

# Hay Shire Council Annual Report 2021-2022



Exciting Heritage... Positive Future





# Hay

## Message from the MAYOR

It is with great pleasure that I present Hay Shire Council's Annual Report for the 2021/22 year. The Annual Report informs the community about the progress we have made towards Hay Shire's vision where our people are resilient, healthy and safe, living together with a strong sense of community in a vibrant and prosperous economy.

Planning for the future in a changing environment has been one of our challenges in 2022. Over the course of this year, we have maintained our focus and achieved some incredible milestones to keep our shire moving forward. It was wonderful to see the range of completed projects delivered and the many services provided over the last year.

This year Council has delivered over \$13 million dollars in projects, many of which were from grants funded by the State and Federal Governments that have enhanced the assets and services of the Hay Shire. In April, Member for Farrer - Sussan Ley, officially opened six projects funded by the Federal Government over the past two years. They included the Water Tower artwork, Hay Gaol Museum – The Jeni Japp and Mick Beckwith Exhibition Area, Bishop Lodge Museum, Pocock Park, Dunera Museum and Splash Park.

The area known as Witcombe Place received an upgrade with art and sculptures acknowledging some of our local history and stories. These include the 'Shilling Ram' and 'Mrs McGrath's Sheep'. The inclusion of five flagpoles has enhanced the look of this civic area. Upgrades to buildings and pavilions at the showgrounds, an upgrade of the amenities block at the Hay Park, construction of Mathews Bridge in Maude and the beginning of construction of the new pool amenities block were other highlights of the year.

In June, the Deputy Premier Paul Toole announced that Council's application for funding under the 2021/2022 Multi-Sport Community Facility Fund had been successful. A grant of \$2 996 175 to Hay Shire Council for the project titled, 'John Houston Memorial Swimming Pool Replacement' was approved with Council now awaiting a decision from the Federal Government for the other half of the required funds. Council was also successful in obtaining grant funds to construct the Hay Materials Recovery Facility which will cater for kerbside recycling, construction and demolition waste as well as packaging waste. This project will be a game changer for Hay where recycling could not be implemented previously.

In June, I was pleased to open the newly built Rural Fire Shed in Booligal. The shed was funded by the Rural Fire Services at a cost of \$260 000 and includes three engine bays, a kitchen, two toilet/shower amenities and a training room. The shed was completed in July 2021 and is welcomed by the Booligal community. The old shed was deemed 'not fit for purpose' and has been handed back to Council. It will be a storage facility for the Booligal Sports Ground.

In March, the hamlet of One Tree turned into a film location when Underdown Productions undertook the filming of 'Furiosa', the prequel to the 'Mad Max' films. The production crew brought enormous economic benefits to the town in terms of support to local businesses. Boosts to the economy were felt right across the spectrum in accommodation, food, auto parts, hair and beauty, job opportunities and an increase in gym and tennis club memberships.

A highlight to the year was the birthday celebrations in August when Hay Shire celebrated 150 years in local government. An official function held in the War Memorial Hall included morning tea, historical displays and the launch of a short film. I was able to host the official ceremony, accept the gift of a seat for the library from Cumberland City Council and lead the cutting of the cake. The local community was invited to a 'Food and Fun Festival' to help cap off the celebration of this milestone.

The desire for better outcomes for our community is ongoing. Council staff continue to develop programs and seek grant funding that produce long term benefits. Our staff live and work in the community and are committed to the development of the whole of our Local Government Area. I'm so proud of the efforts of the organisation to continually step up for our community and implement projects and services that help make Hay Shire a positive place to live, work, visit and invest.

I take this opportunity to thank all of our volunteers who do such a tremendous job supporting our Shire. Whether it be through membership of a Section 355 management committee, looking after one of our museums, or whether it be through involvement in a sporting club, service club, school or one of the many other community-based organisations active in the Shire.

I would also like to conclude by thanking my fellow councillors for their team-oriented approach to the role and the manner in which they hold the community's interest. It is refreshing to work with a group of people who hold the best interests of the community at the core of every decision that we make.

It is an honour and a pleasure to serve the Shire as Mayor at this exciting time.

Cr Carol Oataway  
Mayor



## DIRECTORY

### Administrative Building

134 Lachlan Street  
(PO Box 141)  
HAY NSW 2711

Office Hours: 9am - 5pm

Cashiers Hours: 9am - 4pm

Phone: 02 6990 1100

### Outback Visitors Centre

Moppett Street  
HAY NSW 2711

Phone: 02 6993 4045

### Bishop's Lodge

Moama Street  
HAY NSW 2711

Phone: 02 6993 1727

### War Memorial Hall

Lachlan Street  
HAY NSW 2711

### Bankers

General Funds:

Investment Institutions:

Westpac Banking Corporation

Westpac Banking Corporation

Bendigo Bank

Illawarra Mutual Building Society

National Australia Bank

ANZ

Commonwealth Bank

Rural Bank

### Solicitors:

Perrot's Solicitors & Attorneys

### Auditor:

Audit Office of NSW

### Contract Auditors:

Crowe Australasia

### Insurance Brokers:

Jardine Lloyd Thompson P/L

Statecover - Workers Compensation

### Depot

Murray Street  
HAY NSW 2711

Ph 02 6993 4046

### Library

Lachlan Street  
HAY NSW 2711

Phone 02 6993 4492

### Hay Gaol Museum

Church Street  
HAY NSW 2711

### Swimming Pool

Lachlan Street  
HAY NSW 2711

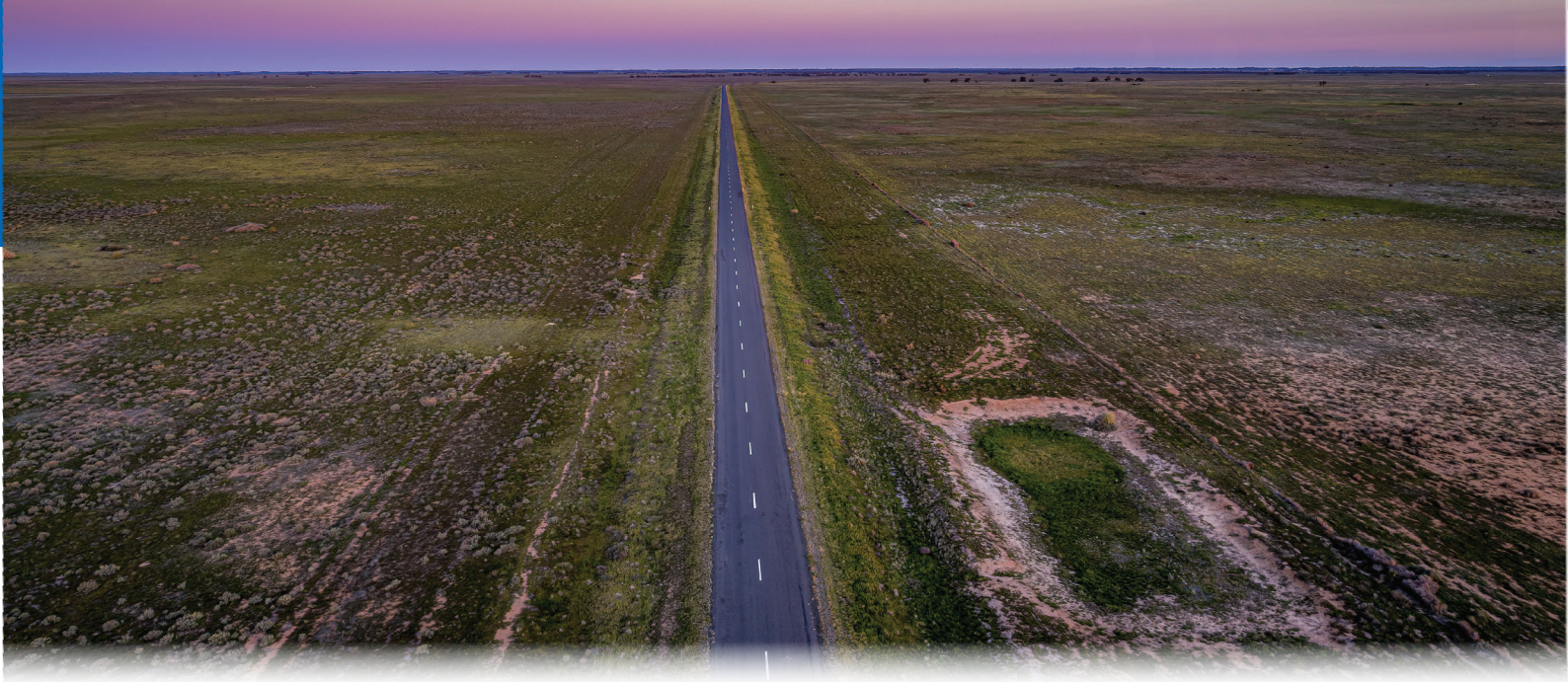
Phone: 02 6993 1616

### Community Building (at Hay Park)

off Morgan Street  
HAY NSW 2711

Phone: 02 6993 1017





## STATISTICAL INFORMATION

AREA	11,348 km <sup>2</sup>
LAND VALUE	\$399,677,590
POPULATION	2,883
RATEABLE ASSESSMENTS	1,799
MAIN ROADS	156 km
STATE HIGHWAYS	339 km
LOCAL ROADS & TOWN STREETS	765 km

### DATE COUNCIL COMMENCED

1st January, 1965, following the amalgamation of Waradgery Shire and Hay Municipal Councils

### STAFF EMPLOYED (Full-time equivalent)

General Manager's Department	5
Corporate & Community Department	13
Infrastructure & Planning Department	35
<b>Total</b>	<b>53</b>

NO. OF BUSH FIRE BRIGADES 8





## THE SHIRE OF HAY

Hay is a friendly town on the banks of the Murrumbidgee River, about halfway between Sydney and Adelaide and 400 kilometres from Melbourne. The Sturt, Mid-Western and Cobb Highways intersect at Hay.

The population of Hay Shire in 2021 was 2,883. The Hay Shire includes the villages of Booligal (made famous by Banjo Patterson, in “Hay and Hell and Booligal”), Maude and One Tree.

### Vegetation

Perennial bushes, mostly cottonbush and saltbush, form the greatest part of vegetation, covering 65% of the district; the remainder being grass country and flood plains. Box trees inhabit the plains country, with river gums along the river.

### Climate

The climate of Hay is considered temperate. The average summer temperature is 34 degrees Celsius, with an average winter temperature of 13 degrees Celsius.

The rainfall is comparatively low with an average of 325mm (13 inches) annually.

Spring and autumn are delightful times with the deciduous trees colouring beautifully in the autumn and the plains covered with wildflowers in the spring.

### Products

The Hay Irrigation Area is virtually the “cradle of irrigation” on the Murrumbidgee River. Irrigated crops grown around the Hay area are maize, wheat, cotton, rice, oats, barley, cereal rye, grain sorghum, sunflowers, soya beans, canola, large seeds and legumes. Pastures include paspalum, white clover, sub clover and rye grasses.

In addition, melons, lettuce, tomatoes, onions, broccoli, and garlic are grown in the area for the Sydney and Melbourne markets. Wine grapes are also grown. Grazing is still a significant contributor to the local economy with wool, lamb and beef produced in large numbers.



## COMMUNITY INVOLVEMENT

Some management functions of Council are conducted by a blend of Council and community representation:-

### SECTION 355 COMMITTEES

Hay Gaol Trust Management Committee

Hay Showground Trust Management Committee

Bishop's Lodge Management Committee

Hay Multi Service Outlet Committee

Myers Lane Management Committee

Hay Health and Fitness Committee

Dunera Committee

Floodplain Risk Management Committee

Maude War Memorial Hall Committee





# Elected Representatives

## MAYOR

Cr Carol Oataway

## Deputy Mayor

Cr Lionel Garner

## Councillors

Cr Geoff Chapman, Cr Jenny Dwyer, Cr Peter Dwyer, Cr Lionel Garner, Cr Peter Handford,  
Cr Carol Oataway, Cr Paul Porter, Cr Martyn Quinn

### Mayoral and Councillor Allowances, Expenses and Professional Development

During the period 1st July 2021 to 30th June 2022, Council's Mayoral Allowance was \$16,993 and the total Councillor fees were \$73,336. All Councillor expenses, reimbursements and facilities are provided in accordance with the adopted policy. During the period 1st July 2021 to 30th June 2022 the following costs were incurred by Council in relation to Councillor expenses:-

- Attendance of Councillors at conferences and seminars including all travel, registration costs and meals = \$9,100
- Interstate trips = nil
- Overseas visits = nil
- Expenses for spouse or partner = nil

At the beginning of the new term of Council, Councillors undertook an intensive induction program delivered by the General Manager and the 2 day 'Elected Life' Program ran by LGNSW. All Councillors attended the inductions and participated in OLG 'Hit the Ground Running' seminars. Mayor Cr Oataway also participated in a 2 day Mayoral Induction workshop.

As part of their professional development:-

- Cr Oataway attended Country Mayors Association meetings, LGNSW Conference, and the ALGA National General Assembly and participated in their workshops. Cr Oataway also attended the Rural and Regional Health Forum.
- Cr J Dwyer attended Country Mayors Association meetings and LGNSW Conference.
- Cr Garner attended LGNSW Conference, Rural and Regional Health Forum.
- Cr Chapman attended River Reflections Conference

### Term of Office

In an ordinary term Council members are elected for a four year period, however, due to covid19 the elections were postponed and were held in December 2021 meaning the current Council will only serve a three year term. The next election will be held September 2024. The whole Council elects the Mayor every two years in the September with the next Mayoral election scheduled for September 2023.

### Council Meetings

Council meets on the fourth Tuesday of each month, commencing at 1.00pm. The Council's Code of Meeting Practice deals with all matters associated with Council's meeting procedures.

## COUNCIL SECTION 355 COMMITTEE DELEGATES 2021/2022

- ❖ **Audit Risk and Improvement Committee**  
Cr Peter Handford
- ❖ **Australia Day Committee**  
Cr Jenny Dwyer  
Cr Peter Dwyer  
Cr Lionel Garner  
Cr Martyn Quinn
- ❖ **Bishops Lodge Management Committee**  
Cr Jenny Dwyer
- ❖ **Dunera Committee**  
Cr Peter Dwyer
- ❖ **Floodplain Risk Management Committee**  
Cr Geoff Chapman  
Cr Paul Porter
- ❖ **Hay Gaol Management Committee**  
Cr Martyn Quinn  
Director of Corporate Services (treasurer)
- ❖ **Hay Health & Fitness Committee**  
Cr Geoff Chapman
- ❖ **Hay Multi Service Outlet Committee**  
Cr Peter Dwyer  
Cr Carol Oatawy  
Cr Paul Porter  
Director of Corporate Services
- ❖ **Hay Museums Committee**  
Cr Jenny Dwyer
- ❖ **Hay Showground Management Committee**  
Cr Lionel Garner
- ❖ **Myers Lane Management Committee**  
Cr Peter Dwyer  
Cr Lionel Garner  
Cr Carol Oataway
- ❖ **Maude War Memorial Committee**  
Cr Peter Dwyer



## COUNCIL DELEGATES 2021/2022

Organisation/Committee	Delegate
❖ Bush Fire Advisory Committee	Cr Geoff Chapman, Cr Paul Porter
❖ Hay Plains Childcare Centre	Cr Carol Oataway
❖ Long Paddock Committee	Cr Lionel Garner, General Manager
❖ Murray Darling Association and water matters generally	Cr Paul Porter, Cr Geoff Chapman
❖ RAMJO	Mayor/Deputy Mayor/General Manager
❖ Shear Outback Board	Cr Lionel Garner & Director of Corporate Services
❖ South West Arts Project	Cr Jenny Dwyer
❖ Traffic Committee	Cr Peter Dwyer, Cr Lionel Garner, Cr Martyn Quinn, General Manager
❖ Western Riverina Community Library Committee	Cr Jenny Dwyer (alternative Cr Oataway)
❖ Local Health Advisory Committee	Cr Cr Carol Oataway, Cr Paul Porter & General Manager

## VISION AND MISSION STATEMENT

### Vision

"Where our people are happy, healthy and safe, living together with a strong sense of community in a vibrant and prosperous economy."

### Mission Statement

To be a progressive rural council committed to

- Caring for the welfare of our citizens;
- Protecting the environment;
- Sustaining a climate that encourages opportunities to achieve a sound economic base;
- Managing the Council's limited resources in an open and accountable manner consistent with the principles of value for money and equity.

## GOALS

1. To promote Council as being a professional, caring and responsive organisation dedicated to meeting community needs and expectations;
2. To protect and enhance the natural environment of the Shire;
3. To encourage substantial local economic development and employment opportunities, in harmony with the environment, for the benefit of our citizens and the self-sufficiency of the Shire;
4. To provide an efficient and effective nominated network of roads and other related systems, for the safe and efficient transport of people and motorists; and
5. To ensure "value for money" by the effective delivery of services in response to existing and future requirements.

## ORGANISATIONAL VALUES

**Integrity** – We will be honest, fair and ethical in all our dealings, complying with the letter and the spirit of the law. We will make decisions in an unbiased, objective manner devoid of any personal interests or prejudices. We will treat all people with respect.

