



2013–14

SYDNEY CATCHMENT AUTHORITY

Annual Report





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31 October 2014

The Hon. Kevin Humphries MP
Minister for Natural Resources, Lands and Water
Level 33 Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Minister

We are pleased to submit the 2013–14 Annual Report of the Sydney Catchment Authority for presentation to the Parliament of New South Wales.

The report has been prepared in accordance with the *Annual Report (Statutory Bodies) Act 1984*, the *Annual Report (Statutory Bodies) Regulation 2010*, the *Government Sector Employment Act 2013*, the *Public Finance and Audit Act 1983*, and the *Public Finance and Audit Regulation 2010*.

Yours sincerely

Terry Charlton
Chairman

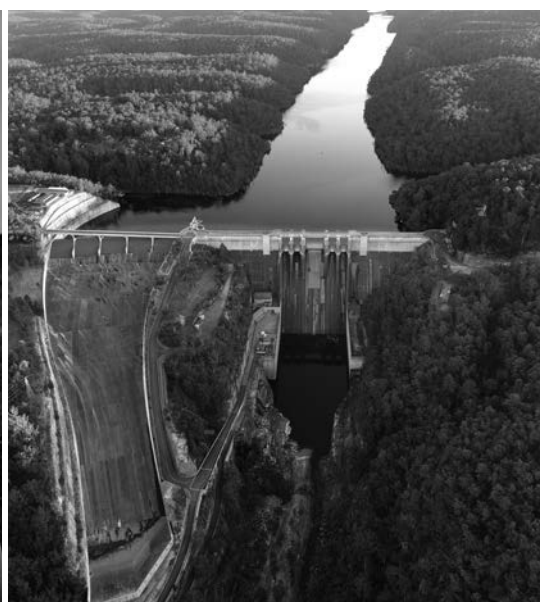
David Harris
Acting Chief Executive

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Highlights at a glance for 2013-14

- 100 percent continuous supply of high quality water to our major customers (536,607 million litres)
- Upgrade of electronic monitoring and control system (SCADA) to integrate all telemetry systems
- Major infrastructure improvements including \$13.15 million upgrades to Prospect Reservoir and new Warragamba Dam gate testing program
- Draft Bendeela Recreation Area Masterplan and Draft Special Areas Strategic Plan of Management developed and exhibited
- New staff culture change program H2O (High to Outstanding) developed and underway



Our organisation

Sydney Catchment Authority (SCA) Board members, in accordance with the *Sydney Water Catchment Management Act 1998*, are appointed by the Minister. Members of the Board perform their duties in accordance with the Board Charter and its Code of Conduct. The Board is required to:

- have qualifications and experience relevant to catchment management and protection; or water quality and public health; or running a commercial entity; or water supply planning and asset management
- have practical knowledge of and experience in: agriculture and industry in the catchment area; or local government and planning in the catchment area
- have other expertise the Minister considers necessary to achieve the SCA's objectives.

Details of Board members and committees are shown in the Appendices.

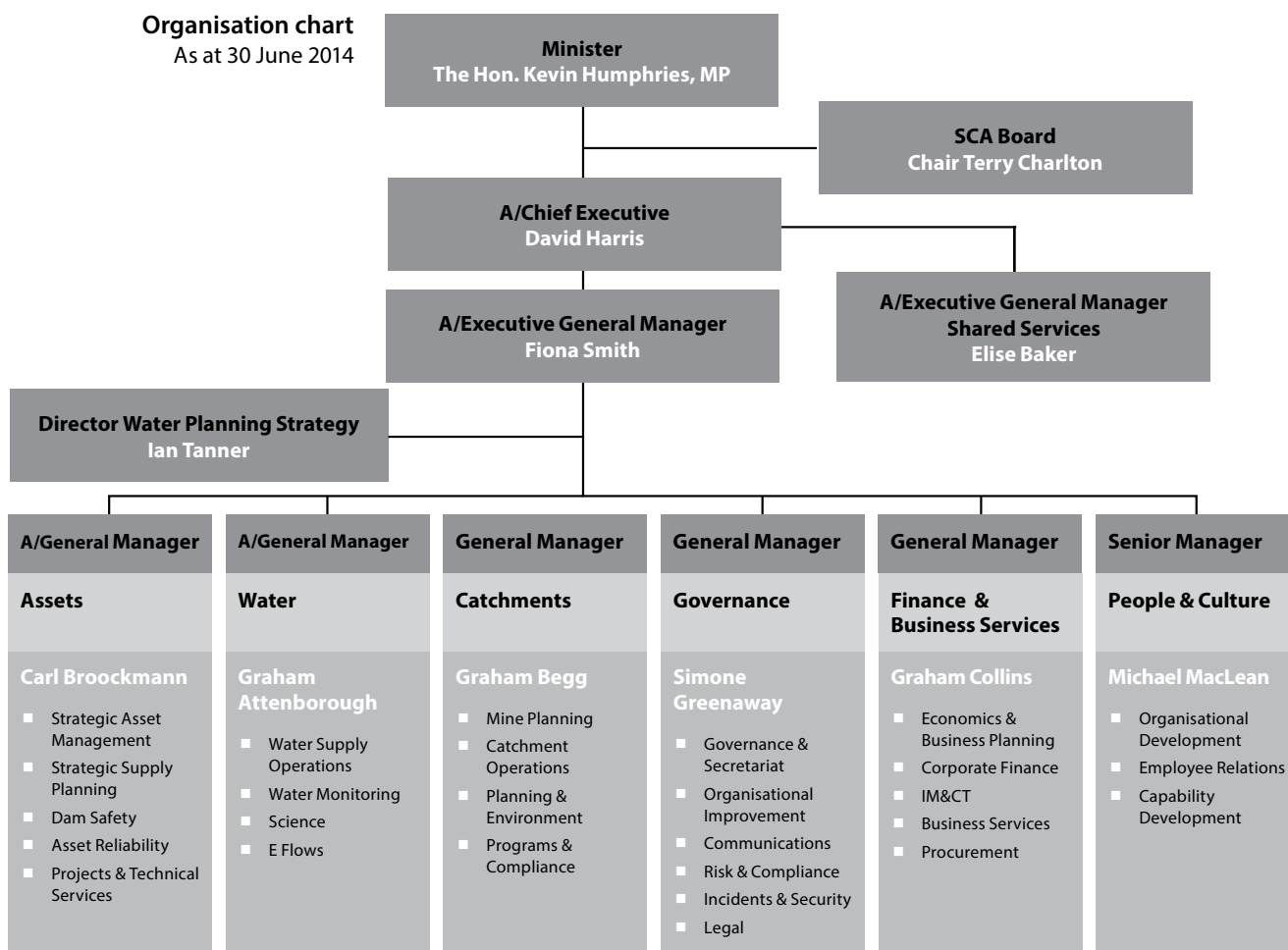
The functions of the Board, as defined by the Act, are to:

- determine the SCA's policies and long-term strategic plans
- endeavour to ensure the SCA meets all public health and environmental requirements set out in the operating licence and any relevant instrument
- oversee the effective, efficient and economical management of the SCA
- prepare the Annual Report required under the *Annual Reports (Statutory Bodies) Act 1984* and any other reports required under the Act.

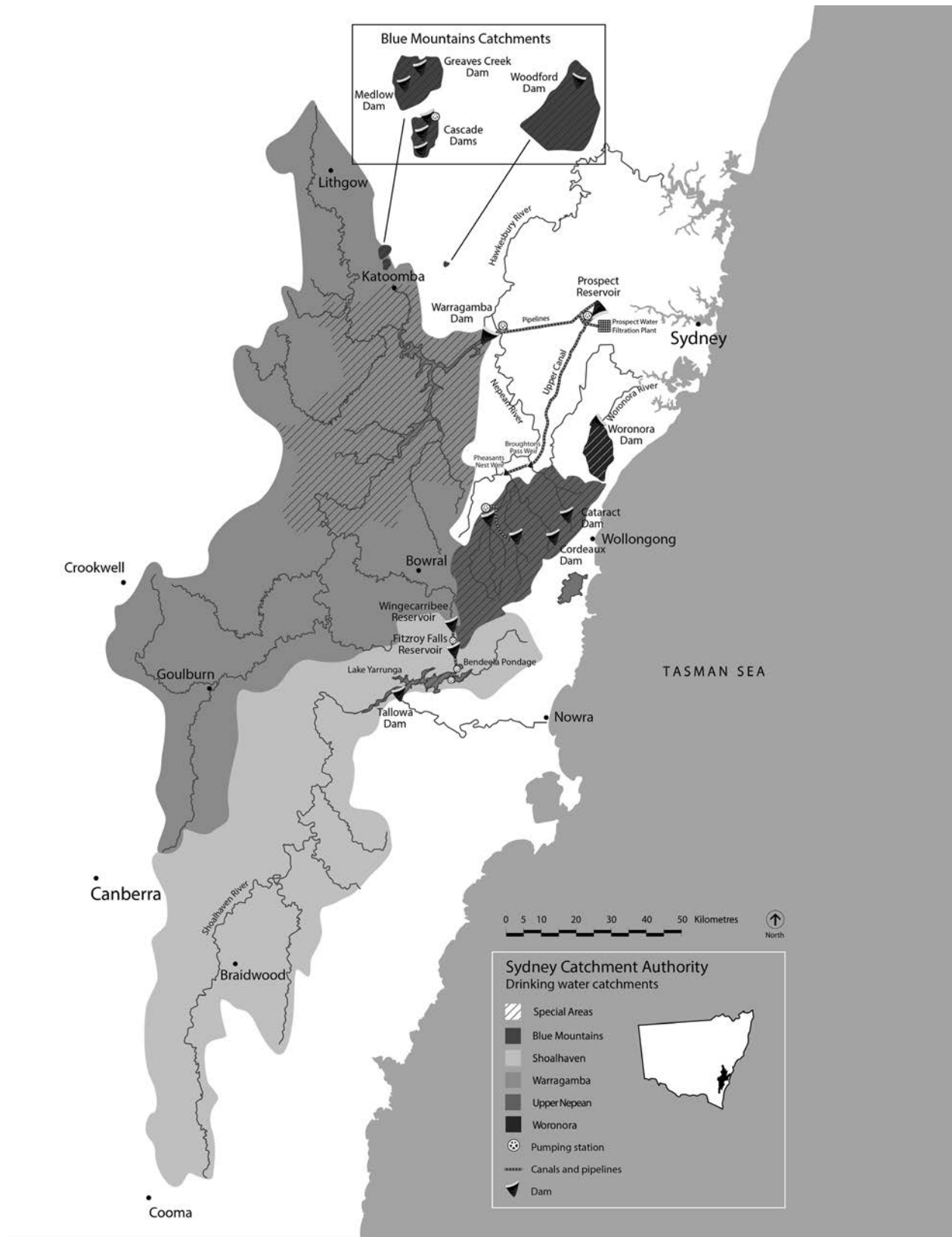
In exercising these functions, the Board has the duty to ensure water supplied complies with appropriate quality standards. As at June 2014 the Board had the following standing committees:

- Health, Science and Water Quality
- Audit, Financial Risk and Compliance
- Infrastructure Planning and Development
- Safety, Operations, Environment and Catchment Protection.

Organisation chart
As at 30 June 2014



SCA's drinking water catchments



Report from Chairman and Acting Chief Executive

The Sydney Catchment Authority (SCA) manages the supply of raw water to customers, including Sydney Water and the Shoalhaven, Goulburn-Mulwaree and Wingecarribee councils. Together they supply water to 4.5 million people, businesses and other users in Sydney, the Illawarra, Blue Mountains, Southern Highlands, Goulburn and Shoalhaven regions.

During the year we continued our record of uninterrupted water supply to major customers and achieved 99.94 percent compliance with specified water quality characteristics.

We both joined the SCA in 2014 following the NSW Government's announcement of the integration of the SCA and State Water Corporation into a new entity – Water NSW. We would like to thank former Chairman, Mark Bethwaite, and Acting Chief Executive, Fiona Smith, for their leadership and direction during a year of strong performance.

The formation of Water NSW will bring together two equals to form a single service provider which will be responsible for:

- the capture, store and release of water in an efficient, effective and safe manner
- protecting public health, safety and the environment and providing for the management of designated catchment areas
- providing for the planning, design, modelling and construction of bulk water infrastructure
- supplying water in compliance with appropriate standards of quality
- maintaining and operating the works of Water NSW efficiently and economically and in accordance with sound commercial principles.

We are coalescing in one organisation expertise in water quality, bulk water and asset management, and catchment management to establish centres of excellence.

By mid 2014 work was well underway to integrate the two organisations to achieve the desired outcomes. We expect the year ahead will be very focused on responding to these new opportunities and supporting our staff through the changes.

The SCA continued to deliver strong financial performance achieving a net profit after tax of \$25.8 million. While lower than the previous financial year, this was predominately due to a change in accounting standards impacting the employee and personnel services expense, particularly in relation to accounting for defined benefit superannuation provisions, together with associated accounting impacts from the introduction of the Government Sector Employment Act during the year. For 2013-14, the SCA will provide a dividend of \$27.9 million to the NSW Government, an increase of \$1.1 million compared to the previous financial year.

The SCA remains well placed financially to meet its capital program requirements.

The major \$17 million upgrade of Prospect Reservoir in Sydney's west was mostly completed during the year to bring the embankment dam in line with contemporary dam safety standards. The \$4.4 million stage 1 refurbishment works of the Upper Canal also progressed ahead of schedule.

In October 2013 the SCA responded to bushfires in the Southern Highlands and Blue Mountains to ensure water quality was protected throughout the incident. We worked closely in partnership with the Rural Fire Service and National Parks and Wildlife Service (NPWS). The fires affected over 7000 hectares of Special Areas around the Upper Nepean dams and the fire came close to the Nepean Water Filtration Plant, but was saved thanks to the dedication of firefighting staff from the SCA and NPWS (see report page 13).

Two major community consultation activities were undertaken during the year. Community engagement to develop a masterplan for the Bendeela Recreation Area, a rustic picnic and camping ground near Kangaroo Valley managed by the SCA. In addition the draft Special Areas Strategic Plan of Management (SASPoM), which outlines the aims and targets for managing the Special Areas, was jointly developed by the SCA and NPWS and placed on exhibition in late 2013.

We made good progress with delivering our Healthy Catchments Program including providing \$1.9 million stormwater and wastewater infrastructure grants to four catchment councils, 58 grants to landholders and carrying out significant post-mining rectification works.

The SCA focused on long term water supply modelling during the year as part of the SCA's participation in the development of the next Metropolitan Water Plan. We carried out significant modelling and analysis to help understand the future sustainable water supply for Sydney. We also contributed hydrologic and hydraulic modelling input for the Hawkesbury-Nepean Valley Flood Review.

The SCA commenced a culture change program in late 2013 and throughout 2014 – H2O (High to Outstanding) – which aims to continue development of a safe, positive and productive environment where employees enjoy coming to work. The initiative will continue in the year ahead and is already producing outcomes and generating positive feedback from staff.

Safety and wellbeing of our staff, contractors and project partners is a priority of the SCA Board and Executive. During the year we finalised and began to implement our Safety and Wellbeing Strategy and Action Plan 2013-16. Ahead in 2014-15 we are committed to moving from process-based safety to behavioural-based safety systems at the SCA and the new entity of Water NSW.

This report highlights a dynamic year at the SCA and we look forward to all the significant new opportunities ahead as we transform into Water NSW. We owe much of the success of the business to the knowledge, experience and commitment of our staff. On behalf of the Board and our many stakeholders, we thank them for another year of dedicated service.



Terry Charlton
Chairman



David Harris
Acting Chief Executive

Corporate Sustainability Strategy

The Sydney Catchment Authority's (SCA) activities during 2013–14 were measured against the Corporate Sustainability Strategy 2010–2015. The strategy embeds sustainability in our governance and structures, establishes and maintains systems to evaluate and report on performance and increases the participation, and ownership, of sustainability practices amongst our employees.

The strategy and its associated business plan ensure the ongoing supply of reliable, quality water to meet the needs of our stakeholders and the community – now, and into the future. The strategy defines Key Focus Areas (KFAs), objectives, strategies, and key performance indicators used to measure the success of our work.

Sydney Catchment Authority Corporate Sustainability Strategy 2010–2015

Key Focus Areas		
Reliable Water	Engaged People	Stakeholder Relationships
The SCA provides reliable water of agreed quality and quantity to customers to minimise risk to public health.	Employees are committed, trusted, valued, safe and accountable in supporting SCA's long-term success.	The SCA has excellent partnerships with stakeholders, customers and the community.
Performance Indicators		
95% compliance with specified water quality characteristics. 100% continuity of water supply.	Zero harm target. 80% highly engaged employees.	80% of customers and stakeholders satisfied with SCA.
Strategies		
1 Protect and improve the health of the drinking water catchment through the delivery of the Healthy Catchments Strategy and sound scientific research. 2 Manage assets for improved efficiency, sound operations and safety. 3 Operate water supply system to deliver water to agreed quantity and quality criteria. 4 Achieve current and future water quality and quantity needs through water supply planning and asset investment.	1 Provide a safe and healthy workplace where everyone takes responsibility for a safety culture. 2 Support, develop and reward employees so they will recommend the SCA as an employer of choice. 3 Ensure the SCA's organisational structure, and decision making processes support a commercial culture and accountable workforce. 4 Provide leadership and a clear direction for staff to support their commitment.	1 Formalise the SCA's knowledge management capability to share knowledge internally and externally. 2 Understand, meet and effectively manage the needs and expectations of stakeholders, customers and the community. 3 Represent SCA's interests in key local, state and national forums.

Our Values

Trust

We trust each other to be honest, fair and transparent in dealings and in sharing of information.

Responsible

We are professional and take responsibility for our decisions and actions, delivering outcomes and performing our work to the right quality and in a timely manner.

Confident

We are clear about our direction, understand our business, are courageous in making decisions and challenge the status quo for new and better ways of doing things.

Respect

We respect and value each other, our customers and stakeholders, listening to their needs, acting on them and acknowledging their priorities. We embrace diverse ideas and thinking, in and outside of our organisation.

Business Viability	Industry Excellence	Resource Optimisation
The SCA is a viable, commercially successful organisation that is able to adapt to changing business environments, meet customer needs and seek new services and markets.	The SCA is recognised as a leader within the Australian water sector for its organisational practices.	The SCA achieves sustainable outcomes through the optimisation of its resources and innovative use of assets.
Achieve return on asset target.	100% of management responses implemented within agreed timeframe.	Reduction in ecological footprint.
1 Position the organisation to be the Water Supplier of Choice. 2 Manage risk and pursue opportunities to support a resilient organisation. 3 Strive for cost efficiency through optimising operational expenditure and ensuring capital expenditure is efficient. 4 Provide reliable and effective systems, processes and tools to support business operations.	1 Ensure accountability and ethical behaviour through sound corporate governance. 2 Achieve excellence through benchmarking activities. 3 Maintain compliance with statutory, regulatory and industry requirements. 4 Implement contemporary knowledge management and intellectual property practices.	1 Investigate additional sources of renewable energy. 2 Improve the impact of the SCA's activities on the environment. 3 Utilise resources in innovative ways and embrace new technology. 4 Manage lands to contemporary standards.

Our Vision

Healthy catchments, quality water – always

Our Role

The role of the Sydney Catchment Authority (SCA) is to capture, store and supply quality raw water and to manage and protect catchment areas and infrastructure. To do this, the SCA has in place strategies to drive the business and values to guide and support our people.

About Us

The SCA is a NSW State Government agency responsible for managing and protecting the drinking water catchments of Greater Sydney. We maintain dams and other water supply infrastructure assets across a 16,000 square kilometre area of south-eastern New South Wales.

Although the water catchments supplying Greater Sydney cover only two percent of NSW's land area, they supply water to around 60 percent of the State's population.

Responsible to the Minister for Natural Resources, Lands and Water, the agency was established in 1999. The *Sydney Water Catchment Management Act 1998* (the Act) defines the roles, functions and objectives of the SCA.

The SCA works in partnership with catchment communities and other agencies to manage and protect catchments stretching west through the Blue Mountains to Lithgow and south-west past Goulburn to the headwaters of the Shoalhaven River near Cooma.

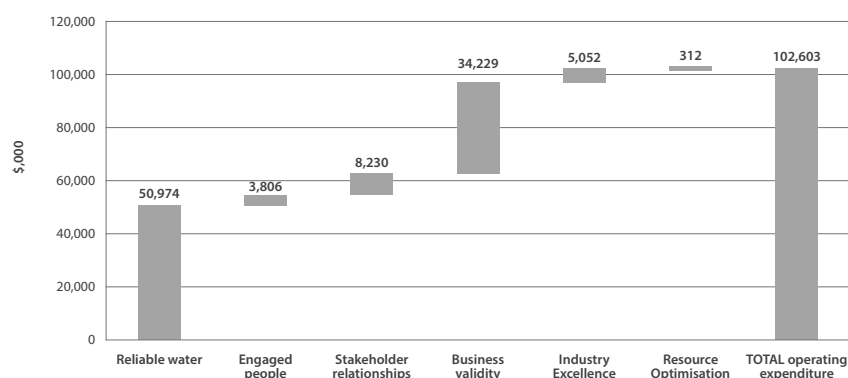
We manage a network of 21 dams and weirs capable of holding more than 2.6 million megalitres of water. By drawing on the best science and engineering, we ensure the catchments and water supply infrastructure assets are well-managed and provide customers with an uninterrupted supply of high-quality water, delivering on our vision: Healthy Catchments, Quality Water – Always.

Our Financial Outcomes

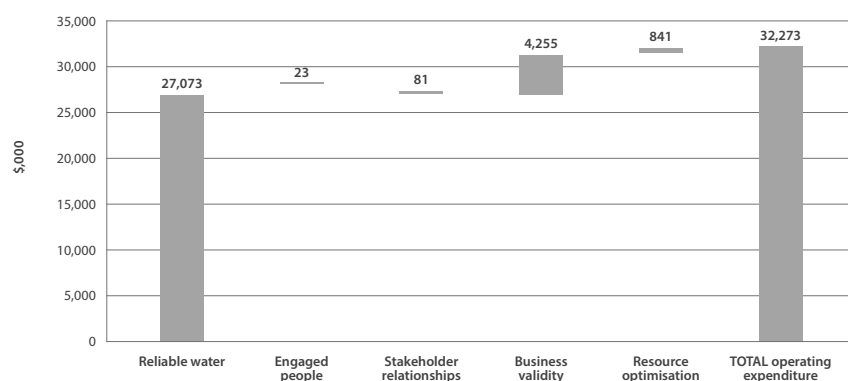
Five year financial performance comparison

Financial performance indicator	2013-14 Actual	2012-13 Actual ⁴	2011-12 Actual	2010-11 Actual	2009-10 Actual
Total revenue (\$'000) ¹	209,231	201,683	208,294	194,218	200,242
Operating expenses (\$'000) ²	102,603	86,403	97,124	85,487	84,642
Earnings before interest, tax, depreciation and amortisation (EBITDA) (\$'000)	104,401	114,018	111,170	108,731	115,600
Depreciation, amortisation, impairments and loss on asset sales (\$'000)	32,710	28,378	25,671	22,604	20,825
Finance costs (\$'000)	31,370	34,249	36,321	33,665	35,833
Total expenses (\$'000)	166,683	149,030	159,116	141,756	141,300
Net profit before tax (NPBT) (\$'000)	42,548	52,653	49,178	52,462	58,942
Income tax expense (\$'000) ³	16,669	19,887	8,531	15,703	15,911
Net profit after tax (NPAT) (\$'000)	25,879	32,766	40,647	36,759	43,031
Dividend payable (\$'000)	27,900	26,757	25,096	27,335	31,211
Return on assets (%)	4.8%	5.7%	6.1%	6.1%	7.5%
Interest-coverage (times)	2.8	3.7	2.35	2.56	2.64
Capital investment program (\$'000)	32,273	17,698	19,954	27,580	54,357
Gearing ratio (%)	35 %	35%	38%	40%	40%

Operating expenditure by key focus area 2013-14



Capital expenditure by key focus area 2013-14



Notes – reasons for major annual variations in table

1. Total Revenue: 2013-14 - higher water sales. 2012-13 - start new IPART price path reduction regulatory price resulted in the lower revenue. 2011-12 - increased water sales following a reduction of output from Sydney's desalination plant. 2010-11 - lower water sales.
2. Operating expenses: 2013-14 - higher primarily due to a change in recognition of actuarial gains and losses and return on fund assets of superannuation. 2012-12 - higher mainly due to the Accelerated Sewerage Program.
3. Income tax expenses: 2012-13 - higher due to change in treatment of personal services expenses which are now not deductible. 2011-12 - lower due to actuarial losses on defined benefit superannuation schemes reducing income tax for the year.
4. Comparatives for 2012-13 actuals have been amended due to the application of new and revised accounting standards (refer to note 24 in the Financial Statements).

Key Focus Area

Reliable Water



The western end of Lake Burragorang

In order to deliver safe, reliable water to customers, we maintain assets and protect the health of the catchments. We have in place robust risk strategies, strong compliance and enforcement systems, while applying the best science and delivering to a highly effective asset management and investment framework.

Our Goal

The SCA provides reliable water of agreed quality and quantity to customers to minimise risk to public health.

Strategies

1. Protect and improve the health of the drinking water catchment through the delivery of the Healthy Catchments Strategy and sound scientific research.
2. Manage assets for improved efficiency, sound operations and safety.
3. Operate the water supply system to deliver water to agreed quantity and quality criteria.
4. Achieve current and future water quality and quantity needs through water supply planning and asset investment.

Key achievements 2013–14

- 100 percent continuity of supply to customers providing 536,607 million litres of water
- 99.94 percent conformance on site specific water quality standards
- \$1.9 million new infrastructure grants delivered to remove 7240 kilograms of nutrients from waterways over the next 20 years
- \$1.1 million funding to 58 rural landscape grants for landholders to fence 47.5 kilometres of waterways, treat 637 hectares for erosion, and better manage 907 hectares of grazing land
- Monitored 21 water supply dams for compliance with dam safety requirements

Case Study

Protecting water quality and supply infrastructure

Bushfires in the Southern Highlands in October 2013 affected more than 15,600 hectares of bushland, including 7000 hectares of Special Areas which surround the four Upper Nepean dams.

The SCA worked together with its partners to protect water quality on a number of fronts throughout the incident.

On 17 October, winds gusting 80-100 kilometres an hour pushed the fire front towards the Nepean and Avon dams and the water filtration plant which supplies 24,000 residents of Picton, Bargo, Thirlmere and The Oaks.

The SCA's firefighting staff and six firefighters from National Parks and Wildlife Service (NPWS) managed to stop the fire damaging the filtration plant and kept water running to the Wollondilly district.

For the next week and a half the SCA worked alongside the Rural Fire Service and NPWS to carry out firefighting across the Upper Nepean catchment. The teams worked in rugged terrain carrying out back burns and establishing containment lines.

"We focused on protecting water supply infrastructure at the same time as aiming to limit the spread to towns and populated areas in the highlands," says Ross Wallis, SCA's Senior Manager Regional Operations.

Once the immediate fire threat passed, the SCA took a proactive approach to monitoring and managing water quality. Monitoring was increased in the Nepean catchment and at Broughtons Pass Weir and Pheasants Nest Weir catchments. The SCA also worked closely with customers such as Sydney Water throughout summer to ensure the best quality water remained available.

Reflecting on his work protecting the Nepean water filtration plant, SCA firefighter Colin Heaslip says: "Looking at the maps now you realise what a tiny patch of clear ground we were defending, completely surrounded by bushland. You just had to get stuck in and do your bit."



Bushfires in Metropolitan Special Areas affected 7000 hectares around the the Upper Nepean dams



Key Focus Area

Reliable Water

Strategy 1 – Catchment health

Healthy Catchments Strategy and program

The Healthy Catchments Strategy 2012-2016 outlines initiatives to reduce the key catchment risks to water quality. The Healthy Catchments Program delivers annually on this strategy and is implemented in partnership with the Local Land Services, Department of Planning and Environment, the Department of Primary Industries, the Department of Planning and Environment, local councils, landowners and the community.

Key highlights of the Healthy Catchments Program in 2013-14 are outlined below. More detailed information on the delivery and results of the program can be found in the SCA's Annual Catchment Management Report 2013-14 (on the website).

Targeting high risk pollution sources

Priority Pollutants Program

New infrastructure grants were developed under the SCA's Priority Pollutants Program during the year to assist priority sewage and stormwater projects across the catchment. Four grants totalling \$1.9 million were awarded to Blue Mountains, Palerang, Wingecarribee and Goulburn-Mulwaree councils who also provided matching funding. The projects will operate until 2015-16, with \$760,000 invested during the current year across the four projects. The works will prevent 7240 kilograms of nutrients entering local waterways over the next 20 years.

During the year SCA established an On-Site Sewage Management and Stormwater Management Network as part of the Priority Pollutants Program. The network aims to share knowledge and boost skills throughout catchment councils and development consultants.

Eight councils also participated in the SCA's evaluation of sewage and stormwater management practices during the year. The study highlighted there are some opportunities for improvement but centralised sewerage systems and on-site sewage management systems are generally well managed across the catchment.

Rural Landscape Program

The Rural Landscape Program commenced in July 2013 and is a partnership between SCA and the South East Local Land Services. During the year the SCA invested \$1.11 million in the program to assist landholders to treat erosion, protect riparian areas and manage grazing land to best practice. The program will operate until June 2016. During the year 58 grants were awarded.

- 637 hectares treated and protected from erosion
- 907 hectares of grazing land managed to best practice standards
- 47.5 kilometres of fencing constructed to protect waterways from stock.

See Appendix 8 for details of grants to non-Government community organisations.

Maintaining sustainable catchments

Guiding development in the catchment

This year the SCA developed a new current recommended practice (CRP) manual – 'Rural Earthmoving in the Sydney Drinking Water Catchment' – to assist councils, consultants and developers when proposing developments in the catchment.

Mining

During the year the SCA advised on approval conditions to protect our assets and interests in accordance with the SCA's Mining Principles.

The NSW Department of Planning and Environment, the Planning Assessment Commission and the Department of Trade and Investment are responsible for assessing and approving mining and coal seam gas activities. The SCA is involved in the assessment process for mining and coal seam gas activities due to our obligations to protect water quality and quantity, and infrastructure. The SCA reviews mining applications which have the potential to impact on the SCA catchments and infrastructure.

Key mining related activities in 2013-14 included:

- **Mining advice**

During 2013-14 the SCA assessed and provided advice to the NSW Department of Planning and Environment on mining applications.

- **Interagency consultation**

As a member of the NSW Subsidence Management Plan (SMP) Interagency Committee, the SCA provides advice on SMP applications in its area of operations.

■ Monitoring and subsidence surveys (related to mining)

Monitoring and subsidence surveys were undertaken during the year to detect any unplanned subsidence effects, impacts and environmental consequences. Results showed there were negligible impacts on SCA dams, stored waters, and other infrastructure during the year.

■ Post-mining rectification works

Longwall coal mining commenced in the late 1990s in the vicinity of the Upper Nepean water transfer system. As part of the approval condition, mitigation and modification works were progressively undertaken at the SCA water transfer assets prior to the longwall mining to mitigate and protect these assets. Mining in close proximity (less than 500 metres) to the Upper Canal was completed in late 2009. The approval condition also requires that assets that have been modified are to be restored to pre-mining condition and the SCA has commenced post mining rehabilitation work. These works are being funded by the Mines Subsidence Board under the *Mine Subsidence Compensation Act 1961*.

Cataract Tunnel, which carries water from Broughtons Pass Weir to the Upper Canal, underwent rectification work. Stage 1 was completed between July and September 2013 during a scheduled maintenance shutdown of the Upper Canal.

Protecting our catchments

Special Area enforcement

The SCA works to identify and reduce water quality risks from unlawful activities and unauthorised access in the catchments. Our enforcement measures during the year included patrolling Special and Controlled Areas, inspecting high risk activities and investigating 24 reports of potential illegal activity. As a result of these measures we issued 17 warning letters, seven penalty infringement notices, 19 statutory notices, four clean up notices and one catchment correction notice during the year. See Appendix 10 for more information on compliance activities.

Active communities – community involvement in project development

Bendeela Camping Ground Project

The SCA undertook planning work to refurbish the campgrounds at the Bendeela Recreation Area and Tallowa Dam Picnic Area. A draft Masterplan was exhibited during 2013-14 (see page 29 and 130 for consultation details).

Setting an example – barriers and fencing

Assessing fire risk

Wildfires regularly occur within the Special Areas. A risk assessment was conducted to identify which firefighting chemicals (retardants) are suitable for use in a drinking water catchment. To inform future firefighting activities, a list of approved chemicals and maps showing appropriate exclusion and buffer areas has been developed.

Maintaining a catchment science and evidence base

Scientific evidence underpins the SCA's operational and investment decisions. One of the SCA's functions under the *Sydney Water Catchment Management Act 1998* is to undertake research on catchments generally, and in particular, on the health of the SCA's catchment areas.

Key research activities this year included:

■ Scientific trial to inform sustainable grazing practices

Wet weather monitoring sites were established within two cattle grazing paddocks in the Southern Highlands in 2011. The trial continued in 2013-14, collecting data to help calibrate and validate a model to determine pollutant loads from grazing lands.

■ Effect of chlorination on Giardia in the Upper Canal

This work assessed the effectiveness of chlorination to mitigate the risk from Giardia. These results have been used to inform the decisions about the future of the existing chlorination facility.

■ Investigation of true colour

Following large inflows in 2012, raw water in Warragamba Dam and some of the Upper Nepean dams become coloured by dissolved compounds such as metals and organic matter. The SCA has commenced an investigation into the source of 'true colour' and what causes changes at different locations and times. We have trialled and evaluated methods for measuring colour in the field, and are now using sampling and a review of scientific literature to establish relationships between true colour and other water quality and quantity parameters.

■ Pathogen Strategy

The SCA is reviewing this strategy with regards to the science, monitoring and risk assessment of the pathogens *Cryptosporidium* and *Giardia*. The strategy will consider monitoring to quantify numbers and viability, characteristics of raw water supply risks, evaluate effectiveness of raw water supply controls, and develop wet weather risk assessment tools.

Key Focus Area

Reliable Water

■ Water Quality Monitoring Program

The SCA reviewed its Water Monitoring Program to incorporate changes to Australian Drinking Water Guidelines (ADWG) and NSW Health guidelines for monitoring of picnic area supplies. Changes included a new list of pesticides to be monitored at targeted sites.

■ Catchment to tap risk assessment

The SCA and Sydney Water initiated a catchment to tap risk assessment in 1998-99 to identify water quality risks at each barrier in the water supply system. This risk assessment was reviewed in 2009-10 and confirmed the four priority pollutants (pathogens, nitrogen, phosphorus and suspended solids). Outcomes of the risk assessments are used to prioritise targeted monitoring under the SCA's Water Monitoring Program.

Another review was undertaken in 2014. The review will be completed during the year.

Strategy 2 – Managing assets

Asset availability and reliability

There were no unplanned outages in 2013-14. Water infrastructure systems were 100 percent available across all seven water supply systems managed by the SCA. This ensured 100 percent continuity of supply to major customers, Sydney Water and the Councils, during the year.

Strategic asset management

The SCA continued to implement its Asset Management System to achieve ISO55001 compliance by June 2015. Focus during the year was on developing Asset Management Plans (AM Plans) and nine of thirteen were completed or significantly underway in 2013-14.

Assessments were also undertaken to determine asset vulnerability to operational risks, particularly compounding events (where failure in one area impacts on another asset). Stage one was completed during the year and included high level assessments of asset sub-categories and risks already identified in the AM Plans.

Stage two will be due in 2014-15 and will involve a more comprehensive assessment including a review of failure mode, effects and criticality analysis.

Maintenance Works Program

The risk of asset failure and deterioration is controlled through the SCA's maintenance works program. A total of \$6.1 million of maintenance works was carried out during the year.

Assets worth \$1.3 million were replaced through the minor assets renewal program. This program contributes to the high level of reliability of water supply infrastructure.

Improving reliability at Warragamba Dam

New works in 2013-14 aimed to further increase reliability of the gates. A comprehensive exercising regime was implemented for each of the dam's four radial gates during the year (see case study page 41). At the same time \$140,000 of gate improvement works were carried out.

Capital Upgrade Program

The SCA delivered \$32.3 million of capital expenditure during the year with key programs including:

■ Prospect Dam Improvements - \$13.15 million

Prospect Dam is a 50,000 megalitre offline storage that serves as a critical backup supply to the Sydney metropolitan region. The Prospect Dam wall, built in 1888, required work to its filter and drainage system. During the year works progressed to schedule and are on target to be completed by October 2014 at an estimated cost of \$17 million.

■ Warragamba pipeline valves and controls upgrade program - \$51,000

A business case was finalised for Stage 2 design and documentation work during the year for concept design related to the Warragamba Pipelines valve upgrade program. The project is anticipated to commence in 2015.

■ Kangaroo Tunnel Relining - \$2.19 million

The Kangaroo Pipeline was taken out of service on 27 March 2013 to facilitate relining of the 1.5 kilometre long tunnel between the Kangaroo Valley pumping station and the shaft. The relining works were completed on schedule in October 2013 at a cost of \$4.4 million.

■ Upper Canal Interim Works (Stage 1) – \$3.98 million

In accordance with the Upper Canal Strategy, the Upper Canal Interim Works (Stage 1) project continued in 2013-14 to address the short-term reliability of the canal. Work included replacing canal walls, safety upgrades to access roadways, replacing fencing, penstock and platforms, drainage rehabilitation and other minor work. Site works were ahead of schedule and the refurbishment stage 1 is due for completion by June 2016.

■ Burrawang Pumping Station Electrical Upgrade - \$499,000

Concept design and documentation works were completed in 2013-14. Construction is due to commence in 2014-15.

■ Metropolitan Dams Electrical Upgrade - \$969,000

Concept design and documentation works were completed in 2013-14 and construction should proceed in 2015. The project is due for completion in 2016-17.

