterial.

Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Board commencing from the time the asset is held ready for use. Land is not a depreciable asset.

The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Buildings	4%
Plant and equipment	5 - 33%
Water Supply Works	1 - 3 %

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

Gains or losses on disposals are determined by comparing proceeds with the carrying amount.

These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to accumulated funds/(deficit).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 30 JUNE 2019

Note 7 Fair Value Measurement

(a) Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the Board can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These techniques maximise to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset is included in Level 3.

2019	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Property, plant and equipment				
Water supply works	-	-	72,650	72,650
Land	-	14	-	14
Assets held for sale		96		
	-	110	72,650	72,664
2018				
Water supply works	-	-	73,759	73,759
Land	-	14	-	14
Assets held for sale		172		
	-	186	73,759	73,773
2019				
Non-current assets held for sale				
Assets held for sale		96		
	-	96	-	-
2018				
Assets held for sale		172		
	-	172	-	-

The asset class is categorised as Level 3. Valuation techniques remained the same for the reporting period. Between comprehensive valuations the water supply network will be indexed annually based on indexation issued by NSW Office of Water.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 30 JUNE 2019

Note 7 Fair Value Measurement (continued)
Land

The Board engaged the services of Australis Asset Advisory Group in 2018 and complied with AASB 13 Fair Value Measurement and the guidance contained in the NSW Treasury Accounting Policy TPP 14-01 Valuation of Physical Non-Current Assets at Fair Value. Fair value is the best estimate of the price reasonably obtained in the market at the date of valuation. As defined in AASB 13, it is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The asset class is categorised as Level 2. Valuation techniques remained the same for the reporting period.

Assets Held For Sale

The Board engaged the services of Red Earth Real Estate in 2019 to perform a market appraisal for the intended sale. An impairment was recognised based on the estimated sale price. Fair value is the best estimate of the price reasonably obtained in the market at the date of valuation.

The asset class is categorised as Level 2. Valuation techniques remained the same for the reporting period.

Note 8 Restricted Cash	2019 \$'000	2018 \$'000
Cash at bank and in hand (Note 3)	3,605	5,124
	<u>3,605</u>	<u>5,124</u>
<i>Internal restrictions on cash</i>		
Maintenance contributions	-	2,500
Levy contributions	456	2,458
	<u>456</u>	<u>4,958</u>
Unrestricted cash	3,149	166
	<u>3,605</u>	<u>5,124</u>

(a) Unspent Maintenance Contributions

Opening balance	2,500	2,300
Maintenance contribution	200	200
Closing balance	<u>2,700</u>	<u>2,500</u>

Each year the major consumers contribute a combined \$200,000 towards the maintenance of the water supply works.

(b) Unspent Levy Contributions

Opening balance	2,458	1,923
Capital Levy - 40 cents per kilolitre	1,376	1,411
Grant funding received	120	1,703
Less capitalised pipeline works	-	(2,579)
Less pipeline upgrade expenses	(254)	-
Closing balance	<u>3,700</u>	<u>2,458</u>

The Board implemented a 40 cents per kilolitre sold levy commencing in 2014 for Capital replacement.

COBAR WATER BOARD
ABN: 82 617 007 174

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 30 JUNE 2019

Note 9	Payables	2019 \$'000	2018 \$'000
	Trade payables	583	500
	Sundry payables and accrued expenses	15	20
		598	520

Recognition and Measurement

Trade and other payables represents liabilities for goods and services provided to the Board to the end of the reporting period that are unpaid.

Cobar Water Board has a service agreement with Cobar Shire Council to manage all administration and operational tasks.

Trade and other payables are initially recognised at fair value. Subsequent measurement is at amortised cost using the effective interest method. Trade payables are normally settled within 30 days.