**Openness** - We will be readily accessible and will be transparent in all our dealings. We will communicate truthfully and regularly with our community. We will give reasons for our decisions.

**Responsiveness** – We will consult with our community and other stakeholders and be guided by their wishes. We will deliver on our promises.

**Quality of Service** – We will strive to provide best-practice services through continuous improvement and embracing new ideas and we will respond promptly to service problems.



## PRINCIPLES

Council has reviewed its guiding principles in line with the new requirements resulting from the Local Government reform process which are now:-

- actively engage local communities, including through integrated planning and reporting;
- be transparent and accountable;
- recognise diverse needs and interests;
- have regard to social justice principles;
- have regard to the long term and cumulative effects of its actions on future generations;
- foster ecologically sustainable development;
- effectively manage risk;
- have regard to long term sustainability;
- work with others to secure services that are appropriate to meet local needs;
- foster continuous improvement and innovation;
- act fairly, ethically and without bias in the public interest; and
- endeavour to involve and support its staff.

## SENIOR STAFF REMUNERATION

Council's General Manager is employed under a performance based contract. The General Manager is the only Senior Staff member. The total value of these contracts involving salary, superannuation, non-cash benefits and allowances is:-

<b>Total</b>	\$246,453
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## HUMAN RESOURCE ACTIVITIES

Hay Shire Council provided training opportunities to Council staff from the 1st July 2021 to the 30th June 2022, resulting in an expenditure of \$126,541. Training was undertaken by the majority of Council employees across many facets of Council's operations. The Workforce Plan is being progressively implemented.

As of 25th May 2022 Council employees that performed paid work on a:

- |  |    |   |
|--|----|---|
| • Permanent full-time basis  | 59 |   |
| • Permanent part-time basis  | 5  |   |
| • Casual basis   | 8  |   |
| • Fixed Term Contract  | 1  |   |
| • Number of persons employed by the council are 'senior staff' for the purpose of the Local Government Act 1993  |    | 1 |
| • persons engaged by Council, under a contract or other arrangement with the person's employer, that is wholly or principally for the labour of the person |    | 1 |
| • persons supplied to the Council, under a contract or other arrangement with the person's employer as an apprentice or trainee                            |    | 0 |

## LEGAL PROCEEDINGS

During the period 1/7/21 to 30/6/22 Council incurred nil costs for legal expenses.

## PRIVATE WORKS

The Council undertakes works for private organisations, individuals and Government agencies on a cost-recovery basis where these works do not significantly impede the Council's own works program. For the period 1st July 2021 to 30th June 2022, Council carried out works totalling \$196,586 from which it received an income of \$234,350. Works were carried out in accordance with Council's adopted Plant Hire Rates, which are reviewed each year and are based on commercial rates.

Council adopted its private hire rates in June 2021 and performed no private works jobs at a rate lower than that adopted under Section 67(2(a)) of the Local Government Act 1993.

## FINANCIAL ASSISTANCE GRANTS UNDER S356 OF THE LOCAL GOVERNMENT ACT, 1993

In the period 1st July 2021 to 30th June 2022 the following organisations received grants from Council totalling \$43,348.98 to the organisations listed below:-

Mens Shed	\$1,081.35
Hay Public School	\$50.00
Hay School of the Air	\$50.00
Booligal Hall	\$1,500.00
Hay Tennis Club	\$5,000.00
Shear Outback	\$30,000.00
Hay Sheep Show	\$600.00
NSW Rural Doctors Network	\$3,000.00
Hay Childrens Services	\$2,067.63

In addition to these contributions, Council provided considerable administrative assistance to local Committee's including Management Committee's, visiting sporting and recreational groups, registered charities, as well as subsidised rental or free use of Council buildings to a number of organisations.

## JOINT VENTURES

Council is a member of the Western Riverina Community Library.

## STATEMENT OF ALL COMPANIES IN WHICH COUNCIL HAS A CONTROLLING INTEREST

Council does not have a controlling interest in any companies.



## STATEMENT OF ALL ORGANISATIONS EXERCISING DELEGATED FUNCTIONS OF COUNCIL

Hay Gaol Management Committee  
Hay Showground Management Committee  
Hay Health & Fitness Committee  
Home Multi Service Outlet  
Maude War Memorial Hall Committee

Dunera Committee  
Bishop's Lodge Management Committee  
Floodplain Risk Management Committee  
Myers Lane Management Committee

## ACCESS TO INFORMATION

The Government Information (Public Access) Act 2009 (GIPA Act) replaced the Freedom of Information Act 1989 in July 2010. The GIPA Act encourages the proactive release of information. Certain types of information require an information access request be lodged before Council is able to release the information. Council may withhold any information it deems against the public interest. Details of such requests from 2021-2022 can be found in the Statutory section of this report.

## FRAUD CONTROL ACTIVITIES

During the year Council continued to strengthen its internal controls and implemented the issues relating to fraud. Included in these actions was the ongoing implementation of Council's Fraud and Corruption Control Framework.

## PUBLIC INTEREST DISCLOSURES

Council has adopted a Public Interest Disclosure Policy. During the year Council undertook the following actions to meet staff awareness obligations:-

- Internal Reporting Policy on Council's Intranet
- Incorporated into new staff inductions

There were no public interest disclosures during the year ended 30th June 2022.

## EQUAL EMPLOYMENT OPPORTUNITY

Council has appointed an Equal Employment Opportunity Officer and has an adopted Equal Opportunity Management Policy.

All Staff are made aware of the obligations through induction procedures and information on Council's portal.

## CARERS RECOGNITION

Council has met its obligations under the Carers Recognition Act 2010 ensuring an awareness of the Statement for Australian Carers, appropriate policies and actions undertaken, and carers have been consulted when developing programs.

## RATES AND CHARGES WRITTEN OFF

During the period 1st July 2021 to 30th June 2022 the amount of \$103,952 in rates and charges was abandoned, which were abandoned under the pensioner provisions of the Local Government Act, 1993. In addition to this the amount of \$2868.07 was abandoned in the water and sewer funds under Councils community service obligation policy and fire fighting water connections policy.

## MAJOR CONTRACTS AWARDED

During the year the following contracts greater than \$150,000 were awarded:-

Lyall & Associates Water Engineers	\$172,209.23	Proposal for Hay & Maude floodplain risk management study and plan. Tender number T01/2021.
Lugsdin Toyota	\$200,659.55	Supply of 5 vehicles
Westrac Pty Ltd	\$161,838.65	Supply of Caterpillar Backhoe Loader
Buronga Truck Sales and Service Pty Ltd	\$254,172.83	Supply of Isuzu Truck
GPC Consulting Pty Ltd	\$130,800.01	Project Management for Economic Development
Bitupave Ltd	\$486,315	Reseals
BILD Infrastructure	\$160,586.97	Reconstruct and Seal Various Town Streets
Abergeldie Contracts Pty Ltd	\$366,185.48	Variation to original Purchase order - Maude Bridge Contract
Precise Build	\$1,380,281.82	Pool Amenities Upgrade - demolition of existing and construction of new pool amenities building as per Contract T2022-01
Precise Build	\$12,748.75	Variation #1 to above contract - Public Unisex Toilet
Precise Build	\$19,008.00	Variation #2 to above contract - Asbestos Removal
Peter Christensen	\$180,900	Erect shelter over existing Basketball and Netball court next to Community Building
Doyle's Lighting & Electrical	\$204,722.99	No 2 Oval Sports Ground Lighting Replacement
Riverina Sporting Services	\$246,403.55	Resurface existing Basketball/Netball Court next to Community Building and Construction of two new netball Courts at Hay Park



## PLANNING AND REPORTING

The Hay Shire Council is implementing the Hay Inclusion Action Plan with all new projects, and the following has been completed:

- Council chambers wheelchair access
- Council chambers serving counter
- Visitor Information Centre access
- Access to Library extensions
- Access ramp to Showground grandstand
- Extension of walking tracks through town.
- Toddler play and fenced playgrounds installed.
- Extended footpaths in parks, and fully accessible playground components.

Particulars of compliance with the effect of planning agreements in force during the year:

- There have been no planning agreements through the 2021/22 year.

Private pools:-

- |   |    |
|---|----|
| • Number of inspections of tourist and visitor accommodation for 2021/22                                      | 8  |
| • Number of inspections of premises with more than 2 dwellings for 2021/22                                    | 0  |
| • Number of inspections that resulted in issuance of a certificate of compliance under s22D of the SP Act     | 28 |
| • Number of inspections that resulted in issuance of a certificate of non-compliance under cl21 of the SP Reg | 13 |

## COMPANION ANIMALS - Statement of Activities

Lodgement of pound data collection returns with the Office of Local Government	Period from 1 July 2021 to 30 June 2022 supplied to Office of Local Government
Lodgement of data relating to dog attacks with the Office of Local Government	Period from 1 July 2021 to 30 June 2022 supplied to Office of Local Government
Companion animal community education programs carried out	Regular features in Council newsletter, local media, pound facebook page, free microchipping promotions
Strategies Council has in place to promote and assist the desexing of cats and dogs	Regular campaigns on Council's companion animals facebook page and Community Newsletter
Strategies in place to comply with the requirement under section 64 (Companion Animals Act) to seek alternative to euthanasia for unclaimed animals	Working with rescue organisation to rehome all animals. Pound facebook page promotion.
Off leash areas provided in the Council area	Pocock Park & No. 3 & 4 Ovals
Net cost of Companion Animal Control	\$85,000.00

# **Report on Achievements in Implementing Delivery Program**

**A1**

Our community values its natural and built environments to support a sustainable environment

**Community Strategy**  
**A1.1**

Investigate renewable resource options

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>A1.1.1</b> – Seek external funding for solar energy programs as part of the Green Hay economy	T1	Support the implementation of projects that have been identified	CO	Projects supported	Completed	DIP
<b>A1.1.2</b> – Seek external funding for alternative energy programs as part of the Green Hay economy	T1	Support the implementation of projects that have been identified	CO	Projects supported	Projects have been supported as available.	DIP
	T1	Investigate feasibility of Council renewable energy options/ programs	Q4	Investigation completed	Completed	DIP



## Community Strategy A1.2

Identify suitable environmentally sustainable initiatives

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>A1.2.1</b> – Reduce consumption and reuse water	T1	Review Council's use of water and water reuse possibilities	Q4	Reduction in Council's annual use of water	On going	DIP
	T1	Investigate Smart Meter Reading	Q4	Investigation undertaken	Pilot project regional leakage program. Taggle engaged for smart metering of council properties	GM
<b>A1.2.2</b> – Recycling and Waste	T1	Continue to update and implement Waste Management Strategy.	CO	Waste stream reduction and maximise potential life of waste facilities	Commencing establishment of MRF. Updated Waste Management Strategy	DIP
<b>A1.2.3</b> – Reducing power consumption	T1	Commence implementation of energy audit.	CO	Implement renewable energy projects. Reduce energy consumption and costs in Council buildings	Solar installed on Council buildings. Installation of LED street lights and LED panels and solar lights on public toilets.	DIP
<b>A1.2.4</b> - Promote Sustainable Transport	T1	Implement Bike Plan	CO	Construction of bike routes to continue and incorporate cycling in tourism	Ongoing	DIP
<b>A1.2.5</b> - Support Sustainable Natural Environment Programs	T6	Develop partnerships with National Parks so that they become operational in the Hay Shire and their commercial ventures can be ratable and viable business concerns - see also A.2.4.3	Q4	National Parks open and operational	Ongoing advocacy	DIP

**Community Strategy**  
**A1.3**

Implement river management strategic partnerships to protect river banks

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>A1.3.1</b> – Liaise and Consult with Stakeholders	T3	Seek commitment from Government agencies that a satisfactory weir pool will be maintained.	CO	Consistent Weir Pool	Ongoing advocacy	GM
<b>A1.3.2</b> – Ongoing advocacy and education policies	T3	Continue to lobby relevant bodies to ensure the preservation of river banks	CO	Representations made	Ongoing advocacy	GM
	T3	Advocate for river monitoring.	CO	River monitoring actioned	Pilot project for additional river monitoring	GM

## Community Strategy

### A1.4

Establish and maintain clear guidelines for zoning, urban planning and development

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>A1.4.1</b> – Oversee a Local Environmental Planning and compliance framework for managing and controlling land use development	T2	Implement outcomes of LSPS.	CO	LSPS outcomes implemented	Structure Plan adopted	DIP
<b>A1.4.2</b> – Ongoing advocacy and education policies	T2	Provide timely and effective advice to applicants and delivery partners	CO	Advice provided as required	Ongoing advocacy	DIP



## Community Strategy A1.5

Provide suitable accessible transport alternatives including cycleways and walking tracks

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>A1.5.1</b> Review Cycleways and Masterplan	T5	Seek external funding for works	CO	Applications submitted	Yearly active transport applications	DIP
<b>A1.5.2</b> Improve signage and promotion	T5	Update signage on cycleway	CO	Remove and install signage as required	Ongoing	DIP
	T5	Include cycleways and walking tracks in promotion activities	CO	Cycling and walking to be included in marketing campaigns	Ongoing	DIP
<b>A1.5.3</b> Plan and manage cycleways and walking tracks	T5	Implement Bike and Walkway Track Plans	CO	Implement projects and inspection regime for tracks	Ongoing as funding permits	DIP
<b>A1.5.4</b> Provide accessible transport to the community	T5	Incorporate inclusion principles in works program	CO	Works undertaken	Ongoing	DIP

## Community Strategy A1.6

Maintain levee bank to protect community assets

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
A1.6.1 Manage levee bank system for the Hay Town	T6	Continue Flood Risk Management Study and Plan	Q4	Study Commenced	Progressing and expanded study area	GM
	T6	Implement service standards for annual inspection	Q4	Service standards implemented	Inspections occurring	GM

## A2

Our community is clean and healthy

### Community Strategy

#### A2.1

Keep amenities in a clean and safe condition

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
A2.1.1 – Maintain parks, bushland areas and other recreational facilities and equipment for the benefit of the community	T5	Recreational equipment is inspected and maintained on a monthly basis	CO	Monthly inspection regime implemented.	Achieving target	DIP
	T6	Update and commence implementing the River Masterplan	Q4	Plan implemented as funding permits	Update completed. Applications submitted. Construction of selected projects commenced	GM
A2.1.2 – Ensure that the Hay Council area is clean and tidy for the benefit of residents and business owners	T5	Set and implement street sweeping and cleaning systems	CO	Community satisfaction	Minimal complaints received	DIP
A2.1.3 – Maintain streets and supporting infrastructure to encourage safe public use of facilities	T5	Deliver Council's inspection regime and maintenance program to ensure infrastructure is clean, safe and accessible	CO	Community satisfaction.	Minimal complaints received	DIP
A2.1.4 - Manage domestic waste and other waste management services	T5	Manage domestic waste collection	CO	Service delivered as contracted	Achieving target	DIP
	T5	Manage waste disposal facility	CO	Community satisfaction	Significant Improvements made	DIP
	T5	Respond to community feedback, complaints, information, within a timely manner	CO	Community Satisfaction	Achieving	GM



**Community Strategy**  
**A2.2**

Provide a clean and safe water supply

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
A2.2.1 – Manage water supply operations for the Hay Town supply	T5	Identify priorities and feasibility for the expansion of the Hay Town Supply	Q4	Priorities and feasibility assessed	IWCM & DSP completed	GM
	T5	Investigate alternative town water supply	CO	Seek funding	Investigated in IWCM update - ongoing	GM

**Community Strategy**  
**A2.3**

Manage waterways and the environment in a way to minimise risks to the community

2017-2021 Delivery Plan		2021/22 Operational Plan				
Action	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>A2.3.1</b> – Manage stormwater operations for the Hay Town supply	T6	Maintain stormwater and drainage assets to function effectively	CO	Implement annual capital and maintenance program	Maintenance occurring as resourcing permits	DIP

## Community Strategy A2.4

Parks open spaces and natural environments are well maintained

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
A2.4.1 To continuously upgrade and improve our parks open space and natural environments	T5	Implement maintenance and capital program	CO	Annual capital works and operations program delivered on time and within budget	Achieving target	DIP
	T5	Implement open spaces plan	CO	Funding achieved to implement Plan	Implementing as funding permits	DIP
	T5	Commence implementation of cemetery master plan as funding permits	Q2	Cemetery Masterplan being implemented	Commenced implementation	DIP
A2.4.2 Allocate resources efficiently in accordance with community expectations	T5	Review service standards for parks	CO	Community satisfaction	Minimal complaints received	DIP
A2.4.3 National Parks open and effectively managed	T6	Advocate and support initiatives for National Parks to be effectively managed and open to the public	CO	Parks open	Ongoing advocacy	GM



**A3**

We create a sustainable environment for future generations

**Community Strategy**  
**A3.1**

Run environmental workshops and events

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
A3.1.1 - Pursue environmental programs and activities with RAMJO waste group, LLS, and other stakeholders	T4	Update and implement Waste Management Strategy	Q3	Waste management strategy updated	Completed	DIP
	T4	Support stakeholder environmental programs and activities	CO	Environmental programs and activities supported	Programs supported regularly	GM

