

The Cobar Water Board



**Annual Report
2013/2014**

TABLE OF CONTENTS

Introduction.....	3
Charter of the Board.....	3
Aims & Objectives	4
History	4
Description of the System.....	5
Agreements.....	5
Impacts & Initiatives.....	6
Consumers.....	9
Management & Structure	10
Board Membership	10
Board Meetings	12
Board Officers as at 30/06/2014.....	12
Board Employees	13
Finance	13
Loans	13
Review of Operations	13
Provision of Services.....	13
Grants and Capital Projects	13
Performance Indicators	14
Operational Statistics.....	14
Operating Budget 2013/2014	15
Appendix A	18
<i>Code of Conduct</i>	19
Appendix B.....	24
<i>Detailed Operational Data</i>	24
Appendix C	27
<i>Summary of Land</i>	27
Appendix D	29
<i>Guarantee of Service</i>	29
Appendix E.....	32
<i>Financial Statements</i>	32

Introduction

The 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 CBH Resources Ltd (Endeavor - formerly Elura Mine) and Peak Gold Mines Pty Ltd (Peak Gold Mine). The latter company on-supplies water to the Cobar Management Pty Ltd (CSA Mine) under an agreement.

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

Charter of the Board

The 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

The 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.

The 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, the 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 the CBH Resources Ltd (formerly Elura Mine) in the early 1980's. In 1992, Peak Gold Mines Pty Ltd began production, and is now responsible for the supply of water to Cobar Management Pty Ltd. 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 Macquarie River at Warren through the Albert Priest Channel. 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 brought into operation to increase the rate of flow at times of high demand. 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 320 Kilometres of Pipeline.

Agreements

The relationship between the Board and the Major Consumers (the Cobar Shire Council, the Peak Gold Mine and the Endeavor (formerly Elura) Mine) 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.

Supply to minor consumers is also regulated by agreement. The latest 'Minor Consumer Agreement' was introduced on 19 April 2005 and revised in 2012, 2013 and 2014.

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 the Cobar Water Supply Scheme on a contract basis.

A review of the effectiveness of the arrangement has concluded that there has been an improved level of service and a substantial reduction in the backlog of maintenance. At the same time, formal 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 2013/2014 several consultants were engaged to carry out works on behalf of the Cobar Water Board and provide the necessary reports:

- CPE Associates Pty Ltd to establish Operations and Maintenance Manual, Condition Evaluation Plan and Asset Management Plan;
- CPE Associates Pty Ltd to carry out the Condition Evaluation of Twin Water Pipeline – Nyngan to Cobar relating to the Review of Douglas Partners Geotechnical Desktop Report and Progress report;
- Douglas Partners to implement an Electronic Profiling Survey of the pipeline route to evaluate whether there are any soil or groundwater zones along the pipeline route of the existing 375mm DICL pipeline that would be detrimental to the existing pipeline;
- 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;
- Cobar Shire Council to undertake the Project Management Work for the Cobar Water Board Pipeline Replacement and *Pumping System Upgrade Project*.

MULTICULTURAL POLICIES & SERVICES PROGRAM

The 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 2013/2014 financial year.

	2011/12	2012/13	2013/14
Lost time due to injury	0	0	0
Workers Compensation Claim	0	0	0

GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009

No formal access applications were received during the 2013/2014 reporting period, nor were there any withdrawn applications.

Equal Employment Opportunity

Whilst the 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 4 men and 3 women as part-time 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.

ENERGY CONSUMPTION 2013/2014

ASSET CATEGORY	FUEL TYPE			GREENHOUSE EMISSIONS
	ELECTRICITY (KW)	DIESEL (LTRS)	ULP (LTRS)	TONNES
Nyngan Pump Station	3,870,864	0	0	4,102.98
Hermidale Pump Station	2,966,129	0	0	3,143.75
Cobar Storages	973,483	0	0	1,032.13
Fort Bourke Hill	240	0	0	0.30

PUBLICATIONS

The 2012/2013 Annual Report and 2012/2013 GIPA Annual Report were the only publications produced for the public during 2013/2014, 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, broadform fidelity, and personal accident.

As at the 30 June 2014 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.
CBH Resources Ltd	Uses water for mining activities at the Endeavor Mine.
Peak Gold Mines Pty Ltd	Uses water for mining activities at the Peak Gold Mine. Through an internal agreement, a supply is made available from Peak Gold Mines Pty Ltd for supply to the Cobar Management Pty Ltd for mining purposes 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. They may utilise the raw water, when available, for domestic and stock watering purposes.

Such users are metered and charged for water in accordance with the 'Minor Consumers Agreement'.

As at 30 June 2014, there were 49 minor consumers.