Key Focus Area

Reliable Water

Strategy 3 – Water quantity and quality

The core business of the SCA is to supply customers and the environment with high quality raw water from well managed catchments. We have water supply agreements with key customers including Sydney Water, Wingecarribee, Shoalhaven and Goulburn-Mulwaree councils.

Water quantity

The SCA supplied 536,607 million litres of water to customers this year – 99.12 percent to Sydney Water and 0.85 percent to Wingecarribee Shire Council, Shoalhaven City Council, and Goulburn Mulwaree Council. The remainder was purchased by other customers. Refer to Appendix 7 for individual customer quantities.

Dam storage levels

At 30 June 2014, available storage in the SCA's dams was 82.0 percent –16.1 percent lower than the same time last year.

Following moderate rainfall in November 2013, a hot, dry summer resulted in higher demand for water than in the previous four years. The only significant rain event this year was during March 2014. (See Appendix 7 for the year's rainfall statistics.)

Managing water supply

During 2013-14, the water supply system was configured to balance drawdown of storages to satisfy demand and meet environmental flow requirements. The preferred sources of supply during the year were from Warragamba and Nepean dams, both of which were spilling at the end of June 2013. As elevated levels of colour were present in the storages, raw water supply was blended with discharges from Cataract and Cordeaux dams (and Avon Dam) to improve the overall quality of raw water supplied for treatment.

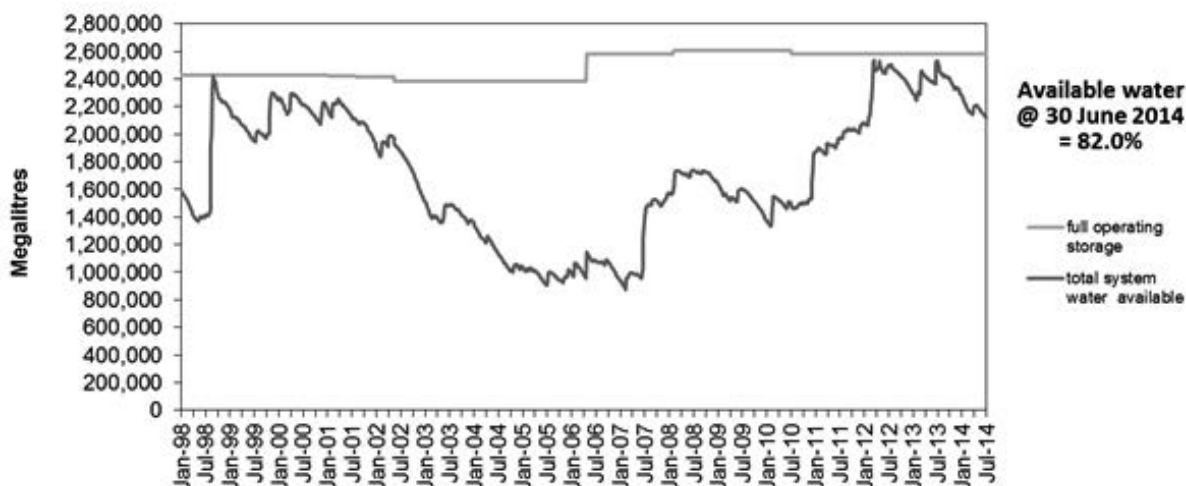
Prospect Reservoir was drawn down below 50 percent to allow works to be carried out on the dam wall. Water was pumped from the reservoir to supply Prospect water filtration plant from July to September 2013. The Upper Canal was shut down for eight weeks from late July to mid-September for essential maintenance.

Supply to the Blue Mountains was supplemented by transferring 2,524 megalitres from Lake Oberon to Upper Cascades dam under the Fish River Water Supply Scheme. There were no transfers from the Shoalhaven system in 2013-14 as the combined storage of SCA dams remained above 75 percent throughout the year.

Water quality

The SCA continued to supply reliable, high quality raw water to our customers delivering 99.94% conformance on site specific water quality standards.

Water storage trend – 1998 to July 2014



Water Quality Management Framework

The SCA's Water Quality Management Framework takes a systematic and consistent approach to managing the whole supply chain from source to customer. It outlines how the SCA meets the Australian Drinking Water Guidelines, SCA Operating Licence requirements and Raw Water Supply agreements.

During 2013-14 the framework was further enhanced through consultation with major customers and NSW Health.

In January 2014, the SCA finalised its biannual review of the Raw Water Quality Incident Response Plan, following consultation with customers and endorsement by NSW Health. This document outlines notifications and actions to be taken in water quality events.

During the year the SCA developed a Drinking Water Quality Management Plan and quality assurance plans for each picnic area in consultation with NSW Health, to comply with *Public Health Act 2010* and *Public Health Regulation 2012*.

Monitoring water quality

Raw water continued to meet Raw Water Supply Agreement criteria during the year with two minor exceptions: low hardness in raw water supplied to Macarthur water filtration plant in November 2013 and April 2014; and potential filter clogging algae exceeding agreed criteria in raw water supplied to Kangaroo Valley water filtration plant in January and April 2014.

Throughout the year water filtration plants operated by SCA customers had no issues in treating the water to meet Australian Drinking Water Guidelines. There was persistent elevated colour in Lake Burragorang and the Upper Nepean dams following large inflow events in 2011-12.

Water Quality at Macarthur water filtration plant

Intense storms over the metropolitan dam catchment areas on Saturday 22 March and Monday 24 March 2014 (with a total 230mm rainfall) resulted in highly variable water quality at Broughtons Pass weir pool which supplies water to Macarthur Water Filtration Plant. These catchments had been affected by bushfire in October 2013, increasing the risk of iron and nutrients being transported into the storages and rivers during subsequent storm events. The dry summer did not allow ground cover to re-establish sufficiently to reduce the risk of runoff. SCA worked with Sydney Water to optimise raw water supply, undertaking additional monitoring and changing the source of supply to reduce the colour and turbidity in the raw water.

Refer to Page 37 for more details of incidents reported during the year.

Strategy 4 – Long Term Water supply

In 2013-14 the SCA continued to conduct long term water supply planning to ensure we meet our obligations to customers and to protect and improve river health.

Modelling input provided for Metropolitan Water Plan 2015

The SCA uses the Water Headwork's Network (WATHNET) software package to simulate the operation of Greater Sydney's water supply system. During the year the SCA transferred its existing model from the previous software version and incorporated economic and hydrological modelling. The new software is also able to optimise system parameters for a range of outcomes.

The SCA used high performance servers on a cloud network which has reduced the computational time significantly (see case study page 33). During the year the SCA developed a simplified model of WATHNET (MetroNet) to improve computational efficiency. Multiple decisions describing a mix of operational and infrastructure options can be optimised at each planning stage.

Modelling input provided for Hawkesbury Nepean Valley Flood Review (Stage 1)

The SCA provided hydrologic and hydraulic modelling input for the stage 1 of the Hawkesbury Nepean Valley Flood Review. Existing flood information for the valley was reviewed using recent advanced methods. The study included a review of the current gate operation protocol and options to operate the gates differently, review of pre-releases, examining whether it is effective to lower the full supply level of the dam and whether raising Warragamba Dam wall for flood mitigation purposes is effective.

Climate research project

The SCA has partnered with the Department of Planning and Environment, and the University of NSW to develop a regional climate change model to predict the impact of climate change in the medium to long-term. This model will be used to inform future supply planning. The NSW & ACT Regional Climate Modelling (NARClIM) project continued in 2013-14. The SCA is developing a methodology to construct suitable hydrological inputs for use in SCA's modelling framework to enable more robust assessment of the impacts of climate change on the supply system.

Engaged People



SCA staff from the Penrith office celebrate Jeans for Genes Day

An important goal at the Sydney Catchment Authority (SCA) is to maintain a safe, engaged, enthusiastic and committed workforce. To do this, we have workplace strategies related to safety and clearly defined values. We also embrace diversity, welcome new ideas and encourage feedback.

We have developed a range of workforce programs ensuring work health and safety is paramount, and our workforce is engaged and committed.

Our Goal

To ensure employees are committed, trusted, valued, safe and accountable in supporting the SCA's long term success.

Strategies

1. Provide a safe and healthy workplace where everyone takes responsibility for a safety culture.
2. Support, develop and reward employees so they will recommend the SCA as an employer of choice.
3. Ensure the SCA's organisational structure, and decision-making processes support a commercial culture and accountable workforce.
4. Provide leadership and a clear direction for staff to support their commitment.

Key achievements 2013–14

- Over 81 percent attendance at Staff Safety Day
- Six internal safety audits undertaken
- 18 staff completed the Challenge of Leadership program and received Cert IV in Frontline Management
- 10,117 hours of staff training, equivalent to 5.4 days per staff member
- New culture change program H2O (High to Outstanding) developed and underway
- 119 staff (45% of the workforce) participating in four month fitness program – Global Corporate Challenge

Case Study

Learning how to be leaders

“Leadership is the art of getting someone else to do something you want done because they want to do it” - Dwight D. Eisenhower.

David Tomlinson, SCA Senior Systems Planner, says the Challenge of Leadership program he completed last year gave him the leg up he needed to transition from a technical expert to being a team leader.

“The course taught me what it means to be a manager, and how to get the best out of staff and develop a team where everyone is keen to come to work,” says David.

David was one of 18 SCA staff who completed the leadership program at the end of 2013, gaining a Certificate IV in Frontline Management. Participants were identified through the SCA’s online eFOCUS performance program which also looks at staff training needs.

A critical part of the leadership program saw participants teamed with a mentor from the SCA’s senior management. “This was a great benefit as it allowed us to learn first-hand from their insights, get their advice, then take it further by practicing it in a work situation,” says David.

Since he started the course, David has now acted as Manager Systems Configuration, Manager North West Operations and in incident management, managing up to 12 staff at a time.

David’s ability to successfully implement what he learnt was recognised by winning the Outstanding Supervisor Partner Award run by the University of Western Sydney. His nomination recognised his positive management style, and the direction, coaching and support he provided to an intern on his team.

“It’s been a big step going from focusing on detail and doing a particular task in my previous roles, to facilitating and giving direction about the work of others. Probably the most critical thing I’ve learnt is the value of getting and giving honest feedback,” says David.



SCA’s David Thomlinson (left) accepting the Outstanding Supervisor Partner Award at the University of Western Sydney

Key Focus Area

Engaged People

Strategy 1 – Safe and healthy workplace

Safety is paramount to the SCA's long-term success. While maintaining a safe and healthy workplace is vital for the ongoing wellbeing of our people, contractors and members of the community who use and visit our facilities.

Work health and safety awareness

In keeping with best practice and to demonstrate due diligence in the management of safety, the SCA has a comprehensive Work Health and Safety (WHS) Management System for its workers. During the year this involved ongoing review of the existing WHS Management System Framework, procedures and registers, and the development and implementation of our Safety and Wellbeing Strategy and Action Plan 2013-16, along with supporting fact sheets and forms. In addition due diligence training was provided to the Executive and Senior Managers.

Safety audits

In 2013-14 WHS Management System internal audits were undertaken in the following areas:

- Prospect Dam upgrade construction site
- WHS incident reporting
- Watercraft
- WHS incident notification process
- Incident register review
- Tender processing and contract management.

Recommendations from these audits were monitored to ensure opportunities for improvement are identified and implemented.

Staff Safety Day 2013

The SCA's annual Staff Safety Day was held in December 2013 with 218 staff attending – over 81 percent of the workforce. The key aim of the day was to provide information on a range of issues relating to WHS. The day also provided updates on other organisational initiatives and recognise and rewarded the achievements of staff.

Consultation and communication

The SCA continued to focus on safety performance through increased visibility of safety initiatives, audits, inspections, and other safety initiatives during the year.

Work Health and Safety priorities were overseen by the SCA's WHS Executive Steering Committee. Meetings were held bi-monthly with committees reviewing policy, procedures and program priorities. During 2013-14, six WHS Committee meetings were held along with six WHS Executive Steering Committee meetings.

Workers are kept informed through the SCA's weekly staff newsletter iSCAN and Safety Alerts. Some of the topics this year included: road safety, snake hazards, working in the heat, unauthorised people on catchment lands, and safety around car park bollards.

WHS learning

To ensure our workers' skills and WHS awareness were maintained, regular WHS training programs were delivered in 2013-14 including:

- Confined spaces
- First aid
- Certificate IV in Work Health Safety
- Work Safely in the Construction Industry (White Card)
- Bushfire awareness
- Watercraft safety
- Dealing with aggressive and violent situations
- Due diligence for leaders
- Fire training
- Fire warden.

During the year, the SCA reviewed its online training program and developed a range of online learning modules for both staff and contractors. These include contractor induction, lone and remote worker, drugs and alcohol in the workplace, office ergonomics, watercraft safety, confined space, and building emergency procedures.

Improved reporting

WHS reporting to the Board and Executive was improved to include both lead and lag indicators of WHS performance and identify emerging WHS issues.

Employee wellbeing

As part of its Safety and Wellbeing Strategy, the SCA implemented the following initiatives during year:

- Free influenza vaccinations
- Ergonomic assessment
- Hepatitis vaccinations made available for high risk workers
- Pre-employment health assessments
- Confined space medical assessments for water operators
- Pre-fire season medical assessments for SCA firefighters
- Sick leave management procedure.

The SCA participates in the Global Corporate Challenge (GCC), a workplace program aimed at changing the behaviour and improving the health of workers.

In May 2014, 119 SCA workers commenced the program, a 52 percent increase in participation from the previous year.

SCA compensable injury figures

Financial year	Total injuries	Total lost time days	Average lost time days per compensable injury
2013-14	12	265	22.1
2012-13	5	23	4.6
2011-12	3	341	113
2010-11	2	120	60
2009-10	3	11	3.7

Strategy 2 – Support, develop and reward employees

Maintaining the respect and confidence of our employees is a priority. To do this, we have in place a number of educational and support programs encouraging career development, skills building and social responsibility.

Staff learning and development

During 2013-14 the SCA continued to enhance its performance management system (eFOCUS). The system is a user friendly online tool providing performance documentation, dialogue between managers and staff, as well as effective reporting and monitoring.

Learning needs are also identified through eFOCUS and are monitored to ensure priority areas are addressed. During the year the SCA delivered training courses in:

- Incident awareness and incident management
- Dam safety emergency planning
- Authorised officer training
- Effective meeting and facilitation skills.

Entry level employment programs

As part of the Capturing Knowledge: Growing our Future 2010-2015 initiative, the SCA continued to support its cadet and graduate programs in 2013-14. These programs aim to address anticipated skill shortages in operational areas due to an ageing workforce, facilitate the development of technical skills and to support succession planning.

During the year two water supply cadets were recruited, bringing the total number of cadets employed to five. The cadets will complete a Certificate III in Water Operations and will be supported in further skills development – on the job, and through mentoring and appropriate training.

The SCA also recruited three additional graduates in the strategic water supply and science areas of the business. Graduates were supported through ongoing development, mentoring, further study assistance, and networking with other young professionals.

During the year SCA worked in partnership with Campbelltown TAFE to ensure a Certificate II in Water Operations is delivered locally for Year 11 students, to help them build a base for future careers in the water industry.

Key Focus Area

Engaged People

Vocational education training and work experience

The SCA continued to offer structured work experience programs in partnership with Universities and through the School Vocational Education & Training (VET) program. During the year, the SCA offered work experience to four high school students and three undergraduate work experience students in strategic supply planning and science areas of the business. Three interns were also placed in spatial science, systems configuration and strategic supply. One intern was supported in their studies through a SCA scholarship in partnership with the University of Western Sydney.

People Matter Survey 2014

As part of building our workforce capability and engagement, the SCA participated in the biennial People Matter Survey in May 2014 conducted across the New South Wales public sector. The SCA achieved a 43.7 percent response rate, well above the public sector average of 19.4 percent.

Workforce diversity

The SCA's Equity and Diversity Management (E&DM) Plan 2011-2014 incorporates its full suite of equity and diversity programs including:

- Equal Employment Opportunity (EEO) Management Plan
- Disability Action Plan (DAP)
- Multicultural Policies and Services Plan
- Aboriginal Employment Strategy.

The E&DM Plan continued to be communicated to staff through new employee inductions and the internal SCA newsletter to raise awareness of the diversity of our workforce and encourage an inclusive workplace environment. During 2014-15, the SCA's Equity and Diversity Management Plan 2011 – 2014 will be reviewed. This plan incorporates the SCA's EEO Management, Disability Action, Multicultural Policies and Services Plans and the Aboriginal Employment Strategy.

We provided 51 corporate inductions during 2013-14. These covered EEO awareness, rights and responsibilities, legal obligations, how to deal with grievances and practical strategies to prevent, identify and manage harassment and bullying in the workplace

The SCA also developed an action plan to support its ongoing commitment to the prevention of bullying and harassment. This plan will lead to a review of policies and procedures, fact sheets and supporting training and resources with a focus on early intervention and resolution.

During the year the SCA continued its membership of the NSW Equal Employment Opportunity Practitioners Association which offers networking, information sharing opportunities on principles of EEO, workforce diversity and work-life balance. Additional membership is held with the Diversity Council Australia.

Disability and equitable access

The SCA continued to recognise people with disabilities through its ongoing support of the Don't DIS my Ability campaign. Posters promoting disability awareness and the SCA's support of the campaign were displayed prominently throughout our workplaces.

Multicultural Policy and Services Plan

The SCA continued to support cultural diversity during the year. This included supporting staff with flexible arrangements that enable them to meet their religious observance and cultural obligations. Harmony Day continued to be celebrated in the workplace.

Other activities included the accreditation of four workers under the NSW Government's Community Language Allowance Scheme, which recognises the use of their community language skills in aspects of their work.

Aboriginal Employment Strategy

To support the Aboriginal Cadetship Program and facilitate ongoing professional development, a cadet was supported in their role as an executive member of the Aboriginal Support Network (ASN). The ASN is a NSW Government inter-departmental network supporting and promoting Aboriginal employment. The cadet's involvement facilitated connection with other indigenous workers and provided a forum for exchange of ideas in relation to training, employment and cultural issues.

In July 2013, NAIDOC week was celebrated at the Penrith Office in conjunction with other government agencies in the office block.

Encouraging social responsibility

Through our staff, SCA is an ongoing supporter of many worthy charities. A major component of SCA's social responsibility is its support for WaterAid Australia. WaterAid works to transform the lives of the world's poorest communities through projects that focus on water, sanitation and hygiene.

In 2013-14 the SCA partnered with WaterAid to develop an exhibition at the Warragamba Dam Visitor Centre. Staff support WaterAid through a range of fund raising activities and direct giving.

Strategy 3 – Commercial culture and accountable workforce

Realignments and organisational reviews

A new organisational structure was implemented in November 2013. The structure was underpinned by six guiding principles:

- Provide clear functional accountability
- Manage emerging issues more effectively
- Create a platform for cultural change
- Build on existing capabilities
- Recognise operational dependencies
- Develop a structure that supports opportunities for succession planning.

The restructure was supported by a strong change management approach to encourage productive and collaborative participation, including the establishment of a Change Management Advisory Committee. This allowed the SCA and unions to work together to ensure the successful implementation of the new structure.

Consulting with unions

A Joint Consultative Committee (JCC) provides a forum for peak level discussions between the SCA, the Australian Services Union, and the Association of Professional Engineers, Scientists and Managers Australia. During the year the committee worked collaboratively on a range of policy and operational matters, and finalised the Sydney Catchment Authority Consolidated Award 2014-2015. The Award was subsequently ratified in the Industrial Relations Commission.

Privacy Management Plan

During 2013-14 the SCA reviewed and updated its Privacy Management Plan to comply with the *Privacy and Personal Information Protection Act 1998* and the *Health Records and Information Privacy Act 2002*. The plan is reviewed every two years and sets out strategies to ensure appropriate protection for the personal and health information we collect and hold. We supported Privacy Week in April 2014 by providing information to staff in our internal newsletter, placing posters in our offices and the Warragamba Dam Visitor Centre to ensure members of the public were aware of our policy and processes.

Public interest disclosures

The SCA supports the principles and complies with the *Public Interest Disclosures Act 1994* through its internal policies and reporting requirements. The SCA's Public Interest Disclosures Policy and Reporting Unethical and Improper Conduct Procedure are available on our website. During the year the SCA Disclosure Coordinator attended work area meetings to raise awareness of these processes. New employees received information covering our public interest policy, privacy requirements, and fraud and corruption prevention as part of inductions. The Public Interest Disclosure Act requires public authorities to report compliance for each six month period. During 2013-14 no public interest disclosures were lodged.

Public interest disclosures during the year

Number of public officials who made public interest disclosures	0
Number of public interest disclosures received	0
Primarily about corrupt conduct	0
Primarily about maladministration	0
Primarily about serious and substantial waste of public money	0

Strategy 4 – Leadership and direction

SCA introduced a Challenge of Leadership Program during the year which saw 18 staff gaining a Certificate IV in Frontline Management (see case study page 21).

SCA also commenced a culture change program in late 2013 to support the new SCA organisational structure. Fifty-two SCA leaders including the executive team and senior managers completed the Human Synergistics Life Style Inventory program. The outcome was the development of a culture program – H2O (High to Outstanding) – which is being delivered across the organisation over two years.

H2O aims to continue development of a positive, safe and productive environment where employees enjoy coming to work. It comprises two levels:

- developing the behaviours and skills of the people
- ensuring the SCA's frameworks, processes and resources enable and support people to continue to shape the culture.

SCA staff attended one seminar during 2013-14 to launch the program and over the next year will attend further workshops. SCA leaders will also be involved in a program to support staff in developing and shaping the culture.

Stakeholder Relationships



Information day at Bendeela Recreation Area in Easter 2014

Maintaining good relationships with our stakeholders, customers and the community is vital to the continued success of the Sydney Catchment Authority (SCA). Understanding and managing the needs of our stakeholders helps us fulfill our commitment to provide an ongoing supply of quality raw water from well managed catchments.

We nurture our stakeholder relationships by operating in an open and ethical manner, providing best practice advice and information, and by maintaining effective partnerships with industry groups and forums.

Our Goal

To ensure the SCA has excellent partnerships with stakeholders, customers and the community.

Strategies

1. Formalise the SCA's knowledge management capability to share knowledge internally and externally.
2. Understand, meet and effectively manage the needs and expectations of stakeholders, customers and the community.
3. Represent the SCA's interests in key local, state and national forums.

Key achievements 2013–14

- Supported development of the new Metropolitan Water Plan
- Supported nine councils with using the NorBE tool and 15 councils attending Local Government Reference Panel
- Hosted 7000 students from 128 schools visiting Warragamba Dam as part of the Schools Excursion Program
- Engaged with the community on the draft Special Areas Strategic Plan of Management and the draft masterplan for the Bendeela Recreation Area
- 79 percent increase in time spent by visitors on the new SCA website

Case Study

Creating a dynamic exhibition program at Warragamba

During the year the SCA developed an annual exhibition program to complement the existing offerings at the visitor centre.

"Our aim is to provide visitors with an engaging and dynamic insight into aspects of Sydney's water supply catchments, the history of the dams and the SCA's activities," says Melanie Winthorpe, SCA Interpretation Officer.

"Having a series of changing exhibitions allows us to respond to emerging issues and explore particular topics in more detail. We want to cater for repeat visitors at the same time as attracting new audiences to the site."

In 2013-14 there were over 90,000 visitors to the Warragamba Dam Visitor Centre who had access to three exhibitions including 'Water in the World', in partnership with the charity WaterAid, '125 Years of the Upper Canal' and 'Secrets of the Special Areas'.

"Feedback has been overwhelmingly positive with visitors indicating high levels of engagement with the exhibitions," says Melanie.

Survey results from the first two exhibitions show:

- 94% of visitors said that the exhibitions have given them a better understanding of where their water comes from
- 94% found the exhibitions relevant or interesting
- 92% said that they would recommend the exhibitions to friends or relatives
- 90% of visitors to 'Secrets of the Special Areas' indicated that they had learnt something new about the Special Areas.



Fiona Smith, SCA's Acting Chief Executive (left), the Hon. Katrina Hodginkson, Minister for Primary Resources, Erin Rowe, SCA's Acting Interpretation Officer, and the Hon. Jai Rowell, Member for Wollondilly

Stakeholder Relationships

Strategy 1 – Sharing knowledge

Research partnerships

The SCA is a member of several national and international research organisations, helping us learn and share knowledge on important water issues. Memberships include:

- Water Research Australia – a research centre focusing on collaborative research about drinking water quality, recycled water and wastewater management.
- eWater Source Modelling Community – a publicly owned not-for-profit partnership supporting the implementation and use of Source as the new national hydrological modelling platform in Australia.
- Water Research Foundation (US based) – the largest drinking water research organisation in the world covering the urban water sector.
- Water Environment Research Foundation (US based) – research organisation considering natural processes, ecosystems and other physical processes impacting water systems.

Local government

SCA works in partnership with local government stakeholders to deliver catchment health outcomes throughout the region.

Supporting councils with NorBE

Local councils are required as consent authorities under State Environmental Planning Policy (Sydney Drinking Water Catchment) 2011 to ensure development proposed in the catchment has a neutral or beneficial effect on water quality (NorBE).

During the year we provided ongoing support to nine councils using the NorBE tool through help desk support, phone support, face-to-face visits and our quarterly e-newsletter. An upgrade of the NorBE tool commenced in 2013-14 and is on-track to be completed late 2014.

Advice to local councils and landholders

The SCA provided advice during the year on developments that could potentially impact on water supply. The SCA provided advice to the Department of Planning and Environment on a range of major projects.

The SCA continued to promote awareness of its water quality information requirements through consultation and correspondence with councils and consultants, conditions of concurrence and the development assessment process, and through the NorBE audit conducted in February 2014.

The SCA provided advice to councils on 191 planning proposals and Development Control Plans including Blue Mountains, Blacktown, Campbelltown, Camden, Liverpool, Goulburn Mulwaree, Lithgow, Palerang, Shoalhaven, Sutherland, Wingecarribee, Wollondilly and Wollongong. See page 45 for more information on development applications.

Community

Website redeveloped

A revamped SCA website was launched in September 2013 following consultation with key stakeholders – dam visitors, landholders, residents, councils, developers, teachers and students. The site provides better access to SCA data including daily dam level updates, interactive mapping, improved feedback mechanisms and greater multimedia content. Information has been targeted to suit user's needs and the site includes information portals for key stakeholders. The upgrade has resulted in a 79 percent increase in the time a visitor spends on the website and over 2771 online queries, applications and submissions.

Stakeholder newsletter

The SCA quarterly newsletter SCAN included special features on bushfire management, the Bendeela masterplan process, 125th anniversary of the Upper Nepean Scheme and catchment improvement projects during the year. Regular updates on catchment health, dams, major infrastructure projects and science and research activities were also reported on. Over 2,500 copies of SCAN are distributed to key stakeholders and subscribers, and to the wider community through council offices, libraries, the SCA website and tourist information centres.

NSW State Records Managers Forum

In November 2013 a representative of the SCA was a speaker at the NSW State Records Managers Forum which is attended by records managers of NSW government agencies from across the state. They presented on the SCA's successful change management program for the implementation of digital recordkeeping.

Strategy 2 – Meeting stakeholders, customers and community needs

Engaging with stakeholders, customers and the community to understand their views is an important part of the SCA's work and helps inform our decisions. We undertake consultation through all the different stages of our projects, ensuring stakeholder and community feedback is considered before, during, and at the end of our projects and policy reviews.

Stakeholder Communications

Ongoing media liaison

We continued to work with metropolitan and regional media this year to promote SCA activities and water issues more broadly. Promotional activities included media coverage of the SCA's efforts in protecting the Upper Nepean dams from fire, our temporary WaterAid exhibition, the Prospect Reservoir upgrade and the discovery of heritage items at Prospect Reservoir. Media activities also supported the Bendeela Masterplan public exhibition process.

We responded to media queries throughout the year, with topics ranging from longwall mining and coal seam gas to fish passage and water levels downstream of Warragamba Dam, the potential impact of fire on water quality and public access to Warragamba Dam. Responses to the threat of bushfires were again prominent throughout the year, and included the announcement of hazard reduction burns through the cooler months, or the temporary closure of recreation areas due to high-risk weather conditions and the declaration of total fire bans.

School excursion program

Over 7000 school students from 128 schools visited Warragamba Dam to participate in our school excursion program during the year. Students from kindergarten to Year 12 took part in a range of syllabus-linked lessons for subjects including Geography, Senior Science and Chemistry. The program focussed on catchment land uses, water quality threats and monitoring, and best practice in catchment protection.

During the year an education kit was developed to allow SCA educators to deliver lessons at schools and events. The kit was successfully trialled with more than 200 students at the Wingecarribee Schools Environment Day at Mittagong and the Youth Eco Summit at Sydney Olympic Park. The education team carried out a development day for Geography teachers demonstrating how our programs relate to the geography syllabus with presentations by the SCA and the Australian Museum.

Customers

The SCA shares certain responsibilities with other government agencies in managing water quality and quantity and the environment. To help us carry out our role we maintain close working relationships with Sydney Water to provide safe drinking water to Sydney, Illawarra and the Blue Mountains. The Raw Water Supply Agreement with Sydney Water was publicly exhibited in 2012-13 and finalised in October 2013. The SCA also has raw water supply agreements with Shoalhaven City Council, Wingecarribee Shire Council and Goulburn-Mulwaree Council and meets regularly with the councils to discuss matters of mutual interest.

Community consultation activities

On all major projects, the SCA consults directly with stakeholders or the committees representing their interests through forums (such as community reference groups), and takes into account the outcomes of the consultation process when making decisions.

Consultation activities for 2013–14 included:

■ Bendeela masterplanning

The SCA is developing a masterplan for Bendeela Recreation Area, a rustic picnic and camping ground near Kangaroo Valley visited by more than 30,000 people every year. The SCA undertook various engagement activities over the last year including meeting with the community reference group, holding a community information day and the public exhibition of the draft masterplan to ensure that all stakeholders had an opportunity to contribute.

■ Prospect Dam upgrade

Improvement works undertaken to the downstream face of Prospect Reservoir required the closure of the Prospect Reservoir grounds. We discussed the impacts of the works with Fairfield, Blacktown and Holroyd councils, Sydney Water, Roads and Maritime Services, Western Sydney Parklands Trust and organisations operating within the grounds of Prospect Reservoir. The local community were kept informed of the works and reasons for closure to the grounds. While reservoir levels were low, heritage finds were discovered. Information about the heritage items were promoted through the SCA website, local papers and TV news.

Key Focus Area

Stakeholder Relationships

■ Upper Canal works

The SCA undertook works on the Upper Canal at a number of locations including near Appin, Austral, Catherine Fields, Horsley Park and Menangle Park. We engaged residents prior to and during the works to inform all local residents and ensure that potential impacts to residents were minimised or alleviated.

■ Special Areas Strategic Plan of Management (SASPoM)

The SCA and NSW National Parks and Wildlife Service undertook a five-year review of the Special Areas Strategic Plan of Management (SASPoM). The draft SASPoM was on public exhibition from 2 September to 1 November 2013. A final SASPoM will be available in late 2014.

■ Sydney Catchment Management Regulation

The Sydney Water Catchment Management Regulation 2008 was reviewed in 2013 in accordance with required five-yearly statutory review of all regulations. The proposed regulation and regulatory impact statement were placed on public exhibition and a representations report was prepared for the Minister. Submissions were considered and the Sydney Water Catchment Management Regulation 2013 was made on 30 August 2013.

Strategy 3 – Representing the SCA's interests

The SCA participates in key forums to share knowledge and promote its activities. Mutually supportive networks at the national, state and local level provide an opportunity to engage early on matters that affect water quality.

We also manage risk through our involvement in established committees and ongoing liaison with various security and emergency management contacts and other aspects of our business.

NSW Health

NSW Health plays a regulatory and advisory role in relation to public health and water quality and advocates the multi-barrier approach to water quality management. As required under the *Sydney Water Catchment Management Act 1998*, the SCA has a memorandum of understanding with NSW Health, outlining the cooperative relationship between the two agencies in managing water quality, including research, reporting and information sharing. During 2013–14 the SCA met regularly with NSW Health in relation to managing water quality issues to protect public health, and implementing the revised Australian Drinking Water Guidelines (2011).

NSW Environment Protection Authority

The SCA has in place a memorandum of understanding with the Environment Protection Authority (EPA), as required under the *Sydney Water Catchment Management Act 1998*. Regular liaison occurs with the EPA through strategic and operational forums, which assist the two agencies to jointly manage issues relating to potential pollution threats to water quality, land management, compliance and enforcement, science and research, environmental monitoring and policy development.

Local Government Reference Panel

The SCA continued to share and exchange information with 15 local councils in the catchment through the Local Government Reference Panel. The panel met three times in 2013–14 to consider reports and provide feedback on a range of matters including:

- the SCA's Priority Pollutants Program benchmarking study and grants program
- working towards new best practice in dairy effluent management
- compliance and responsibilities for the SCA and councils under the *Protection of the Environment Operations Act 1997*
- NSW planning system reforms.

Local Land Services

For many years SCA maintained close working relationships with the catchment management authorities (CMAs) in the water supply catchments. In 2013-14 Local Land Services (LLS) were established. SCA maintained a close level of cooperation with LLSs operating across the catchments – South East, Greater Sydney and Central Tablelands. The South East LLS delivers the SCA's Rural Landscape Program (see page 14).

NSW Office of Water

The SCA has a suite of access licences and works approvals under the Water Sharing Plan for the Greater Metropolitan Unregulated River Water Sources. During 2013-14 the SCA continued to liaise with the NSW Office of Water regarding any events which had the potential to affect releases.

Origin Energy

A deed of agreement exists between the SCA and Origin Energy regarding the Shoalhaven Water Supply and Electricity Generating Scheme. The SCA met regularly during the year to discuss operational issues.

NSW State Emergency Service

To assist the NSW State Emergency Service (SES) in its role as the lead state agency for flood planning and response, the SCA provides key information about storage levels and likely spills.

Bureau of Meteorology

The Australian Bureau of Meteorology provides daily rainfall forecasts to enable the SCA to calculate the likelihood that dams will spill and the SCA reports actual and potential spill events to the Bureau and the SES. The SCA and the Bureau commenced an agreement on 1 July 2013 to share data and information for flood forecasting and warnings. The SCA also provides information for the annual National Water Account to meet the Bureau's requirement.

National Parks and Wildlife Service

SCA and National Parks and Wildlife Service (NPWS) have joint responsibility for managing the Special Areas to protect water quality and ecological integrity. The SCA has responsibility for the quality and quantity of water in catchment areas while NPWS is the primary conservation agency in NSW and manages two-thirds of the land in the Special Areas. The shared vision for management of the Special Areas is outlined in the 2007 Special Areas Strategic Plan of Management (SASPoM).

Throughout the year the SCA and NPWS met regularly on strategic issues related to the SASPoM. Operational matters were coordinated through the Special Areas Operations Group, a forum of agency staff delivering the works programs.

The SCA provides over \$3.8 million each year in funding to the NPWS for lands managed for water quality outcomes. In February 2014 the agencies finalised a new Service Level Agreement which targets funding to water quality and quantity issues, and supporting NPWS fire management across all Special Areas.

Multi-agency forums

During the year SCA staff participated in a variety of interagency forums established to manage particular issues or policy matters.

Metropolitan Water Plan

The SCA participates on both a CEOs' committee and a senior officers' group to coordinate the wide range of tasks involved in reviewing the Metropolitan Water Plan 2010 and preparing the next plan due in 2015.

The SCA is an active member of the interagency group developing the Metropolitan Water Plan including:

- **Metropolitan Water CEOs**
The SCA participated on the forum for Water Chief Executives who are responsible for water policy in NSW.
- **Metropolitan Water Education Group**
The SCA is represented on the interagency Metropolitan Water Education Group, supporting communication and engagement activities for the Metropolitan Water Plan. In 2013-14 activity centred on the engagement activities for the plan review process.

Industry associations

SCA is a member of several Australian industry associations. Our memberships include:

- **Australian Water Association (AWA)** – supporting the Australian water sector in the delivery of effective and sustainable water management practices.
- **Water Services Association of Australia (WSAA)** – the peak industry body for the Australian urban water industry. The SCA's membership of WSAA also provides access to the Water Research Foundation, the Water Environment Research Foundation, and the Technology Approval Group (TAG) which aims to accelerate market uptake of relevant new technologies.
- **Australian National Committee on Large Dams (ANCOLD)** – Australian based non-government, voluntary association of organisations and individual professionals with a common technical interest in dams. The SCA's Ian Landon-Jones is currently the Chairman.
- **Committee for Economic Development of Australia (CEDA)** – the organisation identifies business best practices, and helps leaders to make better decisions and influence policy. The SCA has membership with CEDA and staff regularly attend forums on relevant emerging long-term economic, business and policy issues.

Business Viability



During the year there were 144 incidents reported

The Sydney Catchment Authority (SCA) continues to ensure business viability by overseeing a sound control framework that includes risk and business continuity initiatives.

We aim to deliver effective business and administrative services and operations supported by reliable systems, processes and tools.

Our Goal

The SCA is a viable, commercially successful organisation that is able to adapt to changing business environments and meet customer needs and seek new services and markets.

Strategies

1. Position the SCA to be the Water Supplier of Choice.
2. Manage risk and pursue opportunities to support a resilient organisation.
3. Strive for cost efficiency through optimising operational expenditure and ensuring capital expenditure is efficient.
4. Provide reliable and effective systems, processes and tools to support business operations.

Key achievements 2013–14

- Major upgrade of electronic monitoring and control system (SCADA) to integrate all telemetry systems
- Data centre relocation saving costs, improving security and capacity
- 80,000 modelling simulations in a day using a cloud computing solution
- Employee Information System enhanced for organisational and superannuation changes
- New fixed assets register developed

Case Study

Cloud computing solution solves data challenge

During the year the SCA was set a massive modelling challenge that required vast computing power to support the Hawkesbury-Nepean Valley Flood Review and the next Metropolitan Water Plan 2015. Traditional solutions such as purchasing new servers are slow and require substantial capital investment, and for this reason the SCA turned to the cloud.