## Community Strategy

## A3.2

Support and publicise initiatives undertaken

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>A3.2.1</b> – Provide appropriate support and publicity for initiatives undertaken	T4	Include in Council publications, printed media reports and electronic media	CO	Ongoing support for environmental initiatives through Council media	Ongoing support provided	DIP

**B1**

Our community values its safe, healthy lifestyle that cares for the welfare of each other

**Community Strategy**

**B1.1**

Address community needs through the provision of services targeting identified groups

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>B1.1.1</b> – Implement Community Development Plan	T1	Target groups identified and associated with projects/services for feedback.	N/A	CEP implemented	Superseded by other plans	GM



**Community Strategy**  
**B1.2**

Seek partnerships with providers to generate better options and scope for all levels of education

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>B1.2.1</b> – Promote and partner with local employment and training opportunities	T1	Support education initiatives by meeting with education stakeholders to promote better pathways to employment for local people	Q4	Initiative supported	Ongoing support provided and Investment Attraction Strategy developed	GM

## Community Strategy

### B1.3

Establish and maintain working relationships with partners and safety agencies

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>B1.3.1</b> – Work with safety agencies to identify and develop strategies to address safety concerns in the community	T3	Incorporate Safety By Design principles in all new development	CO	Principles incorporated	Lighting upgrade to parks and open spaces	DIP
	T3	Ongoing consultation and discussions with Safety Agencies	CO	Safety Agencies regularly consulted	Regular ongoing consultation with safety agencies	GM

## Community Strategy

### B1.4

Build partnerships to foster and promote community well-being

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>B1.4.1</b> Work with health agencies to identify and develop strategies to address health issues in the community	T3	Work with local health agencies to promote better health and fitness programs	CO	Programs and partnerships promoted	Regularly promoted and supported	GM
	T3	Work with local health agencies to advocate to close gaps in services and facilities	CO	Improved health service and facilities advocated for	Work with local health agencies regularly. Participated with representatives on LHAC	GM
<b>B1.4.2</b> Directly provide certain health and well-being services in consultation with the community that address identified needs	T3	Continue to provide free recreational facilities and work with local sporting groups to facilitate participation and recognise achievement	CO	Facilitate user group meetings to ensure quality of access to facilities	Ongoing support provided	GM
<b>B1.4.3</b> Work with Community agencies to identify and develop strategies to address cultural issues in the community	T3	Implement Public Art Strategy	CO	Seek funding to implement public art as an element of most projects	Achieved	DIP
	T3	Work with community partners in providing and promoting programs that contribute to community pride, inclusion and wellbeing including for young people	CO	Programs and partnerships promoted	Community consultation on master plans undertaken	GM

**Community Strategy**  
**B1.5**

Engage the community through a coordinated engagement structure on issues affecting their lifestyles

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>B1.5.1</b> Provide wide range of options to engage the community on issues relating to the Shire	T5	Implement the Participation Plan for community engagement	CO	Community satisfaction	Implementation occurring as required	GM
<b>B1.5.2</b> Coordinate committees and activities to facilitate participation in Council decision making	T5	Progress outcomes of review of S355 Committees	CO	Support S355 Committees	S355 manual completed. Commenced volunteer strategy	GM



**B2**

Our community is vibrant

**Community Strategy**

**B2.1**

Enhance the atmosphere of the main street and public areas

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>B2.1.1</b> – To continuously upgrade and improve the Main Street area	T6	Continue to seek funding for Lachlan Street development	CO	Successful funding applications	Successful with part funding for development	DIP
	T6	Implement funded projects for Lachlan Street development	CO	Funded projects delivered on time and within budget	Witcombe Place upgrade complete	DIP
<b>B2.1.2</b> – To continuously upgrade and improve public areas for the enjoyment of local community members and visitors	T6	Implement Open Space strategy	CO	Program delivered on time and within budget	Strategy being implemented	DIP
	T6	Facilitate public art display in main street and public areas	CO	Displays on Exhibition	Achieved	DIP

**Community Strategy  
B2.2**

Actively promote the wellbeing of the community and its members

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>B2.2.1</b> – Promote and develop an inclusive local community culture, where people of all ages interact and provide mutual support	T3	Assess ways for the use of community facilities to be extended and increased including incorporating strategies from the disability and inclusion plan	CO	Community satisfaction	Achieved	GM
<b>B2.2.2</b> – Promote and provide opportunities for education and lifelong learning	T3	Encourage community participation by all age groups in lifelong learning initiatives	CO	Programs commenced	Programs supported	DCC

## Community Strategy B2.3

Build on our recreation and cultural facilities and services

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
B2.3.1 – To continuously upgrade and improve the recreation and cultural facilities	T6	Seek external funding and implement grant funded projects	CO	Projects delivered on time and within budget	Numerous projects completed and others progressing	GM
	T1	Work in partnership with the Hay Aboriginal Community Working Party and the Hay Local Aboriginal Land Council to deliver relevant programs and projects	CO	Programs and projects delivered	Ongoing work with all parties	GM
B2.3.2 - Rationalise and manage the restoration and conservation of our museums	T1	Work with S355 committees to coordinate efficient and sustainable services providing visitors an enjoyable experience	CO	Positive visitor experience	Invested in the visitor experience. Upgraded museums and visitors centre	GM

## Community Strategy B2.4

Ensure services are accessible to all groups in the community

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
B2.4.1 - To promote and develop an inclusive community culture	T1	Implement disability and inclusion plan	CO	Programs undertaken	Ongoing	DIP
	T3	Support inclusive initiatives and events	CO	Support provided	Inclusive initiatives and events supported	GM



**Community Strategy  
B2.5**

Promote the town as a great lifestyle choice

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>B2.5.1</b> - Promote the town of Hay and its surrounding villages as a great place to live.	T4	Review and update Visitor Guide	Q4	New Visitor Guide	New visit Hay website and social media platforms	GM
	T6	Deliver externally funded community projects for local community infrastructure and seek further funding	CO	Projects delivered on time and within budget	Projects delivered	DIP
	T4	Disseminate regular media releases to promote the livability of Hay Shire.	CO	Hay Shire promoted	Ongoing	GM
	T1	Develop business prospectus	Q3	Business Prospectus developed	Completed	GM

## Community Strategy

### B2.6

Provide high quality facilities to local sporting groups

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>B2.6.1</b> - To continuously provide and improve sporting facilities in an efficient and sustainable manner.	T6	Deliver grant funded projects for local sporting infrastructure and seek further funding.	CO	Deliver funded projects on time and within budget	Numerous projects complete and other in progress	DIP

**C1**

Our community welcomes new and innovative industry to support our future

**Community Strategy  
C1.1**

Create a better business environment

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>C1.1.1</b> – Implement Economic Development Action Plan	T1	Support business initiatives in partnership with external stakeholders	CO	Initiatives supported	Recalibrate Hay ongoing	GM
	T1	Active business attraction program commenced	CO	Visits and provision of information to potentially interested businesses	Investment Attraction Strategy actions being implemented	GM
	T1	Work with local businesses to identify their needs and aid development of their business plans	CO	Local business needs identified and assistance with business plans provided	Local businesses being supported	GM

## Community Strategy C1.2

Boost demand for products and services in Hay

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>C1.2.1</b> – Implement Economic Development Action Plan	T4	Assist with marketing and networking of products	CO	Provision of contacts for business, liaison with organisations such as Austrade	Ongoing support provided	GM

## Community Strategy C1.3

Create growth industries

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>C1.3.1</b> – Implement Economic Development Action Plan	T1	Actively pursue new industry through visits, meetings, field days and industry activities	CO	Programs implemented	Ongoing support provided	GM
	T1	Assist and provide support to existing business and industries	CO	Programs implemented	Regular assistance provided	GM

## C2

Our community values its history and tourism

### Community Strategy C2.1

Actively identify, promote, and enhance tourism initiatives

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>C2.1.1</b> – Encourage tourism opportunities that meet the needs of the community	T3	Identify tourism markets and opportunities	CO	New tourist operations	Destination Management Plan completed	GM
	T3	Provide guidance and support to new and existing tourist operations	CO	Number of businesses supported	Ongoing support provided	GM
Promote and enhance the Hay Shire region as a tourist destination	T3	Implement River Master Plan and seek funding	CO	Masterplan implemented and funding applications lodged	Masterplan projects commenced	GM
	T3	Implement appropriate tourism and marketing strategies	CO	Two marketing strategies implemented each year	New and regular tourism marketing occurring	GM
Work with tourism partners to develop local and regional tourism initiatives	T3	Facilitate strong and effective relationships with other tourism agencies	CO	Expand Outback Information Centre brand	Strengthening of relationships with tourism agencies	GM
Improve visitation appeal	T3	Improve signage for local attractions and activities, and update Visit Hay website	Q4	Signs improved and website up to date	Website updated	GM



**Community Strategy**  
**C2.2**

Promote camping facilities

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>C2.2.1</b> – Promote and enhance the Hay Shire region as a great camping spot	T3	Include camping facilities in marketing campaigns	CO	More visitors to camp sites	Visitation recovered since covid restrictions	GM

**Community Strategy**  
**C2.3**

Showcase our open space, recreation and cultural facilities

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>C2.3.1</b> Promote and enhance our open space recreation and cultural facilities	T2	Participate in local and regional campaigns	CO	Increased visitor numbers	Participating in numerous marketing campaigns	GM
<b>C2.3.2</b> Participate in marketing	T2	Include facilities in tourism and promotional material and Council planning and reporting documents	CO	Material published	Updated tourism marketing material occurred	GM

**C3**

We have the capacity to hold numerous events and activities

**Community Strategy**

**C3.1**

Promote events and activities

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
C3.1.1 Promote and provide support to local events	T1	Include in Council's promotional activities	CO	Number of events supported.	Events supported	GM
	T1	Advise and assist local organisations	CO	Number of events supported.	Support regularly provided	GM

**Community Strategy**  
**C3.2**

Promote our capacity to stage events

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
C3.2.1 Promote the Hay region as an event destination	T1	Advertising on radio, social media and printed media	CO	Number of events supported.	Numerous events supported and marketing material promoted	GM
		Gather feedback to identify strengths and weaknesses	CO	Feedback gathered and weaknesses strengthened	Completed in Destination Management Plan	GM

## C4

Our community is innovative and adaptive

### Community Strategy C4.1

Identify opportunities to grow the agriculture sector

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>C4.1.1</b> Ongoing consultation with agencies and industry groups	T4	Identify supply chain gaps and potential new products. Liaise with the agricultural sector, and government departments.	CO	New investments in agriculture reported.	Ongoing through Recalibrate Hay Program	GM

## Community Strategy C4.2

Improve connectivity in the community

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
C4.2.1 Support initiatives that improve connectivity and communication in the local community	T2	Promote and support improvements to systems	CO	Measurable improvements in customer service	Minimal complaints received	DCC
	T2	Review website	Q4	Website updated	Commenced	DCC



## Community Strategy C4.3

Continue to seek investment in our community from State and Federal Government

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
C4.3.1 Pursue funding opportunities with other levels of Government on matters affecting a community dealing with change and diverse needs	T2	Create opportunities for advocacy and lobbying both individually and as part of the Riverina and Murray Joint Organisation	CO	Government funds increased	Applications submitted as opportunities arise	GM
	T2	Build on existing relationships with other levels of Government, including regular meetings with local State and Federal MPs	CO	Accessibility to Government funds increased	Regular advocacy with local and federal members occurring	GM

**Community Strategy**  
**C4.4**

Support education and training initiatives

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>C4.4.1</b> Promote and support education and training initiatives	T2	Continue the library transformation as a learning centre incorporating new initiatives in space development	CO	Library expansion completed. Increased customer numbers	Achieved	DCC

# D1

Our community is supported by a strong and resilient Council that is responsive to our needs

## Community Strategy D1.1

Communicate organisational performance to the community

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>D1.1.1</b> – Complete statutory financial and governance returns to a satisfactory standard within required timeframes	T1	Provide summary of the statutory reports to the public	Q4	Reports provided	Reports provided as required	DCC
<b>D1.1.2</b> – Include regular organisational performance items in Council newsletters, publications and social media	T1	Include items in Council newsletter and social media about organisational performance	CO	Community satisfaction	Ongoing	GM

## Community Strategy

### D1.2

Council effectively manages its resources

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>D1.2.1</b> – Council properly plans, programs and completes its required functions and tasks	T2	Continue Audit Risk and Improvement Committee and the internal audit function	CO	Improved governance and processes	Governance and processes continuously being improved	GM
	T2	Implement Enterprise Risk Management Strategy across all Council activities	CO	Improved risk culture	Ongoing	DCC
<b>D1.2.2</b> – Council effectively manages its core inputs of personnel and plant	T2	Staff are trained and managed in accordance with the Workforce Management Plan developing skills for an agile workforce	CO	Workplace efficiency, effectiveness and staff satisfaction	New Workforce Management Plan developed	GM
	T2	Plant is replaced, managed and utilised in an efficient way	CO	Workplace efficiency	Ongoing	GM
<b>D1.2.3</b> - Continue with digital first strategy	T2	Use website and other E business initiatives. Continue to identify initiatives through the Technology Team	CO	Measurable workplace efficiencies	Improving and ongoing adaptation to the changing environment	DCC
	T2	Utilise mobile solutions	CO	Measurable workplace efficiencies	Digital metering	DCC
<b>D1.2.4</b> – Continue to be fit for the future	T2	Review our improvement strategies and develop action plan	CO	Reviews undertaken	New review commenced	GM

**Community Strategy**  
**D1.3**

Council put in place the necessary systems to ensure good governance and to also ensure they are implemented

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>D1.3.1</b> – The Corporate Department operates in a manner to ensure reliable and up to date information is available to all stakeholders	T3	Data is maintained in a timely accurate and secure manner	CO	Delivered on time	Achieved	DCC
	T3	Policies updated to account for changing requirements and demands	CO	Policies reviewed and adopted before review date	Policies being reviewed	DCC
	T3	Be aware of changes to policy, legislation and reform proposals and contribute to regional forums	CO	Opinions sought by industry groups	Ongoing	GM
<b>D1.3.2</b> – Systems will be implemented to ensure proper reporting on outcomes	T3	Six monthly reporting on progress against the principal activities in the Delivery Program	Q2 Q4	Community satisfaction	Achieved	GM
<b>D1.3.3</b> - Programs will be developed to improve strategic capacity	T3	Increase collaboration with partner and alliance Councils including neighbouring Councils and Cumberland City Council.	CO	Actions delivered	Ongoing collaboration occurring	GM
	T3	Play an active role in the Riverina and Murray Joint Organisation	CO	Active participation in RAMJO	Achieved	GM

**Community Strategy**  
**D1.4**

Council decision making is based on a sound appreciation of community issues and needs supported by reliable information and asset management systems

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>D1.4.1</b> – Consultation and engagement systems	T6	Engage with the community in accordance with the Community Engagement Strategy	CO	Community satisfaction	Engaging with community as required	GM
<b>D1.4.2</b> - Management Frameworks	T6	Implement risk management framework and Fraud Control Plan	CO	Risk effectively managed	Reviewed and ongoing	DCC
	T6	Maintain and review Risk Register	CO	Progress reports from responsible officers	Reviewed and ongoing	GM



**Community Strategy**  
**D1.5**

Council will lead by example

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activity	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>D1.5.1</b> – Provide effective leadership and strong direction for the community	T5	Provide strong governance to the organisation ensuring that Council resolutions are properly addressed in a timely manner	CO	Councillor & Employee Feedback	Achieved	GM
	T5	Deliver high quality services that meet the needs and expectations of the community and other stakeholders	CO	Community Satisfaction	Achieved	GM
	T5	Councillors to lead consultation with the community when developing the Community Strategic Plan	Q4	Councillor Participation	Completed	GM

**Community Strategy**  
**D1.6**

Council will continuously seek to improve

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>D1.6.1</b> Service delivery and levels	T4	Continue to review service delivery levels and standards on an annual basis	CO	Community satisfaction	Commenced	GM
<b>D1.6.2</b> Measure what we do	T4	Utilise data and feedback to measure our performance	CO	Improved performance and community satisfaction	Surveys undertaken when required	GM

**D2**

Our community is connected and informed

**Community Strategy**

**D2.1**

Enable all residents and groups to participate in local decision making

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>D2.1.1</b> – Provide continued support to Committees and involve them in local decision making	T6	Assist S355 Committees to report back regularly to Council	CO	Community assets well managed	Regular assistance provided	DCC
	T6	Consult with S355 on projects	CO	Committees consulted	Consultation ongoing	GM
<b>D2.1.2</b> – Keep the public informed and provide them with balanced and objective information that will facilitate consultation and engagement	T6	Include items in Council newsletter and social media about organisational performance	CO	Community satisfaction	Regular promotion provided	GM

**Community Strategy**  
**D2.2**

Effectively communicate the range, availability and operation of services and facilities

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>D2.2.1</b> – Co-ordinate communication of service provision to users	T1	Develop a range of information materials for the website to inform community of services provided by Council	CO	Increased number of website users	Achieved	DCC
	T1	Review and maintain Council's Community Information Directory	CO	Directory up to date	Directory updated	GM
<b>D2.2.2</b> – Maintain Council's web, e services and investigate implementation of new technology	T1	Use social media and digital communication services in conjunction with traditional reporting mechanisms	CO	Increased number of website users and Facebook visits	Numbers increased	DCC

**E1**

Our community can rely on well maintained infrastructure that is responsive to our service needs

**Community Strategy**

**E1.1**

Deliver infrastructure and assets that are responsive to community need

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
E1.1.1 – Manage roads, water, sewerage, recreational and drainage assets for the community	T3	Continue to review service levels regularly in line with demand and community's ability to pay	CO	Annual maintenance program delivered on time and within budget	Annual programs delivered	DIP
	T3	Engage and consult with the community on service levels and requirements through engagement	CO	Community satisfaction	Minimal complaints received	DIP

**Community Strategy**  
**E2.1**

Within available resources ensure all assets and infrastructure are effectively maintained to industry and community standards

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>E2.2.1</b> – Manage roads, water, sewerage, recreational and drainage assets for the community	T1	Maintain operations efficiently and review regularly in line with industry standards	CO	Annual maintenance program delivered on time and in budget	Achieved	DIP
	T1	Implement inspection regime of assets identifying condition and defects	CO	Efficient and effective management of assets	Assets managed	DIP



**Community Strategy**
**E3.1**

Ensure Council effectively manages its infrastructure assets

2017-2021 Delivery Program		2021/22 Operational Plan				
Principal Activity	Council Target	Priority	Completion	Target	12 Month Review	Responsibility
<b>E3.1.1</b> – Manage roads, water, sewerage, recreational and drainage assets for the community	T2	Develop and deliver asset management plans	CO	Well managed assets	Stage 2 of Assets Management Plans completed	GM
	T1	Effectively manage the utilisation, maintenance and renewal of Council's plant and equipment	CO	Workplace efficiency	Ongoing	GM

# FINANCE

## FINANCE

### PERFORMANCE TARGETS

- The submission of audited Annual Financial Reports of Council to the department prior to the due date each year.
- Council adoption of quarterly financial statements at the monthly meeting immediately following the end of the reporting period.
- Adoption by Council of the Estimates of Income and Expenditure in May each year.
- Monthly report to Council regarding investments and maximise income from investments to at least equal to the Bank Bill index.
- Provide accurate up to date costing information to management and Technical Services Department without need for corrections and or amendments.