PAYMENT FOR WATER USED

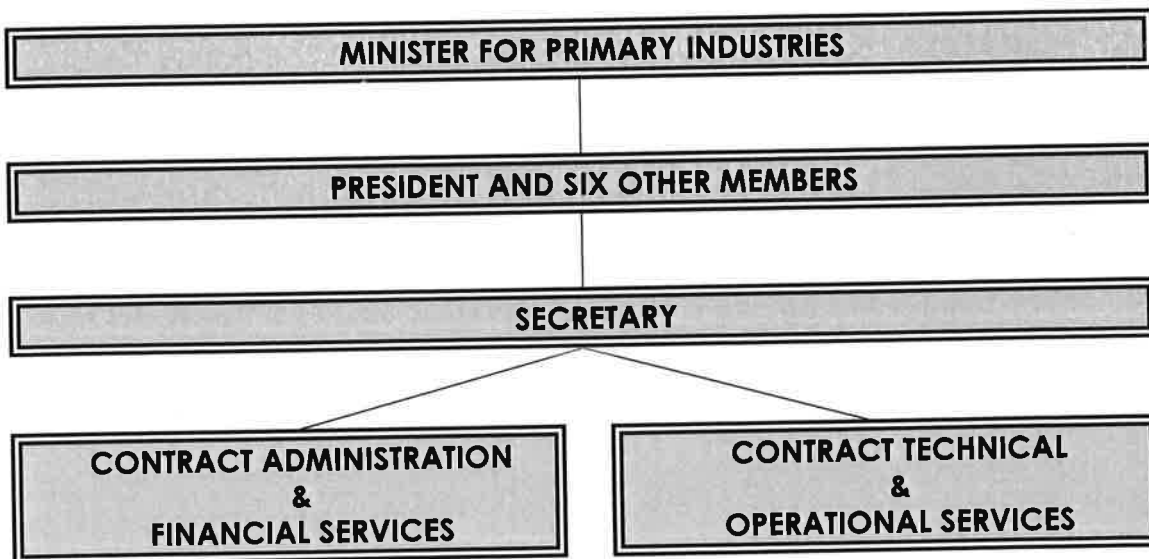
All users are metered, and pay for water on a basis that fully embraces 'user pays' principles and avoids any cross subsidisation.

Management & Structure

ACCESS

The Board does not maintain a permanently staffed office. Its administrative records are located with the Secretary. During 2013/2014, 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 4.00pm).



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 2013/2014

MEMBER	APPOINTED TO	PERSONAL DETAILS
Steve Viant President	1 October 2014 (Resignation)	Mr Viant is the Independent President of the Board.
Mrs Tracey Kings Cobar Shire Council	28 July 2015	Mrs Kings is a Councillor and Deputy Mayor of the Council of the Shire of Cobar.
Mr Tony Lord Peak Gold Mine	24 November 2015	Mr Lord is the Manager – Asset Management Group, Peak Gold Mines Pty Ltd, of New Gold.
Mrs Tanya Gilbert CSA Mine	23 July 2019	Mrs Gilbert is the Health, Safety, Environment and Training Manager at Cobar Management Pty Ltd.
Mr Phil Gilligan Endeavor Mine	21 November 2014	Mr Gilligan is the Safety Health and Environmental Manager of Endeavor Operations, subsidiary of CBH Resources Ltd
Mrs Lilliane Brady OAM Cobar Shire Council	23 November 2016	Mrs. Brady is a Councillor and Mayor of the Shire of Cobar.
Mr H. G. P. Yench Cobar Shire Council	23 November 2016	Mr Yench is a Councillor of the Council of the Shire of Cobar.

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

Board Meetings

Seven meetings of the Board were held including a Special Meeting that was held on 16 October 2013 by circulating resolutions, in the twelve month period to 30 June, 2014.

MEMBER	12.09.13	12.10.13	16.10.13	12.12.13	13.03.14	01.05.14	12.06.14
S. Viant	√	√	√	√	√	√	√
P. Yench	√	√	√	√	-	-	-
T. Kings	√	√	√	√	√	-	√
L. Brady OAM	√	√	√	√	√	√	√
T. Gilbert	N/A	N/A	N/A	-	-	√	-
T. Lord	√	√	√	√	-	√	-
P. Gilligan	-	√	√	√	√	-	√
G. Hender	√	√	-	-	-	-	-

Board Officers as at 30/06/2013

OFFICER	POSITION	PERSONAL DETAILS
Mr Gary Woodman	Secretary	Mr Woodman is the General Manager, Cobarr Shire Council, appointed as the Board's Secretary on a part time basis.
Mr Wayne Mills	Contract Technical Services	Mr Mills is the Services Manager, Cobarr Shire Council.
Mr Kym Miller	Contract Administration/ Financial Services	Mr Miller is the Director of Community and Corporate Services, Cobarr 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 2013/2014 financial year, with the Board continuing to have no employees. The General Manager of Cobar Shire Council is appointed the Board Secretary.

Finance

LOANS

The Board has no loans as at the 30 June 2014.

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.

GRANTS AND CAPITAL PROJECTS

During 2013/2014 the Board, was successful in obtaining a major grant that has allowed Capital Works to be undertaken to improve the assets of the Cobar Water Board:

- awarded a Resources for Regions grant in Round 2 for the Cobar Water Board Twin Pipelines Replacement Project, with the grant being \$5 million, which will be added to the Board's contribution for the project of \$5.7 million giving a total project funding level of \$10.7 million over three years.
- In addition a joint project between the Bogan Shire Council, Cobar Shire Council and Cobar Water Board has been approved where they received a \$10 million grant for the funding of the proposed water storage works and pipeline system at Nyngan to provide water security for both Cobar and Nyngan. (Water Security for Regions Program).