In November 2013, the Metropolitan Water Senior Officers Group made the decision to fully utilise the optimisation options available in the Water Headwork's Network (WATHNET) modelling software developed by the University of Newcastle to analyse future water supply options. The SCA had to carry out the modelling and deliver results by the end of August 2014. "The main issue was that using the standard fully detailed WATHNET model on a PC would take two to three days of processing to determine a complete yield estimation", says Golam Kibria, SCA's Supply System Strategy Team Leader. "The optimisation model needed to be a simplified version of the standard model and process a large number of options."

"It was a tight deadline and the project posed a number of challenges," says Andrew Lill, SCA's Infrastructure Team Leader. "Using PCs wasn't a viable option. We needed a flexible and scalable solution which could be implemented quickly without the lag involved in buying and installing new hardware. The cloud solution allowed the SCA to respond rapidly and add resources as we needed it, rather than have redundant power and capacity not being used," says Andrew.

It took less than 22 days between initial scoping of requirements to delivering a working system at a cost of \$8,500 per month, with just \$14,200 set up costs. For the SCA to build an equivalent system without using cloud computing it would have cost \$250,000 and taken much longer to achieve.

"Initially the solution was only going to run for a few months, but it's been so successful that the SCA continues to operate it. Already we have had to double its capacity as the need of the modelling team grew and this only took two days to implement. In addition when the project ends, there won't be any redundant hardware," says Andrew.

Golam added: "We are able to process the equivalent of 160,000 complete yield runs of the optimisation model which may have taken up to 15 days on a standard desktop PC."



Key Focus Area

Business Viability

No Exceptions

Internal Audit and Risk Management Statement for the 2013-2014 Financial Year for the Sydney Catchment Authority

I, Terry Charlton, Chairman of the Board of the Sydney Catchment Authority, am of the opinion that the Sydney Catchment Authority has internal audit and risk management processes in operation that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

I, Terry Charlton, Chairman of the Board of the Sydney Catchment Authority, am of the opinion that the Audit, Financial Risk and Compliance Committee for the Sydney Catchment Authority is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Audit, Financial Risk and Compliance Committee are:

- Chris Westworth, Independent Chair, March 2014 – ongoing
- Carmel Krogh, Independent Member, March 2014 – ongoing
- Nicholas Brunton, Non-Independent Member, March 2014 – ongoing ((Pre-qualified (Independent) 17 July 2014)
- John Macarthur-Stanham, Independent Chair, December 2012 – February 2014
- Anissa Lawrence, Independent Member, December 2012 – February 2014
- Nigel Milan, Independent Member, December 2012 – February 2014

These processes provide a level of assurance that enables the senior management of the Sydney Catchment Authority to understand, manage and satisfactorily control risk exposures.

As required by the policy, I have submitted an Attestation Statement outlining compliance with the policy to the Treasury on behalf of the Treasurer.

Board Resolution

The Board of the Sydney Catchment Authority resolved at its meeting of 25 July 2014 to approve the Chairman's statement for annual report disclosure in relation to the SCA's compliance with the Internal Audit and Risk Management Policy.



Terry Charlton
Chairman
25 July 2014

No Exceptions

Information Security Management System Attestation for the 2013-2014 Financial Year for the Sydney Catchment Authority

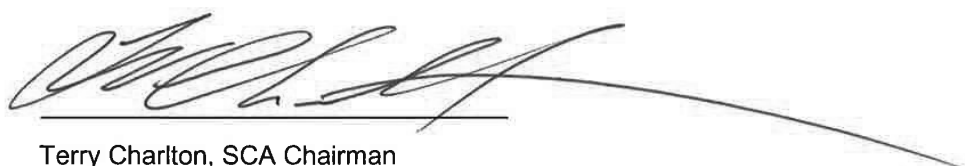
I, Terry Charlton, Chairman of the Board of the Sydney Catchment Authority, am of the opinion that the Sydney Catchment Authority has information security management processes in operation that are, in all material respects, compliant with the core requirements set out in the *NSW Government Digital Information Security Policy*. These processes provide a level of assurance that enables the senior management of the Sydney Catchment Authority to understand, manage and satisfactorily control information security risk exposures.

I, Terry Charlton, Chairman of the Board of the Sydney Catchment Authority am of the opinion that the security controls in place to mitigate identified risks to the digital information and digital information systems of the Sydney Catchment Authority are adequate for the foreseeable future.

I, Terry Charlton, Chairman of the Board of the Sydney Catchment Authority am of the opinion that where necessary, in accordance with the *Digital Information Security Policy for the NSW Public Sector*, certified compliance with *AS/NZA ISO/IEC 2001 Information technology – security techniques – Information security management systems – Requirements* had been maintained by all parts of the Sydney Catchment Authority.

Board Resolution – 29 August 2014 2014/70

The Board resolved (Krogh/Wilson) to approve the Chairman's Attestation and Statement for Annual Report Disclosure required under the NSW Government Digital Security Policy.



Terry Charlton, SCA Chairman

Key Focus Area

Business Viability

Strategy 1 – Water supplier of choice

SCADA system upgrade

The Supervisory Control and Data Acquisition (SCADA) system is the SCA's primary electronic monitoring and control system for water delivery infrastructure.

During the year a major upgrade of SCADA was completed to integrate a range of telemetry systems into the SCADA network, enabling the SCA to monitor and remotely control assets through the one system. Over a quarter of all SCA staff use the system on a daily basis for operational and monitoring purposes.

SCADA retains key data and provides near real-time and historic water system information.

In 2014-15 opportunities to further develop SCADA will be incorporated into a long term strategic plan to ensure SCADA functionality and connectivity keep pace with service delivery requirements.

Current Recommended Practices

Two Current Recommended Practices won industry awards during 2013-14. The manual 'Using MUSIC (Model for Urban Stormwater Improvement Conceptualisation) in Sydney's Drinking Water Catchment' won the NSW Stormwater Industry Association Award for Excellence in Policy or Education. The manual 'Designing and Installing On-Site Wastewater Systems' won the Environment Institute of Australia and New Zealand National Award for Excellence in Professional Practice (Large Company).

Strategy 2 – Managing risk

The SCA continued to implement the Enterprise Risk Management Framework (ERMF) which provides a basis for consistently managing risk to support achievement of business objectives. The framework reflects ISO 31000:2009 the international risk management standard and NSW Treasury Policy TPP09-05 Internal Audit and Risk Management.

The SCA completed a review of its corporate risk register and risk management plans and commenced a review of the ERMF during the year. The SCA continued to monitor changing and emerging risks.

The SCA was re-certified under the international information security management standard ISO 27001:2005 and maintains its process of continual improvement.

Fraud and Corruption Prevention Strategy

The SCA's Fraud and Corruption Prevention Strategy is a key element of its approach to managing risk as it aims to prevent, detect, report and investigate fraud and corruption. During the year all staff undertook fraud and corruption prevention training. In 2014-15 a comprehensive fraud and corruption risk assessment will be undertaken to investigate further opportunities for improvement in the control environment.

Insurance

The SCA is a member of the Treasury Managed Fund (TMF) from 1 April 2013 for workers compensation and 1 June 2013 for all other general insurance cover. The indemnity cover provided by the TMF includes but is not limited to:

- Worker's compensation as per current NSW legislation
- Legal liability inclusive of public liability, professional indemnity, directors and officers, and product liability
- Personal accident coverage for voluntary workers
- Property inclusive of buildings, plant and equipment, catchment infrastructure works including dams and pipelines
- Motor vehicles cover for loss or damage.

Internal auditing

A key component of the SCA's risk management strategy is the internal audit program. This function is outsourced to provide independent, quality-assured reviews of our business processes and internal controls. The process also provides assurance and identified business improvement opportunities.

In 2013-14 internal auditors reviewed the following business areas:

- Workplace health and safety
- Special and controlled areas access
- Grants administration
- Water data integrity
- Incident management framework
- Property leases and licences
- Environmental management
- IT governance and general computer controls.

Internal audit findings and management responses were reported to the SCA's Board Committee on Audit and Risk which monitors implementation of management responses.

The SCA's attestation statement for 2013-14 confirms that the SCA continues to comply in all material respects with the core requirements of the NSW Treasury Circular 09/08 Internal Audit and Risk Management Policy for the NSW Public Sector. The SCA's internal audit functions and the Audit, Financial Risk and Compliance committee charter align with the policy.

Managing incidents

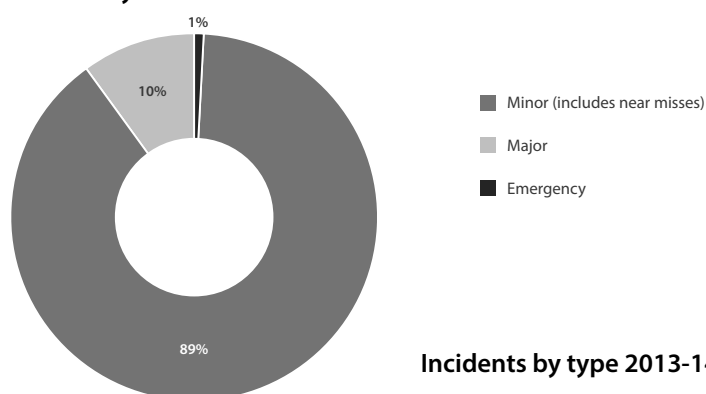
The SCA manages incidents based on risk categories (minor, major or emergency) indicating their actual or potential impact and resources required to manage the incident. Incidents are identified by their classification: health and safety; infrastructure and water supply; water quality; catchment and environment; security; information, communications and technology; and business incidents.

During the year training was undertaken including one-day introduction programs and two-day programs for staff directly involved in incident management teams for major incidents. SCA also held four exercises for Dam Safety Emergency Plans in June 2014 to test our response to major incidents at four locations. The exercises were well attended by staff and external stakeholders.

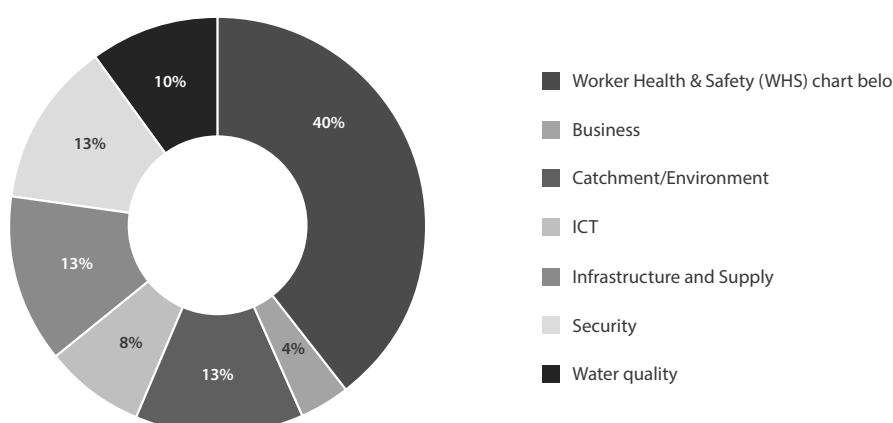
The SCA continues to participate in joint exercises with Sydney Water and NSW Health. A major combined exercise will be held in late 2014 to test agency readiness to respond to incidents.

There were 144 incidents (situations that could cause harm to workers) reported during 2013-14 (18 percent fewer than the previous year). The majority of incidents were ranked minor in nature. There was one emergency incident, primarily impacting on SCA infrastructure, reported during the period relating to the Hall Road Balmoral fires in the Southern Highlands that occurred in October 2013.

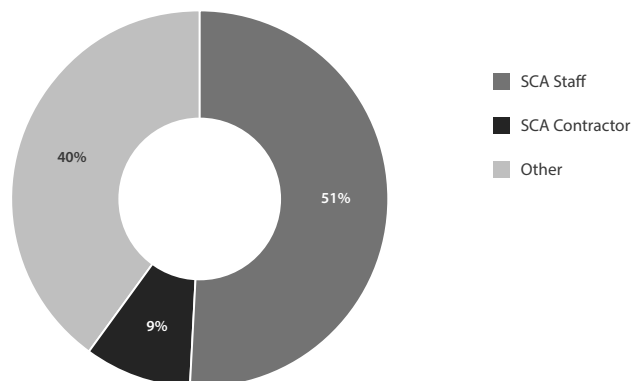
Incidents by class 2013-14



Incidents by type 2013-14



Worker health safety incidents 2013-14



Note: The category of "other" incidents includes a range of reported incidents where the incident had the potential to result in an injury (near miss) or there has been an injury sustained by a member of the public. These include:

- Injuries to members of the public at picnic areas and students at the Warragamba Dam Visitor Centre
- Snake sightings
- Reports of potential asbestos material being uncovered during site works
- Activation of evacuation alarm systems
- Public behaviour - abusive behaviour affecting people and building entry
- Near misses during construction work activities.

Key Focus Area

Business Viability

Strategy 3 – Cost efficiency

As a monopoly supplier of raw water to Sydney Water and other customers, the SCA is subject to pricing regulation by the Independent Pricing and Regulatory Tribunal (IPART) of NSW.

The current IPART determination commenced on 1 July 2013 and will end in 30 June 2016. The determination sets out the maximum prices the SCA can charge its customers as well as limits on its operating and capital expenditure. The SCA has implemented the outcomes of the pricing determination through its budget. Financial targets in the annual Statement of Financial Framework are also set to ensure the determination outcomes are met.

The SCA has robust processes in place to ensure that over the period of the IPART determination, it will not exceed the capital and operating expenditure allowance whilst meeting or exceeding NSW Treasury's financial targets.

Economic factors affecting performance

The SCA's operating expenditure contains a component for energy costs that may be incurred if the SCA is required to pump from the Shoalhaven system. These costs were significantly lower than forecast due to no pumping transfers taking place as the total dam storage level remained above the 75% trigger for transfers from the Shoalhaven.

Capital expenditure was impacted by savings due to tenders being awarded for prices lower than anticipated. The Australian construction sector has significant excess capacity as the mining investment boom ends, and this has led to significant price competition and to lower tender prices than budgeted.

Revenue has been higher than budgeted, with the relatively dry year driving higher sales.

Strategy 4 – Systems, processes and tools

Data centre relocation

The SCA made significant improvements to its technical infrastructure by increasing computing power, reliability and resilience during the year. This program of work led to the migration of the SCA's primary data centre facilities to the NSW Government Data Centre in May 2014.

Benefits for the SCA of this relocation include:

- Reduced recurrent costs
- Improved capacity to meet future growth
- Increased security
- Access to a standardised, competitively priced range of IT services
- Improved opportunity for inter-agency information exchange and cooperation.

Asset management system

The SCA's asset maintenance management system was upgraded during the year, resulting in significant improvements to stability and performance. Software licensing arrangements were also restructured to provide significant financial savings over the next five years.

Fleet management

The SCA owns 83 motor vehicles. During 2013-14, 72 new vehicles were purchased at a cost of \$2.7 million. The vehicles these replaced sold for \$1.8 million. All passenger and light commercial vehicles are updated at two years or 40,000 kilometres.

Procurement systems and management

The SCA successfully applied for accreditation under the NSW Procurement Board's Agency Accreditation Scheme for Goods and Services in 2013-14, gaining accreditation at Level 2B. This will complement the SCA's accreditation for construction procurement and provide flexibility to adapt to a changing operational environment, while ensuring compliance with probity and best practice procurement processes.

Electronic Document Management System

The SCA's centralised electronic document management system was updated in 2013-14 to include a 'business improvement and issues' record type. Work also commenced on developing an 'image' record type to enable upload, storage and sharing of digital images across the SCA.

Employee Information System

The Employee Information System was enhanced during the year to provide superannuation remittance and payment in line with superannuation legislative requirements – SuperStream. Mandatory system upgrades were also undertaken during the period to ensure legislative requirements were met.

With the introduction of the *Government Sector Employee Act* 2013 in February 2014, and to meet the requirements of the Administrative Arrangement Order, SCA staff were employed under the Department of Trade and Investment, Regional Infrastructure and Services. The Employee Information System was modified to support the new arrangements.

Fixed Assets Register

The SCA implemented a new fixed asset register for accounting and tax. The new register manages all types of property, plant, equipment, financial and intangible assets. It also integrates with the SCA's asset and financial systems.

Other features include:

- Provides comprehensive transaction history of all assets
- Improves the visibility and access to asset data
- Enhances governance over assets
- Tightens periodic reporting cycles
- Satisfies the International Financial Reporting Standard and tax compliance obligations.

Key Focus Area

Industry Excellence



Major dam wall improvements were carried out at Prospect Reservoir

The Sydney Catchment Authority (SCA) has in place strategies to ensure we continue to achieve industry excellence and maintain our role as a recognised leader in the Australian water sector.

The SCA Board's responsibility is to provide strong corporate governance for the organisation to ensure accountability and transparency. We conduct ongoing benchmarking activities (to measure and improve our performance) and are committed to innovation.

The SCA delivers services in an accountable and ethical way and complies with statutory, regulatory and industry requirements.

Our Goal

The SCA is recognised as a leader within the Australian water sector for its organisational practices.

Strategies

1. Ensure accountability and ethical behaviour through sound corporate governance.
2. Achieve excellence through benchmarking activities.
3. Maintain compliance with statutory, regulatory and industry requirements.
4. Implement contemporary knowledge management and intellectual property practices.

Key achievements 2013–14

- 191 development applications assessed – 97.9 percent within statutory timeframes
- 100 percent full to high compliance in IPART's audit of the SCA's Operating Licence compliance
- Introduced Location Intelligence Strategy to guide spatial science
- New gate exercising program introduced at Warragamba Dam

Case Study

New gate exercising program at Warragamba Dam

After Warragamba Dam spilled in 2012 for the first time in 14 years and the five spills that followed, there has been a strong focus on reliability of the dam's gates and their flood preparedness.

The SCA investigated best practice standards and options for gate testing in 2012-13 along with developing gate exercising procedures.

In August 2013 a new two-year testing cycle was commenced which sees Warragamba Dam crest gates exercised monthly, and ensures that all the gates components and systems are tested over a two year period. The more critical components and systems are tested more regularly.

"The testing program gives us confidence that the gates will work as they were designed, when we need them in flood events," says the SCA's Brian Simmons, Acting Senior Manager Water Supply Operations. "The increased testing program follows international best practice."

Every two months the radial gates are opened to 4.5% and routine tests are conducted. In addition, each year stop logs are put in place in front of the gates so that no water escapes and the gates are taken through their full range of movement and operations.

Downstream stakeholders are informed when the testing is taking place, though there are minimal impacts on the Hawkesbury-Nepean River during gate tests.



Key Focus Area

Industry Excellence

Strategy 1 – Corporate governance

The SCA Board maintained a corporate governance framework including accountability for direction setting, risk assessment and mitigation, internal control and audit. Ethical behaviour is driven from the top down, starting with the Board.

Values and behaviours are articulated through the Board and SCA codes of conduct, training, and promoting awareness of the codes.

The Board, under its code of conduct, models the values of respectfulness, responsiveness and responsibility in the public interest and operates in an ethical and transparent way.

During the year the SCA adopted a Charter of Dignity and Respect to guide organisational behaviour (for more information see Appendix 1).

Appointments to the SCA Board

The Minister appointed members to the common Board of State Water Corporation and the SCA in February 2014. This included reappointment of four existing SCA Board

members. SCA Board members are appointed by the Minister in accordance with Section 7 of the *Sydney Water Catchment Management Act 1998*.

During 2013-14 the following members participated on the Board:

- Terry Charlton (1/03/14 – 31/8/2015)
- Nicholas Brunton (21/11/12 – 2/3/2017)
- Carmel Krogh (21/11/12 – 2/3/2017)
- Andrew Wilson (27/5/12 – 22/7/2016)
- Chris Westworth (26/02/14 – 22/7/2016)
- David Harris (12/05/14 – ongoing)
- Mark Bethwaite (21/11/12 – 24/02/14)
- Fiona Smith (27/9/13 – 11/5/14)
- Ross Young (2/10/12 – 27/09/13)
- John Macarthur-Stanham (21/1/12 – 24/2/14)
- Geoff Kettle (21/11/12 – 24/2/14)
- Anissa Lawrence (21/11/12 – 24/2/14)
- Nigel Milan (21/11/12 – 24/2/14)

Please refer to Appendix 1 for details of meeting and committee attendances.



Code of Conduct

Members of the SCA Board discharge their duties under the *Sydney Water Catchment Management Act 1998* and relevant NSW statutes. The Board follows the principles contained in the Board Code of Conduct, which forms part of the Board Charter and Guidelines. These principles include: respecting people, acting responsibly, honestly and responsively, and in the public interest. The Board Code of Conduct is available on the SCA's website.

Board performance statement

In accordance with sound corporate governance principles, the Board is committed to undertaking an annual review of its performance and seeks out opportunities to improve its performance. The Board last reviewed its performance in December 2013.

SCA Board committees

During 2013-14 the Board had a range of supporting committees comprising Audit, Financial Risk and Compliance; Infrastructure Planning and Development; Safety, Operations, Environment and Catchment Protection, and Health, Science and Water Quality.

Please refer to Appendix 1 for more details of the SCA Board committees.

SCA Executive team

The Executive team of the SCA, led by the Chief Executive, manage the SCA in accordance with the policies and other decisions determined by the Board and the Minister. This includes:

- Preparing proposed plans, policies, strategies, budgets and reports for approval by the Board.
- Establishing, maintaining and ensuring compliance with internal controls, compliance systems, management and information systems and accounting records.
- Ensuring the SCA meets all workplace health and safety requirements.
- Regular reporting to the Board on matters associated with performance and the efficient and effective management of the SCA and the achievement of its objectives.

Strategy 2 – Benchmarking activities

National Water Initiative benchmarking

The SCA participates in the National Water Initiative (NWI) National Performance Report each year. It provides an annual independent, public report on urban water utilities to benchmark pricing and service quality.

Business improvement

The SCA is committed to continual improvement in all areas and at all levels across the business. A continual improvement program is being developed that will support staff in identifying areas for improvement. The system will provide staff with skills and techniques in solving problems and implementing improvement initiatives. During the year a business improvement database was implemented which captures corrective actions and improvement suggestions.

Development of health-based targets for drinking water

The SCA is part of an industry working group led by the Water Services Association of Australia (WSAA). This group is helping to develop and test methods and tools to assess the level of treatment required to meet proposed health-based targets. The working group has developed a two-tier method to assess the treatment requirements of drinking-water catchments from microbial hazards within the catchment (Tier 1) and using quantitative microbial risk assessment (QMRA) for *Cryptosporidium* based on monitoring data (Tier 2).

Key Focus Area

Industry Excellence

Strategy 3 – Complying with requirements

Operating Licence compliance

The *Sydney Water Catchment Management Act 1998* requires IPART to report annually to the Minister on the audit of the SCA's Operating Licence. The report on the 2012-13 operational audit by IPART was tabled in parliament on 20 January 2014.

The report indicated we performed well in the first year of the new Operating Licence 2012-17, achieving 100 percent full to high compliance in the audit. The SCA achieved full compliance for 87 percent (13/15), and high compliance for the remaining 13 percent (2/15) of the conditions assessed. IPART made five recommendations for improvement relating to the SCA's Water Quality Management System which were all addressed during the year.

Water Sharing Plan compliance

The SCA achieved full compliance with all requirements of the Water Access Licences, and Works and Use approvals required under the Water Sharing Plan for the Greater Metropolitan Region Unregulated River Water Sources 2011.

Notifications were provided to the Office of Water in accordance with the operating protocol, for any planned or unplanned events that had the potential to result in noncompliance with approval conditions.

Documenting a new heritage find at Prospect Reservoir

During 2013-14 a significant archaeological site was discovered below the full supply level at Prospect Reservoir, which had been lowered to allow works on the reservoir wall. The site was reported to the Heritage Division in line with the *Heritage Act (1977)*, and investigated and recorded by the SCA. It found that the occupation site was part of the estate of William Lawson, the early explorer famous for crossing the Blue Mountains in 1813. The relics and artefacts, mainly domestic and agricultural in nature, dated the occupation of the site to the early 1800s.

Monitoring of SCA prescribed dams and major infrastructure

Performance monitoring of the SCA's 21 prescribed dams continued this year in compliance with the NSW Dams Safety Committee (DSC) requirements. All dams were found to be performing satisfactorily. Eighteen survey programs were carried out in 2013-14 with no extraordinary movements detected.

Other key dam safety activities undertaken during the year included:

■ Five-Yearly Surveillance Reports

The DSC reviewed and endorsed the Nepean, Greaves Creek, Lake Medlow, Woodford Creek and Middle Cascade dam surveillance reports. Comprehensive inspections of Avon, Tallowa, Lower Cascade and Upper Cascade dams were also undertaken and the respective reports will be finalised in 2014-15.

■ Dam Safety Emergency Plans

The SCA reviewed and updated Dam Safety Emergency Plans (DSEPs) for all 21 prescribed dams during the year. All relevant SCA staff were given DSEP training and DSEP exercises were carried out on the Wingecarribee, Warragamba, Woronora and Prospect dams.

■ Operational Preparedness Test Reports

The SCA prepared procedures, carried out testing and developed Operational Test Preparedness Reports for the Warragamba Dam radial gates, Fitzroy Falls Reservoir and Glenquarry Cut control structure gates.

Safety reviews

Cataract and Cordeaux dam safety reviews were undertaken and draft reports developed during the year.

General surveillance and monitoring

All required engineer inspections and non-routine monitoring items were completed during the year. Follow-up actions were undertaken where necessary.

Rate of response to development applications

The SCA has rigorous processes for undertaking concurrence assessments for high risk developments in the catchment. The SCA provided concurrence on 191 development applications in 2013-14, with four provided outside of statutory timeframes.

The SCA also responded to:

- 57 requests from councils for advice on Section 96 modifications
- 36 requests from councils for further advice on amendments to DAs (where the applicant has modified the proposal prior to determination)
- 52 requests to execute s88B instruments under the *Conveyancing Act* (1919)
- 30 development assessment module requests due to NorBE system being offline.

Number of development applications assessed

	2013-14	2012-13	2011-12	2010-11	2009-10
Number of development applications assessed	191	176	171	340	344
Proportion (of total received) of development proposals assessed by SCA within statutory timeframes (%)	97.9	99	96.5	92.4	98.3
Proportion (of total received) of development proposals where SCA concurrence withheld (%)	0	0	0	0	0

Strategy 4 – Knowledge management and intellectual property

SCA seeks to be recognised as a leader in the Australian water sector for its organisational practices.

We take part in water industry networks, focussing on asset management including civil, mechanical, electrical and SCADA, as well as health and safety, communications, and the financial aspects of business.

The SCA has a range of established procedures in place for managing intellectual property, covering both SCA-owned and externally-owned assets. SCA-owned intellectual property assets include the various copyrights it may hold on publications, images, databases and maps, as well as the outputs of its extensive scientific research program. The SCA also owns a range of software, video and sound recordings and logos.

The SCA's Location Intelligence Strategy was finalised and approved in 2013-14. It provides the direction and framework to address the growing needs and opportunities for location intelligence information at the SCA. The strategy identifies priority actions that will maximise the value of our spatial data and location-enable our business data and systems. Location information is a fundamental component of our decisions related to managing and protecting the 16,000 square kilometre drinking water catchment.

The spatial mining monitoring tool was integrated into the SCA's web mapping tool, Nula, during the year and it will be available to all staff in August 2014. The tool provides information on historical, current and proposed extraction and coal seam gas activities in the Special and Controlled Areas.

Resource Optimisation



Monitoring and surveillance of the Special Areas was carried out throughout the year

The Sydney Catchment Authority (SCA) is committed to doing all we can to minimise energy and resource use without impacting on the environment or the safety or quality of the water we supply. In doing so, we will face a number of challenges.

The SCA maintains programs to manage environmental risks from activities and ensure all activities are carried out in accordance with those programs.

The SCA's Environmental Management Program 2012-2015 provides a summary of the activities undertaken to manage risks to the environment and to meet the requirements of the *Sydney Water Catchment Management Act 1998* and Operating Licence 2012-2017.

Our Goal

The SCA achieves sustainable outcomes through the optimisation of its resources and innovative use of assets.

Strategies

1. Investigate additional sources of renewable energy.
2. Improve the impact of the SCA's activities on the environment.
3. Utilise resources in innovative ways to embrace new technology.
4. Manage lands to contemporary standards.

Key achievements 2013–14

- 275 gigalitres of water released for environmental flows
- 3,360 hours monitoring and surveillance of Special Areas, resulting in 7 penalty notices and 17 warning letters issued
- Processed 63 applications for entry into Special Areas granted
- 23,600 hectares of lands around Braidwood controlled for weeds, pests and erosion

Case Study

Renewal of picnic areas following bushfires

On 17 October 2013, the Hall Road, Balmoral bushfire burnt through the Nepean Picnic Area destroying buildings, an amenities block, fencing, playground equipment and several historic gardens.

“It was a pretty devastating result,” says Mary Knowles, SCA’s Team Leader Operational Delivery, “but it would have been much worse if it wasn’t for our maintenance of asset protection zones (areas of reduced vegetation) around the picnic area. Combined with our program of hazard reduction burns, we were able to substantially limit the impact.”

Immediately following the fire, the SCA undertook “make safe” work including removal of dangerous trees and the clean-up of damaged buildings.

“Nepean Dam was reopened to staff two weeks after the fire and it was re-opened to the public after six weeks,” says Mary.

Ongoing restoration of the site saw the playground equipment replaced and fencing repairs. The fires exposed some old garden beds that had been covered over with grass for several years. These garden beds have been rebuilt and restored. Detailed historical research to identify original plantings in the area was undertaken, and these species were planted.

“The bushland surrounding the picnic area is naturally regenerating and while fire scars are still obvious, the area continued to attract many visitors during the year,” says Mary.

Nepean Dam playground after the fires



Playground rebuilt



Resource Optimisation

Strategy 1 – Renewable energy

The SCA continued to investigate opportunities for renewable energy. In 2013-14 work considering new environmental flows from Warragamba Dam included investigations of energy storage to augment green power generation.

Renewable energy investigations

During 2013-14 the SCA investigated a proposal to install solar systems across a range of dam sites. Options were considered for integrating solar with other infrastructure and for solar tracking systems.

The SCA also investigated underwater 'energy bags' to harness wind power for storage at the dams to generate power.

Green energy generated (kWh) by the SCA

A total of 960 kilowatt hours (kWh) of energy was generated in 2013-14 from the solar street lights in the Warragamba Dam precinct.

Strategy 2 – Environmental impacts

The SCA has environmental management programs addressing environmental impact management, water conservation, energy management and waste reduction. During the year we achieved sustainable outcomes in these programs through the optimisation of our resources and the innovative use of assets.

Environmental Management System

The SCA continued to develop its Environmental Management System (EMS) and is on track to meet the Operating Licence requirement to have an EMS in place by 30 June 2015 and certified to ISO14001 by 30 June 2017.

Environmental site inspections

The SCA continued to implement its Environmental Site Inspection Procedure in 2013-14 to improve environmental practice and reduce the impact of its activities on the environment. The inspections provide a snapshot of the day to day environmental management of SCA projects, activities and work, as well as operational sites such as depots.

Fifteen environmental inspections of SCA projects were undertaken during the year, with the projects selected on the basis of the type of works, nature of the risk and the duration of the works. There were no non-compliances identified. Seven recommended improvement opportunities were identified and all seven were addressed within one month of the inspections being completed.

Staff training and awareness

In 2013-14, all 22 new staff who commenced employment at the SCA, participated in the SCA Corporate Induction Program which includes a session on environmental awareness, systems and performance. In addition, 28 agency/contractors engaged by the SCA also attended the same session.

During 2013-14 no formal environmental assessment training was provided. This was largely due to limited resources and the impending reform of the NSW planning system. On an as needs basis, project managers were advised of the SCA's environmental assessment requirements and procedures.

Further training is proposed following the expected amendments to environmental assessment provisions of legislation. In the interim, advice will be provided to all relevant staff who have commenced since the previous formal training was undertaken, advising of the SCA's policy and procedures.

Environmental auditing

The SCA's Annual Environmental Audit aims to assess the effectiveness of the SCA's actions to minimise environmental impacts. The findings are used to improve environmental management for future activities.

In 2013-14, three SCA projects were subject to an independent audit consisting of both a desktop and on-site component. While the audit process identified some business improvement opportunities for some projects, the auditor noted that all relevant environmental safeguards appeared to be implemented effectively for all projects.

The audit found that two of the proposed management actions outlined in the 2012-13 audit were adequately addressed, while the remaining two actions were still being implemented.

Environmental Flows Program

Monitoring and evaluation program

To monitor and evaluate environmental flows in the Woronora, Shoalhaven and Nepean rivers, the SCA measures a range of parameters downstream of the dams and at comparable reference sites. The monitoring encompasses river water quality, the condition of pools, and the condition of macroinvertebrate and periphyton communities. We also monitor the use of the fishways and changes to the entire fish community of the river (populations and distributions) attributable to the environmental flows.

Key outcomes of the monitoring program over the year indicate the following benefits since the introduction of the current environmental flow regime:

- Water quality was generally good with no evidence of cold water pollution downstream of the Upper Nepean dams, and abundance and richness of macroinvertebrate communities have increased.
- Reduction in the thermal and oxygen stratification of pools downstream of Tallowa Dam, and abundance and richness of macroinvertebrate communities are similar to reference sites.
- There is a continued long-term difference between macroinvertebrate communities downstream of the dam and those at the Woronora River reference sites, but no evidence of increasing divergence between these groups. Surveys of riparian vegetation show that the new environmental flows favour the growth of riparian shrubs and emergent vegetation.

In November 2013, the Department of Primary Industries finalised a report on the response of fish communities to the new fishway at Pheasants Nest Weir. This report found that the river reaches were dominated by native fish, with few exotic species present and that the change in size distribution of Cox's gudgeon suggested that smaller individuals are able to migrate upstream of the weir.

Warragamba Dam E-Flows options assessment

The 2010 Metropolitan Water Plan (MWP) confirmed an action to undertake investigations to enable a decision on a environmental flow release regime for Warragamba Dam to be included in the next Metropolitan Water Plan. A key element of the investigations includes measures to improve the health of the Hawkesbury-Nepean River through the assessment of environmental flows as a potential contribution. The SCA has assisted in the evaluation of a range of possible environmental flow regimes which will be considered as part of the portfolio of options for the next review of the Metropolitan Water Plan.

Planned environmental releases

Environmental and riparian flow requirements are set out in the SCA's Water Access Licences and Works and Use Approvals reflecting the provisions of the Water Sharing Plan for the Greater Metropolitan Region Unregulated River Water Sources 2011.

This year, the total volume of water released as environmental flows was 280 GL, while a further 365 ML was released from the Wingecarribee Reservoir for riparian users. Releases from Tallowa Dam and the dams and weirs in the Upper Nepean River system are varied based on daily inflows to better mimic natural variations in river conditions.

The SCA has maintained 100 percent compliance with the requirements of the Combined Approvals under the Water Sharing Plan in 2013-14. For more detail on environmental flows see Appendix 7 Water Balance for the Total Supply System.

Key Focus Area

Resource Optimisation

SCA Sustainability Report

The SCA has calculated its carbon and ecological footprints for 2013-14 to help better understand the total environmental impact of our activities and how we are progressing toward sustainability.

The SCA has compiled environmental footprint data over the past six years using an internationally recognised methodology developed by the University of Sydney with input from the water industry that measures our full supply chain impact. This enables the SCA to identify where its carbon emissions are highest and where reductions in our ecological footprint can potentially be made.

The SCA has also continued to meet its reporting requirements in relation to energy consumption and the National Water Initiative (NWI) Environmental Indicators.

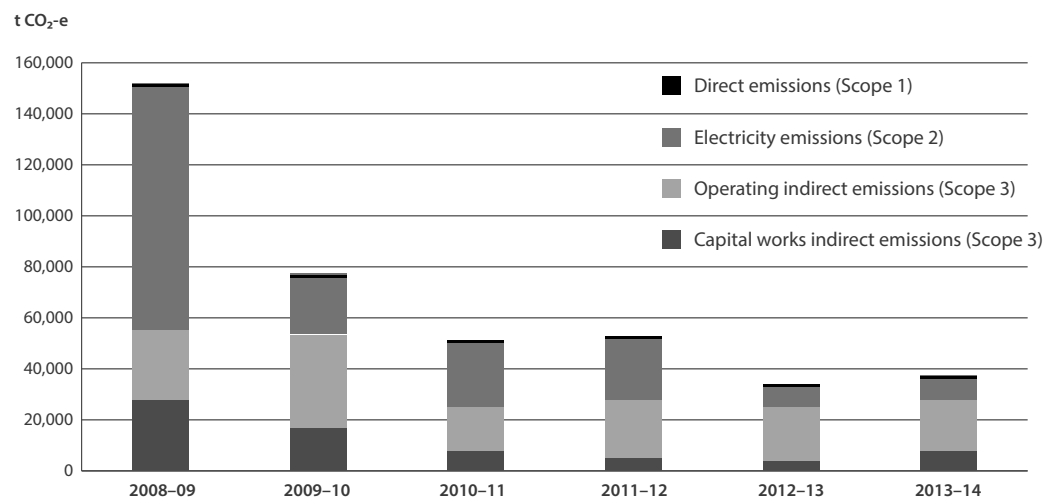
Environmental snapshot

Component	Result for 2013-14	Trend from previous year
Carbon footprint*	37,138 tonnes of carbon dioxide equivalent (CO ₂ -e)	8.7% increase
Ecological footprint**	20,567 hectares	0.67% increase

* The carbon footprint is a measure of greenhouse gas emissions (expressed in tonnes of carbon dioxide [CO₂] equivalents) caused directly and indirectly by the SCA's activities.