### ACHIEVEMENTS

All of the performance targets were achieved with all statutory returns completed within the required timeframe. Council's draft management plan was prepared by May for adoption, and the investments and level of reserves were presented to Council at the Monthly Council meeting.



# Hay Shire Council

ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2022

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# Hay Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2022

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# Hay Shire Council

## General Purpose Financial Statements

for the year ended 30 June 2022

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### Overview

Hay Shire Council is constituted under the Local Government Act 1993 (NSW) and has its principal place of business at:

134 Lachlan Street  
HAY NSW 2711

Council's guiding principles are detailed in Chapter 3 of the LGA and includes:

- principles applying to the exercise of functions generally by council,
- principles to be applied when making decisions,
- principles of community participation,
- principles of sound financial management, and
- principles for strategic planning relating to the development of an integrated planning and reporting framework.

A description of the nature of Council's operations and its principal activities are provided in Note B1-2.

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website: [www.hay.nsw.gov.au](http://www.hay.nsw.gov.au).

# Hay Shire Council

## General Purpose Financial Statements

for the year ended 30 June 2022

## Understanding Council's Financial Statements

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### Introduction

Each year NSW local governments are required to present audited financial statements to their council and community.

### What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2022.

The format of the financial statements is standard across all NSW Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and requirements as set down by the Office of Local Government.

### About the Councillor/Management Statement

The financial statements must be certified by senior staff as 'presenting fairly' the Council's financial results for the year and are required to be adopted by Council – ensuring both responsibility for and ownership of the financial statements.

### About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

#### 1. The Income Statement

Summarises Council's financial performance for the year, listing all income and expenses. This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

#### 2. The Statement of Comprehensive Income

Primarily records changes in the fair value of Council's Infrastructure, property, plant and equipment.

#### 3. The Statement of Financial Position

A 30 June snapshot of Council's financial position indicating its assets, liabilities and "net wealth".

#### 4. The Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "net wealth".

#### 5. The Statement of Cash Flows

Indicates where Council's cash came from and where it was spent. This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

### About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the five primary financial statements.

### About the Auditor's Reports

Council's financial statements are required to be audited by the NSW Audit Office.

In NSW the auditor provides 2 audit reports:

1. an opinion on whether the financial statements present fairly the Council's financial performance and position, and
2. their observations on the conduct of the audit, including commentary on the Council's financial performance and financial position.

### Who uses the Financial Statements?

The financial statements are publicly available documents and must be presented at a Council meeting between seven days and five weeks after the date of the audit report.

The public can make submissions to Council up to seven days subsequent to the public presentation of the financial statements.

Council is required to forward an audited set of financial statements to the Office of Local Government.

## Hay Shire Council

### General Purpose Financial Statements

for the year ended 30 June 2022

### Statement by Councillors and Management

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

The attached General Purpose Financial Statements have been prepared in accordance with:

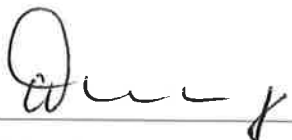
- the *Local Government Act 1993* (NSW) (as amended) and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board, and
- the *Local Government Code of Accounting Practice and Financial Reporting*.

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

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

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

Signed in accordance with a resolution of Council made on 27 September 2022.



Cr Carol Oatway

**Mayor**

27 September 2022



Cr Lionel Garner

**Councillor**

27 September 2022



David Webb

**General Manager**

27 September 2022



Mark Dowling

**Responsible Accounting Officer**

27 September 2022

## Hay Shire Council

## Income Statement

for the year ended 30 June 2022

Original unaudited budget 2022	\$ '000	Notes	Actual 2022	Actual 2021
	<b>Income from continuing operations</b>			
4,771	Rates and annual charges	B2-1	4,721	4,553
927	User charges and fees	B2-2	1,077	1,047
107	Other revenues	B2-3	85	62
5,972	Grants and contributions provided for operating purposes	B2-4	8,500	7,008
4,198	Grants and contributions provided for capital purposes	B2-4	6,067	8,574
34	Interest and investment income	B2-5	31	48
–	Other income	B2-6	103	86
–	Net gain from the disposal of assets	B4-1	–	100
16,009	<b>Total income from continuing operations</b>		<b>20,584</b>	<b>21,478</b>
	<b>Expenses from continuing operations</b>			
4,583	Employee benefits and on-costs	B3-1	4,254	4,241
2,575	Materials and services	B3-2	4,487	4,585
78	Borrowing costs	B3-3	75	92
3,470	Depreciation, amortisation and impairment of non-financial assets	B3-4	3,621	3,628
1,547	Other expenses	B3-5	209	278
–	Net loss from the disposal of assets	B4-1	624	–
12,253	<b>Total expenses from continuing operations</b>		<b>13,270</b>	<b>12,824</b>
3,756	<b>Operating result from continuing operations</b>		<b>7,314</b>	<b>8,654</b>
3,756	<b>Net operating result for the year attributable to Council</b>		<b>7,314</b>	<b>8,654</b>
(442)	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<b>1,247</b>	<b>80</b>

The above Income Statement should be read in conjunction with the accompanying notes.

# Hay Shire Council

## Statement of Comprehensive Income

for the year ended 30 June 2022

\$ '000	Notes	2022	2021
<b>Net operating result for the year – from Income Statement</b>		<b>7,314</b>	<b>8,654</b>
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	<b>2,265</b>	(11,338)
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>2,265</b>	(11,338)
<b>Total other comprehensive income for the year</b>		<b>2,265</b>	(11,338)
<b>Total comprehensive income for the year attributable to Council</b>		<b>9,579</b>	(2,684)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

## Hay Shire Council

## Statement of Financial Position

as at 30 June 2022

\$ '000	Notes	2022	2021
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	16,391	11,844
Receivables	C1-3	2,745	4,681
Inventories	C1-4	108	99
Other	C1-7	43	28
<b>Total current assets</b>		<b>19,287</b>	<b>16,652</b>
<b>Non-current assets</b>			
Inventories	C1-4	–	74
Infrastructure, property, plant and equipment (IPPE)	C1-6	180,222	173,437
<b>Total non-current assets</b>		<b>180,222</b>	<b>173,511</b>
<b>Total assets</b>		<b>199,509</b>	<b>190,163</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	1,333	2,373
Contract liabilities	C3-2	2,885	1,959
Borrowings	C3-3	243	234
Employee benefit provisions	C3-4	1,451	1,514
<b>Total current liabilities</b>		<b>5,912</b>	<b>6,080</b>
<b>Non-current liabilities</b>			
Borrowings	C3-3	1,597	1,840
Employee benefit provisions	C3-4	53	33
Provisions	C3-5	703	545
<b>Total non-current liabilities</b>		<b>2,353</b>	<b>2,418</b>
<b>Total liabilities</b>		<b>8,265</b>	<b>8,498</b>
<b>Net assets</b>		<b>191,244</b>	<b>181,665</b>
<b>EQUITY</b>			
Accumulated surplus		72,304	64,990
IPPE revaluation reserve		118,940	116,675
<b>Council equity interest</b>		<b>191,244</b>	<b>181,665</b>
<b>Total equity</b>		<b>191,244</b>	<b>181,665</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



## Hay Shire Council

## Statement of Changes in Equity

for the year ended 30 June 2022

\$ '000	Notes	2022			2021		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		64,990	116,675	181,665	56,336	128,013	184,349
Net operating result for the year		7,314	–	7,314	8,654	–	8,654
<b>Restated net operating result for the period</b>		<b>7,314</b>	<b>–</b>	<b>7,314</b>	<b>8,654</b>	<b>–</b>	<b>8,654</b>
<b>Other comprehensive income</b>							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	–	2,265	2,265	–	(11,338)	(11,338)
<b>Other comprehensive income</b>		<b>–</b>	<b>2,265</b>	<b>2,265</b>	<b>–</b>	<b>(11,338)</b>	<b>(11,338)</b>
<b>Total comprehensive income</b>		<b>7,314</b>	<b>2,265</b>	<b>9,579</b>	<b>8,654</b>	<b>(11,338)</b>	<b>(2,684)</b>
<b>Closing balance at 30 June</b>		<b>72,304</b>	<b>118,940</b>	<b>191,244</b>	<b>64,990</b>	<b>116,675</b>	<b>181,665</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Hay Shire Council

## Statement of Cash Flows

for the year ended 30 June 2022

Original unaudited budget 2022	\$ '000	Notes	Actual 2022	Actual 2021
<b>Cash flows from operating activities</b>				
<b>Receipts:</b>				
4,771	Rates and annual charges		4,757	4,432
927	User charges and fees		1,200	1,168
34	Interest received		9	64
10,170	Grants and contributions		17,170	13,388
106	Other		1,672	1,101
<b>Payments:</b>				
(4,583)	Payments to employees		(4,335)	(4,158)
(2,575)	Payments for materials and services		(6,701)	(4,502)
(78)	Borrowing costs		(76)	(89)
—	Bonds, deposits and retentions refunded		—	(2)
(1,547)	Other		(150)	(343)
7,225	<b>Net cash flows from operating activities</b>	G1-1	<b>13,546</b>	<b>11,059</b>
<b>Cash flows from investing activities</b>				
<b>Receipts:</b>				
—	Sale of real estate assets		—	108
171	Proceeds from sale of IPPE		256	100
<b>Payments:</b>				
(7,128)	Payments for IPPE		(9,021)	(10,875)
(6,957)	<b>Net cash flows from / (used in) investing activities</b>		<b>(8,765)</b>	<b>(10,667)</b>
<b>Cash flows from financing activities</b>				
<b>Payments:</b>				
(234)	Repayment of borrowings		(234)	(225)
(234)	<b>Net cash flow provided (or used in) financing activities</b>		<b>(234)</b>	<b>(225)</b>
34	<b>Net change in cash and cash equivalents</b>		<b>4,547</b>	<b>167</b>
11,803	Cash and cash equivalents at beginning of year		11,844	11,677
11,837	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>16,391</b>	<b>11,844</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

# Hay Shire Council

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# Hay Shire Council

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## A About Council and these financial statements

### A1-1 Basis of preparation

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These financial statements were authorised for issue by Council on 27 September 2022. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

These policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (Act)* and *Local Government (General) Regulation 2005 (Regulation)*, and the Local Government Code of Accounting Practice and Financial Reporting.

Council is a not for-profit entity.

The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

#### **Historical cost convention**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities and certain classes of infrastructure, property and plant and equipment.

#### **Significant accounting estimates and judgements**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

#### **Critical accounting estimates and assumptions**

Council makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-7
- (ii) estimated tip remediation provisions – refer Note C3-5
- (iii) employee benefit provisions – refer Note C3-4.

#### **Covid -19 Impacts**

During the 2022 Financial year Covid-19 (COVID) has continued to cause disruption to Council business practices with a number of staff working remotely from home or at other Council facilities away from the administration building. Whilst this has caused some inconvenience it has not resulted in significant cost.

Rate collections are less than previous years, as detailed in Note C1-4. Other receivables have not been impacted.

Overall the financial impact has not been significant and is not anticipated to increase in future years. Council is of the view that physical non-current assets will not experience substantial declines in value due to COVID.

#### **Significant judgements in applying the Council's accounting policies**

- (i) Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables – refer Note C1-4

## A1-1 Basis of preparation (continued)

### Monies and other assets received by Council

#### The Consolidated Fund

In accordance with the provisions of Section 409(1) of the *Local Government Act 1993 (NSW)*, all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

Cash and other assets of the following entities have been included as part of the Consolidated Fund:

- General purpose operations
- Water service
- Sewerage service

#### The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993 (NSW)* (as amended), a separate and distinct Trust Fund is maintained to account for all money and property received by the council in trust which must be applied only for the purposes of, or in accordance with, the trusts relating to those monies.

Trust monies and property subject to Council's control have been included in these reports.

#### Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

#### Volunteer services

A number of Council services are provided by volunteers. These include work in the museums, parks, aged care and community transport. The value of the services received cannot be reliably measured but it is significant.

### New accounting standards and interpretations issued but not yet effective

#### New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2022 reporting period.

Council has elected not to apply any of these pronouncements in these financial statements before their operative dates.

Council's assessment of these new standards and interpretations (where they have been deemed as having a material impact on Council's future financial performance, financial position and cash flows) are set out below:

#### **AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current**

#### **AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date**

This Standard amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

For example the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.

## A1-1 Basis of preparation (continued)

**Council does not expect any material impact from the above amendments and to its classification of liabilities as current or non-current.**

This standard has an effective date for the 30 June 2024 reporting period.

### **AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018 -2020 and Other Amendments**

This Standard amends a number of standards as follows:

- AASB 1 to simplify the application of AASB 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences,
- AASB 3 to update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations,
- AASB 9 to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability,
- AASB 116 to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset,
- AASB 137 to specify the costs that an entity includes when assessing whether a contract will be loss-making and
- AASB 141 to remove the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in AASB 141 with those in other Australian Accounting Standards.

**Council does not expect any material impact from the above amendments.**

This standard has an effective date for the 30 June 2023 reporting period.

### **New accounting standards adopted during the year**

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2022.

Those newly adopted standards which had no material impact on Council's reported financial position, financial performance and/or associated financial statement disclosures.



## B Financial Performance

### B1 Functions or activities

#### B1-1 Functions or activities – income, expenses and assets

Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note B1-2.

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Functions or activities</b>										
Governance	–	–	669	635	(669)	(635)	–	–	–	–
Administration	65	54	967	976	(902)	(922)	3	14	12,488	9,810
Public Order and Safety	501	553	674	737	(173)	(184)	483	539	2,118	1,880
Health	3	7	11	12	(8)	(5)	–	–	2,631	3,063
Environment	844	590	1,103	1,023	(259)	(433)	208	23	12,543	12,786
Community Services and Education	634	443	446	434	188	9	575	394	972	832
Housing and Community Amenities	642	730	1,669	1,334	(1,027)	(604)	419	545	3,034	2,774
Water Supplies	1,151	1,271	1,264	1,483	(113)	(212)	19	94	21,087	19,959
Sewerage Services	1,068	1,192	905	1,017	163	175	34	176	23,068	21,458
Recreation and Culture	2,110	1,727	1,365	1,413	745	314	2,092	1,706	21,621	19,260
Mining Manufacturing and Construction	11	27	95	95	(84)	(68)	–	–	287	–
Transport and Communication	5,834	8,471	3,484	2,945	2,350	5,526	5,824	8,444	98,919	97,552
Economic Affairs	667	629	618	720	49	(91)	374	312	741	789
General Purpose	7,054	5,784	–	–	7,054	5,784	4,536	3,335	–	–
<b>Total functions and activities</b>	<b>20,584</b>	<b>21,478</b>	<b>13,270</b>	<b>12,824</b>	<b>7,314</b>	<b>8,654</b>	<b>14,567</b>	<b>15,582</b>	<b>199,509</b>	<b>190,163</b>

## B1-2 Components of functions or activities

---

**Details relating to the Council's functions or activities as reported in B1-1 are as follows:**

### **Governance**

Includes costs relating to Council's role as a component of democratic Government including elections members fees and expenses and meetings of Council.