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)

	2011/2012	2012/2013	2013/2014
TARGET	0	0	0
ACTUAL	1	0	2

CONSUMER SATISFACTION (NUMBER OF COMPLAINTS)

	2011/2012	2012/2013	2013/2014
TARGET	0	0	0
ACTUAL	1	0	0

Operational Statistics

WATER CONSUMPTION

CONSUMER	2011/2012	2012/2013	2013/2014
Cobar Shire Council	997	1,301	1,267
Peak Gold Mines Pty Ltd	1,409	1,620	806
CBH Resources Ltd	654	718	694
Cobar Management Pty Ltd			919
Minor Consumers	22	33	39
TOTAL (Megalitres)	3082	3,672	3,727
Water Pumped From Nyngan (ML)	3082	4,172	4,249

Highest Monthly Consumption (ML)

CONSUMER	2011/2012	2012/2013	2013/2014
Cobar Shire Council	145 (Jan)	248 (Jan)	237 (Jan)
Peak Gold Mines Pty Ltd	134 (Sep)	194 (Jan)	226 (Jan)
CBH Resources Ltd	80 (Aug)	92 (Jan)	93 (Feb)
All Consumers	342 (Jan)	534 (Jan)	486 (Jan)

RAINFALL AND RUNOFF

COBAR STORAGE CATCHMENT AREA	2012/2013	2013/2014
	3	
Rainfall (mm)	237	250
Runoff (ML)	35	6.5

NOTE: Average rainfall for Cobar is 346mm.

Operating Budget 2013/2014

ADMINISTRATION, OPERATION AND MAINTENANCE EXPENDITURE

	ESTIMATE TO 30/06/14	ACTUAL TO 30/06/14	ESTIMATE 30/06/15
Administration	252,463	341,258	288,490
Operations Maintenance	4,596,767	4,416,400	4,350,098
TOTAL	4,849,230	4,757,658	4,638,588

DESCRIPTION	ESTIMATE TO 30/06/14	ACTUAL TO 30/06/14	ESTIMATE 30/06/15
-------------	-------------------------	-----------------------	----------------------

ADMINISTRATION

Members Allow & Exp.	5,550	5,070	5,550
Presidential Exp.	925	841	925
Sec. Allow & Exp.	-	-	-
Contract- Administration/Finance	140,738	141,286	173,051
Telephone	600	588	600
Audit Fees	21,000	25,250	24,000
Transport	35,000	28,360	38,000
Insurance	48,100	49,358	46,064
Office Expenses	550	270	300
Misc & Maintenance	-	1,579	-

DESCRIPTION	ESTIMATE TO 30/06/14	ACTUAL TO 30/06/14	ESTIMATE 30/06/15
Pipeline Corrosion Study	-	88,656	-
Groundwater Study	-	-	-
SUB TOTAL	252,463	341,258	288,490

SYSTEMS OPERATIONS & MAINTENANCE COSTS NYNGAN PUMP STATION

Contract Supervision	8,997	8,997	11,063
Mechanical Pumps	80,000	110,692	80,000
Service Pumps	8,997	8,997	11,063
Electricity Charges	977,569	681,682	685,000
Miscellaneous	3,000	-5,030	3,000
Bogan Storages (Common Pond)	40,000	13,134	40,000
SUB TOTAL	1,118,563	818,472	830,126

HERMIDALE PUMP STATION

Contract Supervision	8,997	8,997	11,063
Mechanical Pumps	55,000	34,504	63,000
Service Pumps	8,997	8,997	11,063
Electricity Charges	480,600	566,806	510,000
Miscellaneous	1,000	2,351	3,000
SUB TOTAL	554,954	621,655	598,126

COBAR STORAGES

Contract Supervision	18,155	18,155	22,323
Mechanical Pumps	-	33,294	80,000
Service Pumps	18,155	18,155	22,323
Electricity Charges	287,342	239,470	216,000
Miscellaneous	3,000	20,425	3,000
Drains & Gutter Maint.	10,000	2,982	10,000
SUB TOTAL	336,652	332,481	353,646

COBAR RESERVOIR

Contract Supervision	41,772	41,772	51,362
Storage Facility – Desilt	-	-	-
Storages – Future Devel	-	-	-
Storages – Miscellaneous	1,000	446	3,000
SUB TOTAL	42,772	42,218	54,362

GRAVITY MAINS

Contract Supervision	8,997	8,997	11,062
Infrastructure Maint.	8,997	10,600	11,062
Miscellaneous	5,000	38,420	5,000
SUB TOTAL	22,994	58,017	27,124

GENERAL SYSTEMS OPERATIONS

Feasibility Study APC	40,000	23,472	40,000
-----------------------	--------	--------	--------

DESCRIPTION	ESTIMATE TO 30/06/14	ACTUAL TO 30/06/14	ESTIMATE 30/06/15
APC Maintenance.	-	91,811	-
Infrastructure Costs	50,000	4,365	-
APC Heavy Maintenance	60,000	55,507	187,000
Miscellaneous	500	16,083	500
SUB TOTAL	150,500	191,238	227,500

PIPELINES – NYNGAN/COBAR

Contract Supervision	8,997	12,088	11,062
Infrastructure Maint.	8,997	8,997	11,062
Heavy Veg. Clearing	-	-	15,000
Development – Operational Plan	35,000	11,592	-
Miscellaneous	10,000	1,499	10,000
Pigging	-	44,070	50,000
Valve works 300mm	-	33,341	-
Evaluation Plan and Geotech	70,000	40,200	-
Pipeline – Valve and Maintenance	100,000	132,922	100,000
Field exposure - Council	95,000	26,999	-
SUB TOTAL	327,994	311,708	197,124

PIPELINE – CANBELEGO

Infrastructure Costs	3,213	-121	-
Valve & Maintenance	40,000	3,213	3,951
SUB TOTAL	43,213	3,092	3,951