** Ecological footprint represents the land area taken up by infrastructure, including water supply reservoirs, land disturbed to produce the material we use, disposed waste and land forecast to be disturbed as a result of our greenhouse gas emissions from our carbon footprint.

Breakdown of main carbon commodities for operational



Note: All of the above SCA operational and capital commodities align with the Australian Bureau of Statistics (ABS) National Accounts categories.

Carbon footprint

In 2013-14 the SCA's carbon footprint was 37,138 tonnes of carbon dioxide equivalent (CO₂-e), up from 34,153 tonnes the previous year.

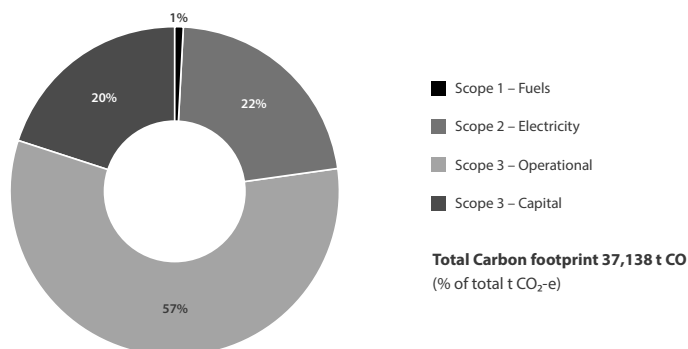
Total direct emissions accounted for 23 percent of the SCA's carbon footprint comprising:

- Scope 1 emissions, consisting primarily of fuel used by SCA's motor vehicles, plant and equipment (one percent)
- Scope 2 emissions, consisting of electricity use (22 percent).

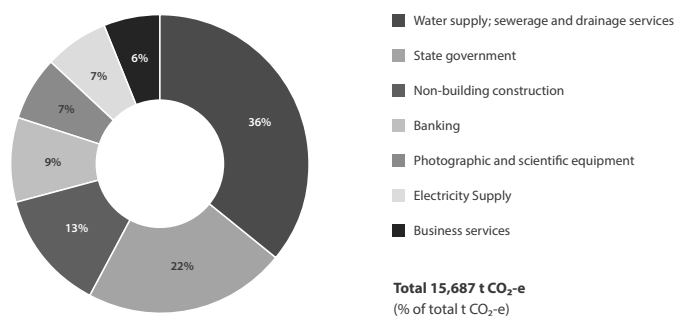
Total indirect emissions from the SCA's supply chain accounted for 77 percent of the SCA's total carbon footprint (Scope 3 emissions). Of this amount, the operations supply chain accounted for 57 percent of our carbon footprint, down from 61 percent in 2012-13.

Another 20 percent of our carbon footprint was due to emissions embedded in capital works, including upgrades and repairs to our infrastructure. This reflects the energy used to produce construction material and provide services essential for the SCA to carry out its business.

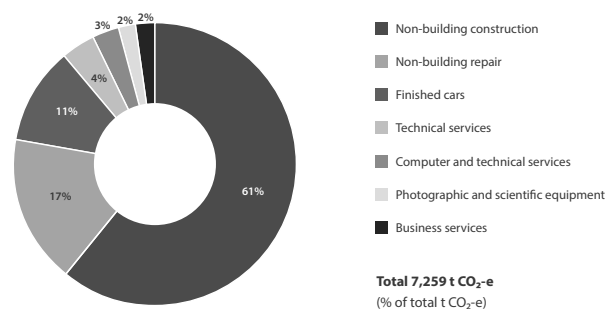
SCA's full supply chain carbon footprint 2013-14 (% of total t CO₂-e)



Breakdown of main carbon commodities for operational



Breakdown of main carbon commodities for capital



Breakdown of carbon footprint and yearly comparison (t CO₂-e)

Year	Direct emissions (Scope 1)	Electricity emissions (Scope 2)	Operational indirect emissions (Scope 3)	Capital works indirect emissions (Scope 3)
2008-09	681	95,725	26,948	27,943
2009-10	608	22,671	35,803	18,223
2010-11	540	25,488	16,517	8,967
2011-12	550	24,140	22,501	5,860
2012-13	549	7,968	20,951	4,685
2013-14	547	8,142	20,978	7,471

Breakdown of carbon emissions for 2013-14

Scope	Source	t CO ₂ -e	% Total
Scope 1	Fuels	547.38	1.47%
Scope 2	Electricity	8,142.41	21.92%
Scope 3	Operational	20,978.00	56.49%
Scope 3	Capital	7,471.00	20.12%
	Total	37,138.78	100%

Greenhouse gas emissions comparisons (CO₂ tonnes equivalent)

Energy type	Greenhouse gas emissions %		Greenhouse gas emissions %		% change
	2013-14	2012-13	2013-14	2012-13	2013-14
Electricity	8,142	7,968	93.7%	93.6%	2.2%
Petrol	96	114	1.1%	1.3%	-15.3%
Auto distillate (diesel)	452	436	5.2%	5.1%	3.5%
Bio fuel (B20)	-	-	-	-	-
Wood	-	-	-	-	-
Gas	-	-	-	-	-
Total	8,690	8,518	100%	100%	2%

Key Focus Area

Resource Optimisation

National Water Initiatives Environmental Indicators

Item No	NWI Indicator	Tonnes of CO2-e	Tonnes of CO2-e/ML
E9.1	GHG Emissions -Water	8,060.47	0.015
E11.1	Net GHG Emissions -Other	629.31	0.001
E12.1	Total Net	8,689.78	0.016
ML Supplied	536,607		

Energy comparisons for the past two financial years in Gigajoules

	Total energy (GJ)	Change in GJ%	Costs of energy (\$)
	2013-14	2012-13	2013-14
Electricity	37,198	36,380	2.25%
Petrol	1,434	1,695	-15.40%
Auto distillate (diesel)	6,466	6,244	3.56%
Bio fuel (B20)	0	0	0
Wood	0	0	0
Gas	0	0	0
Total	45,098	44,319	1.76%

Electricity use

Total electricity consumption in 2013-14 was 10,332,620 kilowatt hours, 2.25 percent more than for the previous year. Total energy used for water supply infrastructure was 9,669,613 kilowatt hours.

The SCA's overall energy consumption increased primarily due to increased pumping from Shoalhaven (to exercise the pumps), Nepean, Prospect and Narrow-neck, and aeration at Woronora despite decreased pumping usage at Greaves Creek and aeration at Avon.

Electricity consumption for the past four years in kilowatt hours

	2013-14	2012-13	2011-12	2010-11
Office buildings	478,472	517,233	516,760	533,541
Public buildings	92,632	100,165	108,849	128,403
Other facilities	70,131	85,402	67,466	79,721
Water supply infrastructure	9,669,613	9,381,519	27,191,895	26,529,340
Shoalhaven drought transfers	-	-	-	-
Infrastructure roadways	21,772	21,351	19,905	19,542
Total electricity	10,332,620	10,105,670	27,904,875	27,290,547

The energy consumption at our office buildings was reduced by 58 percent since 2007-08, due in part to our new Penrith office being awarded a 4.5 star NABERS (National Australian Built Environment Rating System) rating and reduced energy consumption at Campbelltown and Burrawang offices.

The 2013-14 energy consumption data for office buildings shows that the SCA has met the target of reducing our building energy consumption to 2000-01 levels (540,853 kilowatt hours) by 2019-20.

Energy management initiatives

The SCA continued to implement energy management initiatives this year aiming to maintain our five star rating under the Energetics One 2 Five Rating System. Key achievements and activities this year included:

- An estimated \$500,000 saving in the design component for the Burrawang Electrical upgrade project.
- Continued purchasing 10 percent Green Power (excluding energy for operational/water supply pumping) .
- 81 vehicles in the Greenfleet program .
- Continued to fulfil requirements under the Federal Energy Efficiency Opportunities and National Greenhouse Energy Reporting System legislation.
- Investigated Variable Speed Drive (VSD) use for a range of electrical motors at dam sites.
- Continued to monitor industry development in mini-hydropower generation through the attendance of industry seminars and workshops.
- Identified options for the Warragamba Dam hydropower assessments carried out by Department of Commerce and contractors.
- Investigated external proposals to generate hydroelectricity using the SCA's water supply assets
- Investigated efficient ways to provide back-up power for the Burrawang office.
- Two electricity accounts were closed and transferred under one best available commercial energy contract. This has resulted in a saving of \$13,700.

Burrawang Pumping Station electrical upgrade

The Burrawang Pumping Station was built in the mid 1970s and has been used predominately as a drought supplement system. The electrical assets within the station require replacement to ensure the station continues to meet contemporary design standards for electrical safety and performance.

An assessment in 2011 identified where energy efficiencies could be realised and where power consumption could be reduced.

In 2013-14 stage two of the project developed the concept design and documentation.

The principal energy saving initiative of this project is the implementation of high efficiency motors and variable speed drives (VSD). The projected energy savings include:

- Reduction of the estimated average specific energy (MWh/ML) of the Shoalhaven transfer scheme at Burrawang Pumping Station by up to 7.9 percent for single pump operation.
- Reduced peak power demand (kVA/month) on the electricity network.
- Potential for network cost savings from improved power correction.

Ecological footprint

An ecological footprint represents the land area taken up by infrastructure, including water supply reservoirs, land disturbed to produce the material we use, disposed waste and land forecast to be disturbed as a result of our greenhouse gas emissions from our carbon footprint.

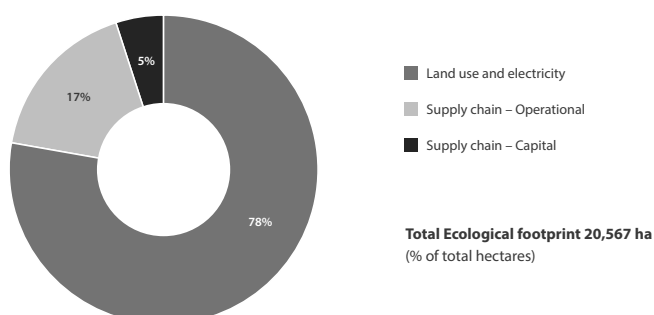
In 2013-14 the SCA's ecological footprint was 20,567 hectares, and was dominated by land use and electricity usage. Supply chain operations and capital represented only 22 percent of the total footprint. The ecological footprint for 2013-14 represents a moderate increase from the previous year of 20,338 hectares.

The SCA's carbon and ecological footprints fluctuate from year to year as a result of varied operational and capital works programs, goods and services and the need to transfer water from the Shoalhaven system. The SCA aims to reduce our footprint as we continue to improve our sustainability practices.

SCA's ecological footprint 2008-2014

	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Total ecological footprint – land disturbance (ha)	20,567	19,224	20,808	20,551	22,026	28,458

SCA's full supply chain ecological footprint 2013-14



Summary ecological footprint 2013-2014

	Source	Impact (ha)	% total impact
Direct impacts	Land use & electricity	16,046	78%
Indirect	Supply chain - Operational	3,514	17%
Indirect	Supply chain - Capital	1,007	5%
	Total	20,567	100.00%

Note: All previous years have been recalculated based on a revision in ecological footprint methodology.

Key Focus Area

Resource Optimisation

The water footprint

The water footprint represents the amount of water embodied in all SCA products and services consumed both directly and indirectly by the SCA's activities.

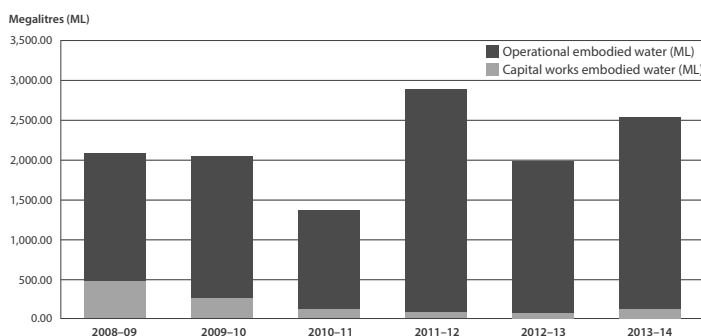
The SCA's water footprint in 2013-14 was 2,542 megalitres, up from 1,985.9 megalitres in the previous year. This result was largely due to a moderate increase in technical services, non-building construction and maintenance operations.

Calculating our water footprint allows us to identify water intensive activities and to better understand the total environmental impact of our business activities. It is calculated using the same methodology used to calculate our tonnes of carbon dioxide equivalent and ecological footprint.

Breakdown of embodied water use and yearly comparison (in megalitres)

Year	Capital works embodied water (ML)	Operational embodied water (ML)	Total embodied water use (ML)
2008-09	482	1,613	2,095
2009-10	275	1,789	2,064
2010-11	139	1,232	1,371
2011-12	97	2,821	2,918
2012-13	76	1,909	1,985
2013-14	123	2,419	2,542

Breakdown of embodied water use and yearly comparison (in megalitres)



Waste management and resource efficiency

Waste management at the SCA is based on the philosophy of 'reduce, re-use, recycle'. As required by government policy, the SCA's last biennial Waste Reduction and Purchasing Policy (WRAPP) report was submitted to the Office of Environment and Heritage in August 2013 following the completion of a waste audit.

During the year the SCA continued to implement recommendations from the waste audit and actions outlined in the SCA's WRAPP Plan including:

- Exploring opportunities to further reduce waste and expand collection systems.
- Investigating waste separation and collection systems at offices.
- Undertaking waste education activities including promoting waste audit findings to staff, developing a 'keep cup' initiative for the SCA staff day, publishing waste management initiatives via the SCA intranet and internal newsletter, and including waste information in corporate inductions.
- Commencing the development of a data collection system for waste information.
- Implementing an integrated waste and cleaning contract at SCA's Penrith Office.

The next waste progress report will be developed in accordance with the new waste reporting requirements outlined in the NSW Government's recently released Resource Efficiency Policy (GREP) 2014. The GREP replaces the NSW Government Sustainability Policy 2008 and the WRAPP with new waste reporting requirements. The SCA will publish a statement of our performance against the policy in the 2014-15 Annual Report.

Strategy 3 – Embracing new technology

Field force automation

The SCA continued to develop computer based tools to replace paper based systems for identifying and managing maintenance works. Computing devices (Field Force Automation) were provided to contractors in the field so they could receive their work assignments electronically and to collect details on work performed and asset condition information.

A 'data bridge' was developed to enable two-way, real-time data transfer between the SCA and contractors and will be implemented in August 2014. The systems will improve the quality and timeliness of information and generally improve maintenance decision making.

MetroNet

SCA developed MetroNet with input from the Metropolitan Water Directorate. MetroNet is a cut down version of the SCA's full WATHNET5 model of Sydney's headworks system. The system provides a hydro-economic model for metropolitan water planning.

Strategy 4 – Managing lands to contemporary standards

The SCA owns and manages large tracts of land in the drinking water catchments – freehold land in Special Areas, Controlled Land, and lands in the Braidwood area.

We manage our land and Special Areas to protect and optimise water quality, and to conserve the ecological integrity and natural and cultural values of the area.

Managing the Special Areas

The Special Areas cover 365,000 hectares of mostly intact native bushland around the water storages and water supply infrastructure. Public access and activities are restricted to protect water quality in these areas.

The SCA jointly manages the Special Areas with the NSW National Parks and Wildlife Service (NPWS) in accordance with the Special Areas Strategic Plan of Management 2007 (SASPoM). The SASPoM outlines the aims and targets for management of the Special Areas and includes actions on fire and fire trail management, soil erosion control and pest and weed management.

A review of the SASPoM in 2012 recommended an updated plan should be developed to outline the strategic issues within the Special Areas, strategic management objectives and a framework to develop four year land management priorities, with each agency preparing area specific work programs in response. It was proposed that evaluation of works programs, assessments of condition and management effectiveness use the NPWS State of the Parks methodology. The draft SASPoM was exhibited for two months (2 September – 1 November 2013) and a final plan is expected by the end of 2014 (see page 130).

The SCA informs the public of access restrictions in Special Areas through the media, SCA website and key publications.

A total 3,360 hours of enforcement activities were conducted in Special Areas resulting in seven penalty infringement notices and 17 warning letters. This included out-of-hours, weekend, public holiday and fire season surveillance. The winter program acts on intelligence to target illegal entry hotspots while the summer surveillance program focuses on preventing the outbreak of bushfires.

Four joint compliance operations were undertaken throughout the year – with support from the Camden, Campbelltown and Wollongong NSW Police Local Area Commands, NPWS in the Illawarra and South Coast Nowra regions, Campbelltown City Council rangers, Southern Councils Regional Illegal Dumping Squad and Fisheries NSW in the Illawarra.

Key Focus Area

Resource Optimisation

During the year the SCA granted 63 applicants consent to enter Special Areas. Access was related to cultural heritage, scientific research by universities and monitoring studies by other government organisations.

Managing recreational areas

The SCA manages picnic recreation facilities at 13 locations throughout the catchment, including at most of the major dams.

The Bendeela Recreation Area is a rustic camping ground on the Kangaroo River arm of Lake Yarrunga. During the year public consultation on the draft Masterplan for the area was undertaken (see page 130) and the final plan is expected in late 2014.

Managing SCA owned lands at Braidwood

The SCA owns 67 freehold properties in the Braidwood area (comprising approximately 23,600 hectares of land). The land was purchased for a potential new water supply dam that has since been deferred indefinitely.

During the year the SCA continued to undertake activities on non-leased lands to manage fire, vertebrate pest and weed species, fire trails and erosion, access and compliance.

The Braidwood lands are vulnerable to erosion, due to historical broad scale vegetation clearing for agriculture and mining. We continued to work closely with the NSW Soil Conservation Service to identify and assess priority erosion sites for treatment. Works have included gully head control, bank stabilisation and mulching to encourage revegetation on treated sites. The SCA implemented erosion control programs for the Braidwood lands (including leased lands) and conducted surveillance programs to control illegal activities such as trail bike riding. The SCA continued its 2012-16 Fencing Program.

Pest and weed control efforts during 2013-14 targeted serrated tussock, blackberry, broom, sweet briar and St John's Wort, as part of the Braidwood passive land program. Control of wild pigs and rabbits was also carried out.

We also undertook fire management activities including completing prescribed hazard reduction burns on selected lands, and slashing along fire trails and boundary fences.

Disposal of property

The SCA did not dispose of any properties during 2013-14.

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Financial Statements



Sydney Catchment Authority

Financial statements
30 June 2014

SYDNEY CATCHMENT AUTHORITY

STATEMENT BY MEMBERS OF THE BOARD

Under section 41C (1B) and (1C), we state that, in our opinion, the accompanying financial statements and notes thereto:

- a) exhibit a true and fair view of the financial position of the Sydney Catchment Authority as at 30 June 2014 and its financial performance for the year then ended
- b) comply with applicable Australian Accounting Standards (including Australian Accounting Interpretations), the *Public Finance & Audit Act 1983*, the Public Finance & Audit Regulation 2010, and the Treasurer's Directions.

We further state that we are not aware of any circumstances that would render any particulars in the financial statements to be misleading or inaccurate.



Terry Charlton
Chairman



David Harris
Acting Chief Executive

18 September 2014

Financial Statements



INDEPENDENT AUDITOR'S REPORT

Sydney Catchment Authority

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Sydney Catchment Authority (the Authority), which comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Authority and the consolidated entity. The consolidated entity comprises the Authority and the entity it controlled from time to time during the financial year.

Opinion

In my opinion the financial statements:

- give a true and fair view of the financial position of the Authority and consolidated entity as at 30 June 2014, and of their financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion should be read in conjunction with the rest of this report.

The Board's Responsibility for the Financial Statements

The members of the Board are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Board determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

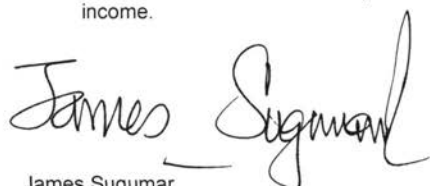
My opinion does *not* provide assurance:

- about the future viability of the Authority
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



James Sugumar
Director, Financial Audit Services

19 September 2014
SYDNEY

Financial Statements

Sydney Catchment Authority Statement of comprehensive income

For the year ended 30 June 2014

	Note	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Revenue					
Revenue from water sales	4	205,240	198,311	205,240	198,311
Other revenue	4	3,991	3,372	3,991	3,372
Revenue		209,231	201,683	209,231	201,683
Expenses					
Employee and personnel services expense	5, 24	(46,981)	(35,988)	(37,877)	(27,339)
Other operating expenses	6	(87,207)	(78,502)	(87,207)	(78,502)
Loss on disposal of property, plant and equipment		(1,125)	(291)	(1,125)	(291)
Finance costs	7	(31,370)	(34,249)	(31,370)	(34,249)
Expenses		(166,683)	(149,030)	(157,579)	(140,381)
Profit before income tax		42,548	52,653	51,652	61,302
Income tax equivalent expense	8	(16,669)	(19,887)	(16,669)	(19,887)
Profit		25,879	32,766	34,983	41,415
Other comprehensive income					
Items will not be reclassified to profit or loss					
Revaluation of property, plant and equipment	13	27,533	26,489	27,533	26,489
Defined benefit plan actuarial gains (losses)	17, 24	5,973	3,324	-	-
Actual return on fund assets less interest income	17, 24	3,131	5,325	-	-
Income tax on other comprehensive income	8	(8,260)	(8,029)	(8,260)	(8,029)
Other comprehensive income		28,377	27,109	19,273	18,460
Comprehensive income		54,256	59,875	54,256	59,875
Attributable to equity holders of the Parent		54,256	59,875	54,256	59,875

The statement of comprehensive income should be read in conjunction with the accompanying notes.

Sydney Catchment Authority

Statement of financial position

For the year ended 30 June 2014

	Note	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Consolidated Entity 1 July 2012 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000	Parent Entity 1 July 2012 \$'000
ASSETS							
Current assets							
Cash and cash equivalents	9	41,228	41,933	27,969	41,228	41,933	27,969
Trade and other receivables	10	37,848	18,139	20,651	37,848	18,121	20,635
Other non-financial assets	11	1,106	805	4,446	1,106	853	3,948
Current tax assets	8	-	-	8,860	-	-	8,860
Current assets		80,182	60,877	61,926	80,182	60,907	61,412
Non-current assets							
Intangible assets	12	3,337	3,076	3,836	3,337	3,076	3,836
Property, plant and equipment	13	1,462,689	1,442,195	1,427,129	1,462,689	1,442,195	1,427,129
Non-current assets		1,466,026	1,445,271	1,430,965	1,466,026	1,445,271	1,430,965
ASSETS		1,546,208	1,506,148	1,492,891	1,546,208	1,506,178	1,492,377
LIABILITIES							
Current liabilities							
Trade and other payables	14, 24	93,915	25,252	28,976	93,915	87,154	96,603
Other liabilities	15	495	250	323	495	250	323
Borrowings	16	13,002	2,200	13,900	13,002	2,200	13,900
Current tax liabilities	8	12,851	8,834	-	12,851	8,834	-
Provisions	17	27,900	42,979	40,968	27,900	26,757	25,096
Current liabilities		148,163	79,515	84,167	148,163	125,195	135,922
Non-current liabilities							
Borrowings	16	426,120	436,804	455,652	426,120	436,804	455,652
Other liabilities	15	1,315	986	1,192	1,315	986	1,192
Provisions	17, 24	522	46,148	52,745	522	498	476
Deferred tax liabilities	8	140,516	135,146	124,755	140,516	135,146	124,755
Non-current liabilities		568,473	619,084	634,344	568,473	573,434	582,075
LIABILITIES		716,636	698,599	718,511	716,636	698,629	717,997
NET ASSETS		829,572	807,549	774,380	829,572	807,549	774,380
EQUITY							
Retained earnings	24	507,656	504,906	490,171	507,656	504,906	490,171
Asset revaluation reserve		321,916	302,643	284,209	321,916	302,643	284,209
EQUITY		829,572	807,549	774,380	829,572	807,549	774,380

The statement of financial position should be read in conjunction with the accompanying notes.

Sydney Catchment Authority
Statement of changes in equity
For the year ended 30 June 2014

Financial Statements

Consolidated entity	Note	Retained Earnings		Asset Revaluation Reserve			Total Equity	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2013 \$'000
Balance at beginning of the year, as previously reported		504,906	495,349	302,643	284,209	807,549	779,558	
Impact of changes in accounting policies	24	-	(7,400)	-	-	-	(7,400)	
Tax effect of change in accounting policies		-	2,222	-	-	-	2,222	
Restated balance at beginning of the year		504,906	490,171	302,643	284,209	807,549	774,380	
Comprehensive income (restated)								
Profit for the year		25,879	32,766	-	-	25,879	32,766	
Revaluation and impairment of property, plant and equipment	13	-	-	27,533	26,489	27,533	26,489	
Defined benefit superannuation actuarial gains (losses)	17, 24	5,973	3,324	-	-	5,973	3,324	
Actual return on fund assets less interest income	17, 24	3,131	5,325	-	-	3,131	5,325	
Income tax on other comprehensive income	8	-	-	(8,260)	(8,029)	(8,260)	(8,029)	
Comprehensive income for the year (restated)		34,983	41,415	19,273	18,460	54,256	59,875	
Transfers between equity items								
Transfers from reserves to retained earnings on disposal of assets		-	26	-	(26)	-	-	
Transfers between equity items		-	26	-	(26)	-	-	
Transactions with owners in their capacity as owners								
Increase (decrease) in net assets from equity transfers	13	(4,333)	51	-	-	(4,333)	51	
Dividend recognised to equity holders	17	(27,900)	(26,757)	-	-	(27,900)	(26,757)	
Transactions with owners in their capacity as owners		(32,233)	(26,706)	-	-	(32,233)	(26,706)	
Restated balance at the end of the year		507,656	504,906	321,916	302,643	829,572	807,549	

The statement of changes in equity should be read in conjunction with the accompanying notes.

Sydney Catchment Authority Statement of changes in equity

For the year ended 30 June 2014

Parent entity	Note	Retained Earnings		Asset Revaluation Reserve		Total Equity	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Balance at beginning of the year, as previously reported		504,906	495,349	302,643	284,209	807,549	779,558
Impact of changes in accounting policies	24	-	(7,400)	-	-	-	(7,400)
Tax effect of change in accounting policies		-	2,222	-	-	-	2,222
Restated opening balance		504,906	490,171	302,643	284,209	807,549	774,380
Comprehensive income							
Profit for the year		34,983	41,415	-	-	34,983	41,415
Revaluation and impairment of property, plant and equipment	13	-	-	27,533	26,489	27,533	26,489
Income tax on other comprehensive income	8	-	-	(8,260)	(8,029)	(8,260)	(8,029)
Comprehensive income for the year (restated)		34,983	41,415	19,273	18,460	54,256	59,875
Transfers between equity items							
Transfers from reserves to retained earnings on disposal of assets		-	26	-	(26)	-	-
Transfers between equity items		-	26	-	(26)	-	-
Transactions with owners in their capacity as owners							
Increase (decrease) in net assets from equity transfers	13	(4,333)	51	-	-	(4,333)	51
Dividend recognised to equity holders	17	(27,900)	(26,757)	-	-	(27,900)	(26,757)
Transactions with owners in their capacity as owners		(32,233)	(26,706)	-	-	(32,233)	(26,706)
Restated balance at the end of the year		507,656	504,906	321,916	302,643	829,572	807,549

The statement of changes in equity should be read in conjunction with the accompanying notes.

Financial Statements

Sydney Catchment Authority

Statement of cash flows

For the year ended 30 June 2014

		Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
	Note				
Cash flows from operating activities					
Cash receipts from customers		198,675	208,681	198,672	208,683
Interest received		1,102	972	1,102	972
Cash paid to suppliers and employees		(95,916)	(88,535)	(95,913)	(88,537)
Interest paid		(31,283)	(31,730)	(31,283)	(31,730)
Other costs of finance paid		(75)	(75)	(75)	(75)
Income tax (paid)/refunds received		(15,542)	167	(15,542)	167
Net cash from operating activities	9	56,961	89,480	56,961	89,480
Cash flows from investing activities					
Proceeds from sale of property, plant & equipment		1,767	1,428	1,767	1,428
Payments for property, plant & equipment		(31,176)	(19,290)	(31,176)	(19,290)
Net cash used in investing activities		(29,409)	(17,862)	(29,409)	(17,862)
Cash flows from financing activities					
Repayment of borrowings		(1,500)	(32,558)	(1,500)	(32,558)
Dividends paid		(26,757)	(25,096)	(26,757)	(25,096)
Net cash used in financing activities		(28,257)	(57,654)	(28,257)	(57,654)
Net increase/(decrease) in cash and cash equivalents		(705)	13,964	(705)	13,964
Cash & cash equivalents at beginning of year	9	41,933	27,969	41,933	27,969
Cash & cash equivalents at end of year	9	41,228	41,933	41,228	41,933

The statement of cash flows should be read in conjunction with the accompanying notes.

1 Reporting entity

The Sydney Catchment Authority (the 'Authority') is a statutory body domiciled in Australia and constituted under the *Sydney Water Catchment Management Act 1998* (the Act). The address of the Authority's head office is Level 4, 2-6 Station Street, Penrith NSW 2750.

The consolidated financial statements of the Authority comprise the Authority (parent) and its subsidiary, the Sydney Catchment Authority Division (together referred to as the "consolidated entity").

The Authority is primarily involved in the supply of bulk water, the management and protection of the catchment areas and catchment infrastructure, as well as the regulation of certain activities within catchment areas.

For the purpose of financial reporting, the Board has determined the Authority as a for-profit entity.

The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

On 24 February 2014, the requirements of the *Government Sector Employment Act 2013* came into force. As a consequence, the Sydney Catchment Authority Division was abolished and the assets and liabilities were transferred to the Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS). The equity transfer is disclosed in Note 21.

The abolished Division is not required to prepare financial reports from 1 July 2013 to 24 February 2014, as relief applied under Administration Order 2014 for GSE Act.

2 Basis of preparation

a. Statement of compliance

The financial statements are general purpose financial statements prepared in accordance with:

- Australian Accounting Standards (which include Australian Accounting Interpretations)
- the *Public Finance and Audit Act 1983* and Regulation; and
- other applicable financial reporting directions issued by the Treasurer

The financial statements comply with all applicable Australian Accounting Standards and Australian Interpretations.

The financial statements were authorised for issue by the Board on 18 September 2014.

b. Reporting period

The consolidated financial statements cover the period from 1 July 2013 to 30 June 2014. The consolidated entity comprises the Sydney Catchment Authority and the entity it controlled, the Sydney Catchment Authority Division, until the 24 February 2014. When the Division was abolished, all staff and associated assets and liabilities were transferred to DTIRIS. Therefore, some line items in the current financial reporting period are not comparable to the previous reporting period which covered 1 July 2012 to 30 June 2013.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:

- Derivative financial instruments are measured at fair value
- Non-derivative financial instruments at fair value through profit or loss are measured at fair value
- Property, plant and equipment are measured at fair value.
- Borrowings are measured at amortised cost using the effective interest method.
- Defined benefit superannuation liabilities are stated at the present value of accrued defined benefit obligations less the fair value of fund assets.
- Long-term provisions are stated at the present value of the future estimated obligation.

d. Fair value

A number of the Authority's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The valuation technique used by the Authority to measure fair value maximises the use of relevant observable inputs and minimises the use of unobservable inputs. The Authority categorises the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices in active markets for identical assets / liabilities that the Authority can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3: Inputs that are not based on observable market data (unobservable inputs).

Financial Statements

The Authority recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Refer to Notes 13(a) and 23 for further disclosures regarding the fair value measurement of financial and non-financial assets.

e. Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Authority's functional currency. Amounts in the financial statements have been rounded off to the nearest thousand dollars unless otherwise stated.

f. Use of estimates and judgements

The preparation of financial statements in conformity with Australian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an

ongoing basis. Revisions to accounting estimates are recognised prospectively in the period in which the estimate is revised. If the revision affects both current and future periods, estimates are recognised in both periods.

Judgements made by management in the application of Australian Accounting Standards that have significant effect on the financial statements and estimates in the next year are included in the following notes:

- Note 8 – Deferred tax assets and deferred tax liabilities
- Note 17 - Employee benefits and other provisions, including defined benefit superannuation obligations
- Note 13: Fair value of property, plant and equipment

g. Comparative figures

Certain comparative amounts are sometimes reclassified to conform with the current year's presentation or in the application of a new or revised Australian Accounting Standard. Where this occurs, the nature, amount and reason for the reclassification is included in the notes to the financial statements.

h. Changes in accounting policies

Except for the changes set out in Note 24, all accounting policies in Note 3 have been consistently applied to all periods in these financial statements.

3 Significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below.

a. Basis of consolidation

The consolidated financial statements include the financial statements of the parent to 30 June 2014 and its subsidiary to 24 February 2014 when the Division was abolished (refer to Note 21).

Subsidiaries are entities controlled by the consolidated entity. The consolidated entity controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and as the ability to affect those returns through its power over the entity.

Intra-entity balances and transactions and any unrealised income and expenses arising from intra-entity transactions, are eliminated in preparing the consolidated financial statements.

Where necessary, the accounting policies of the subsidiary have been changed to ensure consistency with the policies adopted by the parent.

b. Revenue

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer; the amount of revenue can be reliably measured, and it is probable that the future economic benefits will flow to the Authority.

i) Sale of water

The Authority provides water services to its customers under its Operating Licence and Bulk Water Supply Agreement. The revenue earned from these services comprises a service availability charge and a usage charge. Water sales revenue from the usage charge is recognised when the customer assumes control of the water. The service availability charge constitutes a fixed charge covering the

cost of making the water available to the customers and is recognised at the end of each month on a straight line basis.

ii) Interest revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

iii) Rental income

Rental income from leased properties is recognised on a straight line basis over the term of the lease. Incentives granted over leased properties are recognised as an integral part of the total rent income.

iv) Fines and Penalties

Fines and penalties issued in accordance with the requirements of the *Sydney Water Catchment Management Act 1998* are recognised as revenue when issued. Revenue earned from the fines and penalties are retained by the Authority.

v) Rendering of other services

Service revenue is recognised on an accrual basis and in accordance with the substance of the agreement covering such transactions.

c. Government grants

Government grants are initially recognised as deferred income if there is reasonable assurance that they will be received and the conditions associated with the grant will be met.

Grants that compensate for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the cost of an asset are recognised in

profit or loss on a systematic basis over the useful life of the asset.

Government grants in the form of a non-monetary asset are accounted for at fair value.

d. Income tax

The Authority is subject to the National Tax Equivalent Regime (NTER) which is based on the *Income Tax Assessment Act 1936 and 1997 (as amended)*. Tax equivalents are payable to the Office of State Revenue.

Income tax on profit or loss comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

During 2014, the Division was required under the *Government Sector Employee Act 2014* to transfer their employees and the related provisions for employees to DTIRIS. As a result of this transfer, the employee provision balances are now treated as a trade payable with DTIRIS for taxation purposes as opposed to a provision in prior years.

In 2013 the Australian Taxation Office ("ATO") confirmed its preference to treat employee provisions as non-deductible and thus give rise to deferred tax assets. In keeping with the spirit of the ATO's position on this matter the SCA has taken the view that the substance of the new arrangement with DTIRIS is consistent with the substance of the Authority's former arrangement with the Division.

i) Current tax

Current tax is the expected tax payable or receivable on the taxable income for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using

tax rates enacted or substantively enacted at the reporting date.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same authority on the same taxable entity.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

e. Financial instruments

i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits at call and other short-term, highly liquid investments which are readily convertible to known amounts of cash and for which are subject to insignificant risk associated with changes in value.

ii) Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These

Financial Statements

financial assets are recognised initially at fair value, usually based on the transaction cost, or face value.

Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in profit or loss for the year when impaired, derecognised or through the amortisation process. Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

iii) *Impairment of financial assets*

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the Authority will not be able to collect all amounts due.

Previous impairment losses are reversed through profit or loss during the year if there is objective evidence supporting the reversal.

iv) *Trade and other payables*

Trade and other payables represent liabilities for goods and services provided to the Authority and other amounts that remain unpaid at reporting date. They are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

v) *Offsetting financial instruments*

Financial instruments are offset and the net amount recognised in the statement of financial position when, and only when there is a legal right to offset the amounts and there is an intention to either settle on a net basis or to realise the assets and settle the liability simultaneously.

vi) *Derecognition of financial assets and liabilities*

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Authority transfers the financial asset:

- where substantially all the risks and rewards have been transferred or
- where the Authority has not transferred substantially all the risks and rewards, and the Authority has not retained control.

Where the Authority has neither transferred nor retained substantively all the risks and rewards or transferred control, the asset is recognised to the extent of the Authority's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

f. *Borrowings*

Borrowings are recognised initially at the fair value of the consideration received, which incorporates any transaction costs associated with the borrowing. Subsequent to initial recognition, interest-bearing borrowings are measured at amortised costs using the effective interest method.

Amortised cost is calculated by taking into account any differences between the initial fair value and the final redemption value of borrowings, such as discounts and premiums. These differences are amortised to profit or loss as part of the finance costs over the period of the loan on an effective interest basis.

Gains or losses are recognised in profit or loss when liabilities are derecognised, such as through a debt restructuring or early repayment of debt, as well as through the amortisation process.

Where there is an unconditional right to defer settlement of the borrowings for at least 12-months after the reporting date; and management intends to defer the settlement, the borrowings are recognised as a non-current liability. All other borrowings are recognised as a current liability.

g. *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that it is necessary to complete and prepare the asset for its intended use.

All other borrowing costs are expensed in the period in which they are incurred.

h. *Goods and services tax*

Revenue, expenses and assets are recognised net of the amount of associated Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("the ATO"). In these circumstances, the GST is recognised as part of the cost of acquisition or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or

payable to the ATO is included as a current asset or current liability in the Statement of Financial Position.

The Division and the Authority were grouped for GST purposes until 24 February 2014. Therefore GST component was not included in inter-entity charges during that period.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows from investing and financing activities recoverable from or payable to the ATO are classified as cash flows from operating activities.