### **Administration**

Included Corporate Support and other support service, engineering works and policy compliance.

### **Public Order and Safety**

Includes Council's fire and emergency services levy, fire protection, emergency services, enforcement of regulations and animal control.

### **Health**

Includes immunisation, food control and other health matters.

### **Environment**

Includes noxious plants and vermin control, other environmental protection, solid waste management, sanitation and garbage, street cleaning, drainage and stormwater management.

### **Community Services and Education**

Includes administration and education, community service programs, youth services, aged and disabled person services, childrens' services, community transport and family and children services.

### **Housing and Community Amenities**

Includes cemeteries, public conveniences, street cleaning, town planning, community amenities and housing facilities.

### **Water Supplies**

Operation of Hay Water Services.

### **Sewerage Services**

Operation of Hay Sewerage Service.

### **Recreation and Culture**

Includes Public Libraries, museums, art galleries, community centres and public halls sports grounds and venues, swimming pools, and other sporting recreational and cultural facilities.

### **Mining Manufacturing and Construction**

Includes Building control, quarries and pits.

### **Transport and Communication**

Urban, local and regional sealed and unsealed roads, bridges, footpaths, parking areas and aerodromes.

### **Economic Affairs**

Includes tourism and promotion and other business undertakings.

### **General Purpose**

General purpose revenue including rates and financial assistance grants.

## B2 Sources of income

### B2-1 Rates and annual charges

\$ '000	2022	2021
<b>Ordinary rates</b>		
Residential	805	864
Farmland	1,348	1,235
Business	367	343
Less: pensioner rebates (mandatory)	(41)	(43)
<b>Rates levied to ratepayers</b>	<b>2,479</b>	<b>2,399</b>
Pensioner rate subsidies received	24	24
<b>Total ordinary rates</b>	<b>2,503</b>	<b>2,423</b>
<b>Annual charges</b>		
(pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services	332	337
Water supply services	680	669
Sewerage services	993	968
Waste management services (non-domestic)	240	184
Less: pensioner rebates (mandatory)	(60)	(60)
<b>Annual charges levied</b>	<b>2,185</b>	<b>2,098</b>
Pensioner subsidies received:		
– Water	11	11
– Sewerage	11	10
– Domestic waste management	11	11
<b>Total annual charges</b>	<b>2,218</b>	<b>2,130</b>
<b>Total rates and annual charges</b>	<b>4,721</b>	<b>4,553</b>

Council has used 2019 year valuations provided by the NSW Valuer General in calculating its rates.

#### Accounting policy

Rates and annual charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are recognised within the underlying revenue item based on their substance.

## B2-2 User charges and fees

\$ '000	Timing	2022	2021
<b>Specific user charges</b>			
(per s.502 - specific 'actual use' charges)			
Water supply services	1	451	509
Sewerage services	1	41	46
<b>Total specific user charges</b>		<b>492</b>	<b>555</b>
<b>Other user charges and fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s.608)</b>			
Planning and building regulation	2	53	55
Private works – section 67	2	234	177
Regulatory/ statutory fees	2	17	16
Registration fees	2	5	4
Section 10.7 certificates (EP&A Act)	2	7	5
Section 603 certificates	2	8	6
Tapping fees		1	1
<b>Total fees and charges – statutory/regulatory</b>		<b>325</b>	<b>264</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s.608))</b>			
Aerodrome	2	10	19
Cemeteries	2	56	47
Library and art gallery	2	1	2
Recycling income (non-domestic)	2	72	42
Sundry sales	2	12	9
Tourism	2	30	31
Aged and disabled care	2	58	49
Public halls	2	4	7
Sportsgrounds	2	14	13
Other	2	3	9
<b>Total fees and charges – other</b>		<b>260</b>	<b>228</b>
<b>Total other user charges and fees</b>		<b>585</b>	<b>492</b>
<b>Total user charges and fees</b>		<b>1,077</b>	<b>1,047</b>
<b>Timing of revenue recognition for user charges and fees</b>			
User charges and fees recognised over time (1)		–	–
User charges and fees recognised at a point in time (2)		1,077	1,047
<b>Total user charges and fees</b>		<b>1,077</b>	<b>1,047</b>

### Accounting policy

Revenue arising from user charges and fees is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases such as caravan parks, the customer is required to pay on arrival. There is no material obligation for Council in relation to refunds or returns.

Where an upfront fee is charged such as membership fees for the leisure centre the fee is recognised on a straight-line basis over the expected life of the membership.

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than the term of the licence.

## B2-3 Other revenues

\$ '000	Timing	2022	2021
Commissions and agency fees	2	17	19
Insurance claims recoveries	2	18	17
Sales – general	2	30	20
Other	2	20	6
<b>Total other revenue</b>		<b>85</b>	<b>62</b>
<b>Timing of revenue recognition for other revenue</b>			
Other revenue recognised at a point in time (2)		85	62
<b>Total other revenue</b>		<b>85</b>	<b>62</b>

### Accounting policy for other revenue

Where the revenue is earned for the provision of specified goods / services under an enforceable contract, revenue is recognised when or as the obligations are satisfied.

Statutory fees and fines are recognised as revenue when the service has been provided, the payment is received or when the penalty has been applied, whichever occurs first.

Other revenue is recorded when the payment is due, the value of the payment is notified, or the payment is received, whichever occurs first.

## B2-4 Grants and contributions

\$ '000	Timing	Operating 2022	Operating 2021	Capital 2022	Capital 2021
<b>General purpose grants and non-developer contributions (untied)</b>					
<b>General purpose (untied)</b>					
<b>Current year allocation</b>					
Financial assistance – general component	1	1,341	1,207	–	–
Financial assistance – local roads component	1	447	404	–	–
<b>Payment in advance - future year allocation</b>					
Financial assistance – general component	1	2,059	1,290	–	–
Financial assistance – local roads component	1	689	434	–	–
<b>Amount recognised as income during current year</b>		<b>4,536</b>	<b>3,335</b>	<b>–</b>	<b>–</b>
<b>Special purpose grants and non-developer contributions (tied)</b>					
<b>Cash contributions</b>					
Water supplies	2	19	94	–	–
Sewerage services	2	–	–	34	176
Bushfire and emergency services	2	258	509	224	29
Community care	2	41	39	–	–
Economic development	2	223	272	–	–
Land Management	2	73	76	–	–
Employment and training programs	2	15	17	–	–
Floodplain management	2	50	–	–	–
Library	2	111	71	–	–
Noxious weeds	2	96	23	–	–
Recreation and culture	2	267	53	825	2,007
Street lighting	2	39	39	–	–
Transport (other roads and bridges funding)	2	438	443	3,694	5,969
Aged and disabled care	2	522	342	–	–
Tourism and Events	2	151	41	–	–
Transport (roads to recovery)	2	484	707	–	–
Aerodrome	2	–	–	253	237
Swimming Pool	2	–	–	820	–
Waste	2	–	–	62	–
<b>Previously contributions:</b>					
Transport for NSW contributions (regional roads, block grant)	2	809	938	145	150
Tourism	2	–	9	–	–
Other contributions	2	368	–	10	6
<b>Total special purpose grants and non-developer contributions – cash</b>		<b>3,964</b>	<b>3,673</b>	<b>6,067</b>	<b>8,574</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>		<b>3,964</b>	<b>3,673</b>	<b>6,067</b>	<b>8,574</b>
<b>Total grants and non-developer contributions</b>		<b>8,500</b>	<b>7,008</b>	<b>6,067</b>	<b>8,574</b>
<b>Comprising:</b>					
– Commonwealth funding		1,293	4,940	1,256	1,560
– State funding		6,838	2,068	4,801	7,014
– Other funding		369	–	10	–
		<b>8,500</b>	<b>7,008</b>	<b>6,067</b>	<b>8,574</b>

**B2-4 Grants and contributions (continued)**

<b>\$ '000</b>	<b>Operating 2022</b>	Operating 2021	<b>Capital 2022</b>	Capital 2021
<b>Total grants and contributions</b>	<b>8,500</b>	<b>7,008</b>	<b>6,067</b>	<b>8,574</b>
<b>Timing of revenue recognition for grants and contributions</b>				
Grants and contributions recognised over time (1)	<b>4,536</b>	2,051	–	8,389
Grants and contributions recognised at a point in time (2)	<b>3,964</b>	4,957	<b>6,067</b>	185
<b>Total grants and contributions</b>	<b>8,500</b>	<b>7,008</b>	<b>6,067</b>	<b>8,574</b>

## B2-4 Grants and contributions (continued)

### Unspent grants and contributions

\$ '000	Operating 2022	Operating 2021	Capital 2022	Capital 2021
<b>Unspent grants and contributions</b>				
Unspent funds at 1 July	100	143	–	145
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	–	–
<b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year	(100)	(43)	–	(145)
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	–	–	–	–
<b>Unspent funds at 30 June</b>	<b>–</b>	<b>100</b>	<b>–</b>	<b>–</b>

### Accounting policy

#### Grants and contributions – enforceable agreement with sufficiently specific performance obligations

Grant and contribution revenue from an agreement which is enforceable and contains sufficiently specific performance obligations is recognised as or when control of each performance obligations is transferred.

The performance obligations vary according to the agreement but include evidence of the event taking place or satisfactory achievement of milestones. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Performance obligations may be satisfied either at a point in time or over time and this is reflected in the revenue recognition pattern. Point in time recognition occurs when the beneficiary obtains control of the goods / services at a single time (e.g. completion of the project when a report / outcome is provided), whereas over time recognition is where the control of the services is ongoing throughout the project (e.g. provision of community health services through the year).

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

#### Capital grants

Capital grants received by Council under an enforceable contract for the acquisition or construction of infrastructure, property, plant and equipment to identified specifications which will be under Council's control on completion are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Council.

#### Other grants and contributions

Assets, including cash, received from other grants and contributions are recognised at fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.



## B2-5 Interest and investment income

\$ '000	2022	2021
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	20	22
– Cash and investments	11	26
<b>Total interest and investment income (losses)</b>	<b>31</b>	<b>48</b>
<b>Interest and investment income is attributable to:</b>		
<b>Unrestricted investments/financial assets:</b>		
General Council cash and investments	31	48
<b>Total interest and investment income</b>	<b>31</b>	<b>48</b>

### Accounting policy

Interest income is recognised using the effective interest rate at the date that interest is earned.

Dividends are recognised as income in profit or loss when the shareholder's right to receive payment is established unless the dividend clearly represents a recovery of part of the cost of the investment.

## B2-6 Other income

\$ '000	Notes	2022	2021
<b>Rental income</b>			
<b>Investment properties</b>			
Lease income (excluding variable lease payments not dependent on an index or rate)		93	76
<b>Total Investment properties</b>		<b>93</b>	<b>76</b>
<b>Other lease income</b>			
Leaseback fees - council vehicles		10	10
<b>Total other lease income</b>		<b>10</b>	<b>10</b>
<b>Total rental income</b>	C2-2	<b>103</b>	<b>86</b>
<b>Total other income</b>		<b>103</b>	<b>86</b>

## B3 Costs of providing services

### B3-1 Employee benefits and on-costs

\$ '000	2022	2021
Salaries and wages	3,411	3,576
Employee leave entitlements (ELE)	562	523
Superannuation	516	536
Workers' compensation insurance	54	135
Fringe benefit tax (FBT)	26	16
Other	27	16
<b>Total employee costs</b>	<b>4,596</b>	<b>4,802</b>
Less: capitalised costs	(342)	(561)
<b>Total employee costs expensed</b>	<b>4,254</b>	<b>4,241</b>
Number of 'full-time equivalent' employees (FTE) at year end	51	53

#### Accounting policy

Employee benefit expenses are recorded when the service has been provided by the employee.

#### *Retirement benefit obligations*

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

#### *Superannuation plans*

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note E3-1 for more information.

## B3-2 Materials and services

\$ '000	Notes	2022	2021
Raw materials and consumables		1,020	1,046
Contractor and consultancy costs		1,735	2,011
Audit Fees	F2-1	60	48
<b>Previously other expenses:</b>			
Councillor and Mayoral fees and associated expenses	F1-2	128	111
Advertising		32	20
Bank charges		17	16
Election expenses		31	—
Electricity and heating		199	201
Fire control expenses		242	209
Insurance		300	270
Postage		14	12
Printing and stationery		46	55
Street lighting		86	82
Subscriptions and publications		44	28
Telephone and communications		59	57
Tourism expenses (excluding employee costs)		235	148
Valuation fees		43	98
Donations, contributions and assistance		51	53
Medical services		41	22
Training costs (other than salaries and wages)		96	86
Other expenses		7	12
<b>Legal expenses:</b>			
– Legal expenses: other		1	—
<b>Total materials and services</b>		<b>4,487</b>	<b>4,585</b>
<b>Total materials and services</b>		<b>4,487</b>	<b>4,585</b>

### Accounting policy

Expenses are recorded on an accrual basis as the Council receives the goods or services.

## B3-3 Borrowing costs

\$ '000	Notes	2022	2021
<b>(i) Interest bearing liability costs</b>			
Interest on loans		75	86
<b>Total interest bearing liability costs</b>		<b>75</b>	<b>86</b>
<b>Total interest bearing liability costs expensed</b>		<b>75</b>	<b>86</b>
<b>(ii) Other borrowing costs</b>			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	C3-5	—	6
<b>Total other borrowing costs</b>		<b>—</b>	<b>6</b>
<b>Total borrowing costs expensed</b>		<b>75</b>	<b>92</b>

### Accounting policy

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed when incurred.

## B3-4 Depreciation, amortisation and impairment of IPP&E

\$ '000	Notes	2022	2021
<b>Depreciation and amortisation</b>			
Plant and equipment		466	405
Office equipment		12	14
Furniture and fittings		1	1
Land improvements (depreciable)		6	5
<b>Infrastructure:</b>	C1-6		
– Buildings – non-specialised		41	47
– Buildings – specialised		444	395
– Other structures		242	207
– Roads		1,461	1,419
– Stormwater drainage		204	204
– Water supply network		344	446
– Sewerage network		332	429
<b>Other assets:</b>			
– Other		96	96
<b>Reinstatement, rehabilitation and restoration assets:</b>			
– Tip assets	C3-5,C1-6	34	39
<b>Total gross depreciation and amortisation costs</b>		<b>3,683</b>	<b>3,707</b>
Less: capitalised costs		(62)	(79)
<b>Total depreciation and amortisation costs</b>		<b>3,621</b>	<b>3,628</b>
<b>TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT FOR IPP&amp;E</b>		<b>3,621</b>	<b>3,628</b>

### Accounting policy for depreciation, amortisation and impairment expenses of IPP&E

#### Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives.

#### Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are no longer required to be tested for impairment under AASB 136. This is because these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Other assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.

## B3-5 Other expenses

<b>\$ '000</b>	<b>2022</b>	<b>2021</b>
<b>Other</b>		
Contributions/levies to other levels of government:		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	<b>4</b>	6
– NSW fire brigade levy	<b>28</b>	30
– NSW rural fire service levy	<b>177</b>	242
<b>Total other</b>	<b>209</b>	<b>278</b>
<b>Total other expenses</b>	<b>209</b>	<b>278</b>

### Accounting policy

Other expenses are recorded on an accruals basis when Council has an obligation for the expenses.

Impairment expenses are recognised when identified.

## B4 Gains or losses

### B4-1 Gain or loss from the disposal, replacement and de-recognition of assets

\$ '000	Notes	2022	2021
<b>Gain (or loss) on disposal of plant and equipment</b>	C1-6		
Proceeds from disposal – plant and equipment		256	100
Less: carrying amount of plant and equipment assets sold/written off		(36)	–
<b>Gain (or loss) on disposal</b>		<b>220</b>	<b>100</b>
<b>Gain (or loss) on disposal of infrastructure</b>	C1-6		
Less: carrying amount of infrastructure assets sold/written off		(844)	–
<b>Gain (or loss) on disposal</b>		<b>(844)</b>	<b>–</b>
<b>Gain (or loss) on disposal of real estate assets held for sale</b>	C1-4		
Proceeds from disposal – real estate assets		–	108
Less: carrying amount of real estate assets sold/written off		–	(108)
<b>Gain (or loss) on disposal</b>		<b>–</b>	<b>–</b>
<b>Net gain (or loss) from disposal of assets</b>		<b>(624)</b>	<b>100</b>

#### Accounting policy

Gains and losses on disposals are determined by comparing proceeds with carrying amount. The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 22/06/2021 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

While these General Purpose Financial Statements include the original budget adopted by Council, the Act requires Council to review its financial budget on a quarterly basis, so it is able to manage the variation between actuals and budget that invariably occur during the year.

**Material variations of more than 10%** between original budget and actual results or where the variance is considered material by nature are explained below.