PUMPS - CSA LINE

Contract Supervision	4,659	4,659	5,729
Infrastructure Maint.	4,659	4,659	5,729
Miscellaneous	2,000	1,776	5,000
SUB TOTAL	11,318	11,094	16,458

PUMPS – CBH RESOURCES LTD LINE

Contract Supervision	8,997	8,997	11,062
Infrastructure Costs	8,997	8,996	11,062
Miscellaneous	3,000	2,093	3,000
SUB TOTAL	20,994	20,086	25,124

PUMPS - FORT BOURKE HILL

Infrastructure Maint.	5,000	4,792	10,000
Miscellaneous		1,305	5,000

DESCRIPTION	ESTIMATE TO 30/06/14	ACTUAL TO 30/06/14	ESTIMATE 30/06/15
	10,000		
SUB TOTAL	15,000	6,097	15,000

MISCELLANEOUS

Maint. – Cottage	3,000	1,685	3,000
SUB TOTAL	3,000	1,685	3,000

DEPRECIATION

Works and Buildings	1,940,669	1,992,025	1,992,025
Plant and Equipment	6,832	2,032	2,032
Cottage	1,673	4,500	4,500
TOTAL ESTIMATE 2013/2014	4,849,230		
TOTAL ACTUAL 2013/2014		4,757,658	
TOTAL ESTIMATES 2014/2015			4,638,588

To Maintenance Reserve	1,583,200	1,690,948	1,583,200
-------------------------------	------------------	------------------	------------------

Appendix A



Code of Conduct

COBAR WATER BOARD
CODE OF CONDUCT

Cobar Water Board is a statutory authority established to supply bulk water to the 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 2014

	ELECTRICITY (KW)				GREENHOUSE GAS EMISSIONS (TONNES)			
	COBAR STORAGES	NYNGAN PUMP STN	H'DALE* PUMP STN	FBH**	NYN***	H'DALE*	STORAGES	FBH**
July	60,722	301,876	640		319.99	0.79	64.37	
August	69,033	319,356	662		338.52	0.70	73.18	
September	64,659	390,449	640	404	413.88	0.68	68.54	0.59
October	74,929	460,669	1,935		488.31	2.05	79.43	
November	74,837	368,648	80,254		390.77	2.05	79.33	
December	81,229	328,186	80,254	1,155	347.88	85.07	86.10	1.22
January	102,211	405,769	166,781		430.12	176.79	108.34	
February	21,144	64,582	64,340		327.76	319.11	86.70	
March	22,326	71,431	72,360	361	372.19	368.67	90.16	0.63
April	21,045	67,917	43,901	60	345.55	182.76	84.30	0.10
May	19,101	74,610	70,539		377.52	345.31	85.06	
June	21,791	42,336	25,125	270	184.11	69.42	82.99	0.30
TOTAL	633,029	2,895,829	607,434	2,250	4,336.60	1,553.40	988.50	2.84

* Hermidale ** Fort Bourke Hill *** Nyngan

WATER CONSUMPTION

PERIOD ENDING 30 JUNE 2014

MONTH	WATER CONSUMED [KILOLITRES]					TOTAL
	COUNCIL	PGM	ENDEAVOR (FORMERLY ELURA)	CSA	MINOR	
July	50,706	50,320	67,436	61,411		229,873
August	62,038	53,380	53,346	63,880		232,644
September	90,946	50,700	48,160	58,339	6,541	254,686
October	125,253	55,340	61,628	82,127		324,348
November	116,017	52,970	53,683	58,922		281,592
December	124,213	49,920	47,112	58,485	7,207	286,937
January	248,026	84,620	91,980	109,170		533,796
February	167,455	66,570	54,800	84,112		372,937
March	93,624	64,160	55,717	79,433	12,163	305,097
April	103,719	69,600	62,451	84,151		319,921
May	72,155	57,150	58,674	81,388		269,367
June	47,168	74,950	62,998	68,431	6,897	260,444
TOTAL	1,301,320	729,680	717,985	889,849	32,808	3727,369

**RAINFALL, RUNOFF, PUMPING AND STORAGE DETAILS AND
WATER BALANCE ANALYSIS**

(ALL FIGURES IN MEGALITRES)

PERIOD ENDING 30 JUNE 2014

MONTH	NYNGAN PUMP	RAINFALL [MM]	RUNOFF TO STORAGE	TOTAL IN STORAGE	MEASURED TOTAL USED	UNACCOUNTED LOSSES
July	317	26.2	0	666	230	-61
August	294	0.6	0	560	233	-167
September	294	16.8	0	600	249	5
October	346	2.0	0	500	324	-122
November	309	26.8	0	800	282	327
December	275	2.0	0	660	280	-135
January	535	0.0	0	660	534	1
February	399	7.0	0	660	373	26
March	374	42.0	5	700	293	-41
April	408	0.0	0	660	320	-128
May	414	27.2	10	660	269	-145
June	209	86.2	20	666	254	-39
TOTAL	4174	236.8	35	7792	3641	-479

A water balance calculation is undertaken by deducting the measured consumption from water supplied each month. The water supplied is the sum of water pumped from Nyngan and the run off into the Cobar Storages less the change in volume of the storages during the month.

Storage levels are assessed at the end of each month and quantities computed accordingly. A final adjustment is made for evaporation from rainfall falling on the storages. Net evaporative loss for the year is calculated as follows:

[Mean Surface Area x (Average Annual Evaporation - Precipitation)]

Total evaporation loss is thus $90,000 \times (1800 - 459.6) = 120.6$ ML

Total Net Loss = Measured Losses + Run off - Evaporation

TNG/L = $212 + 85 - 120.6 = 176.4$ ML

Therefore: Total Net Gain is 176.4 ML.