Where applicable, commitments are disclosed inclusive of GST.

i. Property, plant and equipment

i) Acquisition of property, plant and equipment

All items of property, plant and equipment are initially recognised at the cost of acquisition. Cost is the amount of cash and cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction.

Assets acquired at no cost, or for nominal consideration, are initially recognised at fair value at the date of acquisition (see also assets transferred as a result of an equity transfer – Note 3(p)).

Where payment for an asset is deferred beyond normal credit terms its cost is the cash price equivalent.

Salaries and wages directly attributable to bring an asset to the location and condition necessary for it to operate in the manner intended by management is capitalised. The amount recognised is based on employee timesheets

which have been approved by management.

Construction costs are capitalised initially as work in progress. The costs are subsequently reclassified as completed assets when construction has ended and the asset becomes operational and available for use in the manner intended by management. Borrowing costs are also capitalised to the cost of constructed assets where applicable. (Refer note 3(g)).

ii) Subsequent expenditure on property, plant and equipment

Subsequent expenditure on property, plant and equipment is capitalised when it is probable that the future economic benefits associated with the expenditure will flow to the Authority.

Day-to-day servicing costs or maintenance is charged as expenses as incurred, except they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

When each major inspection is performed, the labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

iii) Capitalisation thresholds

Property, plant and equipment costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

iv) Restoration costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

v) Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximises relevant observable inputs and minimises unobservable inputs. Also refer to Notes 2(d) and 24 for further information regarding fair value.

The Authority revalues each class of property, plant and equipment that are subject to revaluation, at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last revaluation of land and infrastructure systems and buildings was completed as at 30 April 2014.

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Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate to fair value.

When revaluing assets, any balance of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement previously recognised as an expense to profit or loss, the increment is recognised immediately as revenue in profit or loss.

Revaluation decrements are recognised immediately as expenses in profit or loss, except that, to the extent that a credit balance exists in the revaluation reserve in which case, the revaluation decrements are debited directly to the revaluation reserve.

vi) Depreciation of property, plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Authority.

All material identifiable components of assets are separately depreciated over their shorter useful lives.

The useful lives of assets by class are set out in the following table:

Asset class	Useful life
Infrastructure systems	40 to 150 years
Buildings	40 to 100 years
Plant and	2 to 20 years

equipment	
Vehicles	8 years
Leasehold improvements	Shorter of assets useful life and lease term
Information systems	3 to 10 years

Land is not a depreciable asset. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted where appropriate.

vii) Disposal of property, plant and equipment

Gains or losses on disposals are determined by comparing proceeds with the asset's carrying amount. The net gain or loss on the disposal of assets is included in the profit or loss.

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

j. Intangible assets

Intangible assets are only recognised if it is probable that future economic benefits will flow to the Authority and the cost of the asset can be reliably measured. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

All research costs are expensed and development costs are only capitalised when certain criteria are met.

Intangible assets are subsequently measured at fair value only if there is an active market for the assets. As there is no active market for the Authority's intangible assets, the assets are carried at cost less any accumulated amortisation.

The useful lives of the Authority's intangible assets are set out in the following table:

Class	Useful life
Software	3 – 25 years

k. Impairment of assets

At each reporting date, the carrying amounts of assets are reviewed to determine whether there is an indication that any of the assets have suffered an impairment loss. If any such indication exists, the recoverable amount of assets is estimated. Where the carrying amount of an asset is greater than its recoverable amount, the asset is considered impaired.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets. These groups of assets are known as a cash generating unit (CGU).

The CGU of the Authority has been determined by management to be the whole of the water delivery network due to the integrated functionality of individual components that form that network.

Fair value in AASB 136 *Impairment of Assets* is defined consistently with AASB 13 *Fair Value Measurement*. The only difference between an asset's fair value under both standards is the direct incremental costs attributable to the disposal of the asset. These costs have been determined by management to be negligible. Because the recoverable amount of a revalued asset is close to, or greater than its revalued amount, it is unlikely that revalued assets will ever be impaired.

I. Employee benefits

The accounting policy for employee benefits covers the period from 1 July 2013 to 24 February 2014 when the Division was abolished and the employees and associated assets and liabilities were transferred to DTIRIS. (Refer to Note 21).

i) *Wages and salaries, recreation leave, and associated on-costs*

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12-months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Recreation leave, which is not expected to be settled wholly before 12-months after the end of the annual reporting period in which the employees render the related service, is required to be measured at present value in accordance with AASB 119 *Employee Benefits*. Market yields on Australian Government bonds are used to discount the recreation leave. The yields match as closely as possible the estimated timing of expected payments. Recreation leave which is expected to be settled wholly within 12 months is not required to be discounted.

The bond rate used to discount recreation leave to its present value at the reporting date ranged from 2.4 percent to 4.0 percent (2013: 3.8 percent).

Unused non-vesting sick leave does not give rise to a liability as it is considered improbable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers compensation insurance

premium and fringe benefit tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have also been recognised.

ii) *Long service leave*

The liability for long service leave is measured at present value using the Projected Unit Credit (PUC) valuation method in accordance with AASB 119 *Employee Benefits*. Market yields on Australian Government bonds are used to discount long-term long service leave. The yields match as closely as possible the estimated timing of expected payments.

The bond rates used to discount long service leave ranged from 2.4 percent to 4.0 percent (2013: 2.5 percent to 4.3 percent).

If benefits are expected to be settled wholly within 12-months of the end of the reporting period, then they are measured at the undiscounted amount of the benefit.

iii) *Defined contribution superannuation plans*

A defined contribution superannuation plan is a post-employment benefit plan which the consolidated entity pays fixed contributions into a separate entity but has no legal or constructive obligation to pay any further amounts.

Contributions to defined contribution superannuation plans are recognised as an expense in the periods during which services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iv) *Defined benefit superannuation plans*

Defined benefit superannuation plans provide defined lump sum benefits based on years of service and final average salary.

The net obligation in respect of defined benefits plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed by a qualified actuary using the PUC method. When the calculation results in a potential asset, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains or losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised immediately in the Statement of Comprehensive Income. The net interest expense (income) on the net defined benefit liability (asset) for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The gains and losses on the settlement of a defined benefit plan are recognised when the settlement occurs.

AASB 119 *Employee Benefits* does not specify whether the current and non-current portions of the liability be disclosed because at times the distinction can be arbitrary. Management has determined that the liability be disclosed as non-current as this best reflects when the liability will most likely be settled.

Assumptions underlying defined benefit superannuation expenses and liability are disclosed in Note 17(a).

v) Termination benefits

Termination benefits are expensed at the earlier of when the consolidated entity can no longer withdraw the offer of those benefits and when the consolidated entity recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12-months of the end of the reporting period, then they are discounted.

m. Dividend

Targeted dividend agreed by the Board of SCA and the relevant Ministers in May of each financial year establish a present obligation for the future payment of a dividend. Accordingly, a provision for the full amount of the dividend is recognised in the Statement of Financial Position.

The provision for dividend is calculated in accordance with requirements of TPP 14-04 *Financial Distribution Policy for Government Businesses*. The amount to be paid by the Authority in relation to the 2013-14 financial year

will be \$27.9 million (2013: \$26.8 million)

n. Other provisions

A provision exists when there is a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, the estimate of the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

When some or all of those economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is only recognised as an asset if it is virtually certain that the reimbursement will be received and the amount of the receivable can be reliably measured.

i) Restorations

A provision for restoration is recognised when where there is an obligation to bring premises back to their original state at the end of a lease term. Each estimate is based on the details of the individual property concerned and terms related to the lease.

ii) Restructurings

A provision for restructuring is recognised only when the Authority has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

o. Equity and reserves

The asset revaluation reserve is used to record increments and decrements related to the revaluation of property; plant and equipment (refer to Note 3(i)).

Retained earnings predominately relate to the accumulation of current and prior year earnings after income tax as well as equity transfers (refer to Note 3(p)).

Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or Australian Accounting Standards.

p. Equity transfers

The transfer of net assets between NSW public sector entities as a result of an administrative restructure are designated as contributions by owners and recognised as an adjustment to retained earnings. This treatment is consistent with the requirements set out in AASB 1004 *'Contributions'* and Australian Interpretation 1038 *'Contributions by Owners Made to Wholly-Owned Public Sector Entities'*.

Transfers involving statutory bodies are specifically addressed TPP 09-3 *'Contributions by owners made to wholly-owned Public Sector Entities'*, which requires that transferred assets be recognised at fair value to the transferee.

q. Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and benefits.

Where a non-current asset is acquired by means of a finance lease, at the commencement of the lease term, the asset is recognised at its fair value or, if lower, the present value of the minimum lease payments, at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are subsequently allocated between the principal component and the interest expense.

Payments made under operating leases are recognised in profit or loss on a straight line basis over the lease term. Lease incentives received are recognised as an integral part of the total lease expense, over the term of lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

r. New standards and interpretations not yet adopted.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2013, and have not been applied in preparing these financial statements

Those which may be relevant to the Authority are set out below.

i) AASB 9 Financial Instruments

AASB 9 introduces new requirements for the classification and measurement of financial assets. Under AASB 9, financial assets are classified and measured based on the business model in which they are held and the

characteristics of their contractual cash flows. The standard also introduces a number of additional changes relating to financial liabilities.

AASB 9 is effective for annual reporting periods beginning on or after 1 January 2015.

Standard setters currently have an active project to make limited amendments to the classification and measurement requirements of AASB 9 and add new requirements to address the impairment of financial assets and hedge accounting.

The Authority is still assessing the full impact of AASB 9 on the financial statements.

ii) AASB 2013-3 Amendments to AASB 136 - Recoverable amount disclosures for Non-Financial Assets

This Standard amends the disclosure requirements in AASB 136. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. In addition, a further requirement has been included to disclose the discount rates that have been used in the current and previous measurements if the recoverable amount of impaired assets based on fair value less costs of disposal was measured using a present value technique. The intention of this amendment is to harmonise the disclosure requirements for fair value less costs of disposal and value in use when present value techniques are used to measure the recoverable amount of impaired assets.

The change is mandatory for years beginning on or after 1 January 2014.

iii) AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities

AASB 2012-3 clarifies when an entity has legally enforceable right to set-off financial assets and financial liabilities permitting entities to present balances on a net basis in the statement of financial position.

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Sydney Catchment Authority Notes to the financial statements For the year ended 30 June 2014

4. Revenue

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Revenue				
Revenue from water sales				
Raw water sales to Sydney Water - fixed charge	160,259	155,654	160,259	155,654
Raw water sales to Sydney Water - variable charge	43,530	41,349	43,530	41,349
Other raw water sales	1,451	1,309	1,451	1,309
Revenue from water sales	205,240	198,311	205,240	198,311
Other revenue				
Consultancies	1,379	604	1,379	604
Rent and conference centre hire	753	1,240	753	1,240
Interest revenue	1,102	972	1,102	972
Grants	33	33	33	33
Other	724	523	724	523
Other revenue	3,991	3,372	3,991	3,372
Revenue	209,231	201,683	209,231	201,683

5. Employee and personnel services expense

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Employee and personnel services expense				
Employee related costs ¹				
Salaries and wages (including recreation leave)	20,167	29,314	-	-
Superannuation ²	3,406	4,924	-	-
Long service leave	303	790	-	-
Employment related taxes	1,349	1,961	-	-
Workers compensation insurance	127	531	-	-
Board remuneration	328	266	328	266
	25,680	37,786	328	266
Personnel services costs ^{3,4}				
Personnel services expense - Division	-	-	16,248	28,871
Personnel services expense - DTIRIS	23,158	-	23,158	-
	23,158	-	39,406	28,871
Capitalisation of employee related and personnel services expense ⁴	(1,857)	(1,798)	(1,857)	(1,798)
Employee and personnel services expense	46,981	35,988	37,877	27,339

Sydney Catchment Authority

Notes to the financial statements

For the year ended 30 June 2014

5. Employee and personnel services expense (continued)

Note 1: Employee related expenses for the current reporting year relates to the period 1 July 2013 up to 24 February 2014 when the Division was abolished and the employees and associated assets and liabilities were transferred to DTIRIS (see Note 21). As a result of this, the current financial reporting year amounts are not comparable to the comparative amounts which covers the period from 1 July 2013 to 30 June 2013.

Note 2: The accounting policy with respect to the basis for determining the income or expense related to defined benefit superannuation plans has changed and has been applied retrospectively (See Note 24).

Note 3: Refer to Note 21 for information related to personnel services expenses.

Note 4: Personnel services expenses and the capitalisation of employee related expenses has been reclassified from contractors and consultancies expense in other operating expenses. Comparative balances were also reclassified to conform with the current year's presentation. The reclassification was undertaken to group like expenses with each other.

6. Other operating expenses

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Other operating expenses				
Administration	4,696	3,806	4,696	3,806
Contractors and consultancies ¹	33,992	31,089	33,992	31,089
Depreciation and amortisation	31,585	28,087	31,585	28,087
Energy	1,556	1,626	1,556	1,626
Grants	1,065	342	1,065	342
Information Management	1,258	519	1,258	519
Insurance	2,002	3,190	2,002	3,190
Licence Fees	3,212	2,988	3,212	2,988
Materials	3,653	2,999	3,653	2,999
Property	4,041	3,732	4,041	3,732
Transport	147	124	147	124
Other operating expenses	87,207	78,502	87,207	78,502

Note 1: Personnel services expenses and the capitalisation of employee related expenses was reclassified from contractors and consultancies to employee related and personnel services expense in Note 5 above. The comparative balance was also reclassified to conform with the current year's presentation. The reclassification was undertaken to group like expenses with each other.

Reconciliation of total maintenance expenses

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Salaries and wages maintenance expense (See Note 5)	1,885	2,485	-	-
Personnel services maintenance expense (See Note 5)	1,111	-	2,995	2,485
Other maintenance expenses included above	12,262	10,165	12,262	10,165
Total maintenance expenses	15,257	12,650	15,257	12,650

NSW Treasury Guidelines for Capitalisation of Expenditure on Property, Plant and equipment (TPP 06-6) requires the total maintenance expense to be dissected into personnel services related maintenance and other maintenance.

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Sydney Catchment Authority Notes to the financial statements

For the year ended 30 June 2014

7. Finance costs

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Finance costs				
Interest expense on loans	24,640	26,446	24,640	26,446
Less: Borrowing costs capitalised	16	(41)	16	(41)
Interest expense recognised in profit or loss	24,656	26,405	24,656	26,405
Other finance costs				
Government guarantee fee	5,074	5,821	5,074	5,821
Loss (gain) on derivatives	-	(61)	-	(61)
Amortisation of deferred discount (income) on loans	738	1,043	738	1,043
Loss on debt management	880	1,020	880	1,020
Unwinding of discount on provision for restoration	22	21	22	21
Other finance costs	6,714	7,844	6,714	7,844
Finance costs	31,370	34,249	31,370	34,249

A borrowing rate of 5.77 percent (2013: 5.96 percent) was used to calculate borrowing costs applicable to qualifying assets.

8. Income tax

Income tax expense recognised in the statement of comprehensive income

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Current tax expense				
Current tax expense relating to current financial year	19,299	17,252	19,299	17,252
Prior year adjustments in relation to R&D	-	234	-	234
Adjustment for prior year - accrual deductions	225	-	225	-
Tax effect of under / overs in prior year	35	41	35	41
Deferred tax expense				
Origination and reversal of temporary differences	(2,890)	2,360	(2,890)	2,360
Income tax equivalent expense	16,669	19,887	16,669	19,887

Prima facie income tax equivalent expense on pre-tax profit reconciles to tax expense in the financial statements as follows:

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Profit before tax	42,548	52,653	51,652	61,302
Income tax expense using statutory rate of 30 percent	12,764	15,796	15,496	18,391
Effect of:				
Non-deductible expenses	(220)	(1,008)	(220)	(1,008)
Other temporary differences	1,134	2,229	1,134	2,229
Under / (over) provided in prior years	259	275	259	275
Tax exempt income	2,732	2,595	-	-
Income tax equivalent expense	16,669	19,887	16,669	19,887

Sydney Catchment Authority Notes to the financial statements

For the year ended 30 June 2014

8. Income tax (continued)

Income tax recognised in other comprehensive income

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Income tax recognised directly to equity				
Asset revaluation reserve	8,260	8,029	8,260	8,029
Income tax recognised directly to equity	8,260	8,029	8,260	8,029

Current tax liabilities

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Current tax liabilities	12,851	8,834	12,851	8,834
Current tax liabilities	12,851	8,834	12,851	8,834

Deferred tax balances

	Opening balance	Recognised in income	Recognised in equity	Closing balance
Consolidated entity & parent entity - 30 June 2014				
Temporary differences				
Property, plant and equipment	137,102	(1,873)	8,260	143,489
Employee provisions	(489)	(736)	-	(1,225)
Other provisions and accruals	(1,461)	(252)	-	(1,713)
Other	(6)	(29)	-	(35)
Deferred tax balance	135,146	(2,890)	8,260	140,516

	Opening balance	Recognised in income	Recognised in equity	Closing balance
Consolidated entity & parent entity - 30 June 2013				
Temporary differences				
Property, plant and equipment	128,618	455	8,029	137,102
Allowance for impairment of receivables	(2,224)	1,735	-	(489)
Other provisions and accruals	(741)	(720)	-	(1,461)
Other	(896)	890	-	(6)
Deferred tax balance	124,757	2,360	8,029	135,146

Deferred tax liabilities are recognised in the statement of financial position as follows:

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Deferred tax liabilities	140,516	135,146	140,516	135,146
Deferred tax liabilities	140,516	135,146	140,516	135,146

There were no deferred tax assets that were unrecognised during the current or previous reporting year.

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Sydney Catchment Authority Notes to the financial statements

For the year ended 30 June 2014

9. Cash and cash equivalents

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Cash and cash equivalents				
Cash at bank and on hand	429	10,921	429	10,921
NSW Treasury Corporation Hourglass (Cash) Facility	40,799	31,012	40,799	31,012
Cash and cash equivalents	41,228	41,933	41,228	41,933

Cash and cash equivalents recognised within the statement of financial position is reconciled to cash in the statement of cash flows as follows:

Closing cash per statement of cash flows	41,228	41,933	41,228	41,933
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Reconciliation of profit after tax to net cash from operating activities in the statement of cash flows

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Profit after tax¹	25,879	32,766	34,983	41,415
Depreciation and amortisation	31,585	28,087	31,585	28,087
Loss on disposal of property, plant and equipment	1,124	291	1,124	291
Superannuation movements direct to equity	9,104	8,649	-	-
Suppliers and employees	(2,569)	(10,850)	(2,565)	(10,853)
Finance costs	65	2,507	65	2,507
Receivables	(9,354)	7,976	(9,358)	7,979
Income tax	1,127	20,054	1,127	20,054
Net cash from operating activities	56,961	89,480	56,961	89,480

Refer to Note 23 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

Note 1: Comparative balances were amended to reflect the requirements of AASB 119 (2011). Refer to Note 24.

10. Trade and other receivables

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Trade and other receivables				
Trade receivables	34,689	16,538	34,689	16,520
Less: Allowance for impairment	(116)	(20)	(116)	(20)
Trade receivables	34,573	16,518	34,573	16,500
Other receivables	3,275	1,621	3,275	1,621
Trade and other receivables	37,848	18,139	37,848	18,121

Sydney Catchment Authority Notes to the financial statements

For the year ended 30 June 2014

10. Trade and other receivables (continued)

Movements in the provision for impaired receivables

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Allowance for impairment in trade receivables				
Carrying amount at the beginning of the year	20	13	20	13
Allowance for impairment recognised in profit or loss	99	7	99	7
Amounts written off as uncollectable	(3)	-	(3)	-
Carrying amount at the end of the year	116	20	116	20

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 23.

11. Other non-financial assets

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Other non-financial assets				
Lease incentives	75	113	75	113
Prepaid expenses	747	408	747	456
Other	284	284	284	284
Other non-financial assets	1,106	805	1,106	853

12. Intangible assets

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Cost (gross carrying amount)	6,789	5,114	6,789	5,114
Accumulated amortisation and impairment	(3,452)	(2,038)	(3,452)	(2,038)
Net carrying amount	3,337	3,076	3,337	3,076

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Software				
Net carrying value at the beginning of the year	3,076	3,836	3,076	3,836
Additions	1,675	300	1,675	300
Amortisation	(1,414)	(1,060)	(1,414)	(1,060)
Net carrying amount at the end of the year	3,337	3,076	3,337	3,076

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Sydney Catchment Authority Notes to the financial statements For the year ended 30 June 2014

13. Property, plant and equipment

	Work in Progress \$'000	Infrastructure Systems and buildings \$'000	Land \$'000	Plant & Equipment \$'000	Motor Vehicles \$'000	Leasehold Improvements \$'000	Information Systems \$'000	Total \$'000
At 1 July 2013 - Fair value								
Gross carrying amount	35,344	5,374,272	60,474	23,343	4,236	4,036	3,222	5,504,927
Accumulated depreciation and impairment	-	(4,047,659)	-	(9,918)	(1,357)	(1,178)	(2,620)	(4,062,732)
Carrying value at the end of the year	35,344	1,326,613	60,474	13,425	2,879	2,858	602	1,442,195
At 30 June 2014 - Fair value								
Gross carrying amount	45,344	1,336,668	59,895	22,347	3,663	3,307	3,613	1,474,837
Accumulated depreciation and impairment	-	(4,120)	-	(5,031)	(594)	(424)	(1,979)	(12,149)
Carrying value at the end of the year	45,344	1,332,548	59,895	17,316	3,069	2,882	1,634	1,462,689
At 30 June 2014								
Carrying value at the beginning of the year	35,344	1,326,613	60,474	13,425	2,879	2,858	602	1,442,195
Additions	32,273	9,803	46	6,024	2,585	330	1,570	52,631
Disposals	(240)	(936)	(4,338)	(13)	(1,940)	-	-	(7,467)
Depreciation	-	(27,094)	-	(1,778)	(455)	(306)	(538)	(30,171)
Revaluation & impairment	-	23,820	3,713	-	-	-	-	27,533
Transfers and reclassifications	(22,033)	342	-	(342)	-	-	-	(22,033)
Carrying value at the end of the year	45,344	1,332,548	59,895	17,316	3,069	2,882	1,634	1,462,689

Buildings have been reclassified to infrastructure systems for disclosure purposes in this note. Comparative balances were also reclassified to conform with the current year's presentation. The reclassification was undertaken because buildings are located within designated special areas they are considered an integral part of infrastructure assets. NSW treasury policy (TPP14-1) requires that revaluations undertaken using a market approach be recognised on a net basis. Comparative disclosures have also been updated to reflect this change in accounting policy.

Sydney Catchment Authority Notes to the financial statements

For the year ended 30 June 2014

13. Property, plant and equipment (continued)

	Work in Progress \$'000	Infrastructure Systems and buildings \$'000	Land \$'000	Plant & Equipment \$'000	Motor Vehicles \$'000	Leasehold Improvements \$'000	Information Systems \$'000	Total \$'000
At 1 July 2012 - Fair value								
Gross carrying amount	30,492	1,314,647	60,422	23,198	4,374	3,935	2,903	1,439,971
Accumulated depreciation and impairment	-	-	-	(8,361)	(1,223)	(904)	(2,354)	(12,842)
Carrying value at the end of the year	30,492	1,314,647	60,422	14,837	3,151	3,031	549	1,427,129
At 30 June 2013 - Fair value								
Gross carrying amount	35,344	1,326,613	60,474	23,343	4,236	4,036	3,222	1,457,268
Accumulated depreciation and impairment	-	-	-	(9,918)	(1,357)	(1,178)	(2,620)	(15,073)
Carrying value at the end of the year	35,344	1,326,613	60,474	13,425	2,879	2,858	602	1,442,195
At 30 June 2013								
Carrying value at the beginning of the year	30,492	1,314,647	60,422	14,837	3,151	3,031	549	1,427,129
Additions	17,699	9,923	52	193	1,801	102	450	30,220
Disposals	(129)	(129)	-	(20)	(1,611)	-	-	(1,889)
Depreciation	-	(24,317)	-	(1,576)	(462)	(275)	(397)	(27,027)
Revaluation & impairment	-	26,489	-	-	-	-	-	26,489
Transfers and reclassifications	(12,718)	-	-	(9)	-	-	-	(12,727)
Carrying value at the end of the year	35,344	1,326,613	60,474	13,425	2,879	2,858	602	1,442,195

Buildings have been reclassified to infrastructure systems for disclosure purposes in this note. Comparative balances were also reclassified to conform with the current year's presentation. The reclassification was undertaken because buildings are located within designated special areas they are considered an integral part of infrastructure assets. NSW treasury policy (TPP14-1) requires that revaluations undertaken using a market approach be recognised on a net basis. Comparative disclosures have also been updated to reflect this change in accounting policy.

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Sydney Catchment Authority Notes to the financial statements

For the year ended 30 June 2014

13. Property, plant and equipment (continued)

a) Fair value measurement of non-financial assets

Fair value hierarchy

This note explains the judgements and estimates made in determining the fair value of property, plant and equipment. To provide an indication about the reliability of the inputs used in determining the fair value, the Authority has divided property, plant and equipment into the three separate levels prescribed under Australian Accounting Standards. An explanation of each level is provided at Note 2(d).

At 30 June 2014	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land	-	-	59,895	59,895
Infrastructure systems and buildings	-	-	1,332,548	1,332,548
Other property, plant and equipment ("other PPE")	-	-	70,246	70,245
	-	-	1,462,689	1,462,688

Transfers into and out of fair value hierarchy levels are recognised by the Authority at the end of the reporting year. There were no transfers between Levels 1 and 2 or between Levels 2 and 3 during the reporting year.

The following table presents the changes in Level 3 items for the year ending 30 June 2014 for recurring fair value measurements:

	Infrastructure systems & buildings \$'000	Land \$'000	Other Property, plant and equipment \$'000	Total \$'000
Opening balance at 1 July 2013	-	-	-	-
Adoption of AASB 13 <i>Fair Value Measurement</i>	1,326,613	60,474	55,108	1,442,195
Transfer from (to) Level 2	-	-	-	-
Additions	9,803	46	42,782	52,631
Depreciation	(27,094)	-	(3,077)	(30,171)
Disposals	(936)	(4,338)	(2,193)	(7,467)
Other reclassifications and transfers	342	-	(22,375)	(22,033)
Gains (losses) recognised in comprehensive income	23,820	3,713	-	27,533
Closing balance at 30 June 2014	1,332,548	59,895	70,245	1,462,688

Valuation techniques and inputs used to determine the fair value of infrastructure systems and buildings

Infrastructure systems and buildings are revalued using the income approach. This approach which was consistently applied from year to year was undertaken in accordance with the technical requirements of TPP 14-01 '*Valuation of Physical Non-Current Assets at Fair Value*' (TPP14-1). Infrastructure systems and buildings are revalued on an annual basis with the last revaluation undertaken at 30 April 2014. The revaluation is reviewed by a member of the American Society of Appraisers.

The income approach applies a discounted cash flow methodology with the following key methods and assumptions:

- The estimate of future cash flows derived from internal financial forecasts approved by the Board

Sydney Catchment Authority

Notes to the financial statements

For the year ended 30 June 2014

13. Property, plant and equipment (continued)

- Expectations about possible variations in the amount and timing of future cash flows which reflect the most likely outcome as determined by management
- The time value of money is represented by the current market risk free rate and the price bearing the uncertainty inherent in the asset, as encapsulated in the Weighted Average Cost of Capital (WACC)
- The regulatory asset base is used as a proxy for the terminal value

As buildings are located within designated special areas they are considered an integral part of infrastructure assets and revalued using the income approach described above.

The forward financial forecasts used in the revaluation model are considered a Significant Unobservable Input. The forecast which is approved by the Board is developed by management through a comprehensive annual business planning and budgeting process. The approved budget takes into consideration limits set in the Authority's Price Determination.

While financial estimates may change from year-to-year over the five year projection period, they are capped to limits set in the current Price Determination. In determining the future cash flows to include in the valuation model, management also deducts expenditure that increases the service potential of assets existing at reporting date.

The following cash flows were used in the revaluation model at the time of undertaking the revaluation:

	Year 1 \$'000	Year 2 \$'000	Year 3 \$'000	Year 4 \$'000	Year 5 \$'000
Undiscounted cash flows	80,000	86,100	95,900	98,500	108,700

Changes to the cash flows estimates in the revaluation model will result in a higher or lower fair value measurement. Where the change is an increase (decrease) in estimated cash flows, the fair value of assets will increase (decrease). As the cash flow estimates are discounted by the WACC, the significance of the change in cash flows is largest in Year 1 when the effect of the discounting is smallest. The significance of the change reduces each year and is smallest in Year 5 when the effect of discounting is largest.

A change in the WACC will also change the measurement of fair value for a given set of estimated future cash flows. The following table presents the impact of a change to the WACC on the cash flows disclosed above:

	Actual Revaluation	Scenario A: + 1%	Scenario B: - 1%
Weighted Average Cost of Capital (WACC)	7.21%	8.21%	6.21%
Fair value	1,469,300	1,441,440	1,530,340

In revaluing infrastructure systems and buildings, the assets current use is considered their highest and best use.

There were no changes in the valuation techniques adopted for infrastructure system and buildings during the year.

The revaluation of infrastructure and buildings was undertaken at 30 April 2014. Management reviewed the fair value of the assets again at 30 June 2014 and the value did not differ materially from the carrying value at that date. Accordingly, no further revaluation adjustment was recognised for the intervening period.

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Sydney Catchment Authority Notes to the financial statements

For the year ended 30 June 2014

13. Property, plant and equipment (continued)

Valuation techniques and inputs used to determine the fair value of land

Following initial recognition at cost, land is carried at fair value in accordance with TPP 14-1. Land is subject to an independent revaluation at least every three years. However, the carrying amount of land is reviewed each year to ensure that it does not differ materially from fair value.

The last revaluation of land was undertaken by CB Richard Ellis at 30 April 2014. The Valuer is a Certified Practicing Valuer and an Associate Member of the Australian Property Institute. The legislative restrictions over Authority lands means it has no development potential and can only be used for water catchment purposes.

When revaluing land, only sales of vacant, undeveloped and remotely located land was considered by the Valuer. This is because local government requires a formed access and electricity connection as a prerequisite to a building entitlement being granted. The provision of access and electricity to remote vacant lands is expensive such that the cost of doing so outweighs any potential benefit of further development.

There were no changes in the valuation techniques adopted for land during the year.

When undertaking a revaluation of land, the current use of the asset is also considered their highest and best use.

The revaluation of land was undertaken at 30 April 2014. Management reviewed the fair value of the assets again at 30 June 2014 and the value did not differ materially from the carrying value at that date. Accordingly, no further revaluation adjustment was recognised for the intervening period.

Valuation techniques and inputs used to determine other property, plant and equipment

Other property, plant and equipment are valued at fair value in accordance with Australian Accounting Standards and the addition guidance set out in TPP 14-1. For non-specialised assets, TPP 14-1 allows for recognition at depreciated historical cost as an acceptable surrogate for fair value. Depreciated historical cost is considered an appropriate surrogate because any difference between fair value and depreciated historical cost is unlikely to be material. Further, the benefit of ascertaining a more accurate fair value does not justify the additional cost of obtaining it.

There were no changes in the valuation techniques adopted for other property, plant and equipment during the year.

In revaluing other property, plant and equipment, the assets current use is considered their highest and best use.

b) Asset values measured at historical cost

	2014		2013	
	Historical Cost \$'000	Fair Value \$'000	Historical Cost \$'000	Fair Value \$'000
Work in progress	45,344	45,344	35,344	35,344
Infrastructure systems and buildings	661,842	1,332,548	739,403	1,326,613
Land	107,527	59,895	107,529	60,474
Plant and equipment	17,316	17,316	13,425	13,425
Motor vehicles	3,069	3,069	2,879	2,879
Leasehold improvements	2,882	2,882	2,858	2,858
Information systems	1,634	1,634	602	602
Carrying value at historical cost	839,614	1,462,688	902,040	1,442,195

Sydney Catchment Authority

Notes to the financial statements

For the year ended 30 June 2014

14. Trade and other payables

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Current				
Trade payables	1,688	1	1,688	1
Other accrued expenses	20,808	17,395	20,808	17,395
Accrued interest on loans	6,898	7,705	6,898	7,705
Accrued salaries and wages (including on-costs)	-	151	-	(7)
Personnel services payable to DTIRIS ¹	64,521	-	64,521	-
Personnel services payable to the SCA Division ¹	-	-	-	62,060
Trade and other payables	93,915	25,252	93,915	87,154

Note 1: From 24 February 2014, personnel services function previously undertaken by the Sydney Catchment Authority Division transferred to NSW Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS).

Financial risk management policies in relation credit risk, liquidity risk and market risk are disclosed in Note 23.

15. Other liabilities

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Current				
Deferred income	495	250	495	250
Current other liabilities	495	250	495	250
Non-Current				
Lease incentives and deferred lease liability	1,150	779	1,150	779
Deferred income	138	179	138	179
Other	27	28	27	28
Non-current other liabilities	1,315	986	1,315	986

16. Borrowings

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Current borrowings at amortised cost				
Fixed interest loans	12,900	2,202	12,900	2,202
Premium (discount) on loans	102	(2)	102	(2)
Current borrowings	13,002	2,200	13,002	2,200
Non-current borrowings at amortised cost				
Fixed interest loans	426,246	437,198	426,246	437,198
Premium (discount) on loans	(126)	(394)	(126)	(394)
Non-current borrowings	426,120	436,804	426,120	436,804

Financial risk management policies in relation credit risk, liquidity risk and market risk as well as approved financing facilities are disclosed in Note 23.

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Sydney Catchment Authority Notes to the financial statements

For the year ended 30 June 2014

17. Provisions

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Current				
Expected to be settled within 12-months				
Employee benefits ¹	-	3,788	-	-
Dividend ²	27,900	26,757	27,900	26,757
Fringe benefits tax	-	45	-	-
	27,900	30,590	27,900	26,757
Current				
Expected to be settled later than 12 months				
Employee benefits	-	12,389	-	-
	-	12,389	-	-
Current provisions	27,900	42,979	27,900	26,757
Non-current provisions				
Employee benefits ^{1,4}	-	45,650	-	-
Restoration ³	522	498	522	498
Non-current provisions	522	46,148	522	498

Note 1: On 24 February 2014, the employee benefits of the Division was transferred to DTIRIS. Details of the transfer as well as the amounts transferred are set out in Note 21.

Note 2: Under the National Taxation Equivalent Regime, the Authority is not required to operate a dividend franking account.

Note 3: The provision for restoration is based on long term estimates to restore leased premises discounted to their present value. There is some uncertainty in relation to whether the actual restoration costs will ultimately be incurred and whether there will be a material change to the discount rate applied to estimate the liability.

Note 4: The accounting policy with respect to the basis for employee benefits has changed. The change in policy has been applied retrospectively (See Note 24).

Movement in provisions other than employee benefits

	Restoration Provision \$'000	Dividend Provision \$'000
At 30 June 2014		
Carrying amount at the beginning of the year	498	26,757
Additional provisions recognised	-	27,900
Amounts used	-	(26,757)
Unwinding of discount rate	24	-
Carrying amount at the end of the year	522	27,900

(a) Defined benefit superannuation schemes

Nature of the benefits provided by the fund

On 24 February 2014, the employee benefits of the Division were transferred to DTIRIS. Details of the transfer as well as the amounts transferred are set out in Note 21. Accordingly, the following disclosures related to defined benefit superannuation covers the period 1 July 2013 up to 24 February 2014.

Sydney Catchment Authority Notes to the financial statements

For the year ended 30 June 2014

17. Provisions (continued)

The Pooled Funds holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- State Authorities Non-Contributory Superannuation Scheme (SANCS)

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal. All the Schemes are closed to new members.

Description of significant events

There were no fund amendments, curtailments or settlements during the period.