**Variation Key:** **F** = Favourable budget variation, **U** = Unfavourable budget variation.

\$ '000	2022 Budget	2022 Actual	2022 ----- Variance -----	
Revenues				
Rates and annual charges	4,771	4,721	(50)	(1)% U
User charges and fees	927	1,077	150	16% F
Variance was caused by greater than expected revenue from Private works undertaken				
Other revenues	107	85	(22)	(21)% U
Reduction in income has been caused by a lower than expected income from commissions and sales				
Operating grants and contributions	5,972	8,500	2,528	42% F
Variation caused by greater than expected amount of grant funding offered during the period including prepayment of financial assistance grants.				
Capital grants and contributions	4,198	6,067	1,869	45% F
Variation is a result of an increase in capital grant funding for Government				
Interest and investment revenue	34	31	(3)	(9)% U
Net gains from disposal of assets	–	–	–	∞ F
Other income	–	103	103	∞ F
Expenses				
Employee benefits and on-costs	4,583	4,254	329	7% F
Materials and services	2,575	4,487	(1,912)	(74)% U
Variation was primarily the result of an error in the categorisation of expenses in the budget				
Borrowing costs	78	75	3	4% F
Depreciation, amortisation and impairment of non-financial assets	3,470	3,621	(151)	(4)% U
Other expenses	1,547	209	1,338	86% F
Variance was caused by incorrect classification of other costs in the budget				
Net losses from disposal of assets	–	624	(624)	∞ U
Variance is the result of disposal of building and bridge assets				

## B5-1 Material budget variations (continued)

\$ '000	2022 Budget	2022 Actual	2022 ----- Variance -----	
<b>Statement of cash flows</b>				
<b>Cash flows from operating activities</b>	<b>7,225</b>	<b>13,546</b>	<b>6,321</b>	<b>87% F</b>
Variation is primarily the result of an increase in both operational and capital grant funding.				
<b>Cash flows from investing activities</b>	<b>(6,957)</b>	<b>(8,765)</b>	<b>(1,808)</b>	<b>26% U</b>
Expenditure increased due to greater than expected capital grant funding				
<b>Cash flows from financing activities</b>	<b>(234)</b>	<b>(234)</b>	<b>–</b>	<b>0% F</b>



## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

\$ '000	2022	2021
<b>Cash assets</b>		
Cash on hand and at bank	9,713	5,776
Cash equivalent assets		
– Short-term deposits	6,678	6,068
<b>Total cash and cash equivalents</b>	<b>16,391</b>	<b>11,844</b>

#### Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	16,391	11,844
<b>Balance as per the Statement of Cash Flows</b>	<b>16,391</b>	<b>11,844</b>

#### Accounting policy

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

## C1-2 Restricted and allocated cash, cash equivalents and investments

\$ '000	2022	2021
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>16,391</b>	11,844
Less: Externally restricted cash, cash equivalents and investments	<b>(5,699)</b>	(5,263)
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>10,692</b>	6,581

### External restrictions

#### External restrictions – included in liabilities

External restrictions included in cash, cash equivalents and investments above comprise:

Specific purpose unexpended grants – general fund	–	100
<b>External restrictions – included in liabilities</b>	<b>–</b>	<b>100</b>

### External restrictions

External restrictions included in cash, cash equivalents and investments above comprise:

Water fund	2,992	2,693
Sewer fund	2,707	2,470
<b>External restrictions</b>	<b>5,699</b>	<b>5,163</b>
<b>Total external restrictions</b>	<b>5,699</b>	<b>5,263</b>

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

\$ '000	2022	2021
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## (b) Internal allocations

<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>10,692</b>	6,581
Less: Internally restricted cash, cash equivalents and investments	<b>(5,551)</b>	(4,196)
<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>5,141</b>	2,385

### Internal allocations

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

Plant and vehicle replacement	284	284
Infrastructure replacement	695	874
Employees leave entitlement	620	620
Carry over works	16	–
Deposits, retentions and bonds	34	–
Waste	40	10
Aerodrome	7	7
Computer replacement	32	32
Financial Assistance Grants	2,748	1,724
HACC reserve	280	155
Land development	61	111
LEP - Local Environment Plan	4	17
Levee bank	325	325
Library	14	14
Community Projects	368	–
Youth	23	23

**C1-2 Restricted and allocated cash, cash equivalents and investments (continued)**

<b>\$ '000</b>	<b>2022</b>	<b>2021</b>
<b>Total internal allocations</b>	<b>5,551</b>	<b>4,196</b>

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

<b>\$ '000</b>	<b>2022</b>	<b>2021</b>
<b>(c) Unrestricted and unallocated</b>		
<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>5,141</b>	<b>2,385</b>

## C1-3 Receivables

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Rates and annual charges	614	–	627	–
Interest and extra charges	63	–	41	–
User charges and fees	154	–	113	–
Private works	15	–	68	–
Government grants and subsidies	1,747	–	3,416	–
Net GST receivable	152	–	416	–
Less: Provision for impairment expected credit loss allowance	–	–	–	–
<b>Total</b>	<b>2,745</b>	<b>–</b>	<b>4,681</b>	<b>–</b>
<b>Total net receivables</b>	<b>2,745</b>	<b>–</b>	<b>4,681</b>	<b>–</b>

### Externally restricted receivables

#### Water supply

– Rates and availability charges	244	–	267	–
– Other	89	–	69	–

#### Sewerage services

– Rates and availability charges	110	–	122	–
– Other	1	–	–	–

<b>Total external restrictions</b>	<b>444</b>	<b>–</b>	<b>458</b>	<b>–</b>
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<b>Unrestricted receivables</b>	<b>2,301</b>	<b>–</b>	<b>4,223</b>	<b>–</b>
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<b>Total net receivables</b>	<b>2,745</b>	<b>–</b>	<b>4,681</b>	<b>–</b>
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### Accounting policy

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

#### Impairment

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECL, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

When considering the ECL for rates debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rates debtors, Council uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Council uses the presentation that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Council in full, without recourse by the Council to actions such as realising security (if any is held) or
- the financial assets (for non-rates debtors) are more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the entity in accordance with the contract, and the cash flows expected to be received. This is applied using a probability weighted approach.

On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Council uses the simplified approach for trade receivables where the expected lifetime credit losses are recognised on day 1.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 5 years past due, whichever occurs first.

## C1-3 Receivables (continued)

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None of the receivables that have been written off are subject to enforcement activity

Where the Council renegotiates the terms of receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Rates and annual charges outstanding are secured against the property.

## C1-4 Inventories

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
<b>(i) Inventories at cost</b>				
Real estate for resale	1	—	1	—
Stores and materials	107	—	98	—
Loose tools	—	—	—	74
<b>Total inventories at cost</b>	<b>108</b>	<b>—</b>	<b>99</b>	<b>74</b>
<b>Total inventories</b>	<b>108</b>	<b>—</b>	<b>99</b>	<b>74</b>

## Externally restricted assets

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
<b>Water</b>				
Stores and materials	—	—	—	4
<b>Total water</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>4</b>
<b>Sewerage</b>				
Stores and materials	—	—	—	3
<b>Total sewerage</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3</b>
<b>Total externally restricted assets</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>7</b>
<b>Total internally restricted assets</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total unrestricted assets</b>	<b>108</b>	<b>—</b>	<b>99</b>	<b>67</b>
<b>Total inventories</b>	<b>108</b>	<b>—</b>	<b>99</b>	<b>74</b>

## C1-4 Inventories (continued)

### (i) Other disclosures

\$ '000	Notes	2022 Current	2022 Non-current	2021 Current	2021 Non-current
<b>(a) Details for real estate development</b>					
Residential		1	–	1	–
<b>Total real estate for resale</b>		<b>1</b>	<b>–</b>	<b>1</b>	<b>–</b>
(Valued at the lower of cost and net realisable value)					
<b>Represented by:</b>					
Acquisition costs		1	–	1	–
<b>Total costs</b>		<b>1</b>	<b>–</b>	<b>1</b>	<b>–</b>
<b>Total real estate for resale</b>		<b>1</b>	<b>–</b>	<b>1</b>	<b>–</b>
<b>Movements:</b>					
Real estate assets at beginning of the year		1	–	109	–
– WDV of sales (expense)	B4-1	–	–	(108)	–
<b>Total real estate for resale</b>		<b>1</b>	<b>–</b>	<b>1</b>	<b>–</b>

### (b) Current inventories not anticipated to be settled within the next 12 months

The following inventories and other assets, even though classified as current are not expected to be recovered in the next 12 months;

### Accounting policy

#### Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### Land held for resale

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed, borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

## C1-5 Non-current assets classified as held for sale

Council did not classify any non-current assets or disposal groups as 'held for sale'.

## C1-6 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2021			Asset movements during the reporting period							At 30 June 2022		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Re-measurement of asset remediation provision	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>													
Capital work in progress	4,463	–	4,463	154	462	–	–	(4,463)	–	–	616	–	616
Plant and equipment	9,142	(6,734)	2,408	–	974	(36)	(466)	–	–	–	9,520	(6,640)	2,880
Office equipment	721	(601)	120	20	–	–	(12)	–	–	–	741	(613)	128
Furniture and fittings	285	(239)	46	–	–	–	(1)	–	–	–	285	(240)	45
<b>Land:</b>													
– Operational land	1,709	–	1,709	–	52	–	–	–	–	22	1,784	–	1,784
– Community land	1,557	–	1,557	–	–	–	–	–	–	–	1,557	–	1,557
Land improvements – depreciable	89	(26)	63	9	–	–	(6)	–	–	–	93	(28)	65
<b>Infrastructure:</b>													
– Buildings – non-specialised	1,690	(217)	1,473	6	–	–	(41)	–	–	(72)	1,575	(208)	1,367
– Buildings – specialised	29,947	(8,596)	21,351	649	26	(376)	(444)	13	–	318	33,019	(11,484)	21,535
– Other structures	8,604	(3,388)	5,216	50	665	–	(242)	155	–	–	9,474	(3,630)	5,844
– Roads, bridges and footpaths	107,193	(24,322)	82,871	2,061	3,126	(467)	(1,461)	4,295	–	–	116,207	(25,783)	90,424
– Stormwater drainage	19,396	(8,109)	11,287	45	–	–	(204)	–	–	–	19,442	(8,313)	11,129
– Water supply network	26,289	(9,481)	16,808	74	–	–	(344)	–	–	943	27,866	(10,385)	17,481
– Sewerage network	23,478	(4,839)	18,639	147	–	–	(332)	–	–	1,054	24,979	(5,471)	19,508
<b>Other assets:</b>													
– Library books	106	(106)	–	–	–	–	–	–	–	–	106	(106)	–
– Other	7,932	(2,844)	5,088	404	–	–	(96)	–	–	–	8,337	(2,940)	5,397
<b>Reinstatement, rehabilitation and restoration assets (refer Note C3-5):</b>													
– Tip assets	523	(185)	338	–	–	–	(34)	–	(130)	–	393	(219)	174
– Quarry assets	–	–	–	–	–	–	–	–	288	–	288	–	288
<b>Total infrastructure, property, plant and equipment</b>	<b>243,124</b>	<b>(69,687)</b>	<b>173,437</b>	<b>3,619</b>	<b>5,305</b>	<b>(879)</b>	<b>(3,683)</b>	<b>–</b>	<b>158</b>	<b>2,265</b>	<b>256,282</b>	<b>(76,060)</b>	<b>180,222</b>

(1) Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).



## C1-6 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	At 1 July 2020			Asset movements during the reporting period							At 30 June 2021		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Depreciation expense	WIP transfers	Re-measurement of asset remediation provision	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>													
Capital work in progress	1,236	–	1,236	168	4,019	–	(960)	–	–	–	4,463	–	4,463
Plant and equipment	8,817	(6,638)	2,179	508	–	(405)	127	–	–	–	9,142	(6,734)	2,408
Office equipment	698	(587)	111	23	–	(14)	–	–	–	–	721	(601)	120
Furniture and fittings	280	(238)	42	5	–	(1)	–	–	–	–	285	(239)	46
<b>Land:</b>													
– Operational land	1,710	–	1,710	–	–	–	–	–	–	–	1,709	–	1,709
– Community land	1,557	–	1,557	–	–	–	–	–	–	–	1,557	–	1,557
Land improvements – depreciable	69	(21)	48	19	–	(5)	–	–	–	–	89	(26)	63
<b>Infrastructure:</b>													
– Buildings – non-specialised	1,690	(170)	1,520	–	–	(47)	–	–	–	–	1,690	(217)	1,473
– Buildings – specialised	28,142	(8,202)	19,940	1,011	430	(395)	365	–	–	–	29,947	(8,596)	21,351
– Other structures	8,026	(3,181)	4,845	106	471	(207)	–	–	–	–	8,604	(3,388)	5,216
– Roads	128,522	(27,855)	100,667	3,383	–	(1,419)	468	–	(20,228)	–	107,193	(24,322)	82,871
– Stormwater drainage	17,619	(5,473)	12,146	–	–	(204)	–	–	(654)	–	19,396	(8,109)	11,287
– Water supply network	25,587	(14,604)	10,983	140	–	(446)	–	–	–	6,130	26,289	(9,481)	16,808
– Sewerage network	22,880	(7,608)	15,272	383	–	(429)	–	–	–	3,414	23,478	(4,839)	18,639
<b>Other assets:</b>													
– Library books	106	(106)	–	–	–	–	–	–	–	–	106	(106)	–
– Other	7,618	(2,749)	4,869	314	–	(96)	–	–	–	–	7,932	(2,844)	5,088
<b>Reinstatement, rehabilitation and restoration assets (refer Note C3-5):</b>													
– Tip assets	549	(146)	403	–	–	(39)	–	(26)	–	–	523	(185)	338
<b>Total infrastructure, property, plant and equipment</b>	<b>255,106</b>	<b>(77,578)</b>	<b>177,528</b>	<b>6,060</b>	<b>4,920</b>	<b>(3,707)</b>	<b>–</b>	<b>(26)</b>	<b>(20,882)</b>	<b>9,544</b>	<b>243,124</b>	<b>(69,687)</b>	<b>173,437</b>

(1) Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

## C1-6 Infrastructure, property, plant and equipment (continued)

### Accounting policy

Infrastructure, property, plant and equipment are held at fair value. Independent valuations are performed at least every five years, however the carrying amount of assets is assessed at each reporting date to confirm that it is not materially different from current fair value.

Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by Department of Planning , Industry and Environment.

Increases in the carrying amounts arising on revaluation are credited to the asset revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

<b>Plant and equipment</b>	<b>Years</b>	<b>Other equipment</b>	<b>Years</b>
Office equipment	5 to 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	4		
Vehicles	5 to 8	<b>Buildings</b>	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 40
<b>Water and sewer assets</b>		<b>Stormwater assets</b>	
Dams and reservoirs	80 to 100	Drains	80 to 100
Bores	20 to 40	Culverts	50 to 80
Reticulation pipes: PVC	70 to 80	Flood control structures	80 to 100
Reticulation pipes: other	25 to 75		
Pumps and telemetry	15 to 20		
<b>Transportation assets</b>		<b>Other infrastructure assets</b>	
Sealed roads: surface	20	Bulk earthworks	20
Sealed roads: structure	50	Swimming pools	50
Unsealed roads	20	Unsealed roads	20
Bridge: concrete	100	Other open space/recreational assets	20
Bridge: other	50	Other infrastructure	20
Road pavements	60		
Kerb, gutter and footpaths	40		

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

### Land under roads

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips.

Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051 *Land Under Roads*.

Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 *Property, Plant and Equipment*.

### Crown reserves

Crown reserves under Council's care and control are recognised as assets of the council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

## C1-6 Infrastructure, property, plant and equipment (continued)

Improvements on Crown reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

### Rural Fire Service assets

Under Section 119 of the *Rural Fire Services Act 1997 (NSW)*, "all firefighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the firefighting equipment has been purchased or constructed".

## Externally restricted infrastructure, property, plant and equipment

\$ '000	as at 30/06/22			as at 30/06/21		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
<b>Water supply</b>						
Land						
– Operational land	115	–	115	111	–	111
Infrastructure	28,130	10,489	17,641	26,289	9,481	16,808
<b>Total water supply</b>	<b>28,245</b>	<b>10,489</b>	<b>17,756</b>	<b>26,400</b>	<b>9,481</b>	<b>16,919</b>
<b>Sewerage services</b>						
Land						
– Operational land	134	–	134	180	–	180
Infrastructure	25,685	5,568	20,117	23,671	4,986	18,685
<b>Total sewerage services</b>	<b>25,819</b>	<b>5,568</b>	<b>20,251</b>	<b>23,851</b>	<b>4,986</b>	<b>18,865</b>
<b>Total restricted infrastructure, property, plant and equipment</b>	<b>54,064</b>	<b>16,057</b>	<b>38,007</b>	<b>50,251</b>	<b>14,467</b>	<b>35,784</b>

## C1-7 Other

### Other assets

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Prepayments	43	–	28	–
<b>Total other assets</b>	<b>43</b>	<b>–</b>	<b>28</b>	<b>–</b>

### Current other assets not anticipated to be settled within the next 12 months

The following inventories and other assets, even though classified as current are not expected to be recovered in the next 12 months;

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Total externally restricted assets	–	–	–	–
Total internally restricted assets	–	–	–	–
Total unrestricted assets	43	–	28	–
<b>Total other assets</b>	<b>43</b>	<b>–</b>	<b>28</b>	<b>–</b>

## C2 Leasing activities

### C2-1 Council as a lessee

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Council currently does not lease any Land, Buildings Vehicles or Equipment.