Appendix C



Summary of Land

A summary of land occupied by the 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 the Cobar Water Board is to supply raw water at minimum cost, and at a specific required rate of flow to three (3) 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 Mine, the Peak Gold Mine 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
Vacant

SECRETARY
Mr. Gary Woodman (02) 6836 5888 0419 281115

FACSIMILE (02) 6836 5889

POSTAL ADDRESS PO Box 8
COBAR NSW 2835

OFFICE HOURS

The Office of the Cobar Water Board is housed in the Cobar Shire Council offices, 36 Linsley Street, Cobar NSW. Business hours are 8.00am - 4.00pm, Monday to Friday.

Appendix E



Financial Statements
For the twelve (12) month period ended 30th June 2014

THE COBAR WATER BOARD

ABN: 82 617 007 174

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED

30 June 2014



THE COBAR WATER BOARD
ABN: 82 617 007 174

CONTENTS

	Page No
Statement pursuant to the requirements of the <i>Public Finance and Audit Act 1983</i>	1
Income Statement	2
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 21

THE COBAR WATER BOARD
ABN: 82 617 007 174

STATEMENT PURSUANT TO THE REQUIREMENTS
OF THE PUBLIC FINANCE AND AUDIT ACT 1983 SECTION 41C(1B)

In accordance with a resolution of the Cobar Water Board we state that:

1. the financial statements consisting of the income statement, statement of 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 transactions of the Cobar Water Board for the year ended 30 June 2014;
2. the financial statements have been prepared in accordance with the provision of the *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2010* and the Treasurer's Directions; and
3. as at the date of signing of this statement we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Lilliane O Brady OAM

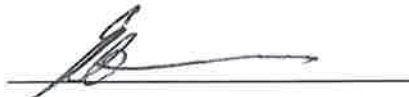
~~PRESIDENT~~
BOARD MEMBER



Date: 20/10/2014

Gary Woodman

SECRETARY



Date: 20/10/2014

**THE COBAR WATER BOARD
ABN: 82 617 007 174**

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$'000	2013 \$'000
Revenue	2	4,256	2,507
Depreciation and amortisation expenses	3	(1,999)	(1,947)
Other expenses	3	(2,759)	(2,307)
Deficit attributable to members of the entity		<u>(502)</u>	<u>(1,747)</u>

The accompanying notes form part of these financial statements.

THE COBAR WATER BOARD
ABN: 82 617 007 174

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$'000	2013 \$'000
Deficit for the year		(502)	(1,747)
Other comprehensive income:			
Items that will not be classified to surplus/(deficit)			
Net increment on the revaluation of non-current assets	11	2,474	2,158
		<hr/>	<hr/>
Total comprehensive income attributable to members of the entity		<u>1,972</u>	<u>411</u>

The accompanying notes form part of these financial statements.

THE COBAR WATER BOARD
ABN: 82 617 007 174

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	2014 \$'000	2013 \$'000
CURRENT ASSETS			
Cash and cash equivalents	5	604	1,690
Receivables	6	712	763
Other financial assets	7	2,632	-
Other assets	8	2	-
TOTAL CURRENT ASSETS		<u>3,950</u>	<u>2,453</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	89,211	88,697
TOTAL NON-CURRENT ASSETS		<u>89,211</u>	<u>88,697</u>
TOTAL ASSETS		<u>93,161</u>	<u>91,150</u>
CURRENT LIABILITIES			
Payables	10	369	330
TOTAL CURRENT LIABILITIES		<u>369</u>	<u>330</u>
TOTAL LIABILITIES		<u>369</u>	<u>330</u>
NET ASSETS		<u>92,792</u>	<u>90,820</u>
EQUITY			
Reserves	11	104,078	99,804
Accumulated deficits		<u>(11,286)</u>	<u>(8,984)</u>
TOTAL EQUITY		<u>92,792</u>	<u>90,820</u>

The accompanying notes form part of these financial statements.

THE COBAR WATER BOARD
ABN: 82 617 007 174

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Note	Accumulated Deficits \$'000	Asset Revaluation Reserve \$'000	Pipeline Replacement Reserve	Total \$'000
Balance at 1 July 2013		(8,984)	99,804	-	90,820
Surplus/(deficit) for the year		(502)	-	-	(502)
Other comprehensive income					
Increment on asset revaluation reserve	11	-	2,474	-	2,474
Total comprehensive income for the year		-	2,474	-	2,474
Other					
Transfer from accumulated deficits to pipeline replacement reserve	11	(1,800)	-	1,800	-
Total other		(1,800)	-	1,800	-
Balance at 30 June 2014		(11,286)	102,278	1,800	92,792
Balance at 1 July 2012		(7,237)	97,646	-	90,409
Surplus/(deficit) for the year		(1,747)	-	-	(1,747)
Other comprehensive income					
Increment on asset revaluation reserve	11	-	2,158	-	2,158
Total comprehensive income for the year		-	2,158	-	2,158
Balance at 30 June 2013		(8,984)	99,804	-	90,820

The accompanying notes form part of these financial statements.