Reconciliation of the net defined benefit liability

	SASS 2014 \$'000	SANCS 2014 \$'000	SSS 2014 \$'000	Total 2014 \$'000
Net defined benefit liability at beginning of year	6,320	1,419	37,678	45,417
Current service cost	287	110	558	955
Net interest on net defined benefit liability	153	34	931	1,118
Actual return on fund assets less interest income	(841)	(188)	(2,102)	(3,131)
Actuarial (gain) loss from change in financial assumptions	(182)	31	(4,863)	(5,014)
Actuarial (gain) loss arising from liability experience	(338)	63	(684)	(959)
Employer contributions	(307)	(110)	(295)	(712)
Transfer to DTIRIS on 24 February 2014 (see Note 21)	(5,092)	(1,359)	(31,223)	(37,674)
Net defined benefit liability at end of year	-	-	-	-

	SASS 2013 \$'000	SANCS 2013 \$'000	SSS 2013 \$'000	Total 2013 \$'000
Net defined benefit liability at beginning of year	6,773	1,978	43,134	51,885
Current service cost	469	179	885	1,533
Net interest on net defined benefit liability	201	58	1,315	1,574
Actual return on fund assets less interest income	(1,186)	(261)	(3,878)	(5,325)
Actuarial (gain) loss from change in demograph	198	(13)	3,158	3,343
Actuarial (gain) loss from change in financial assumptions	(1,104)	(340)	(10,389)	(11,833)
Actuarial (gain) loss arising from liability experience	1,403	(38)	3,801	5,166
Employer contributions	(433)	(146)	(346)	(925)
Net defined benefit liability at end of year	6,321	1,417	37,680	45,418

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Sydney Catchment Authority Notes to the financial statements

For the year ended 30 June 2014

17. Provisions (continued)

Reconciliation of the fair value of fund assets

	SASS 2014 \$'000	SANCS 2014 \$'000	SSS 2014 \$'000	Total 2014 \$'000
Fair value of fund assets at beginning of the year	9,789	2,280	30,131	42,200
Interest income	235	56	739	1,030
Actual return on fund assets less interest income	841	188	2,102	3,131
Employer contributions	307	109	296	712
Contributions by participants	147	-	242	389
Benefits paid	(328)	(211)	(90)	(629)
Taxes, premiums & expenses paid	139	(5)	(109)	25
Transfer to DTIRIS on 24 February 2014 (see Note 21)	(11,130)	(2,417)	(33,311)	(46,858)
Fair value of fund assets at end of the year	-	-	-	-

	SASS 2013 \$'000	SANCS 2013 \$'000	SSS 2013 \$'000	Total 2013 \$'000
Fair value of fund assets at beginning of the year	8,858	1,952	24,695	35,505
Interest income	257	57	745	1,058
Actual return on fund assets less interest income	1,186	261	3,878	5,325
Employer contributions	433	146	346	925
Contributions by participants	220	-	348	568
Benefits paid	(1,222)	(223)	68	(1,377)
Taxes, premiums & expenses paid	57	87	51	195
Fair value of fund assets at end of the year	9,789	2,280	30,131	42,200

Reconciliation of the defined benefit obligation

	SASS 2014 \$'000	SANCS 2014 \$'000	SSS 2014 \$'000	Total 2014 \$'000
Present value of obligation at beginning of year	16,109	3,699	67,809	87,617
Current service cost	287	110	558	955
Interest cost	388	90	1,670	2,148
Contributions by participants	147	(1)	243	389
Actuarial (gain) loss from change in financial assumptions	(182)	31	(4,863)	(5,014)
Actuarial (gain) loss arising from liability experience	(338)	63	(684)	(959)
Benefits paid	(328)	(211)	(90)	(629)
Taxes, premiums & expenses paid	139	(5)	(109)	25
Transfer to DTIRIS on 24 February 2014 (see Note 21)	(16,222)	(3,776)	(64,534)	(84,532)
Present value of obligation at end of the year	-	-	-	-

Sydney Catchment Authority Notes to the financial statements

For the year ended 30 June 2014

17. Provisions (continued)

	SASS 2013 \$'000	SANCS 2013 \$'000	SSS 2013 \$'000	Total 2013 \$'000
Present value of obligation at beginning of year	15,631	3,930	67,829	87,390
Current service cost	469	179	885	1,533
Interest cost	458	115	2,060	2,632
Contributions by participants	220	-	348	568
Actuarial (gain) loss from change in demograph	198	(13)	3,158	3,343
Actuarial (gain) loss from change in financial assumptions	(1,104)	(340)	(10,389)	(11,833)
Actuarial (gain) loss arising from liability experience	1,403	(38)	3,801	5,166
Benefits paid	(1,222)	(223)	68	(1,377)
Taxes, premiums & expenses paid	57	87	51	195
Present value of obligation at end of year	16,110	3,697	67,811	87,618

Expense recognised in profit or loss

	SASS 2014 \$'000	SANCS 2014 \$'000	SSS 2014 \$'000	Total 2014 \$'000
Current service cost	287	110	558	955
Net interest	153	34	931	1,118
Defined benefit cost	440	144	1,489	2,073

	SASS 2013 \$'000	SANCS 2013 \$'000	SSS 2013 \$'000	Total 2013 \$'000
Current service cost	469	179	885	1,533
Net interest	201	58	1,315	1,574
Defined benefit cost	670	237	2,200	3,107

Cumulative amount recognised in consolidated entity's statement of comprehensive income

	SASS 2014 \$'000	SANCS 2014 \$'000	SSS 2014 \$'000	Total 2014 \$'000
Actuarial (gains) losses on liabilities	(520)	94	(5,547)	(5,973)
Actual return on fund assets less interest income	(841)	(188)	(2,102)	(3,131)
Total amount recognised in comprehensive income	(1,361)	(94)	(7,649)	(9,104)

	SASS 2013 \$'000	SANCS 2013 \$'000	SSS 2013 \$'000	Total 2013 \$'000
Actuarial (gains) losses on liabilities	497	(391)	(3,430)	(3,324)
Actual return on fund assets less interest income	(1,186)	(261)	(3,878)	(5,325)
Total amount recognised in comprehensive income	(689)	(652)	(7,308)	(8,649)

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Sydney Catchment Authority Notes to the financial statements

For the year ended 30 June 2014

17. Provisions (continued)

Other disclosures

On 24 February the defined benefit superannuation assets and liabilities were transferred from the Division to DTIRIS (see Note 21). As a consequence, defined benefit superannuation disclosures have not been included in these financial statements. Additional disclosures related to the defined benefit superannuation assets and liabilities made in accordance with AASB 119 are presented in the financial statements of DTIRIS.

18. Segment reporting

The Authority operates within the water industry as one business segment that provides bulk water to the Sydney Water Corporation and other wholesale customers. The Authority also undertakes other catchment related activities as required by the *Sydney Water Catchment Management Act 1988*.

The operations of the Authority reside wholly within the State of New South Wales.

19. Commitments

Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as a liability are expected to be payable as follows:

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Within one year	5,943	5,458	5,943	5,458
Later than one year but not later than five years	291	3,768	291	3,768
Later than five years	-	-	-	-
Capital commitments	6,234	9,226	6,234	9,226

Amounts disclosed as capital commitments includes GST of \$0.6 million (2013: \$0.8 million) recoverable from the Australian Taxation Office. Capital commitments relate to the construction and enhancement of property, plant and equipment.

Operating lease commitments

Operating lease commitments contracted for at the reporting date but not recognised as a liability are expected to be payable as follows:

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Within one year	2,047	1,939	2,047	1,939
Later than one year but not later than five years	8,110	7,773	8,110	7,773
Later than five years	9,372	10,680	9,372	10,680
Operating lease commitments	19,529	20,392	19,529	20,392
Representing non-cancellable operating leases	19,529	20,392	19,529	20,392

Sydney Catchment Authority Notes to the financial statements

For the year ended 30 June 2014

Amounts disclosed as operating lease commitments includes GST of \$1.8 million (2013: \$1.9 million) recoverable from the Australian Taxation Office.

Operating leases relate to office rent with occupancy terms range from one to twelve years with renewal options for similar periods. All leases have been negotiated on commercial terms.

20. Contingent liabilities and contingent assets

At reporting date, the Authority is not aware of any contingent liabilities or contingent assets.

21. Related parties

Sydney Catchment Authority Division

The Sydney Catchment Authority Division (the Division) was a related party of the Authority. It was established pursuant to Part 2 and Part 3 of Schedule 1 of the *Public Employment & Management Act 2002* (the PEM Act), as a Division of the NSW Government Service. The Division was regarded as a special purpose reporting entity for financial reporting purposes. The Division was consolidated in accordance with the requirements of AASB Interpretation 112 'Consolidation - Special Purpose Entities'.

Transactions between the Authority and the Division were conducted in accordance with the requirements of applicable NSW Treasury policies including TC11/19 'Financial and annual reporting requirements arising from personnel service Arrangements' and TC11/18 'Financial reporting requirements for NSW Government entities including those affected by restructures'.

On 24 February 2014 the Government Sector Employment Act 2013 commenced and the PEM Act was repealed. As a consequence, the personnel services function undertaken by the Division was transferred to the NSW Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS) and the Division was abolished.

As required by TPP 09-3 'Contributions by owners made to wholly-owned public sector entities', the transfer was treated as an adjustment through equity as the transaction were as a result of an Administrative Order between the Division and the Government as owner.

The assets and liabilities of the Division that were transferred to DTIRIS on 24 February 2014 are presented below:

	SCA Division 24 February 2014 \$'000
Total assets	53,597
Less: Total liabilities	53,597
Net assets transferred to DTIRIS	-

The following disclosures reflect the abolishment of the Division and the transfer of assets and liabilities to DTIRIS on 24 February 2014:

Subsidiary	Country of Incorporation	Ownership Interest 2014	Ownership Interest 2013
Sydney Catchment Authority Division	Australia	-	100%

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Sydney Catchment Authority Notes to the financial statements

For the year ended 30 June 2014

21. Related parties (continued)

Statement of comprehensive income - supply of personnel services to 24 February 2014

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Personnel services provided by the Division	-	-	16,248	28,872
Less: Amounts recognised to work in progress			(1,059)	(1,798)
Personnel services expense	-	-	15,189	27,074

Statement of financial position - Personnel services payable to the Division at 30 June 2014

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Sydney Catchment Authority Division	-	-	-	62,060
Personnel services payable to the Division	-	-	-	62,060

From 24 February 2014 employment contracts of personnel assigned to the Authority are administered by DTIRIS in accordance with the requirements of the Government Sector Employment Act 2013. DTIRIS recognised employee related liabilities transferred from the Division at the carrying value at the time of the transfer. An equivalent receivable and liability was also recognised between DTIRIS and the Authority respectively. Personnel services payable to DTIRIS is disclosed in Note 14.

All applicable personnel charges of DTIRIS are charged to the Authority from 24 February 2014. These charges include all salaries, superannuation, leave, on-costs and all related payroll tax and fringe benefit tax charges so as recover all costs of providing personnel related services to the Authority. Personnel services expense is disclosed in Note 5.

DTIRIS does add a mark up to the cost of providing personnel services to the Authority.

Water NSW

On 4 March 2014, the NSW Government announced that it will consolidate the Authority with State Water Corporation to form Water NSW, a new efficient service provider for the State's water sector. The Water NSW operating model commenced with the Authority and State Water Corporation having separate boards with common board members, a common Chairman and a common Chief Executive.

An Executive Strategy team has been established to advise on the strategies to achieve improvements in priority areas consistent with the objectives of the future consolidated business. The team consists of members of Executive from the Authority and State Water Corporation.

Water NSW is not a legal entity and the personnel and associated costs of the group management are separately funded or equitably shared between both organisations.

Sydney Catchment Authority

Notes to the financial statements

For the year ended 30 June 2014

21. Related parties (continued)

Officers holding responsibility for planning, directing and controlling the activities of the Authority

Board members of the Authority during the current and previous reporting year included:

- Mark Bethwaite AM	Chairman (last day of duty was 24 February 2014)
- Terry Charlton	Chairman (Appointed 1 March 2014)
- Dr Nicholas Brunton	
- Geoffrey Kettle	(Last day of duty was 24 February 2014)
- Carmel Krogh	
- Anissa Lawrence	(Last day of duty was 24 February 2014)
- Nigel Milan	(Last day of duty was 24 February 2014)
- John Macarthur-Stanham	(Last day of duty was 24 February 2014)
- Chris Westworth	(Appointed 26 February 2014)
- Professor Andrew Wilson	

The following officers acted in the capacity of Chief Executive and were members of the Board in the current or previous reporting year:

- David Harris	A/Chief Executive (Appointed 12 May 2014)
- Fiona Smith	A/Chief Executive (Between 27 September 2013 to 11 May 2014)
- Ross Young	Chief Executive (Last day of duty was 27 September 2013)

The following officers have responsibility for planning, directing and controlling the activities of the Authority:

- Graham Attenborough	A/General Manager, Water (From 27 September 2013)
- Elli Baker	A/Chief Financial Officer, Water NSW (Appointed 12 May 2014)
- Graham Begg	General Manager, Catchments (Appointed 9 September 2013)
- Carl Broockmann	A/General Manager, Assets (From 23 May 2014)
- Graham Collins	General Manager, Finance & Business Services
- Simone Greenaway	General Manager, Governance
- Fiona Smith	Executive General Manager, Sydney Catchment Authority (from 12 May 2014)
- Ian Tanner	Director, Water Planning Strategy (Appointed on 23 May 2014)

From time to time employees of the Division or DTIRIS held the role of Chief Executive and General Manager in an acting capacity, for periods of less than one month.

Remuneration of key management personnel

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Short term employee benefits	309	1,766	309	245
Long term employee benefits	-	53	-	-
Post term employee benefits	19	170	19	21
Remuneration of key management personnel	328	1,989	328	266

From 24 February 2014, personnel services function previously undertaken by the Sydney Catchment Authority Division (a controlled entity of the Authority) was transferred to NSW Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS).

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Sydney Catchment Authority Notes to the financial statements

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22. Auditors' remuneration

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Financial audit of Sydney Catchment Authority	162	156	162	156
Financial audit of Sydney Catchment Authority Division	8	7	8	7
Auditors remuneration	170	163	170	163

The fee payable for the audit of the Sydney Catchment Authority Division is assumed by the Authority.

23. Financial instruments

a) Risk management framework

The Authority's principal financial instruments are presented below. These financial instruments arise directly from operations of the Authority, or are required by the Authority to finance its operations. The Authority does not enter into or trade financial instruments including derivative financial instruments, for speculative purposes.

The Authority's main risks arising from financial instruments are outlined below, together with the Authority's objectives, policies and processes for measuring and managing the risks.

The Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing identified risks. Risk management policies are established to identify and analyse the risks faced by the Authority, as well as to set limits and controls and monitor identified risks. Compliance with policies is reviewed by the Standing Committee on Audit, Financial Risk and Compliance and internal auditors on a continuous basis.

The following tables group financial instruments of the parent and consolidated entity by category.

			Carrying Amount 2014 \$'000	Carrying Amount 2013 \$'000
Consolidated entity	Note	Category		
Financial assets				
Cash and cash equivalents	9	Not applicable	41,228	41,933
Trade and other receivables ¹	10	Loans and receivables	34,689	16,538
Financial assets			75,917	58,471

			Carrying Amount 2014 \$'000	Carrying Amount 2013 \$'000
Consolidated entity	Note	Category		
Financial liabilities				
Trade and other payables ¹	14	Amortised cost	93,915	25,252
Borrowings	16	Amortised cost	439,122	439,004
Financial liabilities			533,037	464,256

Sydney Catchment Authority

Notes to the financial statements

For the year ended 30 June 2014

23. Financial instruments (continued)

			Carrying Amount 2014 \$'000	Carrying Amount 2013 \$'000
Parent entity	Note	Category		
Financial assets				
Cash and cash equivalents	9	Not applicable	41,228	41,933
Trade and other receivables ¹	10	Loans and receivables	34,689	16,520
Financial assets			75,917	58,453

			Carrying Amount 2014 \$'000	Carrying Amount 2013 \$'000
Parent entity	Note	Category		
Financial liabilities				
Trade and other payables ¹	14	Amortised cost	93,915	87,154
Borrowings	16	Amortised cost	439,122	439,004
Financial liabilities			533,037	526,158

Note 1: Excludes statutory receivables payables as well as prepayments and deferred income and which fall outside the scope of AASB 7 'Financial Instruments: Disclosures'.

b) Credit risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Authority. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Authority, including cash, receivables, and authority deposits. No collateral is held by the Authority and no financial guarantees have been granted.

Credit risk associated with financial assets, other than receivables, is managed through the selection of counterparties and the establishment of minimum credit rating standards. Authority deposits held with NSW Treasury Corporation (T-Corp) are guaranteed by the State.

Cash and cash equivalents

Cash comprises cash on hand and bank balances held within the NSW Treasury Banking System. The Authority held cash and cash equivalents of \$41.2 million at 30 June 2014 (2013: \$41.9 million). The banking institutions within the NSW Treasury Banking System are rated AA to AAA, based on rating agency Standard & Poor's ratings.

Trade and other receivables

All trade receivables are recognised at amounts receivable at reporting date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the Authority will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made terms that do not exceed 30 days.

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Sydney Catchment Authority Notes to the financial statements

For the year ended 30 June 2014

23. Financial instruments (continued)

All credit and recovery risks associated with trade debtors have been provided for in the Statement of Financial Position.

The Authority's credit risk is minimised as it transacts mainly with Sydney Water Corporation within the government controlled water supply industry. Where the counterparty is a non-Government owned corporation the parties credit worthiness is first established to derive appropriate risk limits before the Authority's standard payment terms and conditions are offered.

The ageing of trade receivables past due but not impaired as well as trade receivables considered compared is detailed below:

	Carrying Amount 2014 \$'000	Carrying Amount 2013 \$'000
Parent entity and consolidated entity		
Past due but not impaired ^{1,2}		
Less than 3-months overdue	7	58
Between 3-months and 6-months overdue	48	19
More than 6-months overdue	-	5
Current assets	55	82

The ageing of trade receivables individually considered impaired is detailed below:

	Carrying Amount 2014 \$'000	Carrying Amount 2013 \$'000
Parent entity and consolidated entity		
Considered impaired ^{1,2}		
Less than 3-months overdue	68	-
Between 3-months and 6-months overdue	36	-
More than 6-months overdue	-	2
Current assets	104	2

Note 1: Figures disclosed report 'gross receivables'.

Note 2: The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired

Authority deposits

T-Corp has established a Term Bank Deposit Distribution service which aims to secure competitive interest rates by various well rated banking institutions. The term deposits allow the Authority to deposit a given amount of money for a fixed period of time at an agreed fixed interest rate. The Authority had no outstanding term deposits at reporting date.

c) Liquidity risk

Liquidity risk is the risk that the Authority will be unable to meet its payment obligations when they fall due. The Authority continuously manages risk by monitoring its future cash flows and maturities and holding adequate amounts of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of readily accessible standby facilities.

Sydney Catchment Authority

Notes to the financial statements

For the year ended 30 June 2014

23. Financial instruments (continued)

The Authority has obtained approval under the Public Authorities (Financial Arrangement) Act 1987 for the following borrowing limits:

	Approved facility	Balance used	Available balance
30 June 2014			
Long term borrowing facility	470,000	439,122	30,878
"Come & Go" facility	30,000	-	30,000
Cheque cashing authority ¹	2	-	2
Tape negotiation authority ¹	20,000	-	20,000
Credit card facility	95	14	81
Borrowing facility	520,097	439,136	80,961

	Approved facility	Balance used	Available balance
30 June 2013			
Long term borrowing facility	470,000	439,004	30,996
"Come & Go" facility	30,000	-	30,000
Cheque cashing authority ¹	2	-	2
Tape negotiation authority ¹	20,000	-	20,000
Credit card facility	95	7	88
Borrowing facility	520,097	439,011	81,086

NSW Treasury has advised the Parent that an approval for financial accommodation in accordance with Section 8(2) of the *Public Authorities (Financial Arrangements) Act 1987* is not required.

The Authority's Debt Management Framework and Policy establishes prudential limits on the percentage of debt, which can mature in any one twelve month financial year. Planned future capital expenditure will be funded in part, through T-Corp borrowings. Future committed expenditure is disclosed in Note 19.

The Authority intends to repay borrowings with a current capital value of \$13.0 million during the next financial reporting year.

During the current and prior reporting year there were no defaults or breaches on any loan payable. No assets have been pledged as collateral. The Authority's exposure to liquidity risk is deemed insignificant based on prior periods data and current assessment of risk. The contractual maturity of the Authority's non-derivative fixed rate financial liabilities are shown in the following table:

Consolidated and parent entity	Carrying Amount	Total	Maturity dates		
			Less than 1 year	1-5 years	More than 5 years
30 June 2014					
Trade and other payables	93,915	93,915	93,915	-	-
Borrowings	439,122	561,041	48,939	297,878	214,225
Non-derivative financial liabilities	533,037	654,956	142,854	297,878	214,225

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Sydney Catchment Authority

Notes to the financial statements

For the year ended 30 June 2014

23. Financial instruments (continued)

Consolidated entity 30 June 2013	Carrying Amount	Total	Maturity dates		
			Less than 1 year	1-5 years	More than 5 years
Trade and other payables	25,252	25,252	25,252	-	-
Borrowings	439,004	566,615	26,504	325,926	214,185
Non-derivative financial liabilities	464,256	591,867	51,756	325,926	214,185

Parent entity 30 June 2013	Carrying Amount	Total	Maturity dates		
			Less than 1 year	1-5 years	More than 5 years
Trade and other payables	87,154	87,154	87,154	-	-
Borrowings	439,004	566,615	26,504	325,926	214,185
Non-derivative financial liabilities	526,158	653,769	113,658	325,926	214,185

The amounts disclosed above are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the entity can be required to pay. The tables includes both interest and principal cash flows and therefore will not reconcile to the Statement of Financial Position.

Trade and other payables are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12 'Payment of Accounts'.

For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

For small business suppliers, where payment is not made within a specified time period, simple interest must be paid automatically unless an existing contract specified otherwise. For payments to other suppliers, the Chief Executive (or delegated authority) may automatically pay the supplier simple interest. The rate of interest applied to a payment is based on the current T-Corp Hourglass rate in the month preceding the payment of the simple interest to the supplier. No interest was paid during the current or previous reporting year for the late payment of accounts.

d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Authority's exposures to market risk are primarily through interest rate risks related to borrowings and other price risks associated with the movement in the unit price of the Hour Glass (Cash) Facility. The Authority has negligible exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the time frame for the assessment (i.e. until the end of the next annual reporting year). The sensitivity analysis is based on risk exposures in existence at the reporting date. The analysis assumes that all other variables remain constant.

Sydney Catchment Authority

Notes to the financial statements

For the year ended 30 June 2014

23. Financial instruments (continued)

Interest rate risk

Exposure to interest rate risk arises primarily through the Authority's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, through T-Corp. The Authority does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity.

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Fixed rate instruments				
Commonwealth guaranteed	22,796	22,757	22,796	22,757
Loans State guaranteed	245,261	177,080	245,261	177,080
Loans to Authorities	171,065	239,167	171,065	239,167
Fixed rate instruments	439,122	439,004	439,122	439,004

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Variable rate instruments				
Cash and cash equivalents	41,228	41,933	41,228	41,933
Variable rate instruments	41,228	41,933	41,228	41,933

The Authority's exposure to interest rate risk is set out below. A reasonably possible change of +/- 100 basis points is used, consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

	Profit or loss		Equity	
	+ bp100	- 100bp	+ 100bp	- 100bp
Variable rate instruments - 30 June 2014				
Cash and cash equivalents	412	(412)	412	(412)
	412	(412)	412	(412)

	Profit or loss		Equity	
	+ bp100	- 100bp	+ 100bp	- 100bp
Variable rate instruments - 30 June 2013				
Cash and cash equivalents	419	(419)	419	(419)
	419	(419)	419	(419)

T-Corp manages interest rate risk exposures applicable to specific borrowings of the Authority in accordance with a debt portfolio mandate agreed between the two parties. T-Corp receives a fee for this service. At reporting date the carrying value of borrowings managed by T-Corp stood at \$439 million (2013: \$439 million).

Other price risk - T-Corp Hour-Glass Facilities

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour-Glass Investment Facilities, which are held for strategic rather than trading purposes. The entity has no direct equity investments. The entity holds units in the following Hour-Glass investment trusts:

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Sydney Catchment Authority

Notes to the financial statements

For the year ended 30 June 2014

23. Financial instruments (continued)

Facility	Investment Sectors	Investment Horizon	2014 \$'000	2013 \$'000
Cash Facility	Cash and money market	Up to 1.5 years	40,799	31,012

The unit price of the Facility is equal to the total fair value of the net assets held by the Facility divided by the number of units on issue in the Facility. Unit prices are calculated and published daily.

T-Corp as trustee for each of the Facility is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, T-Corp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. T-Corp has also leveraged off internal expertise to manage certain fixed income assets for the Hour-Glass facilities. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the Hour-Glass facilities limits the Authority's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

T-Corp provides sensitivity analysis information for the investment Facility, using historically based volatility information collected over a ten year period, quoted at two standard deviations (i.e. 95 percent probability). The Facility is designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity). A reasonably possible change is based on the percentage change in unit price (as advised by T-Corp) multiplied by the redemption value as at 30 June each year for the Facility.

	Change in unit price	Impact on profit/loss	
		2014 \$'000	2013 \$'000
T-Corp Hour-Glass Investment - Cash Facility	+/- 1%	408	310

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Authority's exposure to foreign currency risk is immaterial. The Authority limits currency risk by hedging the foreign currency transactions in excess of \$100,000 within two days of the exposure arising. At the reporting date, there are no foreign currency exposures attached to any financial assets or financial liabilities

e) Fair value measurement

Fair value recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value,

Consolidated and parent entity 30 June 2014	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
T-Corp Hourglass Investment (Cash) Facility	-	40,799	-	40,799
	-	40,799	-	40,799

Sydney Catchment Authority

Notes to the financial statements

For the year ended 30 June 2014

23. Financial instruments (continued)

Consolidated and parent entity 30 June 2013	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
T-Corp Hourglass Investment (Cash) Facility	-	31,012	-	31,012
	-	31,012	-	31,012

The value of the Hourglass Investment is based on the Authority's share of the value of the underlying assets of the Facility, based on the market value. The Facility is valued using redemption pricing. There were no transfers of financial instruments between levels 1 or 2 during the current and previous reporting years. There were no financial liabilities measured at fair value in the Statement of Financial Position.

Fair value compared to carrying amount

Financial instruments are generally recognised at amortised cost, with the exception of the T-Corp Hour-Glass facilities, which are measured at fair value. Except where specified below, the amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

The following table details the carrying amounts and fair values of assets and liabilities at reporting date:

	2014 Carrying Amount \$'000	2014 Fair Value \$'000	2013 Carrying Amount \$'000	2013 Fair Value \$'000
Consolidated entity				
Financial assets				
Cash at bank and on hand	41,228	41,228	41,933	41,933
Trade and other receivables	34,689	34,689	16,538	16,538
Cash - T-Corp Hourglass Facility	40,799	40,799	31,012	31,012
Financial liabilities				
Trade and other payables	93,915	93,915	25,252	25,252
Borrowings	439,122	483,768	439,004	480,663

	2014 Carrying Amount \$'000	2014 Fair Value \$'000	2013 Carrying Amount \$'000	2013 Fair Value \$'000
Parent entity				
Financial assets				
Cash at bank and on hand	41,228	41,228	41,933	41,933
Trade and other receivables	34,689	34,689	16,520	16,520
Cash - T-Corp Hourglass Facility	40,799	40,799	31,012	31,012
Financial liabilities				
Trade and other payables	93,915	93,915	87,154	87,154
Borrowings	439,122	483,768	439,004	480,663

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Sydney Catchment Authority Notes to the financial statements

For the year ended 30 June 2014

23. Financial instruments (continued)

f) Capital management

Consistent with *NSW Treasury Policy Capital Structure Policy for Government Businesses* [TPP02-7] which is a component of the NSW Government's Commercial Policy Framework, the Authority's objectives are to determine an appropriate capital structure to enable an appropriate return on equity and efficient investment decisions to be made on a commercial basis.

Under the policy, an appropriate capital structure is considered using the following criteria:

- Provision of an acceptable stream of dividends to the Authority's Shareholder
- Maintenance of an appropriate investment grade rating,
- Capacity to finance the approved capital program through internally generated cash flow and debt
- Provision of sufficient flexibility for relevant contingencies

The Authority's agreed capital structure is reviewed every year as part of the Statement of Financial Framework process. The purpose of such a review is to confirm whether or not the current capital structure continue to be appropriate and, if not, to negotiate revised arrangements between the Board and NSW Treasury.

Gearing levels

The Authority monitors its gearing levels. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the Statement of Financial Position plus net debt.

	Consolidated Entity 2014 \$'000	Consolidated Entity 2013 \$'000	Parent Entity 2014 \$'000	Parent Entity 2013 \$'000
Total borrowings	439,122	439,004	439,122	439,004
Less cash and cash equivalents	(41,228)	(41,933)	(41,228)	(41,933)
Net debt	397,894	397,071	397,894	397,071
Total equity	829,572	807,549	829,572	807,549
Total capital employed	1,227,466	1,204,620	1,227,466	1,204,620
Gearing ratio¹	31.36%	31.85%	31.36%	31.85%

Note 1: Calculated as: (Interest bearing debt - cash & cash equivalents) / (interest bearing debt + equity). However, previous year cash & cash equivalent was not taken into the calculation.

Dividend policy

The Board has prepared the Statement of Financial Framework for the year ending 30 June 2015 on a dividend payout ratio of 100 percent of profit after tax for 2014-15 to 2017-18. For 2014-15, a special dividend of \$17 million will also be paid. The special dividend represents the return of retained profits from 2012-13 and 2013-14 as outlined in the 2014-15 NSW State Budget.

From 2018-19 a dividend of 75 percent is proposed to assist with borrowing capacity for future capital expenditure requirements including to carry out the SCA's commitments under the Metropolitan Water Plan, and the refurbishment of the Upper Canal.

Sydney Catchment Authority Notes to the financial statements

For the year ended 30 June 2014

24. Application of new and revised accounting standards

Except for the changes described below, the Authority and consolidated entity has consistently applied the accounting policies set out in Note 3 to all periods presented in these consolidated financial statements.

- Employee benefits
- Consolidated financial statements
- Fair value measurement

a) Employment benefits

The consolidated entity has adopted the revised AASB 119 Employee Benefits with an application date of 1 July 2013. With regards to defined benefit superannuation, the main changes to accounting policy are:

- The amount of net defined benefit expense that is recognised in profit or loss under the revised standard is higher than the amount that would have been recognised under the old rules, with an equal and opposite change to the amount that is recognised as remeasurements in other comprehensive income. This is the result of the replacement of the expected return on plan assets and separate interest expense with a net interest amount that uses a different discount rate than what was used under the old policy. The net impact on total comprehensive income is nil and there is no adjustment to the amounts recognised in the balance sheet from this change. The interest income component has replaced the expected return on assets. Interest income is calculated using a different discount rate to expected return on assets, which has led to an increase to the expense reported in the Statement of Comprehensive Income.
- The standard does not allow investment credits to be netted off against the superannuation contributions tax. This has changed the calculation of the defined benefit liability presented in the Statement of Financial Position. As a result the defined benefit liability and the expense related to the defined benefit cost have increased.

The revised standard does not mandate where to present remeasurements in equity. The consolidated entity has chosen to retain its previous policy of recognising remeasurements directly in retained earnings. All past service costs continue to be recognised immediately in profit or loss.

As a result of the revised AASB 119 Employee Benefits, the personnel services payable in the Authority's Statement of Financial Position has also been restated for prior year. The adjustment reflects a change in the value of the personnel services payable as a result of the retrospective change to accounting for defined benefit plans under AASB 119 Employee Benefits by the Division up until 23 February 2014 and DTIRIS thereafter.

As the revised standard must be adopted retrospectively, adjustments to the retirement benefit obligations have been recognised at the beginning of the earliest period presented (1 July 2012) and the statement of comprehensive income were restated for the comparative period. The impact on these adjustments on the individual line items in the financial statements is shown below in part (d) to this note.

The revised AASB 119 Employee Benefits also amends the definition of 'short-term employee benefits' which impacts the measurement of certain employee benefit liabilities. Short-term employee benefit liabilities are those employee benefit liabilities which are expected to be settled wholly within twelve months. Under this new definition annual leave liability is likely to be classified as long-term because it is not expected to be wholly settled within twelve months. Where this is the case, the annual leave liability will be measured at the present value of the liability rather than the nominal value. The effects of the adjustments are not considered material and as a result a retrospective adjustment was not made in relation to annual leave entitlements. The changes required by AASB 119 Employee Benefits do not impact the classification of leave entitlements between current and non-current liabilities in the statement of financial position.

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Sydney Catchment Authority Notes to the financial statements

For the year ended 30 June 2014

24. Application of new and revised accounting standards (continued)

(b) Consolidated financial statements

AASB 10 Consolidated Financial Statements was issued in August 2011 and replaces the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements* and in Interpretation 112 *Consolidation – Special Purpose Entities*.

(c) Fair value measurement

AASB 13 Fair Value Measurement aims to improve the consistency and reduce complexity by providing a precise definition of fair value and single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

Under AASB 13 Fair Value Measurement, fair value is defined as an exit price. For non-financial assets, fair value is determined with reference to how market participants would take into account the highest and best use of the asset, the valuation premise and restrictions on the asset. Fair value is determined using the valuation approach that uses the most observable inputs and uses the least unobservable inputs.

The introduction of AASB 13 does not materially change the fair value of physical or any other type of asset held by the Authority or the valuation approach already undertaken by the Authority to determine fair value.

(d) Impact on financial statements

(i) Impact on prior years

As a result of the changes in accounting policies, prior year financial statements had to be restated. The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the change have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

The amounts disclosed for the 2013 reporting period and in the balance sheets as at 1 July 2012 and 30 June 2013 are presented below.

Statement of comprehensive income

Consolidated entity for the year ended 30 June 2013	As previously reported	Effect of Restatement	As restated
Revenue	201,683		201,683
Expenses			
Employee and personnel services expense	-	(35,988)	(35,988)
Employment related expenses	(33,375)	33,375	-
Other operating expenses	(78,502)	-	(78,502)
Loss on disposal of property, plant and equipment	(291)	-	(291)
Finance costs	(34,249)	-	(34,249)
Expenses	(146,417)	(2,613)	(149,030)
Profit before income tax	55,266	(2,613)	52,653
Income tax equivalent expense	(19,590)	(297)	(19,887)
Profit	35,676	(2,910)	32,766

Sydney Catchment Authority

Notes to the financial statements

For the year ended 30 June 2014

24. Application of new and revised accounting standards (continued)

(i) Impact on prior years (continued)

Consolidated entity for the year ended 30 June 2013	As previously reported	Effect of Restatement	As restated
Other comprehensive income			
Revaluation of property, plant and equipment	26,489	-	26,489
Defined benefit plan actuarial gains (losses)	5,049	(1,725)	3,324
Actual return on fund assets less interest income	-	5,325	5,325
Income tax on other comprehensive income	(8,029)	-	(8,029)
Other comprehensive income	23,509	3,600	27,109
Total comprehensive income	59,185	690	59,875

Parent for the year ended 30 June 2013	As previously reported	Effect of Restatement	As restated
Revenue	201,683	-	201,683
Expenses			
Employee and personnel services expense	-	(27,339)	(27,339)
Employment related expenses	(266)	266	-
Other operating expenses	(106,562)	28,060	(78,502)
Loss on disposal of property, plant and equipment	(291)	-	(291)
Finance costs	(34,249)	-	(34,249)
Expenses	(141,368)	987	(140,381)
Profit before income tax	60,315	987	61,302
Income tax equivalent expense	(19,590)	(297)	(19,887)
Profit	40,725	690	41,415
Other comprehensive income			
Revaluation of property, plant and equipment	26,489	-	26,489
Income tax on other comprehensive income	(8,029)	-	(8,029)
Other comprehensive income	18,460	-	18,460
Total comprehensive income	59,185	690	59,875

Statement of changes in equity (extract)

	Consolidated Retained earnings		
For the year ended 30 June 2013	As previously reported	Effect of Restatement	As restated
Balance at the beginning of the year	495,349	(5,178)	490,171
Comprehensive income			
Profit for the year	35,676	(2,910)	32,766
Actuarial gains (losses) on liabilities	5,049	(1,725)	3,324
Actual return on fund assets less interest income	-	5,325	5,325
Comprehensive income for the year	40,725	690	41,415
Transfers between equity items			
Transfers from reserves to retained earnings	26	-	26
Transfers between equity items	26	-	26
Transactions with owners in their capacity as owners			
Increase (decrease) in net assets from equity transfers	51	-	51
Dividend recognised to equity holders	(26,757)	-	(26,757)
Transactions with owners in their capacity as owners	(26,706)	-	(26,706)
Restated balance at the end of the year	509,394	(4,488)	504,906

Financial Statements

Sydney Catchment Authority Notes to the financial statements

For the year ended 30 June 2014

24. Application of new and revised accounting standards (continued)

(i) Impact on prior years (continued)

Statement of changes in equity (extract) (continued)

	Parent Retained earnings		
	As previously reported	Effect of Restatement	As restated
For the year ended 30 June 2013			
Balance at the beginning of the year	495,349	(5,178)	490,171
Comprehensive income			
Profit for the year	40,725	690	41,415
Comprehensive income for the year	40,725	690	41,415
Transfers between equity items			
Transfers from reserves to retained earnings	26	-	26
Transfers between equity items	26	-	26
Transactions with owners in their capacity as owners			
Increase (decrease) in net assets from equity transfers	51	-	51
Dividend recognised to equity holders	(26,757)	-	(26,757)
Transactions with owners in their capacity as owners	(26,706)	-	(26,706)
Restated balance at the end of the year	509,394	(4,488)	504,906

Statement of financial position as at 1 July 2012 (extract)

Consolidated entity	As previously reported	Effect of Restatement	As restated
As at 1 July 2012			
Current assets	61,926	-	61,926
Non-current assets	1,430,965	-	1,430,965
Current liabilities			
Trade and other payables	28,976	-	28,976
Other liabilities	323	-	323
Borrowings	13,900	-	13,900
Current tax liabilities	-	-	-
Provisions	40,968	-	40,968
Current liabilities	84,167	-	84,167
Non-current liabilities			
Borrowings	455,652	-	455,652
Other liabilities	1,192	-	1,192
Provisions	45,345	7,400	52,745
Deferred tax liabilities	126,977	(2,222)	124,755
Non-current liabilities	629,166	5,178	634,344
Net assets	779,558	(5,178)	774,380
Equity			
Retained earnings	495,349	(5,178)	490,171
Asset revaluation reserve	284,209	-	284,209
Equity	779,558	(5,178)	774,380

Sydney Catchment Authority

Notes to the financial statements

For the year ended 30 June 2014

24. Application of new and revised accounting standards (continued)

(i) Impact on prior years (continued)

Statement of financial position as at 1 July 2012 (extract) (continued)

Parent entity As at 1 July 2012	As previously reported	Restatement	As restated
Current assets	61,412	-	61,412
Non-current assets	1,430,965	-	1,430,965
Current liabilities			
Trade and other payables	89,203	7,400	96,603
Other liabilities	323	-	323
Borrowings	13,900	-	13,900
Current tax liabilities	-	-	-
Provisions	25,096	-	25,096
Current liabilities	128,522	7,400	135,922
Non-current liabilities			
Borrowings	455,652	-	455,652
Other liabilities	1,192	-	1,192
Provisions	476	-	476
Deferred tax liabilities	126,977	(2,222)	124,755
Non-current liabilities	584,297	(2,222)	582,075
Net assets	779,558	(5,178)	774,380
Equity			
Retained earnings	495,349	(5,178)	490,171
Asset revaluation reserve	284,209	-	284,209
Equity	779,558	(5,178)	774,380