Note 10 Capital, Leasing and Operational Commitments

- (a) Cobar Water Board has entered into two funding agreements with Infrastructure NSW for \$5 million each. These amounts are to replace a section of the pipeline which carries raw water from Nyngan to Cobar. Cobar Water Board will contribute \$5.7 Million and 1.4 Million respectively. 30km of new pipeline has been completed. The approved funding balance is \$456k and will be spent on the valve replacement program and telemetry. These projects will be completed in 2019-20.

Cobar Water Board entered into a service agreement with Cobar Shire Council for 2018-2019 for a total of \$561,512. The Board has approved the 2019-2020 contract for a total of \$654,088

(b)		Operating	
	Not later than 1 year	654	562
	Later than 1 year not later than 5 years	-	-
	Later than 5 years	-	-
	Total	654	562
		Capital	
	Not later than 1 year	456	500
	Later than 1 year not later than 5 years	-	-
	Later than 5 years	-	-
	Total	456	500

Note 11 Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets at 30 June 2019 (2018 - \$Nil).

COBAR WATER BOARD
ABN: 82 617 007 174

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 30 JUNE 2019

Note 12 Financial Instruments

(a) Financial Risk Management

The Board's financial instruments consist mainly of deposits with banks, local money market transactions, short term investments, accounts receivable and accounts payable. The Board does not have any derivative instruments.

The main risks the Board is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Financial Assets	Note	Category	2019	2018
			\$'000	\$'000
Cash and Cash Equivalents	3	N/A	3,605	5,124
Investments	3	N/A	2,044	-
Receivables	4	Loans and receivables	1458	466
Financial Liabilities	Note	Category	2019	2018
			\$'000	\$'000
Payables	9	Financial liabilities measured at amortised cost	598	520

(1) Excludes statutory receivables and prepayments (not within the scope of AASB 7)

(2) Excludes statutory payables and unearned revenue (not within the scope of AASB 7)

(b) Interest Rate Risk

The Board's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities.

As only cash and cash equivalents and other financial assets are affected by interest rate risk, the Board manages this risk by investing in appropriate term deposits suitable to maintain the cash flow requirements of the Board.

The Board has performed a sensitivity analysis relating to its exposure to interest rate risk at reporting date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change to this risk.

At 30 June 2019, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

<i>Change in net result</i>	2019	2018
	\$'000	\$'000
Increase in interest rate by 1%	56	51
Decrease in interest rate by 1%	(56)	(51)
<i>Change in equity</i>		
Increase in interest rate by 1%	56	51
Decrease in interest rate by 1%	(56)	(51)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 30 JUNE 2019

Note 12 Financial Instruments (continued)

(c) Liquidity Risk

The Board manages liquidity risk by monitoring forecast cash flows.

	Weighted Average Effective Int. Rate	Interest Rate Exposure			Non-interest bearing	Maturity Dates		
		Nominal Amount	Fixed Interest Rate	Variable Interest Rate		<1 year	1-5 years	> 5 years
2019								
Payables	0%	598	-	-	598	598	-	-
2018								
Payables	0%	520	-	-	520	520	-	-

(d) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The Board has a material credit risk exposure in that the three main debtors of the Board represent 97% (2018 - 78%) of receivables. These debtors are related entities.

Approved deposit taking institutions are used to lodge term deposits.

The Board monitors the credit risk by actively assessing the rating quality and liquidity of counterparties.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 30 JUNE 2019

Note 12 Financial Instruments (continued)

	Total	Past due but not impaired	Considered impaired
2019			
< 3 months overdue	28	28	-
3 months - 6 months overdue	12	12	-
> 6 months overdue	-	-	-
2018			
< 3 months overdue	-	-	-
3 months - 6 months overdue	1	1	-
> 6 months overdue	2	2	-

Fair value is determined based upon quoted market prices (in active markets for identical investments) at reporting date or independent valuation. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

For cash and cash equivalents, trade receivables and trade and other payables, carrying values in the statement of financial position equate to their fair value.