THE COBAR WATER BOARD
ABN: 82 617 007 174

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$'000	2013 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Water sales		3,968	1,922
Payments to suppliers		(2,998)	(2,732)
Maintenance contributions		200	200
Interest received		81	69
Other income		334	208
Net cash provided by (used in) operating activities	15	<u>1,585</u>	<u>(333)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase property, plant and equipment		(39)	-
Purchase of investments		(2,632)	-
Net cash provided by (used in) investing activities		<u>(2,671)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash provided by (used in) financing activities		<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents		(1,086)	(333)
Cash and cash equivalents at beginning of financial year		1,690	2,023
Cash and cash equivalents at end of financial year	5	<u>604</u>	<u>1,690</u>

The accompanying notes form part of these financial statements.

THE COBAR WATER BOARD
ABN: 82 617 007 174

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 1 Summary of Significant Accounting Policies

Reporting Entity

The Board is a not-for-profit statutory body constituted under the *Cobar Water Supply Act, 1963*.

The financial statements for the year ended 30 June 2014 have been authorised for issue by the Board on 20 October 2014.

Basis of Preparation

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

Property, plant and equipment, assets held for sale and financial assets at 'fair value through profit and loss' and available for sale assets are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

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.

The following is a summary of the material accounting policies adopted by the Board in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Accounting Policies

(a) Property, Plant and Equipment

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 depreciated current replacement costs. The determination of estimated depreciated 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.

THE COBAR WATER BOARD
ABN: 82 617 007 174

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 1 Summary of Significant Accounting Policies

A comprehensive valuation of the water supply network was performed by CPE Associates for the year ended 30 June 2012. Between comprehensive valuations the water supply network has been indexed annually. The index rate applied at 30 June 2014 was 2.8% based on the construction rate supplied by the NSW Office of Water.

Fair value of freehold land and buildings is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

Buildings were last revalued in 2014 and Land in 2009 and have not been indexed as the current valuation is representative of fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

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.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

Impairment

As a not-for-profit entity with no cash generating units, AASB 136 *Impairment of Assets* effectively is not applicable. 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 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.

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

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Buildings	1 - 25%
Plant and equipment	5 - 33%
Engineers Cottage	3%
Water Supply Works	1 - 3 %

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

Gains and 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 retained earnings.

THE COBAR WATER BOARD
ABN: 82 617 007 174

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 1 Summary of Significant Accounting Policies

(b) Receivables

Trade receivables which have settlements terms of 30 days are recognised initially and subsequently carried at original invoice amount, less any impairment losses recognised by way of an allowance for doubtful debts. Recognition at original invoice amount is adopted as this is not materially different to amortised cost, given the short term nature of these receivables.

An allowance for doubtful debts is recognised when specific amounts are considered to be either doubtful or uncollectible. The recoverability of trade receivables is regularly reviewed throughout the reporting period.

(c) Payables

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

Trade and other payables are recognised in the statement of financial position at cost, which is considered to approximate amortised cost due to their short term nature. They are not discounted as the effect of discounting would not be material for these liabilities. Trade payables are normally settled within 30 days.

(d) 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.

Financial assets at fair value through profit or loss

An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Board manages such investments and make purchase and sale decisions based on their value in accordance with the Board's investment strategy. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and charges therein are recognised in profit and loss.

Other

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

Impairment of Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

(e) Cash and Cash Equivalents

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

THE COBAR WATER BOARD
ABN: 82 617 007 174

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 1 Summary of Significant Accounting Policies

(f) Revenue Recognition

In terms of the Agreement between the Board, Cobar Shire Council and the two Mining Companies, the Board's obligations are to carry out certain water 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 is recognised on an accrual basis. The Council and the Mining Companies are to provide to the Board, in agreed proportions, sufficient funds to meet interest and loan repayment charges applicable to the works described in the Agreement.

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

(g) Income Tax

The Cobar Water Board is exempt from income tax.

(h) 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.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Comparative Figures

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

(j) Employee Benefits

No provision is made for employee benefits as all works and administration for the Cobar Water Board are undertaken on a contractual basis by the Cobar Shire Council.

(k) Rounding

Figures represented in tabular form have been rounded to the nearest thousand dollars and to the nearest whole dollar when quoted in text.

(l) New Australian Accounting Standards and Interpretations Issued but Not Effective

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Board. The Board has decided not to early adopt any of the new and amended pronouncements. The Board's assessment of the new and amended pronouncements that are relevant to the Board but applicable to future reporting periods is set out below:

AASB 9: Financial Instruments and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9. These standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- Simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- Removing the tainting rules associated with held to maturity assets;
- Allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

THE COBAR WATER BOARD
ABN: 82 617 007 174

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 1 Summary of Significant Accounting Policies

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132] (applicable to annual reporting periods commencing on or after 1 January 2014).

This standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

This Standard is not expected to impact the Board.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosure for Non Financial Assets (applicable to annual reporting periods commencing on or after 1 January 2014). This Standard amends the disclosure requirements in AASB 136: Impairment of Assets pertaining to the use of fair value in impairment assessment.

This Standard is not expected to impact the Board.