#### Leases at significantly below market value – concessionary / peppercorn leases

Council has a number of leases at significantly below market for land and buildings which are used for:

- Sporting facilities
- child care centres

The leases have a range of tenures and require payments of a maximum amount of \$1,000 per year. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

Council does not believe that any of the leases in place are individually material from a statement of financial position or performance perspective.

#### Accounting policy

At inception of a contract, Council assesses whether a lease exists .

Council has elected not to separate non-lease components from lease components for any class of asset and has accounted for payments as a single component.

At the lease commencement, Council recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where Council believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured when there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

#### Exceptions to lease accounting

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

#### Leases at significantly below market value / Concessionary leases

Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

## C2-2 Council as a lessor

### (a) Operating leases

Council leases out a number of properties and /or plant and equipment to community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included in IPP&E (refer in this note part (v) below) in the Statement of Financial Position.

The amounts recognised in the Income Statement relating to operating leases where Council is a lessor are shown below:

\$ '000	2022	2021
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Council currently does not have any investment properties for lease.

The amounts recognised in the Income Statement relating to operating leases where Council is a lessor are shown below

### (ii) Assets held as property, plant and equipment

Council provides operating leases on Council buildings for the purpose of a Medical centre, child care, dwellings, and self care units, the table below relates to operating leases on assets disclosed in C1-7.

Lease income (excluding variable lease payments not dependent on an index or rate)	103	86
<b>Total income relating to operating leases for Council assets</b>	<b>103</b>	<b>86</b>

### Amount of IPPE leased out by Council under operating leases

Council leases buildings to assist service provision in the community in the areas of Medical, Childcare, Specialist and Self care accommodation.

### Reconciliation of IPPE assets leased out as operating leases

\$ '000	Specialist Buildings Childcare & Medical 2022	Specialist Buildings Childcare & Medical 2021	Non-specialist - Building & Residential 2022	Non-specialist - Building & Residential 2021
<b>Opening balance as at 1 July</b>	<b>3,488</b>	<b>3,547</b>	<b>1,473</b>	<b>1,520</b>
Additions renewals	—	—	6	(47)
Depreciation expense	(63)	(59)	(41)	—
<b>Closing balance as at 30 June</b>	<b>2,905</b>	<b>3,488</b>	<b>1,367</b>	<b>1,473</b>

### (iii) Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:

Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:

## C2-2 Council as a lessor (continued)

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### (b) Finance leases

Council has sub-leased some properties which are on Crown land to community organisations and has classified these as finance leases since the sub-lease is for the remaining life of the Council's lease to the Crown.

#### Accounting policy

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

When Council has a sub-lease over an asset and is the intermediate lessor then the head lease and sub-lease are accounted for separately. The classification of the sub-lease is based on the right-of-use asset which arises from the head lease rather than the useful life of the underlying asset.

If the lease contains lease and non-lease components, the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*.

The lease income is recognised on a straight-line basis over the lease term for an operating lease and as finance income using amortised cost basis for finance leases.

## C3 Liabilities of Council

### C3-1 Payables

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Goods and services – operating expenditure	957	–	1,971	–
Accrued expenses:				
– Borrowings	12	–	13	–
– Salaries and wages	180	–	203	–
– Other expenditure accruals	12	–	37	–
Security bonds, deposits and retentions	47	–	47	–
Prepaid rates	125	–	102	–
<b>Total payables</b>	<b>1,333</b>	<b>–</b>	<b>2,373</b>	<b>–</b>

#### Payables relating to restricted assets

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
<b>Externally restricted assets</b>				
Water	112	–	–	–
Sewer	8	–	9	–
Payables relating to externally restricted assets	120	–	9	–
<b>Total payables relating to restricted assets</b>	<b>120</b>	<b>–</b>	<b>9</b>	<b>–</b>
<b>Total payables relating to unrestricted assets</b>	<b>1,213</b>	<b>–</b>	<b>2,364</b>	<b>–</b>
<b>Total payables</b>	<b>1,333</b>	<b>–</b>	<b>2,373</b>	<b>–</b>

#### Current payables not anticipated to be settled within the next twelve months

Nil

#### Accounting policy

Council measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

#### Payables

Payables represent liabilities for goods and services provided to Council prior to the end of financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

### C3-2 Contract Liabilities

\$ '000	Notes	2022 Current	2022 Non-current	2021 Current	2021 Non-current
<b>Grants and contributions received in advance:</b>					
Unexpended capital grants (to construct Council controlled assets)	(i)	1,993	–	1,402	–
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	892	–	557	–
<b>Total grants received in advance</b>		<b>2,885</b>	<b>–</b>	<b>1,959</b>	<b>–</b>

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## C3-2 Contract Liabilities (continued)

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Total contract liabilities	2,885	—	1,959	—

### Notes

(i) Council has received funding to construct assets including sporting facilities, bridges, library and other infrastructure. The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months.

(ii) The contract liability relates to grants received prior to the revenue recognition criteria in AASB 15 being satisfied since the performance obligations are ongoing.

### Contract liabilities relating to restricted assets

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
<b>Externally restricted assets</b>				
Unspent grants held as contract liabilities (excl. Water & Sewer)	112	—	1,772	—
<b>Contract liabilities relating to externally restricted assets</b>	112	—	1,772	—
<b>Total contract liabilities relating to restricted assets</b>	112	—	1,772	—
<b>Total contract liabilities relating to unrestricted assets</b>	2,773	—	187	—
<b>Total contract liabilities</b>	2,885	—	1,959	—

### Significant changes in contract liabilities

There has been a significant increase in Government grant funding paid in advance during the year.

### Accounting policy

Contract liabilities are recorded when consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

## C3-3 Borrowings

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Loans – secured <sup>1</sup>	243	1,597	234	1,840
<b>Total borrowings</b>	243	1,597	234	1,840

(1) Loans are secured over the general rating income of Council.

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note E1-1.

### Borrowings relating to restricted assets

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
<b>Externally restricted assets</b>				
Sewer	(618)	1,476	117	858
<b>Borrowings relating to externally restricted assets</b>	(618)	1,476	117	858

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## C3-3 Borrowings (continued)

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
<b>Total borrowings relating to restricted assets</b>	<b>(618)</b>	<b>1,476</b>	<b>117</b>	<b>858</b>
<b>Total borrowings relating to unrestricted assets</b>	<b>861</b>	<b>121</b>	<b>117</b>	<b>982</b>
<b>Total borrowings</b>	<b>243</b>	<b>1,597</b>	<b>234</b>	<b>1,840</b>

**Current borrowings not anticipated to be settled within the next twelve months**

The following borrowings, even though classified as current, are not expected to be settled in the next 12 months.

### C3-3 Borrowings (continued)

#### (a) Changes in liabilities arising from financing activities

	2021		Non-cash movements				2022
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
\$ '000							
Loans – secured	2,074	(234)	–	–	–	–	1,840
<b>Total liabilities from financing activities</b>	<b>2,074</b>	<b>(234)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,840</b>

	2020		Non-cash movements				2021
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
\$ '000							
Loans – secured	2,299	(225)	–	–	–	–	2,074
<b>Total liabilities from financing activities</b>	<b>2,299</b>	<b>(225)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,074</b>

#### (b) Financing arrangements

\$ '000	2022	2021
<b>Total facilities</b>		
Credit cards/purchase cards	12	12
<b>Total financing arrangements</b>	<b>12</b>	<b>12</b>
<b>Undrawn facilities</b>		
– Credit cards/purchase cards	12	12
<b>Total undrawn financing arrangements</b>	<b>12</b>	<b>12</b>

#### Additional financing arrangements information

##### Breaches and defaults

During the current and prior year, there were no defaults or breaches on any of the loans.

##### Security of loans

Loans are secured over future cash flows.

##### Accounting policy

Council measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or borrowing costs.

## C3-4 Employee benefit provisions

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Annual leave	360	–	364	–
Sick leave	328	–	329	–
Long service leave	763	53	821	33
<b>Total employee benefit provisions</b>	<b>1,451</b>	<b>53</b>	<b>1,514</b>	<b>33</b>

### Current employee benefit provisions not anticipated to be settled within the next twelve months

\$ '000	2022	2021
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	1,368	1,457
	<b>1,368</b>	<b>1,457</b>

### Description of and movements in provisions

\$ '000	ELE provisions			Total
	Annual leave	Sick leave	Long service leave	
<b>2022</b>				
At beginning of year	364	329	854	1,547
Additional provisions	244	144	53	441
Amounts used (payments)	(248)	(145)	(91)	(484)
<b>Total ELE provisions at end of year</b>	<b>360</b>	<b>328</b>	<b>816</b>	<b>1,504</b>
<b>2021</b>				
At beginning of year	403	306	850	1,559
Additional provisions	226	166	78	470
Amounts used (payments)	(265)	(143)	(75)	(483)
Additional provisions amounts used (payments)	–	–	1	1
<b>Total ELE provisions at end of year</b>	<b>364</b>	<b>329</b>	<b>854</b>	<b>1,547</b>

### Accounting policy

Employee benefit provisions are presented as current liabilities in the Statement of Financial Position if Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur and therefore all annual leave and vested long service leave (or that which vests within 12 months) is presented as current.

### Short-term obligations

Liabilities for wages and salaries (including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service) are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

### Other long-term employee benefit obligations

The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

### On-costs

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

### C3-4 Employee benefit provisions (continued)

These amounts include superannuation, payroll tax and workers compensation expenses which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

### C3-5 Provisions

\$ '000	2022 Current	2022 Non-Current	2021 Current	2021 Non-Current
<b>Asset remediation/restoration:</b>				
Asset remediation/restoration (future works)	–	703	–	545
<b>Sub-total – asset remediation/restoration</b>	<b>–</b>	<b>703</b>	<b>–</b>	<b>545</b>
<b>Total provisions</b>	<b>–</b>	<b>703</b>	<b>–</b>	<b>545</b>

#### Current provisions not anticipated to be settled within the next twelve months

The following provisions, even though classified as current, are not expected to be settled in the next 12 months.

## C3-5 Provisions (continued)

### Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
<b>2022</b>		
At beginning of year	545	545
Remeasurement effects	158	158
Total other provisions at end of year	703	703
<b>2021</b>		
At beginning of year	566	566
Unwinding of discount	5	5
Remeasurement effects	(26)	(26)
Total other provisions at end of year	545	545

### Accounting policy

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a borrowing cost.

### Asset remediation – tips and quarries

#### Asset remediation

Council has a legal/public obligation to make, restore, rehabilitate and reinstate the council tip and quarry.

#### Restoration

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

#### Rehabilitation

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each reporting date, and the cost is charged to the Income Statement.

Provision is made for the estimated present value of the costs of environmental clean-up obligations outstanding at the reporting date. These costs are charged to the Income Statement. Movements in the environmental clean-up provisions are presented as an operating cost, except for the unwinding of the discount which is shown as a borrowing cost.

Remediation procedures generally commence soon after the time the damage, remediation process, and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new restoration techniques, or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates. As a result, there could be significant adjustments to the provision for close down and restoration and environmental clean-up, which would affect future financial results.

## C3-5 Provisions (continued)

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Other movements in the provisions for close-down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations, and revisions to discount rates, are capitalised within property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

Close-down and restoration costs are a normal consequence of tip and quarry operations, and the majority of close-down and restoration expenditure is incurred at the end of the life of the operations. Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

## C4 Reserves

### C4-1 Nature and purpose of reserves

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#### **IPPE Revaluation reserve**

The infrastructure, property, plant and equipment (IPPE) revaluation reserve is used to record increments and decrements in the revaluation of infrastructure, property, plant and equipment.

## D Council structure

### D1 Results by fund

General fund refers to all Council activities other than water and sewer. All amounts disclosed in this note are gross i.e. inclusive of internal charges and recoveries made between the funds. Assets and liabilities shown in the water and sewer columns are restricted for use for these activities.

#### D1-1 Income Statement by fund

\$ '000	General 2022	Water 2022	Sewer 2022
<b>Income from continuing operations</b>			
Rates and annual charges	3,028	699	994
User charges and fees	582	454	41
Interest and investment revenue	17	7	7
Other revenues	85	–	–
Grants and contributions provided for operating purposes	8,459	30	11
Grants and contributions provided for capital purposes	6,033	–	34
Net gains from disposal of assets	(7)	–	7
Other income	103	–	–
<b>Total income from continuing operations</b>	<b>18,300</b>	<b>1,190</b>	<b>1,094</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	3,913	198	143
Materials and services	3,382	704	401
Borrowing costs	46	–	29
Depreciation, amortisation and impairment of non-financial assets	2,930	344	347
Other expenses	182	27	–
Net losses from the disposal of assets	624	–	–
<b>Total expenses from continuing operations</b>	<b>11,077</b>	<b>1,273</b>	<b>920</b>
<b>Operating result from continuing operations</b>	<b>7,223</b>	<b>(83)</b>	<b>174</b>
<b>Net operating result for the year</b>	<b>7,223</b>	<b>(83)</b>	<b>174</b>
<b>Net operating result attributable to each council fund</b>	<b>7,223</b>	<b>(83)</b>	<b>174</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>1,190</b>	<b>(83)</b>	<b>140</b>

## D1-2 Statement of Financial Position by fund

\$ '000	General 2022	Water 2022	Sewer 2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	10,692	2,992	2,707
Receivables	2,301	333	111
Inventories	108	—	—
Other	43	—	—
<b>Total current assets</b>	<b>13,144</b>	<b>3,325</b>	<b>2,818</b>
<b>Non-current assets</b>			
Infrastructure, property, plant and equipment	142,215	17,756	20,251
<b>Total non-current assets</b>	<b>142,215</b>	<b>17,756</b>	<b>20,251</b>
<b>Total assets</b>	<b>155,359</b>	<b>21,081</b>	<b>23,069</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	1,325	—	8
Income received in advance	(112)	112	—
Contract liabilities	2,885	—	—
Borrowings	123	—	120
Employee benefit provision	1,451	—	—
<b>Total current liabilities</b>	<b>5,672</b>	<b>112</b>	<b>128</b>
<b>Non-current liabilities</b>			
Borrowings	859	—	738
Employee benefit provision	53	—	—
Provisions	703	—	—
<b>Total non-current liabilities</b>	<b>1,615</b>	<b>—</b>	<b>738</b>
<b>Total liabilities</b>	<b>7,287</b>	<b>112</b>	<b>866</b>
<b>Net assets</b>	<b>148,072</b>	<b>20,969</b>	<b>22,203</b>
<b>EQUITY</b>			
Accumulated surplus	50,739	7,100	14,465
Revaluation reserves	97,333	13,869	7,738
<b>Council equity interest</b>	<b>148,072</b>	<b>20,969</b>	<b>22,203</b>
<b>Total equity</b>	<b>148,072</b>	<b>20,969</b>	<b>22,203</b>



## E Risks and accounting uncertainties

### E1-1 Risks relating to financial instruments held

Council's activities expose it to a variety of financial risks including **(1)** price risk, **(2)** credit risk, **(3)** liquidity risk and **(4)** interest rate risk.

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by Council's finance section under policies approved by the Council.

The fair value of Council's financial assets and financial liabilities approximates their carrying amount.

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.
- **Borrowings** and investments - are based upon estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.
- Financial assets classified (i) '**at fair value through profit and loss**' or (ii) '**available-for-sale**' – are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital.

Council's finance area manages the cash and Investments portfolio.

Council has an investment policy which complies with the *Local Government Act* 1993 and Minister's investment order 625. This policy is regularly reviewed by Council and its staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantee.

## E1-1 Risks relating to financial instruments held (continued)

### (a) Market risk – interest rate and price risk

<b>\$ '000</b>	<b>2022</b>	<b>2021</b>
<p>The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.</p>		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	<b>66</b>	60
Impact of a 10% movement in price of investments		
– Equity / Income Statement	<b>–</b>	–

## E1-1 Risks relating to financial instruments held (continued)

### (b) Credit risk

Council's major receivables comprise (i) rates and annual charges and (ii) user charges and fees.

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures. Council also encourages ratepayers to pay their rates by the due date through incentives.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

#### Credit risk profile

##### Receivables – rates and annual charges

Credit risk on rates and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land; that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates which further encourages payment.

\$ '000	Not yet overdue	overdue rates and annual charges		Total
		< 5 years	≥ 5 years	
<b>2022</b>				
Gross carrying amount	–	606	8	614
<b>2021</b>				
Gross carrying amount	–	603	24	627

##### Receivables - non-rates and annual charges and contract assets

Council applies the simplified approach for non-rates and annual charges debtors and contract assets to provide for expected credit losses, which permits the use of the lifetime expected loss provision at inception. To measure the expected credit losses, non-rates and annual charges debtors and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision is determined as follows. The expected credit losses incorporate forward-looking information.