Statement of financial position as at 30 June 2013

Consolidated entity 30 June 2013	As previously reported	Restatement	As restated
Current assets	60,877	-	60,877
Non-current assets	1,445,271	-	1,445,271
Current liabilities			
Trade and other payables	25,252	-	25,252
Other liabilities	250	-	250
Borrowings	2,200	-	2,200
Current tax liabilities	8,834	-	8,834
Provisions	42,979	-	42,979
Current liabilities	79,515	-	79,515
Non-current liabilities			
Borrowings	436,804	-	436,804
Other liabilities	986	-	986
Provisions	39,736	6,413	46,149
Deferred tax liabilities	137,069	(1,924)	135,145
Non-current liabilities	614,595	4,489	619,084
Net assets	812,038	(4,489)	807,549
Equity			
Retained earnings	509,395	(4,489)	504,906
Asset revaluation reserve	302,643	-	302,643
Equity	812,038	(4,489)	807,549

Financial Statements

Sydney Catchment Authority Notes to the financial statements

For the year ended 30 June 2014

24. Application of new and revised accounting standards (continued)

(i) Impact on prior years (continued)

Statement of financial position as at 30 June 2013 (continued)

Parent entity 30 June 2013	As previously reported	Restatement	As restated
Current assets	60,907	-	60,907
Non-current assets	1,445,271	-	1,445,271
Current liabilities			-
Trade and other payables	80,741	6,413	87,154
Other liabilities	250	-	250
Borrowings	2,200	-	2,200
Current tax liabilities	8,834	-	8,834
Provisions	26,757	-	26,757
Current liabilities	118,782	6,413	125,195
Non-current liabilities			-
Borrowings	436,804	-	436,804
Other liabilities	986	-	986
Provisions	498	-	498
Deferred tax liabilities	137,070	(1,924)	135,146
Non-current liabilities	575,358	(1,924)	573,434
Net assets	812,038	(4,489)	807,549
Equity			
Retained earnings	509,395	(4,489)	504,906
Asset revaluation reserve	302,643	-	302,643
Equity	812,038	(4,489)	807,549

(ii) Impact on current year

Statement of comprehensive income

Consolidated entity for the year ended 30 June 2014	Previous Accounting Policy	Effect of change in Policy	Revised Accounting Policy
Revenue	209,231	-	209,231
Expenses			
Employee and personnel services expense	(43,784)	(3,197)	(46,981)
Other operating expenses	(87,207)	-	(87,207)
Loss on disposal of property, plant and equipment	(1,125)	-	(1,125)
Finance costs	(31,370)	-	(31,370)
Expenses	(163,486)	(3,197)	(166,683)
Profit before income tax	45,745	(3,197)	42,548
Income tax equivalent expense	(16,753)	84	(16,669)
Profit	28,992	(3,113)	25,879
Other comprehensive income			
Revaluation of property, plant and equipment	27,533	-	27,533
Defined benefit plan actuarial gains (losses)	4,361	1,612	5,973
Actual return on fund assets less interest income	1,825	1,306	3,131
Income tax on other comprehensive income	(8,260)	-	(8,260)
Other comprehensive income	25,459	2,918	28,377
Total comprehensive income	54,451	(195)	54,256

Sydney Catchment Authority

Notes to the financial statements

For the year ended 30 June 2014

24. Application of new and revised accounting standards (continued)

(ii) Impact on current year (continued)

Statement of other comprehensive income (extract) (continued)

Parent entity for the year ended 30 June 2014	Previous Accounting Policy	Effect of change in Policy	Revised Accounting Policy
Revenue	209,231	-	209,231
Expenses			
Employee and personnel services expense	(37,597)	(280)	(37,877)
Other operating expenses	(87,207)	-	(87,207)
Loss on disposal of property, plant and equipment	(1,125)	-	(1,125)
Finance costs	(31,370)	-	(31,370)
Expenses	(157,299)	(280)	(157,579)
Profit before income tax	51,932	(280)	51,652
Income tax equivalent expense	(16,753)	84	(16,669)
Profit	35,179	(196)	34,983
Other comprehensive income			
Revaluation of property, plant and equipment	27,533	-	27,533
Income tax on other comprehensive income	(8,260)	-	(8,260)
Other comprehensive income	19,273	-	19,273
Total comprehensive income	54,452	(196)	54,256

Statement of changes in equity (extract)

For the year ended 30 June 2014	Consolidated Retained earnings		
	Previous Accounting Policy	Effect of change in Policy	Revised Accounting Policy
Balance at the beginning of the year	509,395	(4,489)	504,906
Comprehensive income			
Defined benefit superannuation actuarial gains (losses)	4,361	1,612	5,973
Actual return on fund assets less interest income	1,825	1,306	3,131
Profit for the year	28,992	(3,113)	25,879
Comprehensive income for the year	35,178	(195)	34,983
Transfers between equity items			
Transfers from reserves to retained earnings	(10,006)	-	(10,006)
Transfers between equity items	(10,006)	-	(10,006)
Transactions with owners in their capacity as owners			
Increase (decrease) in net assets from equity transfers	(4,335)	-	(4,335)
Dividend recognised to equity holders	(27,900)	-	(27,900)
Transactions with owners in their capacity as owners	(32,235)	-	(32,235)
Balance at the end of the year	502,332	(4,684)	497,648

Financial Statements

Sydney Catchment Authority Notes to the financial statements For the year ended 30 June 2014

24. Application of new and revised accounting standards (continued)

(ii) Impact on current year (continued)

Statement of changes in equity (extract) (continued)

	Parent Retained earnings		
	Previous Accounting Policy	Effect of change in Policy	Revised Accounting Policy
For the year ended 30 June 2014			
Balance at the beginning of the year	509,395	(4,489)	504,906
Comprehensive income			
Profit for the year	35,178	(195)	34,983
Comprehensive income for the year	35,178	(195)	34,983
Transfers between equity items			
Transfers from reserves to retained earnings	(10,006)	-	(10,006)
Transfers between equity items	(10,006)	-	(10,006)
Transactions with owners in their capacity as owners			
Increase (decrease) in net assets from equity transfers	(4,335)	-	(4,335)
Dividend recognised to equity holders	(27,900)	-	(27,900)
Transactions with owners in their capacity as owners	(32,235)	-	(32,235)
Balance at the end of the year	502,332	(4,684)	497,648

Statement of financial position (extract)

Consolidated entity 30 June 2014	Previous Accounting Policy	Effect of change in Policy	Revised Accounting Policy
Current assets	80,182	-	80,182
Non-current assets	1,466,026	-	1,466,026
Current liabilities			
Trade and other payables	87,225	6,690	93,915
Other liabilities	495	-	495
Borrowings	13,002	-	13,002
Current tax liabilities	12,851	-	12,851
Provisions	27,900	-	27,900
Current liabilities	141,473	6,690	148,163
Non-current liabilities			
Borrowings	426,120	-	426,120
Other liabilities	1,315	-	1,315
Provisions	522	-	522
Deferred tax liabilities	142,523	(2,007)	140,516
Non-current liabilities	570,480	(2,007)	568,473
Net assets	834,255	(4,683)	829,572
Equity			
Retained earnings	502,333	(4,683)	497,650
Asset revaluation reserve	331,922	-	331,922
Equity	834,255	(4,683)	829,572

Sydney Catchment Authority Notes to the financial statements

For the year ended 30 June 2014

24. Application of new and revised accounting standards (continued)

(ii) Impact on current year (continued)

Statement of financial position (extract) (continued)

Parent entity As at 30 June 2014	Previous Accounting Policy	Effect of change in Policy	Revised Accounting Policy
Current assets	80,182	-	80,182
Non-current assets	1,466,026	-	1,466,026
Current liabilities			
Trade and other payables	87,225	6,690	93,915
Other liabilities	495	-	495
Borrowings	13,002	-	13,002
Current tax liabilities	12,851	-	12,851
Provisions	27,900	-	27,900
Current liabilities	141,473	6,690	148,163
Non-current liabilities			
Borrowings	426,120	-	426,120
Other liabilities	1,315	-	1,315
Provisions	522	-	522
Deferred tax liabilities	142,523	(2,007)	140,516
Non-current liabilities	570,480	(2,007)	568,473
Net assets	834,255	(4,683)	829,572
Equity			
Retained earnings	502,333	(4,683)	497,650
Asset revaluation reserve	331,922	-	331,922
Equity	834,255	(4,683)	829,572

The changes disclosed above did not impact the statement of financial position or the statement of cash flows.

End of audited financial statements

Appendices

Appendices

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Appendix 1 – SCA Board

Details of members of both the current and former Board are set out below.

Qualifications of current Board as at 30 June 2014

Terry Charlton - Chair (1 March 2014 – 31 July 2015)

Terry Charlton is the former Managing Director of Snowy Hydro Limited and former Commissioner Snowy Mountains Hydro-electric Authority.

Previously, he served as the President, Edison Mission Energy, UK, Europe, Middle East and Africa which followed a long standing career with Tubemakers of Australia.

Mr Charlton is the Board Chairman and is an attendee at the Safety, Operations, Environment and Catchment Protection Committee, Audit, Financial Risk & Compliance Committee, Infrastructure, Planning & Development Committee and Health, Science & Water Quality Committee meetings.

Dr Nicholas Brunton (21 November 2012 – 2 March 2017)

Dr Nicholas Brunton is Practice Leader for Environmental and Planning Law Group, Henry Davis York Lawyers, Sydney. He is a Member of the Advisory Board for the Australian Centre for Climate Change and Environmental Law at the University of Sydney and has expertise in environmental risk management for large organisations and pollution management.

Dr Brunton was Chair of the Board's Catchments and Compliance Committee and a member of the Health and Science Committee. He is currently Chair of the Board's Safety, Operations, Environment and Catchment Protection Committee and a member of the Audit, Financial Risk & Compliance Committee, Infrastructure, Planning & Development Committee and Health, Science & Water Quality Committee.

Carmel Krogh (21 November 2012 – 2 March 2017)

Carmel Krogh is the Director of Shoalhaven Water and has over 30 years' experience as a professional in the water industry. She was previously Group General Manager Water and Waste at Eurobodalla Shire Council and an Infrastructure Advisor for AusAID.

Ms Krogh was the Chair of the Board's Asset Management Committee and a member of the Health and Science

Committee. She is currently Chair of the Board's Infrastructure, Planning & Development Committee and a member of the Audit, Financial Risk & Compliance Committee, Safety, Operations, Environment and Catchment Protection Committee and Health, Science & Water Quality Committee.

Professor Andrew Wilson (22 May 2013 – 22 July 2016)

Professor Wilson is Director of the University of Sydney node of the Menzies Centre for Health Policy and Professor of Public Health in the School of Public Health. He has also served as Chief Health Officer for NSW. He has specialist qualifications in clinical medicine and public health, and a PhD in epidemiology.

Professor Wilson is currently Chair of the Board's Health, Science & Water Quality Committee and a member of the Infrastructure Planning & Development Committee and the Safety, Operations, Environment and Catchment Protection Committee.

Chris Westworth (26 February 2014 – 22 July 2016)

Chris Westworth currently works as a consultant on a variety of financial reporting, financial structuring, auditing and compliance matters for Westworth Kemp Consultants.

Prior to his current employment, he enjoyed a successful tenure with Ernst & Young over a period of 25 years, working in a number of different positions, including Audit Partner and Oceania Professional Practice Director.

Mr Westworth is currently Chair of the Board's Audit, Financial Risk & Compliance Committee and a member of the Infrastructure Planning & Development Committee, Safety, Operations, Environment and Catchment Protection Committee and Health, Science & Water Quality Committee.

David Harris – A/Chief Executive (12 May 2014 – ongoing)

For the last 11 years, David Harris was a key member of the Executive leadership team at Snowy Hydro Limited. During his time at Snowy Hydro he was intimately involved in the strategic direction and strong financial and operational performance of the company. Since 2006 he was responsible for the water resources and water operations of the Snowy Scheme. In 2010 he took on responsibility for Snowy Hydro's environmental management and acclaimed cloud seeding project. Most recently, he headed up the largest operational business unit within Snowy Hydro - Production and was responsible for the performance and maintenance of the company's 4,400MW hydro and gas generating assets.

Appendices

Prior to joining Snowy Hydro, Mr Harris was part of the team that established DGJ Projects Pty Limited. In the first few years of his career, he spent time working on secondment to The Cabinet Office, the NSW Premiers' Department and then the Department of Land and Water Conservation, principally in connection with the privatisation of the State's irrigation areas and districts.

Mr Harris is a member of the Board's Infrastructure, Planning & Development Committee, Health, Science and Water Quality Committee, Audit, Financial Risk & Compliance Committee and Safety, Operations, Environment and Catchment Protection Committee.

Qualifications of former Board members during 2013-14

Mark Bethwaite AM – Chairman (27 May 2013 – 24 February 2014), Board member (21 November 2012 – 24 February 2014)

Mr Bethwaite is a Civil Engineer by profession and his early career was in the field of hydraulic engineering. He has wide experience in listed companies and in the public sector, having chaired both Commonwealth and State cultural institutions. He sits on the boards of a number of organisations, including the Foundation for National Parks and Wildlife.

Mr Bethwaite was a member of the Board's Audit and Risk Committee and Asset Management Committee prior to being appointed Board Chairman.

Fiona Smith – A/Chief Executive (27 September 2013 – 11 May 2014)

Prior to joining the SCA, Fiona Smith was Chief Operating Officer for North East Water, a regional water utility. In this role Fiona was responsible for raw water supply, water and wastewater treatment, water and wastewater distribution and the operation of water reuse facilities for 37 towns across north east Victoria. Fiona has 23 years' experience in the utility sector with previous roles with ACTEW and ActewAGL, being involved with laboratory analysis, the introduction of water utility regulation in the ACT, the management of water quality for the ACT, the development of wind farms and later the establishment of a long term management agreement between the asset owner (ACTEW) and service provider (ActewAGL).

Fiona was a member of the Board's Audit and Risk Committee, Asset Management Committee, Catchments and Compliance Committee, Health and Science Committee and the Audit, Financial Risk & Compliance Committee.

Ross Young – Chief Executive (1 July 2013 – 27 September 2013)

Ross Young served as Executive Director of Water Services Association of Australia for seven years and most recently has been Business Leader for Water at engineering firm GHD. Previously he was Melbourne Water's Group Manager, System Planning and was responsible for the planning and management of the wholesale water supply system. Complementing his industry experience is a Diploma of Horticultural Science, a Bachelor of Applied Science, an MBA and a Graduate Diploma in Natural Resources Law from the University of Melbourne.

Mr Young was a member of the Board's Audit and Risk Committee, Asset Management Committee, Catchments and Compliance Committee and the Health and Science Committee.

Geoffrey Kettle (1 July 2013 – 24 February 2014)

Geoffrey Kettle is the Mayor of Goulburn Mulwaree Council and runs a newsagency in the catchment. He is Patron of the Goulburn Field Naturalist's Society and has been a Councillor on Council since 2009.

Councillor Kettle was a member of the Board's Asset Management Committee and the Catchments and Compliance Committee.

Anissa Lawrence (1 July 2013 – 24 February 2014)

Anissa Lawrence is the Director and founder of TierraMar, an environmental consultancy specialising in sustainable coastal and marine conservation and fisheries management solutions. She has held the roles of Acting Managing Director of Wetland Care Australia, CEO of OceanWatch Australia and Senior Environmental Risk Manager at Parsons Brinckerhoff.

Ms Lawrence was a member of the Board's Audit and Risk Committee, Catchments and Compliance Committee and the Health and Science Committee.

Nigel Milan (1 July 2013 – 24 February 2014)

Nigel Milan was the Chief Executive Officer of the Australian Radio Network from 1995-1998 and Managing Director of SBS from 1998 until 2006. He was CEO of the Royal Flying Doctor Service from 2006 until 2010 and a Board member of the Fred Hollows Foundation for 10 years, five of those as Chair. He runs a beef cattle farm in the catchment.

Mr Milan was Chair of the Health and Science Committee, a member of the Audit and Risk Committee, and Catchments and Compliance Committee.

John Macarthur-Stanham (1 July 2013 – 24 February 2014)

John Macarthur-Stanham is Vice Chairman of Dairy Farmers Milk Co-operative and Vice Chairman of Trust Company Australia. He has extensive agricultural experience in the dairy and chicken industries and held a number of senior management positions with CSR.

Mr Macarthur-Stanham was the Chair of the Audit and Risk Committee and is a member of the Asset Management Committee.

Board committees

The current SCA Board has four committees which assist the Board in decision making. These are:

- Health, Science and Water Quality
- Audit, Financial Risk and Compliance
- Infrastructure Planning and Development
- Safety, Operations, Environment and Catchment Protection.

Until 21 February 2014 under the former Board the committees were: Audit and Risk, Catchments and Compliance, Health and Science, and Asset Management.

Board attendance 2013-14

	Meetings held	Meetings attended
Terry Charlton (1/03/14 – 31/8/2015)	4	4
Nicholas Brunton (21/11/12 – 2/3/2017)	13	12
Carmel Krogh (21/11/12 – 2/3/2017)	13	12
Andrew Wilson (27/5/13 – 22/7/2016)	13	10
Chris Westworth (26/2/14 – ongoing)	4	3
David Harris (12/5/14 – ongoing)	2	2
Mark Bethwaite (21/11/12 – 24/02/14)	9	9
Fiona Smith (27/9/13-11/5/14)	7	7
Ross Young (2/10/12 – 27/09/13)	4	4
Geoff Kettle (21/11/12 – 24/2/14)	9	7
Anissa Lawrence (21/11/12 – 24/2/14)	9	9
Nigel Milan (21/11/12 – 24/2/14)	9	9
John Macarthur-Stanham (21/11/12 – 24/2/14)	9	9

SCA Board Code of Conduct

Members of the SCA Board must comply with the principles contained in the Board Code of Conduct. These principles include respecting people and acting responsibly, honestly, responsibly and in the public interest. The Board Code of Conduct is available on the SCA's website.

Appendices

Board Committee Meeting Attendance 2013-14

	Health Science & Water Quality	Audit, Financial Risk & Compliance	Infrastructure Planning & Development	Safety, Operations, Environment & Catchment Protection				
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Terry Charlton	1	1	2	2	1	1	1	1
David Harris	1	1	1	1	1	1	1	1
Nicholas Brunton	1	1	2	2	1	1	1	1
Carmel Krogh	1	1	2	2	1	1	1	1
Andrew Wilson	1	1	2	2	1	1	1	1
Chris Westworth	1	1	2	2	1	1	1	1
Fiona Smith			1	1				

Previous Board Committee Attendance 2013-14

	Audit and Risk	Asset Management	Catchments & Compliance	Health and Science				
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mark Bethwaite (21/11/12 – 24/2/14)	3	3	3	2	2	2	1	0
Fiona Smith (27/9/13-11/5/14)	1	1	2	2	1	1	1	1
Ross Young (2/10/12 – 27/9/13)	2	2	1	1	1	1		
Nicholas Brunton (21/11/12 – ongoing)					2	2	1	1
Geoff Kettle (21/11/12 – 24/2/14)			3	1	2	1		
Carmel Krogh (21/11/12 – ongoing)	3	3	3	3				
Anissa Lawrence (21/11/12 – 24/2/14)	3	3			2	2	1	1
Nigel Milan (21/11/12 – ongoing)					2	2	1	1
John Macarthur-Stanham (21/11/12 – 24/2/14)	3	3	3	3				
Andrew Wilson (27/5/13 – ongoing)					2	1	1	0

Appendix 2 – SCA Senior Officers

Qualifications of SCA Senior Executive Managers

As at 30 June 2014 the SCA Senior Executive Managers were:

Name	Position	Qualifications
David Harris	Acting Chief Executive	BEC, LLB (Hons)
Fiona Smith	Acting Executive General Manager	BSc (Resource Mgt), MBA, GAICD
Graham Attenborough	Acting General Manager Water	BE, MBA
Graham Begg	General Manager Catchments	BE, BSc, MBA
Carl Broockmann	Acting General Manager Assets	BE
Elise Baker	Acting Executive General Manager Shared Services	BE, MFin, CFA, GAICD
Graham Collins	General Manager Finance and Business Services	BBus, CPA
Simone Greenaway	General Manager Governance	BEC, MEc, EMPA, GAICD
Ian Landon-Jones	Principal Advisor Technical	BE, MEngSc, MIEAust, CPEng, GAICD
Michael MacLean	Senior Manager People and Culture	MBus (HRM)
Ian Tanner	Director Water Planning Strategy	BSc (Civil Eng)
Edwin Chan	Senior Manager Economics and Business Planning	BAgrEc (Hons), MCom, MLogMan
Giovanni De Cataldo	Senior Manager Dam Safety	BE (Civil)
Kenneth Elliott	Senior Legal Counsel	BA, LLB
Malcolm Hughes	Senior Manager Planning and Environment	BSc(Hons), MEnvPlanning, Certified Practising Planner
Penelope Knights	Science Director	BSc (Hons), PhD
Deborah Low	Senior Manager Communications	BA (Comm), ASDA
Ingrid McAlpin	Senior Manager Information Management and Communications Technology	B.App.Sc, Dip Ed., MBA, MIT
Kevin McKinlay	Senior Manager Corporate Incidents & Security	Adv Cert Personnel Mgmt
Steven McMahon	Senior Manager Asset Reliability	DipEng, AdvDipMgt
Anthony Paull	Program Manager Environmental Flows	BTP, MEnvStud, GDipManagement
Maheswaran Selvaratnam	Senior Manager Strategic Supply Planning	BE, MEng
Brian Simmons	Acting Senior Manager Water Supply Operations	Cert Mech Eng
Stephen Waite	Senior Manager Programs & Compliance	BCom, DipEd
Ross Wallis	Senior Manager Regional Operations	B.App.Sc (Nat Res & Biol)

Appendices

SCA Senior Executive Managers salaries

Executive Band	Range	Average Remuneration
Band 4	\$ 422,501 - \$ 488,100	\$ 168,425
Band 3	\$ 299,751 - \$ 422,500	\$ 310,000
Band 2	\$ 238,301 - \$ 299,750	\$ 254,175
Band 1	\$ 167,100 - \$ 238,300	\$ 192,162

Note: The estimated percentage of total employee-related expenditure in the reporting year that relates to senior executives is 15.54% (2013: n/a).

Executive Bands	Male	Female
Band 4	1	
Band 3		1
Band 2	4	1
Band 1	14	4
Totals	19	6

Note: The number include SCA employees between grades 16-19 who are classified as transitional former senior executives for the purposes of this reporting requirement and are to be taken as to be public service senior executives and employed in the equivalent band. Remuneration includes employer superannuation amount.

In the average remuneration table the following needs to be noted:

1. The average salary notified for band 4 is below the remuneration range for band 4. This is a direct result of the SCA only paying an agreed proportion of Mr Harris total remuneration package, the remainder of his package is paid by State Water.
2. The average remuneration notified for Band 2 has been calculated by only allocating Ms Baker as 0.4 of the headcount. Ms Baker remuneration reported is only that component that is paid by SCA. State Water also pays Ms Baker a component of remuneration.

Appendix 3 – Legislative Framework and Legal Issues

Legislation

Sydney Water Catchment Management Regulation 2013

The Sydney Water Catchment Management Regulation 2013 (Remade Regulation) remade the Sydney Water Catchment Management Regulation 2008 which was automatically repealed on 1 September 2013 through the operation of the *Subordinate Legislation Act 1989*.

The new regulation continues the regulatory framework which enables the SCA to regulate access and activities on Special Area and Controlled area lands and to exercise certain functions under the *Protection of the Environment Operations Act 1997* (POEO Act) for the purpose of protecting catchment areas, and protecting and enhancing the quality of water in catchment areas.

The regulation includes minor amendments which provide clarification of offences that can be regulated by a sign, the ability to use powers and functions under the POEO Act for the purpose of protecting proclaimed controlled area lands in which are situated water transfer works. In addition, the class of person who may be charged fees was expanded to include Licensed Network Operators and the definition of Warragamba Special Area was also amended.

Fifteen submissions were received and considered in response the material contained in a Regulatory Impact Statement. The Remade Regulation commenced on 1 September 2013.

Government Sector Employment Act 2013

The *Government Sector Employment Act 2013* (GSE Act) which commenced on 24 February 2014 repealed the *Public Sector Employment Management Act 2002* and introduced a range of reforms into the structure and management of employment arrangements in the NSW Government sector. The reforms were applicable to the SCA.

The reforms included changes to the executive structure of the public service recruitment process, mobility, and introduced the concept that employees will undertake a role rather than occupy a position in the structure of a public service agency.

The GSE Act is supported by the Government Sector Employment Regulation 2014 and the Government Sector Employment Rules 2014. The regulation and the rules commenced on 24 February 2014 and contain detail in relation to employment conditions in a public service agency concerning such matters as leave, fitness for duty and allowances.

The Administrative Arrangement Order 2014, which also commenced on 24 February 2014, altered the employment arrangements for SCA staff to the Department of Trade and Investment, Regional Infrastructure and Services. The Department is now the employer of staff providing services to the SCA.

Current legal matters

Gundungurra Native Title Claim

In 1996, 1997, and 1998 representatives of the Gundungurra People lodged six native title claims for determination in the Federal Court of Australia under the *Native Title Act* 1993 (Cth). The claims extended to significant areas of land covered by the SCA's operations including the water storage of Warragamba Dam and the Warragamba Special Area.

On 2 April 2014 the Acting Chief Executive signed on behalf of the SCA a Deed which when registered in the Federal Court, will constitute an Indigenous Land Use Agreement (ILUA) between the Gundungurra People, Gundungurra Tribal Council Aboriginal Corporation and the Gundungurra Heritage Association. The Deed has been signed on behalf of the State of New South Wales and other government agencies. The signing of the Deed represents the finalisation and withdrawal of the native title claims without need to have the matter determined by the Court.

The Deed/ILUA provides for the establishment of a Consultative Committee that will enable the Gundungurra People to have a consultation role in relation to land management, protection and conservation of Aboriginal heritage and cultural values on lands managed by the SCA, National Park Lands and those lands owned by the Blue Mountains City Council.

The Consultative Committee may also make recommendations about plans of management, commercial activities, educational and interpretative policies about signage and employment and contracting.

Appendix 4 - Access to Information

Proactive release of information

Under section 7 of the *Government Information (Public Access) Act* 2009 (GIPA Act), agencies must regularly review their programs for the release of government information to identify the kinds of information that can be made publicly available. This review must be undertaken at least once every 12 months.

During 2013-14 the SCA's program for the proactive public release of information included a series of presentations to inform managers and staff about their obligations under the GIPA Act and to encourage the proactive release of information where appropriate. Presentations were held in three SCA offices, and copies of the presentation were made available for any staff not able to attend. In June 2014 a reminder about the proactive release of information was issued in the SCA's internal newsletter iScan.

Throughout 2013-14 the SCA expanded and updated the river health data publicly available on its website. The SCA also continued to regularly update its website with water storage and supply reports, as well as a range of other reports related to water quantity and quality. Additional data on water quantity is provided daily to the Australian Bureau of Meteorology and is available on its website. The SCA continues to expand the range of scientific publications available on its website, including conference papers, journal articles and reports.

The SCA receives many requests for data on water quantity and quality. These requests often relate to very specific sites or timeframes. It is generally not appropriate to have all such information routinely available on the SCA's website as it is held in complex databases, may contain unverified data and may not be readily understood. The SCA endeavours to provide this information to applicants on an informal basis where possible. The SCA also publishes an Annual Water Quality Monitoring Report which summarises and provides context to the large amounts of water quality data collected during the year. The appendices to this report contain all data collected.

Government Information (Public Access) Act 2009 applications received by the SCA

In 2013-14 the SCA received two formal access applications under the *Government Information (Public Access) Act* 2009. The SCA also received one application on 28 June 2013, and this application has been included in the reporting tables as the decision relating to this request was made during the 2013-14 financial year.

Appendices

The SCA partially refused one application (one document was withheld, though over 60 documents were provided) on the grounds that the refused document would have disclosed information referred to in Schedule 1 of the Act (legal professional privilege).

Number of applications by type of applicant and outcome*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm / deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	1	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	1	1	0	0	0	0	0	0

* More than one decision can be made about a particular access application. If so, each decision must be recorded. This also applies to the following table.

Number of applications by type of application and outcome

	Access granted in full	Access granted in part	Access refused in full	Info not held	Info already available	Refuse to deal with application	Refuse to confirm / deny whether information is held	Application withdrawn
Personal information applications*	0	0	0	0	0	0	0	0
Access application (other than personal information applications)	2	1	0	0	0	0	0	0
Access application that are partly personal information application and partly other	0	0	0	0	0	0	0	0

* A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Invalid applications

Reason application is invalid	No of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that later become valid applications	0
Total	0

Appendices

Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to the Act

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	1
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0
Total	1

* More than one public interest consideration can apply to a particular access application and, if so, each consideration is recorded (but only once per application). This also applies in relation to the following table.

Other public interest considerations against disclosure - matters listed in table to section 14 of the Act

	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0
Total	0

Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	3
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	3

Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by Administrative Decision Tribunal	0	0	0
Total	0	0	0

* The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that the Information Commissioner has made a recommendation to vary or uphold the original decision.

Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

Appendices

Appendix 5 – Staffing

Categories of staff over four years

	2013-14	2012-13	2011-12	2010-11
Chief Executive	1	1	1	1
SCA Executive (1)	6	4	5	5
Contract staff (2 and 3)	1	1	2	2
Award staff	280	273	265	243
Total numbers (4)	288	279	273	251
Total full-time equivalent (FTE numbers) (5)	265.8	265.05	263.3	246.3

Footnotes to table

	2013-14	2012-13	2011-12	2010-11
(1) Women in this category	3	2	3	3
(2) Women in this category	0	0	1	1
(3) Temporary employees in this category	1	0	0	0
(4) No of employees in this category with an FTE of less than 1	38	25	19	8
(5) Full-time equivalent for employees in footnote 4	15	11.05	9.3	4.3

The Sydney Catchment Authority adjusted salaries and allowances by 2.27% for the financial year 2013-2014 in line with NSW Government Wages Policy.

* Targets changed from December 2009 (previously 2 percent and 20 percent respectively)

1. Minimum target by 2015

2. Minimum annual incremental target set from December 2010 – (2011=1.1, 2012=1.3, 2013=1.5)

Workforce Diversity tables

Percentage of total staff representation

	Benchmark or target	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)
Women	50%	37.4	37.7	38.7	39.5	38	40
Aboriginal people and Torres Strait Islanders	2.6*(1)	2.3	1.9	1.5	1.5	1.7	2
People whose first language was not English	19*	20.1	18.5	18.2	18.2	17	18
People with a disability	12	2.9	3.9	3.8	2.6	3	2
People with a disability requiring work-related adjustment (2)	1.5	0.0	0.0	0.9	0.5	0.6	0.5

Distribution index

	Benchmark or target (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)
Women	100	90	87	90	89	89	86
Aboriginal people and Torres Strait Islanders	100	n/a	n/a	n/a	n/a	n/a	n/a
People whose first language was not English	100	105	112	112	109	108	109
People with a disability	100	n/a	n/a	n/a	n/a	n/a	n/a
People with a disability requiring work-related adjustment	100	n/a	n/a	n/a	n/a	n/a	n/a

External appointments percentages

	2013-14	2012-13	2011-12	2010-11
No of external appointments (new employees) (1)	26	22	25	26
No of responses to Equal Employment Opportunity questionnaires received	23	20	24	22
Women (2)	48%	50%	32%	50%
Aboriginal people and Torres Strait Islanders (3)	4.3%	0%	4%	0%
People from a non-English speaking background (3)	39%	20%	8%	31.8%
People with a disability (3)	0%	10%	8%	0%
People from a racial, ethnic or ethno-religious minority group (3)	30%	15%	12.5%	31.8%

1. This information was based on external appointments for each financial year (it has not been reduced by terminations).
2. Based on the number of new external appointments
3. Category percentages are based on the number of Equal Employment Opportunity questionnaires received

Training and development 2013-14

Training and development	Number of staff
Corporate induction program	51
Communication and Personal Development	102
Computer education/business systems support	23
Engineering/technical/para-professional	223
Employee relations (includes bullying and harassment prevention, Cultural Change programs)	602
Environment	74
Leadership programs	42
Management (incident online records management training, fraud and corruption training)	343
Workplace health and safety (includes online training)	285
Operations	27
Quality	92
Temporary arrangements to other positions	139
Business related (SCA supported study)	68
Environment related (SCA supported study)	15

Total training hours

In 2013-14 the SCA's total training hours provided was 10,117.
 With the SCA's FTE at 265 on 30 July 2014, the training equates to 38.18 hours (or 5.45 days) per staff member.

Appendices

Personnel and industrial relations policies and procedures

Learning and Development

- Conference Attendance and Presentation - Procedure
- Induction Procedure
- Learning and Development Procedure
- Study Assistance Procedure

Performance Management

- Disciplinary Procedure
- Grievance Resolution Procedure
- Performance Management Procedure

Recruitment Selection

- Job Vacancies Procedure

Employment Conditions and Award

- Breastfeeding at Work Procedure
- Carers Leave Procedure
- Code for Gifts and Benefits
- Code of Conduct Procedure
- Dignity & Respect Charter and Framework

- Excess Staff Procedure
- FACS Leave Procedure
- Flexible Work Arrangements Procedure
- Job Evaluation Procedure
- Maternity Leave Procedure
- Part-Time Work Procedure
- Prevention of Bullying and Harassment
- Public Interest Disclosures Policy - Reporting Unethical or Improper Conduct
- Purchased Leave Procedure
- Recreational Leave Management Procedure
- SCA Consolidated Award 2012-14
- Salary Packaging Procedure
- Secondary Employment Procedure
- Unethical or Improper Conduct Procedure
- Work Experience Procedure
- Working Safely from Home Procedure

Staff Welfare

- Employee Assistance Program
- Sick Leave Management Procedure

Overseas visit by staff

Name of officer	Ian Landon-Jones
Dates of visit	1-10 June 2014
Destination	Bali, Indonesia
Event	International Commission on Large Dams (ICOLD) technical committee meetings, symposium, General Assembly meeting and study tour.
Cost to SCA	\$2,000
Name of officer	Ian Landon-Jones
Dates of visit	11-16 November 2013
Destination	Rotorua, New Zealand
Event	Australian National Committee on Large Dams (ANCOLD) / New Zealand Committee on Large Dams (NZSOLD) annual conference
Cost to SCA	\$600 (SCA's portion of the costs)
Name of officer	James O'Keefe
Dates of visit	11-16 November 2013
Destination	Rotorua, New Zealand
Event	Australian National Committee on Large Dams (ANCOLD) / New Zealand Committee on Large Dams (NZSOLD) annual conference
Cost to SCA	\$600 (SCA's portion of the costs)

Name of officer	Kumara Arachchi
Dates of visit	12-17 November 2013
Destination	Rotorua, New Zealand
Event	Australian National Committee on Large Dams (ANCOLD) / New Zealand Committee on Large Dams (NZSOLD) annual conference
Cost to SCA	\$2,300
Name of officer	Giovanni De Cataldo
Dates of visit	12-17 November 2013
Destination	Rotorua, New Zealand
Event	Australian National Committee on Large Dams (ANCOLD) / New Zealand Committee on Large Dams (NZSOLD) annual conference
Cost to SCA	\$2,300
Name of officer	Joseph Zudd
Dates of visit	12-17 November 2013
Destination	Rotorua, New Zealand
Event	Australian National Committee on Large Dams (ANCOLD) / New Zealand Committee on Large Dams (NZSOLD) annual conference
Cost to SCA	\$2,300
Name of officer	Dr Bala Vigneswaran
Dates of visit	10-17 August 2013
Destination	Johannesburg, South Africa
Event	9th International Conference on Toxic Cyanobacteria
Cost to SCA	\$5,100
Name of officer	Brian Simmons
Dates of visit	10-28 August 2013
Destination	Seattle, USA and Vancouver, Canada
Event	International Commission on Large Dams (ICOLD) and study tour.
Cost to SCA	\$9,000
Name of officer	Ian Landon-Jones
Dates of visit	10-23 August 2013
Destination	Seattle, USA
Event	International Commission on Large Dams (ICOLD) technical committee meetings, symposium, General Assembly meeting and study tour.
Cost to SCA	\$2,000

Appendices

Appendix 6 – Stakeholder Engagement

Formal consultation and outcomes 2013-14

Consultation	Date	Method	SCA response
Special Areas Strategic Plan of Management (SASPoM)	Sep 13 – Nov13	The draft revised SASPoM was placed on public exhibition. This included advertising in major metropolitan and local newspapers in the catchment, exhibiting the documents on the SCA website, a mail-out to stakeholders about the public exhibition, and publication of a notice in the Government Gazette. Meetings were also offered to known stakeholders.	Two meetings were held and 16 submissions were received as part of the public exhibition. These submissions are being considered as part of the finalisation of the SASPoM.
Local Government Reference Panel	Aug 13 – May14	Local Government Reference Panel meetings. During the reporting period, meetings were held in August 2013 and February and May 2014. Membership includes representative councillors and staff from 15 councils in the drinking water catchments.	Sydney Catchment Authority (SCA) shares information and engages local councils in the drinking water catchment through the Local Government Reference Panel.
Bendeela Recreation Area Masterplanning process	Mar 14 – Jun14	One community reference group meeting was held in March 2014, one community information day was held on 19 April, a public exhibition period was held for the draft Masterplan from April to June 2014. This included advertising in major metropolitan and local newspapers in the catchment, exhibiting the documents on the SCA's website, a mail-out notifying stakeholders of the public exhibition and the development of a 'have your say' website portal.	The SCA shared information about the project and captured issues raised from the community reference group and other key stakeholders at the community information day and through public submissions. A total of 94 submissions were received and are being considered as part of the final Bendeela Masterplan.
Prospect Dam safety upgrade	Jul 13 – Jun 14	The community engagement plan was implemented in liaison with Fairfield, Blacktown and Holroyd councils, Sydney Water, Roads and Maritime Services, Western Sydney Parklands Trust and local organisations working in the grounds. The SCA worked with Bicycle NSW on information and signage regarding the closure of the bicycle track and alternate bike pathways. Letters sent to local members, public notices in local papers and signage.	The SCA engaged in extensive consultation with all impacted stakeholders in the lead up to the Prospect Reservoir grounds closure and throughout the works. Engagement with local councils, local organisations on site and with bicycle groups and riders, led to reviews, refinements and improvements to traffic management plans, the alternative bicycle path, and signage.
Upper Canal works	Jul 13 – Nov 13	On-site meetings, doorknocks and letterbox drops with impacted residents.	The SCA engaged residents prior to and throughout the works to mitigate dust, noise and traffic impacts to residents.