Financial Instruments

Financial instruments comprise cash and cash equivalents, receivables and payables.

Financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, financial instruments are measured as described below.

A financial instrument is recognised if the Board becomes a party to the contractual provision of the instrument. Financial assets are derecognised if the Board's contractual rights to the cash flows from the financial assets expire or if the Board transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular purchases and sales of financial assets are accounted for at trade dates, that is, the date that the Board commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Board's obligations specified in the contract expire or are discharged or cancelled.

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 30 JUNE 2019

Note 13 Related Party Disclosures

(a) Key Management Personnel Compensation

There were no key management personnel who received financial compensation during the financial year.

(b) During the year, the entity entered into transactions on arm's length terms and conditions with key management personnel, their close family members and controlled or jointly controlled entities thereof. The aggregate value of the material transactions and related outstanding balances as at 30 June 2019 are as follows:

Nature of Transaction	2019 \$'000		2018 \$'000	
	Transaction Value	Net Receivable/ (Payable)	Transaction Value	Net Receivable/ (Payable)
Sales of supply of raw water				
- Peak Gold Mine	1,550	218	1,639	174
- CSA	588	414	-	-
- Endeavor Mine	1,375	370	861	101
- Cobar Shire Council	1,394	75	1,551	63
	<u>4,907</u>	<u>1,077</u>	<u>4,051</u>	<u>338</u>
Payments for provision of services				
- Peak Gold Mine	-	-	-	-
- Endeavor Mine	-	-	-	-
- Cobar Shire Council	811	(15)	943	(275)
	<u>811</u>	<u>(15)</u>	<u>943</u>	<u>(275)</u>

Note 14 Events After the Reporting Date

There are no subsequent events that require disclosures in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 30 JUNE 2019

Note 15 Statement of Significant Accounting Policies

a) Reporting Entity

The Cobar Water Board is a not-for-profit statutory body and water supply authority constituted under the *Water Management Act 2000*. The purpose of the Board is to supply raw water to customers.

b) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the requirements of the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2015 and Treasurer's Directions.

The financial statements are prepared on a cost basis except property, plant and equipment, assets held for sale and financial assets at 'fair value through profit and loss' and available for sale assets which are measured at fair value.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest thousand dollar and are expressed in Australian dollars.

c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

d) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

e) Significant Changes in the Current Reporting Period

There were no changes in accounting policy during the reporting period.
Details of new Accounting Standards introduced during the reporting period, but which have not been early adopted are provided below.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDING 30 JUNE 2019

Note 15 Statement of Significant Accounting Policies (continued)

f) Changes to Accounting Policies, Including new or revised Australian Accounting Standards

(i) Effective for the First Time in 2018-19

The accounting policies applied in 2018-19 are consistent with those of the previous financial year except as a result of the following new or revised AASB that have been applied for the first time in 2018-19.

Standard/Interpretation	Issued date	Applicable to periods beginning on or after	Applicable reporting period
AASB 9: Financial Instruments	Dec-14	1-Jan-18	2018-19

The above Accounting Standard have not significantly impacted the board.

(ii) Issued But Not Effective

At the reporting date a number of Australian Accounting Standards have been issues by the AASB that are not yet effective and which have not been early adopted by the Board. These are listed below:

Standard/Interpretation	Issued date	Applicable to periods beginning on or after	Applicable reporting period
AASB 16: Leases	Feb-16	1-Jan-19	2019-20
AASB 1058: Income of Not for Profit Entities	Dec-16	1-Jan-19	2019-20
AASB 15: Revenue from Contracts from Customers	Dec-16	1-Jan-19	2019-20
AASB 1059: Service Concession Arrangements	Oct-18	1-Jan-20	2020-21
AASB 17: Insurance Contracts	Jul-17	1-Jan-21	2021-22

The above Accounting Standards are not expected to significantly impact the board.

END OF AUDITED FINANCIAL STATEMENTS