THE COBAR WATER BOARD
ABN: 82 617 007 174

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$'000	\$'000
Note 2 Revenue		
Operating Activities		
- water sales	3,949	2,215
Total sales revenue	<u>3,949</u>	<u>2,215</u>
Other revenue		
- interest received	73	74
- maintenance contributions	200	200
- other revenues	34	18
Total other revenue	<u>307</u>	<u>292</u>
Total operating activities and other revenue	<u>4,256</u>	<u>2,507</u>
 Note 3 Expenses		
Depreciation of Non-Current Assets		
- Water supply network	1,992	1,940
- Engineers cottage	5	5
- Plant and equipment	2	2
Total depreciation	<u>1,999</u>	<u>1,947</u>
Other expenses		
- System operation and maintenance	2,505	2,062
- Administration	169	167
- Other expenses	85	78
	<u>2,759</u>	<u>2,307</u>
 Note 4 Auditor's Remuneration		
Remuneration of the auditor for:		
- auditing the financial report	<u>25</u>	<u>23</u>
 Note 5 Cash and Cash Equivalents		
Cash at bank and in hand	<u>604</u>	<u>1,690</u>
 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	<u>604</u>	<u>1,690</u>

THE COBAR WATER BOARD
ABN: 82 617 007 174

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$'000	\$'000
Note 6 Receivables		
Trade receivables	675	721
Accrued income	37	42
Provision for impairment of receivables	-	-
	712	763
<p>Current trade receivables are generally on 30 days terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. At 30 June 2014, no trade receivables were considered to be impaired. (2013 - \$Nil).</p>		
Ageing of Receivables		
Current	521	627
0-30 days	190	80
31-60 days	-	-
61-90 days	1	1
90 days +	-	55
	712	763
Note 7 Other Financial Assets		
Other deposits	2,632	-
<p>Other deposits are term deposits with terms greater than 90 days.</p> <p>The effective interest rate on term deposits was 3.8% in 2014. These deposits have an average maturity of 319 days.</p>		
Note 8 Other Assets		
Prepayments	2	-
Note 9 Property, Plant and Equipment		
Water supply works		
- at fair value	159,973	155,583
Less accumulated depreciation	(71,014)	(67,088)
	88,959	88,495
Freehold land		
- at fair value	54	54
Buildings		
- at fair value	165	154
Less accumulated depreciation	-	(32)
	165	122

THE COBAR WATER BOARD
ABN: 82 617 007 174

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$'000	\$'000
Note 9 Property, Plant and Equipment (Continued)		
Plant and equipment:		
- at fair value	57	46
Less accumulated depreciation	<u>(24)</u>	<u>(20)</u>
	<u>33</u>	<u>26</u>
 Total Property, Plant and Equipment	 <u>89,211</u>	 <u>88,697</u>

The Boards water supply works were revalued in 2012, buildings in 2014 and land in 2009 by independent valuers. Valuations were made on the basis included in Note 1 (a). The revaluation surplus was credited to an asset revaluation reserve.

(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	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2014					
Net carrying amount at start of year	54	122	26	88,495	88,697
Additions	-	-	6	33	39
Transfers between classes	-	(3)	3	-	-
Disposals	-	-	-	-	-
Net revaluation increment	-	51	-	2,423	2,474
Depreciation expense	-	(5)	(2)	(1,992)	(1,999)
Net carrying amount at end of year	<u>54</u>	<u>165</u>	<u>33</u>	<u>88,959</u>	<u>89,211</u>
 2013					
Net carrying amount at start of year	54	127	28	88,277	88,486
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Net revaluation increment	-	-	-	2,158	2,158
Depreciation expense	-	(5)	(2)	(1,940)	(1,947)
Net carrying amount at end of year	<u>54</u>	<u>122</u>	<u>26</u>	<u>88,495</u>	<u>88,697</u>

	2014	2013
	\$'000	\$'000
Note 10 Payables		
Trade payables	343	219
Sundry payables and accrued expenses	<u>26</u>	<u>111</u>
	<u>369</u>	<u>330</u>

THE COBAR WATER BOARD
ABN: 82 617 007 174

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$'000	2013 \$'000
Note 11 Reserves		
Asset revaluation reserve	102,278	99,804
Plant replacement reserve	<u>1,800</u>	<u>-</u>
	<u>104,078</u>	<u>99,804</u>
(a) Asset Revaluation Reserve		
Opening balance	99,804	97,646
Revaluation increments/(decrements)		
- Water supply works	2,423	2,158
- Buildings	<u>51</u>	<u>-</u>
Closing balance	<u>102,278</u>	<u>99,804</u>
The asset revaluation reserve records revaluations of non-current assets.		
(b) Plant Replacement Reserve		
Opening balance	-	-
Transfer from accumulated deficits	<u>1,800</u>	<u>-</u>
Closing balance	<u>1,800</u>	<u>-</u>
Note 12 Restricted Assets		
Cash at bank and in hand (Note 5)	604	1,690
Other deposits (Note 7)	<u>2,632</u>	<u>-</u>
	<u>3,236</u>	<u>1,690</u>
<i>Restrictions on cash</i>		
Unspent maintenance contributions	1,700	1,500
Unspent levy contributions	<u>1,300</u>	<u>-</u>
	<u>3,000</u>	<u>1,500</u>
Unrestricted cash	<u>236</u>	<u>190</u>
	<u>3,236</u>	<u>1,690</u>
(a) Unspent Maintenance Contributions		
Opening balance	1,500	1,300
Maintenance contribution	<u>200</u>	<u>200</u>
Closing balance	<u>1,700</u>	<u>1,500</u>
Each year the two mines and Cobar Shire Council contribute a combined \$200,000 towards the maintenance of the water supply works.		
(b) Unspent Levy Contributions		
Opening balance	-	-
Levy - 40 cents per kilolitre	1,402	-
Less pipeline upgrade expenses	<u>(102)</u>	<u>-</u>
Closing balance	<u>1,300</u>	<u>-</u>
The Board implemented a 40 cents per kilolitre levy during the year for the Nyngan/Cobar pipeline sinking fund.		