Complaints received 2013-14

SCA received a total of 13 complaints during 2013-14, 12 were resolved and one remained open at 30 June 2014. The unresolved complaint related to SCA's Current Recommended Practice (CRP) Designing and Installing Onsite Wastewater Systems. One complaint carried over from the previous year relating to privet control works at Bendeela that impacted on wildlife was also resolved satisfactorily during 2013-14.

Where appropriate SCA has committed to undertake improvement activities in response to complaints received during the year including:

- Improving site security and maintenance at recreational areas. These improvements will ensure that the sites can continue to be safe, cost-effective and environmentally sound community assets.
- Using grounds maintenance mapping along assets corridors to better schedule routine services.
- Using signage to inform the public of closure of amenities for repairs and to encourage the public to report faults or problems with facilities to a 24 hour number.
- Continuing to provide notification on the SCA's website of when its facilities or areas are closed during Total Fire Bans.

Appendix 7 – Water Supply and Rainfall Data

Water supply to customers (millions of litres)

	2013-14	2012-13	2011-12	2010-11	2009-10
Sydney Water*	531,904	518,021	414,623	413,192	478,222
Wingecarribee Shire Council	4,385	3,775	3,480	3,477	3,652
Shoalhaven City Council	91	96	72	71	87
Goulburn Mulwaree Council	55	53	-	-	-
Direct users – Upper Canal	89	41	55	89	108
Direct users – Warragamba	55	45	40	75	52
Others	28	94	30	40	48
Total	536,607	522,125	418,300	416,944	482,169

*Supply to Sydney Water is less when the Sydney Desalination Plant is in operation. Sydney Desalination Plant was commissioned in 2010 and supplies water directly to Sydney Water when total dam storage levels fall below 70 percent, continuing until total dam storage levels reach 80 percent. Annual supplies to Sydney Water from Sydney Desalination Plant were 61,290 ML in 2011-12, 77,102 ML in 2010-11 and 19,952 ML during commissioning in 2009-10.

Monthly rainfall in the SCA's catchments in 2013-14 (millimetres)

	Warragamba	Upper Nepean	Woronora	Shoalhaven	Prospect	Blue Mountains
July 2013	18	16	14	22	11	17
August 2013	9	4	5	10	9	16
September 2013	41	65	90	129	21	40
October 2013	12	11	14	15	10	14
November 2013	97	126	195	120	179	229
December 2013	29	62	43	49	32	52
January 2014	13	28	32	18	21	63
February 2014	62	51	52	69	65	67
March 2014	136	243	191	205	197	193
April 2014	70	55	61	68	40	89
May 2014	22	11	8	18	7	6
June 2014	37	37	33	62	34	51
Total	545	708	739	786	625	837

Appendices

2013-14 SCA water balance summary (excludes Pheasants Nest and Broughtons Pass weirs)

	Operating Capacity (ML)	Available Storage as at 30/06/2013	Available Storage as at 30/06/2014	Lake Evaporation (ML)	Total Inflow (ML) ^a	Release to Supply (ML) ^b	E Flows (ML)	Other (ML)	Spill in addition to E Flow (ML)
Cataract	97,190	86,460	62,650	7,125	47,206	49,221	14,670		
Cordeaux	93,640	78,750	69,960	6,123	33,107	26,813	8,961		
Avon	146,700	134,750	126,260	9,337	39,428	31,101	11,406		
Nepean	67,730	67,730	40,540	3,550	52,207	34,784	11,149	3,926 ^g	27,713
Woronora	71,790	67,780	56,740	3,395	14,321	17,040	4,926		
Warragamba	2,027,000	2,027,000	1,710,550	83,575	308,318	370,791 ^c	1,825	697 ^h	171,200
Prospect	33,330	26,680	17,510	6,568	6,343	15,470	0	(6,525) ⁱ	
Wingecarribee	24,130	23,370	20,130	7,116	12,486	4,440 ^d	1,095 ^f	4,315 ^j	
Fitzroy Falls	9,950	9,950	3,900	6,169	13,308	0	6,443	1,240 ^k	250
Tallowa	7,500	7,500	7,500	10,994	459,480	4 ^e	204,370	15,079 ^l	239,836
Blue Mountains	2,890	2,480	2,180	234	2,756	5,346	0	(2,524) ^m	
Total	2,581,850	2,532,450	2,117,920	144,186	988,960	555,011	264,865	84,238	438,999

Notes to table

- a) Inflow based on calculated monthly catchment runoff and includes rain on lakes
- b) Release to supply includes sales to wholesale and retail customers, indirect supply via downstream river
- c) Warragamba supply includes 7,485 ML to Nth Richmond WFP and 55 ML to retail customers
- d) Wingecarribee supply includes 55 ML to Goulburn Mulwaree Council and 4,385 ML to Wingecarribee Shire Council
- e) Tallowa supply based on supply Kangaroo Valley Township
- f) Wingecarribee excludes 365 ML riparian release
- g) Transfer to Avon Dam
- h) Operational releases due to routine exercising of crest gates
- i) Diversions into Prospect Reservoir from Upper Canal 6,525 ML
- j) Interbasin transfer to Warragamba (2,225 ML) and Nepean (1,725 ML) dams plus 365 ML riparian release
- k) Pumping from Fitzroy Falls to Wingecarribee Reservoir
- l) Release for supply to Shoalhaven City Council
- m) Interbasin transfer from Fish River Water Supply to Blue Mountains

Appendix 8 – Financial performance

Operational expenditure and income for 2013-14 – summary

	Actual \$'000	Budget \$'000	Variance \$'000
Revenues	209,231	205,357	3,874
Expenditure	166,683	161,377	5,306
Profit before tax	42,548	43,980	1,432

Capital expenditure for 2013-14 – summary

	Actual \$'000	Budget \$'000	Variance \$'000
Capital expenditure	32,273	42,708	10,435

Financial outcomes

Performance in relation to budget for 2013-14

	Budget \$'000	Actual \$'000	Variance \$'000	%	Explanation
Revenue	205,357	209,231	3,874	2	Greater demand for water than anticipated
Operations & services expenditure	97,559	102,603	5,044	5	Personal services expense included \$9.5 million in actuarial losses on defined benefit super.
Other areas of expenditure	63,818	64,080	262	1	Higher than expected expenditure on depreciation due to revaluations and capitalisations.
Dividend and tax equivalent expense	36,284	44,569	8,285	23	Actual dividend payout ratio increased by NSW Treasury. Budget based on dividend at 75% of NPAT
Profit before tax	43,980	42,548	1,432	3	Close to Target. Higher than anticipated operating expenditure offset the additional revenue.

Updated credit rating

Each year the NSW Government requires government businesses to be reviewed by a credit rating agency as part of an overall assessment of the authorities' independent financial study. The process is designed to ensure competitive neutrality between government businesses and their private sector counterparts. In its 2013 review, the SCA again received an investment grade credit rating.

Appendices

SCA Water Charges

SCA Charges to Sydney Water Corporation

Charging Component	Unit	Price
Fixed Availability Charge	\$/day	439,065.44
Volumetric Charge (When the SDP Plant is in a Plant Operation Period)	\$/ML	100.25
Volumetric Charge (When the SDP Plant is in a Shutdown or Restart Period)	\$/ML	81.83

SCA Charges to Councils

Customer	Charging Component	Unit	Price
Goulburn Mulwaree Council	Fixed Availability Charge	\$/Month	571.83
	Volumetric Charge	\$/ML	205.86
Shoalhaven City Council	Fixed Availability Charge	\$/Month	571.83
	Volumetric Charge	\$/ML	205.86
Wingecarribee Shire Council	Fixed Availability Charge	\$/Month	21,443.51
	Volumetric Charge	\$/ML	205.86

SCA Charges for Unfiltered Water

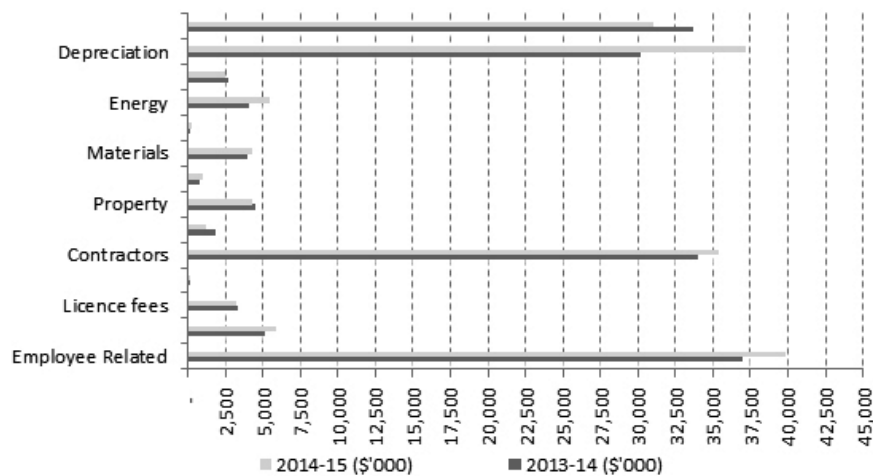
Charging Component	Nominal Diameter	Unit	Price
Fixed Availability Charge for connection of nominal diameter	20 mm	\$/Year	99.28
	25 mm	\$/Year	155.12
	30 mm	\$/Year	223.37
	32 mm	\$/Year	254.14
	40 mm	\$/Year	397.10
	50 mm	\$/Year	620.48
	80 mm	\$/Year	1,588.43
	100 mm	\$/Year	2,481.91
	150 mm	\$/Year	5,584.31
	200 mm	\$/Year	9,927.66
	>200 mm	\$/Year	(nominal diameter) 2 x 20mm charge/400
Volumetric Charge		\$/kL	1.12

SCA Charges for Bulk Raw Water

Charging Component	Unit	Price
Volumetric Charge	\$/kL	0.65

Expenditure budget comparison 2014-15 to 2013-14

	2013-14 (\$'000)	2014-15 (\$'000)
Employee related	36,953	39,781
Administration	5,116	5,848
Licence fee	3,288	3,233
Consultancies	161	80
Contractors	34,020	35,356
Information management	1,850	1,180
Property	4,508	4,202
Grants	801	1,003
Materials	3,927	4,258
Transport	157	165
Energy	4,109	5,442
Insurance	2,669	2,482
Depreciation	29,466	36,487
Financing charges	33,652	31,020
Disposal of assets	700	638
Total	161,377	171,175



Appendices

Capital expenditure

Project	Expenditure 2013-14 (\$'000)
Warragamba E-Flow Investigation	531
Replacement Warragamba Conference Centre Heritage Roof	115
Warragamba Pipeline ancillary valves upgrade	51
Avon Nepean Telecommunications Repairs	120
Metropolitan Dams Electrical System (Stage 2)	969
Upper Canal Interim Works Stage 1	3,984
Upper Nepean Transfer Scheme (borrowing cost)	(11.6)
Prospect Dam Improvement Works	13,150
Prospect Reservoir Outlet Tower & Lower Valve	116
Bendeela camping ground upgrade	142
Kangaroo Tunnel Relining	2,195
Bendeela Toe Drain Refurbishment	23
Burrawang Pumping Station Electrical System (Stage 2)	499
Working Plant and equipment – acquisition	156
Catchment Infrastructure Asset Renewals	770
Catchment Upgrade & Replacement of Plant & Equipment	469
Fire Trail Upgrade	311
Upgrade of SCA On-Site Sewage Management Systems	-61
Special Areas and Braidwood lands fencing	298
Hydrometric renewals program	613
New Auto Sampler Sites	1,420
Water Supply Assets Renewals program	1,346
IT Assets Renewals program	833
SCADA System Upgrade	-95
Maximo License	292
Business Systems, Fixed assets register, Etrim	286
Data Centre Relocation	364
Upgrade NorBE	438
Storm Water Improvement Model Upgrade	26
Office refit – Warragamba	173
Website redevelopment	81
Warragamba Dam major refurbishment valve house overhead cranes	6
Upper Nepean environmental flows works	2
Road upgrade program	3
Wingecarribee Dam improvement works	3
Infrastructure security project	5
Motor Vehicle Fleet Procurement	2,651
Total Capital Expenditure	32,273

Credit card certification

As required by Treasurer's Direction 205.01, the Chief Executive of the Sydney Catchment Authority certifies that credit card usage was in accordance with the relevant government policy, Premier's Memoranda and Treasurer's Directions.

Payment of accounts

Aged Analysis at the End of Each Quarter

	Current \$'000	<30 days overdue \$'000	30 to 60 days overdue \$'000	61 to 90 days overdue \$'000	> 90 days overdue \$'000
All suppliers					
September	25,083	2,797	153	0	0
December	29,503	1,118	7	0	0
March	18,433	1,287	381	4	0
June	21,423	492	6	0	0
Small Business Suppliers					
September	83	5	20	0	0
December	55	7	0	0	0
March	26	0	0	0	0
June	32	0	0	0	0

Accounts due or paid within each quarter 2013-14

Measure	September	December	March	June	Total 2013-14
All Suppliers					
Number of accounts due for payment	1,619	1,534	1,365	1,536	6,054
Number of accounts paid on time	1,539	1,443	1,280	1,501	5,763
Actual percentage of accounts paid on time (by number)	95.06%	94.07%	93.77%	97.72%	95.19%
Dollar amount of accounts due for payment	\$28,033,311	\$30,628,328	\$20,105,460	\$21,921,353	\$100,688,452
Dollar amount of accounts paid on time	\$25,082,608	\$29,503,691	\$18,433,295	\$21,422,645	\$94,442,239
Actual percentage of accounts paid on time (by dollar amount)	89.47%	96.33%	91.68%	97.73%	93.80%

Appendices

Number of payments for interest on overdue accounts	-	-	-	-	-
Interest paid on overdue accounts	-	-	-	-	-
Small Business Suppliers					
Number of accounts due for payment	49	77	37	33	196
Number of accounts paid on time	45	68	37	33	183
Actual percentage of accounts paid on time (by number)	91.84%	88.31%	100.00%	100.00%	93.37%
Dollar amount of accounts due for payment	\$107,971	\$62,789	\$25,798	\$32,116	\$228,674
Dollar amount of accounts paid on time	\$82,670	\$55,372	\$25,798	\$32,116	\$195,956
Actual percentage of accounts paid on time (by numbers)	76.57%	88.19%	100.00%	100.00%	85.69%
Number of payments for interest on overdue accounts	-	-	-	-	-
Interest paid on overdue accounts	-	-	-	-	-

Payment Performance Statement

There were no significant events that affected payment performance during the year and no interest was payable on overdue accounts. The SCA continues to explore ways to improve payment performance through the use of electronic funds transfer as the preferred method of paying creditors and encouraging suppliers to submit invoices directly to the SCA's centralised invoice email address.

Investment performance

Annualised return on T-Corp investment facilities as at 30 June 2014

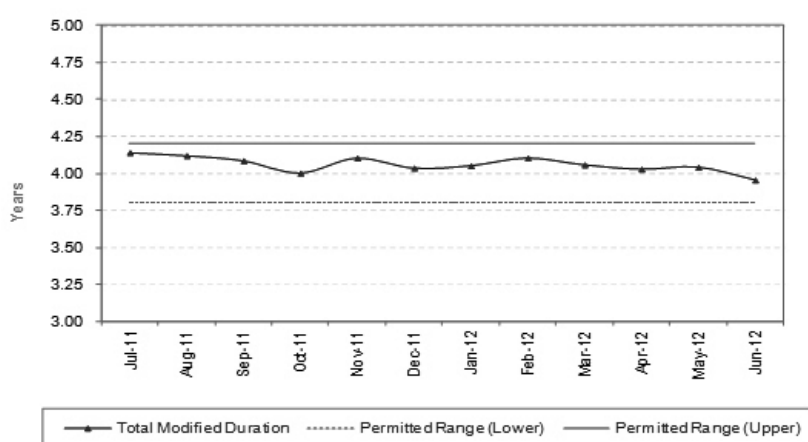
Term of underlying liability	T Corp facility	1 year	3 year	5 year	7 year
0-2 years	Hour-glass cash facility trusts	2.92	3.83	4.26	4.78
2-4 years	Hour-glass strategic cash facility trust	3.23	4.13	4.52	-
4-7 years	Hour-glass medium term growth facility trust	7.65	7.53	7.68	5.45
7+ years	Hour-glass long term growth facility trust	13.49	10.74	10.40	4.04

The nature and terms of SCA's underlying liabilities is such that funds are invested in the Hour-glass Cash Facility. The following table reports the annualised performance of this facility against benchmark, the USB Bank Bill Index.

Annualised performance of T-Corp Hour-glass cash facility trust

	1 year	3 year	5 year	7 year
Actual performance	2.92	3.83	4.26	4.78
Benchmark performance	2.68	3.55	3.90	4.61
Variance	0.24	0.28	0.26	0.17

Core Debt Portfolio Position Relative to Benchmark



Liability management performance

Core debt portfolio position relative to benchmark by month for the year ended 30 June 2014

	Benchmark modified duration	Permitted range (lower)	Permitted range (upper)
July 2013	4.07	3.8	4.3
August 2013	4.16	3.8	4.3
September 2013	4.12	3.8	4.3
October 2013	4.05	3.8	4.3
November 2013	4.05	3.8	4.3
December 2013	4.08	3.8	4.3
January 2014	3.98	3.8	4.3
February 2014	4.06	3.8	4.3
March 2014	3.99	3.8	4.3
April 2014	3.93	3.8	4.3
May 2014	4.11	3.8	4.3
June 2014	3.99	3.8	4.3

Appendices

Consultancies

Consultancies over \$50,000

No consultancies equal to or more than \$50,000 were paid during 2013-14.

Consultancies less than \$50,000

During the year one consultancy was engaged for science related work and the total costs were \$25,124.

All consultancies have been reported exclusive of GST.

SCA grants to non-government community groups

Applicant	Project	Grant	Amount (excl GST)
Growing Abilities Goulburn	Growing Abilities and Goulburn TAFE will collect and cultivate local native seeds and plant 1000 seedlings in the riparian zone of the Wollondilly River .	CPIG 159	\$9,600
Leura Creek Catchment Group	Seeking to eliminate willow from the Leura Falls Creek Catchment on all lands within the catchment. The program will initially focus on the highly invasive Pussy Willow but will also target other willow species over time.	CPIG 160	\$9,775
			TOTAL \$19,375

Cost of annual report

There were no external costs incurred for SCA's Annual Report 2013-14 as all production was carried out using internal resources.

Appendix 9 - Heritage

Listing of SCA heritage assets and table

The Sydney Catchment Authority is responsible for managing heritage items including water storages and associated infrastructure, weirs, homesteads, bridges and sites of significance to indigenous communities.

The SCA and Department of Planning and Environment jointly manage heritage in the Special Areas. The SCA and Sydney Water continue to jointly manage the Historical Research and Archive Facility, which provides an important historical resource for the two agencies and the general public.

During the year the SCA continued to develop conservation management plans for all its State Heritage items. The SCA's Section 170 Heritage and Conservation Register as at 30 June 2014 is shown below.

The SCA continued negotiations with the Heritage Branch in 2013-14 to update the State Heritage Register in relation to the SCA's items. On 27 June 2014 the Windmill Hill Group, including ruins, was listed on the State Heritage Register.

Item	Heritage Significance	Item Number
Arnprior	State	4580166
Avon Dam	State	4580027
Cataract Dam	State	4580028
Cordeaux Dam	State	4580029
Glen D'or	Local	4580057
Khama Lea	Local	4580059
La Vista	Local	4580164
Mayfield	State	4580058
Medlow Dam	State	4580041
Nepean Dam	State	4580032
Ooranook	Local	4580165
Upper Nepean Scheme	State	4580004
Upper Nepean Scheme – Broughtons Pass Weir	State	4580035
Upper Nepean Scheme – Hudson's Emergency Scheme	State	4580026
Upper Nepean Scheme – Nepean Tunnel	State	4580033
Upper Nepean Scheme – Pheasants Nest Weir	State	4580036
Upper Nepean Scheme – Upper Canal	State	4580005
Upper Nepean Scheme – Prospect Reservoir	State	4580067
Virginia	State	4580060
Warragamba Emergency Scheme	State	4580051
Warragamba Emergency Scheme – Megarritys Bridge	State	4580053
Warragamba Emergency Scheme – Warragamba Weir	State	4580052

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Warragamba Emergency Scheme – Water Pumping Station	State	4580064
Warragamba Supply Scheme	State	4580161
Warragamba Supply Scheme – 18 Ton Cableway	State	4580046
Warragamba Supply Scheme – Crest Gantry Crane	State	4580019
Warragamba Supply Scheme – Early Dam Model	State	4580054
Warragamba Supply Scheme – Haviland Park	State	4580049
Warragamba Supply Scheme – Main Dam Wall	State	4580061
Warragamba Supply Scheme – Pipelines 1 and 2	State	4580021
Warragamba Supply Scheme – Production Office	State	4580162
Warragamba Supply Scheme – Suspension Bridge	State	4580047
Warragamba Supply Scheme – Valve House	State	4580017
Windmill Hill Group, including ruins	State	4580168
Wingecarribee Swamp	State	4580138
Woodford Dam	Local	4580044
Woronora-Penshurst Pipeline	Local	4580022
Woronora Dam	State	4580034

Appendix 10 - Regulatory Compliance

Compliance activity over five years

Protection of the Environment Operations Act 1997 (SCA Authorisation)					
	2013-14	2012-13	2011-12	2010-11	2009-10
Clean up notices	4	1	1	2	3
Notices (s192) requiring information / documents	6	7	2	1	13
Penalty infringement notices	-	-	2	-	3
Pollution prevention notices	4	-	-	1	4
Littering reports referred to Office of Environment and Heritage	-	2	2	6	10
Sydney Water Catchment Management Regulation 2013					
	2013-14	2012-13	2011-12	2010-11	2009-10
Penalty infringement notices	7	31	43	52	38
Warning letters	17	19	15	8	22
Prosecutions	-	-	-	-	-
Notices (s62) requiring information and records	1	2	3	-	-
Notices (s62s & 62v) requiring information and records	9	12	17		

Note: The Sydney Water Catchment Management Regulation 2013 replaces the Sydney Water Catchment Management Regulation 2008, which was repealed on 1 September 2013 by section 10 (2) of the Subordinate Legislation Act 1989.

Appendices

Appendix 11 - Scientific Publications

SCA authored publications in 2013-14

M Haque, K Haddad, A Rahman, M Hossain, D Hagare and G Kibria, 'Long term water demand forecasting: Use of Monte Carlo cross validation for the best model selection', 20th International Congress on Modelling and Simulation, J Piantadosi, R Anderssen and J Boland (eds.), Modelling and Simulation Society of Australia and New Zealand, Adelaide, 2013, pp 231

M Haque, A Rahman, D Hagare and G Kibria, 'Principal component regression analysis in water demand forecasting: An application to the Blue Mountains, NSW, Australia', Journal of Hydrology and Environment Research, vol 1, 2013, pp 49-59.

M Haque, A Rahman, D Hagare and G Kibria, 'Probabilistic Water Demand Forecasting Using Projected Climatic Data for Blue Mountains Water Supply System in Australia', Water Resources Management, vol 28, 2014, pp 1959-1971.

Publications with SCA contribution / data

A Castelletti, H Yajima, M Giuliani, R Soncini-Sessa and E Weber, 'Planning the Optimal Operation of a Multi-Outlet Water Reservoir with Water Quality and Quantity Targets', Journal of Water Resources Planning and Management, vol 140, 2014, pp 496-510.

P Davies and I Wright, 'A review of policy, legal, land use and social change in the management of urban water resources in Sydney, Australia: A brief reflection of challenges and lessons from the last 200 years', Land Use Policy, vol 36, 2014, pp 450-460.

C Kaucner, V Whiffin, J Ray, M Gilmour, N Ashbolt, R Stuetz and D Roser, 'Can off-river water and shade provision reduce cattle intrusion into drinking water catchment riparian zones?', Agricultural Water Management, vol 130, 2013, pp 69-78.

U Kuruppu, A Rahman, M Haque and A Sathasivan, 'Water quality investigation in the Hawkesbury-Nepean River in Sydney using principal component analysis', 20th International Congress on Modelling and Simulation, J Piantadosi, R Anderssen and J Boland (eds.), Modelling and Simulation Society of Australia and New Zealand, Adelaide, 2013, pp 2646-2652.

A Sim, K Thomsen, A Murray, G Jacobsen, R Drysdale, W Erskine, 'Dating recent floodplain sediments in the Hawkesbury-Nepean River system, eastern Australia using single-grain quartz OSL', BOREAS, vol 43, 2014, pp 1-21.

Appendix 12 – Reporting Requirements

Operating Licence requirements reported to IPART

The SCA's Operating Licence for 2012-2017 specifies reporting requirements under the licence in a separate reporting manual.

One requirement in the Reporting Manual included as part of the Annual Report is condition 7.2.1 which requires the SCA to submit an Environment Management report to IPART by 1 September each year. The environmental management report includes the SCA's requirements in relation to energy, waste and environmental conditions that apply to the SCA in the undertaking of its business activities. This information is provided from page 48.

All other requirements of the Reporting Manual are met by providing a range of other regular reports to IPART, including an annual Catchment Management Report and an annual Water Quality Monitoring Report.

Treasury Compliance Checklist

Requirement	Legislative Reference	Reporting Requirement for Statutory Bodies	Annual Report Reference
Letter of Submission	ARSBA s9A	Stating report submitted to Minister for presentation to Parliament Provision under which report prepared If applicable, length of lateness in submitting report and reasons If no application for extension, reasons for lateness and lack of application To be signed by 2 members of statutory body or, if without members, by the CEO	Pg.2
Charter	ARSBR Sch.1	Manner in which and purpose for which agency was established Principal legislation under which statutory body operates	Pg.10
Aims and objectives	ARSBR Sch.1	What agency sets out to do Range of services provided Clientele/community served	Pg.10
Access	ARSBR Sch.1	Address of principal office/s Telephone number of principal office/s Business & service hours	Back Cover

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Management and structure	ARSB Sch.1	Names of members and their qualifications	App 1. pg.115
		Method and term of appointment of board members	Pg.42
		Frequency of meetings and members' attendance at meetings	App 1., pg. 117-118
		Names, offices and qualifications of senior officers	App 2. pg.119
		Organisation chart indicating functional responsibilities	Pg.4
Summary review of operations	ARSB Sch.1	Narrative summary of significant operations	KFA's
		Financial and other quantitative information for programs or operations	Pg.12-56
Funds granted to non-government community organisations	PM 91-34 ARSB Sch.1	Name of recipient organisation	App 8, Pg.140
		Amount of grant	
		Program area as per Budget paper	
		Program as per Budget paper	
		Nature & purpose of the project including aims and target clients	
Legal Change	ARSB Sch.1; ARSBA s9(1)(f)	Changes in Acts and subordinate legislation	App 3.
		Significant judicial decisions affecting agency or users of its services	Pg.120-121
Economic or other factors	ARSB Sch.1	Affecting achievement of operational objectives	Pg.38
Management and activities	ARSB Sch.1	Describe nature and range of activities	KFA's
		If practicable, qualitative and quantitative performance measures showing efficiency and effectiveness	KFA's
		Nature and extent of internal and external performance reviews conducted and resulting improvements in achievements.	Pg.15-16, 19, 22,36, 38, 44, 48-49
		Benefits from mgt. and strategy reviews	
		Management improvement plans and achievements reaching previous targets	
		Major problems and issues which arose	
		Major works in progress, cost to date, dates of completion, significant cost overruns or delays / amendments / deferments / cancellations	Pg.17, App. 8, 136
Research and development	ARSB Sch.1	Completed and continuing research and developmental activities including resources allocated	Pg.15-16, 19
		Unless will adversely affect business	
Human resources	ARSB Sch.1	Number of officers and employees by category & compare to prior three years	App 5, pg.126-127
		Exceptional movements in wages, salaries or allowances	App.5, pg.126
		Personnel policies & practices	App.5, pg.128
		Industrial relations policies & practices	App.5, pg.128

Consultants	PM 2002-07 ARSBR Sch.1	For each engagement costing equal to or greater than \$50,000: Name of consultant Title of project (shown in a way that identifies the nature of the work) Actual costs For engagements costing less than \$50,000: Total number of engagements Total cost Categorised by the nature of the consultancy, such as: Finance and accounting/tax; Information Technology; Legal; Management Services; Environmental; Engineering; Organisational Review; Training Or a statement that no consultants used	App 8., pg.140
Disability Plans	GSE Sch. 1 DSA s9, ARSBR Sch.1	Statement setting out the progress in implementing disability plan if required under the Disability Services Act 1993 (only for those required per GSEA)	Pg.24
Promotion	ARSBR Sch.1	Overseas visits by employees and officers with main purposes highlighted	App 5, pg.128-129
Consumer Response	ARSBR Sch.1	Extent and main features of complaints Services improved/changed in response to complaints/suggestions	App 6, pg.130
Workforce Diversity	PSC Circular 2014-09 ARSBR Sch.1	Statutory bodies must report statistics for both the representation and distribution of employees in diversity groups, in the same format as the report provided to each agency by the Public Service Commission. Additionally, statutory bodies must report on the workforce diversity achievements during the reporting year and the key workforce diversity strategies proposed for the following year.	App 5. pg.126-127 Pg.24
Payment of Accounts	TC 11/21 ARSBR Sch.1	Details of performance in paying accounts for each quarter: 0-30, 30-60, 60-90 and 90+ \$ amounts Target %, actual % and \$ for on time Total dollar amount paid in quarter (Can use proper sampling techniques) Details of action taken to improve performance	App 8. pg.137-138
Time for Payment of Accounts	ARSBR Sch.1; TC 11/21	Where interest was paid due to late payments, list of instances and reasons for delay which caused late payment	App 8. pg.138

Appendices

Land Disposal	ARSBR Sch.1	If value greater than \$5,000,000 & not sold by public auction or tender list of properties for each case, name of person who acquired the property & proceeds Details of family or business association between purchaser & person responsible for approving disposal Reasons for the disposal Purpose/s for which proceeds were used Statement that access to documents relating to the disposal can be obtained under the Government Information (Public Access) Act 2009	No Disposals Pg.56
Risk management and insurance activities	ARSBR Sch.1	Report on the risk management & insurance arrangements and activities affecting the agency	Pg.136
Internal audit and risk management policy attestation	TPP 09-5 TC 09/08	Governing board of statutory body must report compliance with core requirements of the policy for the financial year. Must use the relevant template provided in the 'Attestation and Reporting Requirements' section on NSW Treasury's 'Internal Audit and Risk Management Policy' page on NSW Treasury's 'Information for Agencies' website. Must co-locate the statement with the existing disclosure on 'risk management and insurance activities.' The above requirement does not apply to SOCs	Pg.34, 36
Multicultural Policies and Services Program (formerly EAPS)	ARSBR Sch.1	Statement setting out the key multicultural strategies proposed for the following year Progress in implementing the statutory body's multicultural policies and services plan Information as to the multicultural policies and services plans of any bodies reporting to the agency	Pg.24
Occupational Health and Safety	ARSBR Sch.1	Statement setting out OHS performance Details of injuries and prosecutions under Occupational Health and Safety Act 2000	Pg.22-23
Waste	ARSBR Sch.1	Statement on implementation of Government's Waste Reduction and Purchasing Policy and progress on: Reducing generation of waste Resource recovery Use of recycled material	Pg.54
Budgets	ARSBA s7(1)(a) (iii) ARSBR c7-8	Detailed budget for the year reported on, including details of: If this is the first budget approved Adjustments to first budget approved Outline budget for following year	App 8, pg.135

Financial Statements	ARSBA s7(1)(a) (i) -(iia)	Inclusion of Financial Statements Controlled Entities' Financial statements Audit Opinion on Financial Statements Response to significant issues raised by Auditor-General	Statements Pg. 57-113
Identification of audited financial statements	ARSBR c5	At start and finish	Pg.57, 113
Additional matters for inclusion in annual reports	ARSBR c10	Statement of the action taken by the body in complying with the requirements of the Privacy and Personal Information Protection Act 1998 (PPIPA) and statistical details of any review conducted by or on behalf of the body under Part 5 of the PPIPA. Does not apply to SOCs. After balance date events having a significant effect in succeeding year on: Financial operations Other operations Clientele/community served Total external costs (such as fees for consultants and printing costs) incurred in the production of the report. Whether the report is available in non-printed formats (such as on CD-ROM) The internet address at which the report may be accessed (disclosure of the statutory body's homepage address is sufficient).	Pg.25 None Pg.140 Back Cover Back Cover
Investment performance	ARSBR c12; TC 09/07	In the form of a comparison with a choice of "Hour Glass investment Facilities" from Treasury Corporation Choice of comparison based on nature and term of underlying liability Stated in terms of annual compound percentage rate of return	App 8. Pg.138-139
Liability management performance	ARSBR c13; TC 09/07	Only if debt is greater than \$20m In the form of a comparison, details of agency's liability portfolio performance versus benchmark Benchmark is notional portfolio constructed as risk neutral per Treasurer	App 8. Pg.139

Appendices

Performance and numbers of executive officers	ARSB c14 PSC Circular 2014-09	Number of senior executives employed at the end of the reporting year broken down by band and then gender within each band, compared with the numbers at the end of the previous reporting year Average total remuneration package of senior executives in each band at the end of the reporting year, compared with the average at the end of the previous reporting year The percentage of total employee-related expenditure in the reporting year that relates to senior executives, compared with the percentage at the end of the previous reporting year For 2013-14 reporting year, previous year information is not required.	App 2. Pg.120
Implementation of Price Determination	IPARTA s18(4)	If agency subject to determination or recommendation of Tribunal then: Statement that it was implemented and details of implementation; or Reasons for not being implemented	Pg.38
Credit card certification	TD 205.01	Credit card certification to be attached	App 8. Pg.137
Government Information (Public Access) Act 2009	GIPAA s125(4), (6) GIPAAR c7, Sch 2; c12, Sch 3	Details of the agency's review under s7(3) of the Act during the year and details of any information made publicly available as a result of the review Total number of access applications received during the year (including withdrawn applications but not including invalid applications) Total number of access applications received that agency refused, either wholly or in part, because the application was for disclosure of information for which there is conclusive presumption of overriding public interest against disclosure Statistical information as described in Sch 2 Each agency referred to in Sch 3 of the Regulation (subsidiary agency) is declared to be part of and included in the parent agency specified in Sch 3	App 4. Pg.121-125
Digital information security policy attestation	PM2012-15	Governing board of statutory body must attest annually to the adequacy of its digital information and information systems security. Annual Attestation Statement must be presented in the Annual Report.	Pg.35

Public Interest Disclosures	PIDA s31, PIDR c4 PM2013-13	Separately report on: PIDs made by public officials in performing their day to day functions as public officials PIDs not covered above that are made under a statutory or other legal obligation All other PIDs. For each PID, a public authority should disclose the following information: Number of public officials who have made a PID to the public authority Number of PIDs received by the public authority in total and the number of PIDs received by the public authority relating to each of the following: corrupt conduct maladministration serious and substantial waste of public or local government money government information contraventions local government pecuniary interest contraventions Number of PIDs finalised Whether the public authority has a PID policy in place Actions taken to ensure staff awareness responsibilities under s6E(1)(b) of the PIDA have been met.	Pg.25
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Appendices

Acronyms

AMS	Asset Management Strategy
ANCOLD	Australian National Committee on Large Dams
CMA	Catchment management authority, see LLS
CRP	Current Recommended Practice
CO ₂ –e	Carbon equivalent
DPI	NSW Department of Primary Industries
E&DM	Equity and Diversity Management Plan
GIPAA	Government Information (Public Access) Act 2009
HCS	Healthy Catchments Strategy
IPART	Independent Pricing and Regulatory Tribunal
KFA	Key Focus Area
LEP	Local Environment Plan
LLS	Local Land Service, replaced CMAs
MoU	Memorandum of Understanding
NABERS	National Australian Built Environment Rating System
NARCLIM	NSW and ACT Regional Climate Modelling project
NorBE	Neutral or Beneficial Effect, SCA planning assessment tool
NWI	National Water Initiative
PC	Premier's Circular
PM	Premier's Memorandum
SASPoM	Special Areas Strategic Plan of Management
SCADA	Supervisory Control and Data Acquisition system
SCAN	SCA community newsletter
SLAs	Service Level Agreements
SWCM	Sydney Water Catchment Management Act 1998
TC	Treasury Circular
TD	Treasurer's Direction
WHS	Workplace Health and Safety
WRAPP	Waste Reduction and Purchasing Policy
WSSA	Water Services Association of Australia

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Electronic copies of the Sydney Catchment Authority's annual report is available at www.sca.nsw.gov.au

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Website www.sca.nsw.gov.au

Email info@sca.nsw.gov.au

Warragamba Dam Visitor Centre

Telephone + 61 2 4774 4433

Hours 10am to 4pm daily
Except Christmas Day and Good Friday

Other dams, reservoirs and camping grounds

Telephone 1300 SCA GOV
(1300 722 468)

Operational offices

Blue Mountains
Burrawang
Campbelltown
Warragamba Dam

Emergency reporting (fires, chemicals, spills)

Telephone 1800 061 069

Australian Business Number

ABN 36 682 945 185