THE COBAR WATER BOARD
ABN: 82 617 007 174

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 13 Capital and Leasing Commitments

(a) Capital Expenditure Commitments

The Board has no contracted capital expenditure as at 30 June 2014 (2013 - \$Nil).

(b) Other Expenditure Commitments

The Board has entered into an agreement with Cobar Shire Council for the provision of technical and administrative services for a period of twelve months which commenced on 1 July 2014. The net cost of this commitment to the Board at reporting date is \$434,606 (2013 - \$321,321).

Note 14 Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets at 30 June 2014 (2013 - \$Nil).

	2014	2013
	\$'000	\$'000

Note 15 Cash Flow Information

(a) Reconciliation of Surplus/(Deficit) for the year with Cash Flows from Operations

Surplus/(deficit) for the year	(502)	(1,747)
<i>Non-cash flows in profit from ordinary activities</i>		
- Depreciation	1,999	1,947
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in receivables	51	(338)
(Increase)/decrease in other assets	(2)	24
Increase/(decrease) in payables	39	(219)
	1,585	(333)

(b) Credit Stand by Arrangement and Loan Facilities

The Board has no credit stand by arrangements or loan facilities as at 30 June 2014. In 2013, the Board had an unused bank overdraft facility of \$20,000. This facility was closed during the 2014 year.

Note 16 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 COBAR WATER BOARD
ABN: 82 617 007 174

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 16 Fair Value Measurement (Continued)

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.

Valuation techniques

The Board selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Board are consistent with one or more of the following valuation approaches:

Market approach : valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach : valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach : valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Board gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

2014

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Property, plant and equipment (Note 9)				
Water supply works	-	-	88,959	88,959
Land	-	54	-	54
Buildings	-	165	-	165
Plant and equipment	-	33	-	33
	-	252	88,959	89,211

There were no transfers between Level 1 or 2 during the year.

THE COBAR WATER BOARD
ABN: 82 617 007 174

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 16 Fair Value Measurement (Continued)

(b) Valuation techniques, inputs and processes

The fair value techniques the Board has used for Level 2 and Level 3 inputs are as follows:

Water supply works

The Board engaged the services of CPE and Associates in 2012 and complied with AASB 116 Property, plant and equipment and the guidance contained in the NSW Treasury Accounting Policy TPP 14-01 Valuation of Physical Non-Current Assets at Fair Value.

CPE and Associates provided a valuation for each asset of the water supply works applying a unit rate based on the current replacement cost, which is the lowest cost of replacing the economic benefits of the existing asset using modern technology. CPE and Associates in conjunction with the Board performed a condition assessment, estimated the total life, residual life and residual value for each asset.

The asset class is categorised as Level 3. Valuation techniques remained the same for the reporting period.

Land

The Board engaged the services of James Denman in 2009 and complied with AASB 116 Property, plant and equipment 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 116, it is the "amount which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction".

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

Buildings

The Board engaged the services of Red Earth Real Estate in 2014 and complied with AASB 116 Property, plant and equipment 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 116, it is the "amount which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction".

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

Plant and equipment

Plant and equipment is recorded at fair value being the purchase price of the asset upon acquisition.

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

THE COBAR WATER BOARD
ABN: 82 617 007 174

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 16 Fair Value Measurement (Continued)

(c) Reconciliation of recurring Level 3 fair value measurements

	Water supply works \$'000	Total recurring Level 3 fair value \$'000
Fair value at 1 July 2013	88,495	88,495
Additions	33	33
Revaluation increment recognised in other comprehensive income	2,423	2,423
Transfers from Level 2	-	-
Transfers to Level 2	-	-
Disposals	-	-
Depreciation	(1,992)	(1,992)
Fair value at 30 June 2014	88,959	88,959

Note 17 Events After the Reporting Date

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

Note 18 Company Details

The registered office and principal place of business of the entity is:

The Cobar Water Board
36 Linsley Street
COBAR NSW 2835

Note 19 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 risk the Board is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

(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.

(c) Liquidity Risk

The Board manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

THE COBAR WATER BOARD
ABN: 82 617 007 174

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 19 Financial Instruments (Continued)

(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 86% (2013 - 83%) of receivables.

The Board monitors the credit risk by actively assessing the rating quality and liquidity of counterparties, in that only reputable banks and credit unions are used.

(e) Net Fair Values

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 19 Financial Instruments (Continued)

(f) Sensitivity Analysis

Interest rate risk

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 2014, 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:

	2014 \$'000	2013 \$'000
<i>Change in profit</i>		
Increase in interest rate by 1%	6	18
Decrease in interest rate by 1%	(6)	(18)
<i>Change in equity</i>		
Increase in interest rate by 1%	6	18
Decrease in interest rate by 1%	(6)	(18)

	Weighted Average Interest Rate		Floating Interest Rate		Within year		Fixed Interest Rate		Non Interest Bearing	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	%	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets:										
Cash and cash equivalents	3.8	4.0	604	1,690	2,632	-	-	-	-	-
Receivables (1)	N/A	N/A	-	-	-	-	-	-	667	694
Total Financial Assets			604	1,690	2,632	-	-	-	667	694
Financial Liabilities:										
Payables (2)	N/A	N/A	-	-	-	-	-	-	369	330
Total Financial Liabilities			-	-	-	-	-	-	369	330

(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)

END OF AUDITED STATEMENTS