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
<b>2022</b>						
Gross carrying amount	2,012	14	18	6	81	2,131
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>ECL provision</b>	–	–	–	–	–	–
<b>2021</b>						
Gross carrying amount	3,922	31	45	22	34	4,054
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>ECL provision</b>	–	–	–	–	–	–

## E1-1 Risks relating to financial instruments held (continued)

### (c) Liquidity risk

Payables, lease liabilities and borrowings are both subject to liquidity risk; that is, the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels, and by maintaining an adequate cash buffer. Payment terms can be extended, and overdraft facilities drawn upon in extenuating circumstances.

Borrowings are also subject to interest rate risk: the risk that movements in interest rates could adversely affect funding costs. Council manages this risk through diversification of borrowing types, maturities and interest rate structures.

The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The timing of cash flows presented in the table below to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows.

The amounts disclosed in the table are the undiscounted contracted cash flows for non-lease liabilities (refer to Note C2-1(b) for lease liabilities) and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
<b>2022</b>							
Payables	0.00%	47	1,286	–	–	1,333	1,333
Borrowings	3.86%	–	312	1,248	550	2,110	1,840
<b>Total financial liabilities</b>		<b>47</b>	<b>1,598</b>	<b>1,248</b>	<b>550</b>	<b>3,443</b>	<b>3,173</b>
<b>2021</b>							
Payables	0.00%	47	2,223	–	–	2,270	2,373
Borrowings	3.86%	–	312	1,248	862	2,422	2,074
<b>Total financial liabilities</b>		<b>47</b>	<b>2,535</b>	<b>1,248</b>	<b>862</b>	<b>4,692</b>	<b>4,447</b>

### Loan agreement breaches

There were no breaches to loan agreements during the reporting year.

## E2-1 Fair value measurement

The Council measures the following asset and liability classes at fair value on a recurring basis:

– Infrastructure, property, plant and equipment

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a 'level' in the fair value hierarchy as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurement hierarchy									
\$ '000	Notes	Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2022	2021	2022	2021	2022	2021	2022	2021
Recurring fair value measurements									
Infrastructure, property, plant and equipment	C1-6								
Plant and equipment		30/06/22	30/06/21	—	—	2,880	2,408	2,880	2,408
Office equipment		30/06/22	30/06/21	—	—	128	120	128	120
Furniture and fittings		30/06/22	30/06/21	—	—	45	46	45	46
Operational land		30/06/22	30/06/18	—	—	1,784	1,709	1,784	1,709
Community land		30/06/20	30/06/20	—	—	1,557	1,557	1,557	1,557
Land improvements depreciable		30/06/20	30/06/20	—	—	65	63	65	63
Buildings – non-specialised		30/06/22	30/06/18	1,367	1,473	—	—	1,367	1,473
Buildings specialised		30/06/22	30/06/18	—	—	21,535	21,351	21,535	21,351
Other structures		30/06/20	30/06/20	—	—	5,844	5,216	5,844	5,216
Roads bridges and footpaths		30/06/21	30/06/21	—	—	90,424	82,871	90,424	82,871
Stormwater drainage		30/06/21	30/06/21	—	—	11,129	11,287	11,129	11,287
Water supply network		30/06/22	30/06/21	—	—	17,481	16,808	17,481	16,808
Sewer network		30/06/22	30/06/21	—	—	19,508	18,639	19,508	18,639
Other assets		30/06/20	30/06/20	—	—	5,397	5,088	5,397	5,088
Tip assets		30/06/22	30/06/21	—	—	174	338	174	338
Quarry Assets		30/06/22	30/06/21	—	—	288	—	288	—
Total infrastructure, property, plant and equipment				1,367	1,473	178,239	167,501	179,606	168,974

## E2-1 Fair value measurement (continued)

### Valuation techniques

Where Council is unable to derive fair valuations using quoted market prices of identical assets (ie. level 1 inputs) Council instead utilises a spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are as follows:

#### Infrastructure, property, plant and equipment (IPPE)

##### Plant and equipment, office equipment and furniture and fittings

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Examples of assets within these classes are as follows:

- Plant and Equipment - Graders, trucks, rollers, tractors and motor vehicles.
- Office Equipment - Computers, photocopiers, calculators etc.
- Furniture & Fittings - Chairs, desks and display boards.

There has been no change to the valuation process during the reporting period.

##### Operational and community land

Community Land valuations are based on either the Land Value provided by the Valuer-General or an average unit rate based on the Land Value for similar properties where the Valuer-General did not provide a Land Value having regard to the highest and best use for the land. Operational and Community Land is based on valuations from an external valuer APV Valuers and Asset Management. Community Land was valued by APV Valuers in 2020 and Operational Land was valued in 2022. As land values were based on unit rates and as such there was not considered to be observable market evidence so they have been classified as level 3.

There has been no change to the valuation process during the reporting period.

##### Buildings – non-specialised and specialised

Council engaged APV Asset Valuers and Asset Management to value all buildings in 2022. The valuation methodology adopted was dependent on whether a market exists to substantiate the value of the asset.

The valuation aspects are generally, but not limited to the location, size, condition, style and utility of the asset. Replacement cost, asset condition, remaining useful life and building components are some of the inputs used in fair value determination. Since most of these inputs require judgement and are unobservable for specialised buildings, that asset class has been classified as Level 3. Valuation techniques remained the same for the reporting period.

##### Other structures

Other Structures comprise of Sundry Recreational assets, irrigation systems and fencing etc. Depreciated replacement cost has been utilised whereby replacement cost was estimated for each asset by taking into account a range of factors. No market based evidence (Level 2) could be supported as such these assets were all classified as having been valued using Level 3 valuation inputs.

These assets were valued externally in 2020 by APV valuers

##### Roads, bridges and footpaths

Roads including all road assets, Bridges and Footpaths were valued in 2021 by APV. Depreciated replacement cost using level 3 inputs was used to value this asset class. No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

The cost approach was utilised to value roads by componentising the assets into significant parts and then rolling up these component values to provide an overall road valuation (for each road segment) within Council's asset system. Input estimates such as the replacement costs (based on unit rates), pattern of consumption, valuation profiles, asset condition and useful life requiring significant professional judgement which impacted significantly on the final determination of fair value.

##### Drainage infrastructure

Assets within this class comprise pits and pipes. All assets were revalued in 2021 by APV.

## E2-1 Fair value measurement (continued)

The Depreciated replacement cost estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar could be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets.

### Water supply network

Assets within this class comprise reservoirs, pumping stations and pipelines. All assets were valued by APV valuers in 2021

The Depreciated replacement cost estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. These assets are indexed each year in line with the NSW Reference Rates Manual as published by the Office of Water.

### Sewerage network

Assets within this class comprise treatment works, pumping stations and, sewerage mains. All assets were valued by APV valuers in 2021.

The Depreciated Replacement cost estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. These assets are indexed each year in line with the NSW Reference Rates Manual as published by the Office of Water

### Other assets

Assets within this class comprise aerodrome lighting, pavement and fencing . All assets in Other assets were valued in-house by experienced engineering staff.

While some elements of gross replacement values may be supported from market evidence other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value.

These assets were valued externally in 2020 by APV valuers

## E2-1 Fair value measurement (continued)

### Fair value measurements using significant unobservable inputs (level 3)

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy is provided below:

\$ '000	Plant and equipment		Office equipment		Furniture and fittings		Operational Land	
	2022	2021	2022	2021	2022	2021	2022	2021
Opening balance	2,408	2,179	120	111	46	42	1,709	1,710
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	–	127	–	–	–	–	–	–
Purchases (GBV)	974	508	20	23	–	5	52	–
Disposals (WDV)	(36)	–	–	–	–	–	–	–
Depreciation and impairment	(466)	(405)	(12)	(14)	(1)	(1)	–	–
Revaluation	–	–	–	–	–	–	22	–
Rounding adjustment	–	(1)	–	–	–	–	1	(1)
Closing balance	2,880	2,408	128	120	45	46	1,784	1,709

\$ '000	Community Land		Land improvements depreciable		Building specialised		Roads, bridges, footpaths	
	2022	2021	2022	2021	2022	2021	2022	2021
Opening balance	1,557	1,557	63	48	21,351	19,940	82,871	100,667
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	–	–	–	–	13	365	4,295	468
Purchases (GBV)	–	–	9	19	675	1,441	5,187	3,383
Disposals (WDV)	–	–	–	–	(376)	–	(467)	–
Depreciation and impairment	–	–	(6)	(5)	(444)	(395)	(1,461)	(1,419)
Revaluation	–	–	–	–	318	–	–	(20,228)
Rounding adjustment	–	–	(1)	1	(2)	–	(1)	–
Closing balance	1,557	1,557	65	63	21,535	21,351	90,424	82,871



## E2-1 Fair value measurement (continued)

\$ '000	Other structures		Water supply network		Sewerage network		Stormwater	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Opening balance</b>	<b>5,216</b>	4,845	<b>16,808</b>	10,983	<b>18,639</b>	15,272	<b>11,287</b>	12,146
<b>Total gains or losses for the period</b>								
<b>Other movements</b>								
Transfers from/(to) another asset class	155	—	—	—	—	—	—	—
Purchases (GBV)	715	577	74	140	147	383	45	—
Disposals (WDV)	—	—	—	—	—	—	—	—
Depreciation and impairment	(242)	(207)	(344)	(446)	(332)	(429)	(204)	(204)
Revaluation	—	—	943	6,130	1,054	3,414	—	(654)
Rounding adjustment	—	1	—	1	—	(1)	1	(1)
<b>Closing balance</b>	<b>5,844</b>	5,216	<b>17,481</b>	16,808	<b>19,508</b>	18,639	<b>11,129</b>	11,287

\$ '000	Other assets		Tip asset		Quarry Assets		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Opening balance</b>	<b>5,088</b>	4,869	<b>338</b>	403	—	—	<b>167,501</b>	174,772
Transfers from/(to) another asset class	—	—	—	(26)	—	—	4,463	934
Purchases (GBV)	404	314	—	—	—	—	8,302	6,793
Disposals (WDV)	—	—	—	—	—	—	(879)	—
Depreciation and impairment	(96)	(96)	(34)	(39)	—	—	(3,642)	(3,660)
Revaluation	—	—	(130)	—	288	—	2,495	(11,338)
Rounding adjustment	1	1	—	—	—	—	(1)	—
<b>Closing balance</b>	<b>5,397</b>	5,088	<b>174</b>	338	<b>288</b>	—	<b>178,239</b>	167,501

### Highest and best use

All of Council's non-financial assets are considered as being utilised for their highest and best use.

## E3-1 Contingencies

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of Council's financial report.

### LIABILITIES NOT RECOGNISED

#### 1. Guarantees

##### (i) Defined benefit superannuation contribution plans

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named The Local Government Superannuation Scheme – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a 'multi-employer fund' for purposes of AASB119 Employee Benefits for the following reasons:

- Assets are not segregated within the sub-group according to the employees of each sponsoring employer.
- The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer.
- Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer.
- The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers, and hence shares in the associated gains and losses (to the extent that they are not borne by members).

##### *Description of the funding arrangements.*

Pooled Employers are required to pay future service employer contributions and past service employer contributions to the Fund.

The future service employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working life-time of a typical new entrant is calculated. The current future service employer contribution rates are:

Division B	1.9 times member contributions for non-180 Point Members; Nil for 180 Point Members*
Division C	2.5% salaries
Division D	1.64 times member contributions

\* For 180 Point Members, Employers are required to contribute 7.5% of salaries to these members' accumulation accounts, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$40.0 million for 1 July 2019 to 31 December 2021 and \$20.0 million per annum for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2021. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

The adequacy of contributions is assessed at each triennial actuarial investigation and monitored annually between triennials.

##### *Description of the extent to which Council can be liable to the plan for other Council's obligations under the terms and conditions of the multi-employer plan*

As stated above, each sponsoring employer (Council) is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses.

However, there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding additional contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the Council.

There are no specific provisions under the Fund's trust deed dealing with deficits or surplus on wind-up.

## E3-1 Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2022 was \$72,989.38. The last valuation of the Scheme was performed by Richard Boyfield FIAA on 30 June 2021.

Council's expected contribution to the plan for the next annual reporting period is \$61,002.72 based on a past services liabilities methodology. The share of the deficit that can be attributed to Council is 0.18%. It is estimated that there are \$36,098.16 past service contributions remaining. The share of this deficit that is broadly attributed to Council is estimated to be in the order of \$6,560 as at 30 June 2022

The estimated employer reserves financial position for the Pooled Employers at 30 June 2022 is:

<b>Defined Benefit reserves only</b> *	<b>\$millions</b>	<b>Asset Coverage</b>
Assets	2,376.6	
Past Service Liabilities	2,380.7	99.8%
Vested Benefits	2,391.7	99.4%

\* excluding member accounts and reserves in both assets and liabilities.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils. For this reason, no liability for the deficiency has been recognised in Council's accounts. Council has a possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

The key economic long term assumptions used to calculate the present value of accrued benefits are:

Investment return	5.5% per annum
Salary inflation *	3.5% per annum
Increase in CPI	2.5% per annum

\* Plus promotional increases

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers group.

### (ii) Statewide Limited

Council is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to local government.

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the net assets or liabilities reflects Council's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 30 June this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

### (iii) StateCover Limited

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity.

StateCover is a company providing workers compensation insurance cover to the NSW local government industry and specifically Council.

Council has a contingent liability to contribute further equity in the event of the erosion of the company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements from APRA.

These future equity contributions would be required to maintain the company's minimum level of net assets in accordance with its licence requirements.

### (iv) Other guarantees

Council has provided no other guarantees other than those listed above.

## E3-1 Contingencies (continued)

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### 2. Other liabilities

#### (i) Third party claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered for all claims through its insurance coverage and does not expect any material liabilities to eventuate.

#### (ii) Potential land acquisitions due to planning restrictions imposed by Council

Council has classified a number of privately owned land parcels as local open space or bushland.

As a result, where notified in writing by the various owners, Council will be required to purchase these land parcels.

At reporting date, reliable estimates as to the value of any potential liability (and subsequent land asset) from such potential acquisitions has not been possible.

### ASSETS NOT RECOGNISED

#### (i) Land under roads

As permitted under AASB 1051, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30 June 2008.

#### (ii) Infringement notices/fines

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by the Infringement Processing Bureau.

Council's revenue recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at year end, there is a potential asset due to Council representing issued but unpaid infringement notices.

Due to the limited information available on the status, value and duration of outstanding notices, Council is unable to determine the value of outstanding income.

## F People and relationships

### F1 Related party disclosures

#### F1-1 Key management personnel (KMP)

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly.

The aggregate amount of KMP compensation included in the Income Statement is:

\$ '000	2022	2021
<b>Compensation:</b>		
Short-term benefits	518	497
Post-employment benefits	51	44
Other long-term benefits	23	24
<b>Total</b>	<b>592</b>	<b>565</b>

#### Other transactions with KMP and their related parties

Nature of the transaction			Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000	Ref	Transactions during the year				
<b>2022</b>						
Electrical maintenance work	3	25	–	30 day terms on invoices	–	–
Gravel Royalty	4	–	–	30 day terms on invoices	–	–
Engineering Supplies & Maintenance, Supply and Hire of Equipment	1	153	–	30 day terms on invoices	–	–
Office and Aged Care service supplies and consumables	2	–	–	30 day terms on invoices	–	–
Remuneration of close family members	5	–	–	Fortnightly payroll system	–	–
Building Maintenance		–	–	30 day terms on invoices	–	–
<b>2021</b>						
Electrical maintenance work	3	46	–	30 day terms on invoices	–	–
Gravel Royalty	4	–	–	30 day terms on invoices	–	–
Engineering Supplies & Maintenance, Supply and Hire of Equipment	1	177	–	30 day terms on invoices	–	–
Office and Aged Care service supplies and consumables	2	5	–	30 day terms on invoices	–	–
Remuneration of close family members	5	75	–	Fortnightly payroll system	–	–
Building Maintenance		2	–	30 day terms on invoices	–	–

F1-1 Key management personnel (KMP) (continued)

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Council has engaged with KMP or their related parties to acquire the above transactions which are on normal business terms.

- 1 This expenditure relates to the procurement of services and materials from an engineering firm of which a Councillor has an interest.
- 2 This expenditure relates to the procurement of materials from a retail firm of which a Councillor has an interest.
- 3 This expenditure relates to the procurement of services and materials from an electrical company of which a Councillor has an interest.
- 4 This expenditure relates to the payment for gravel from a Councillors quarry.
- 5 Close family members of KMP have been employed in operational and administrative positions which they have received remuneration.

## F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2022	2021
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	17	7
Councillors' fees	73	83
Other Councillors' expenses (including Mayor)	38	21
<b>Total</b>	<b>128</b>	<b>111</b>

## F2 Other relationships

### F2-1 Audit fees

\$ '000	2022	2021
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During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms.

#### Auditors of the Council - NSW Auditor-General:

##### (i) Audit and other assurance services

Audit and review of financial statements	46	36
<b>Remuneration for audit and other assurance services</b>	<b>46</b>	<b>36</b>
<b>Total Auditor-General remuneration</b>	<b>46</b>	<b>36</b>

##### (i) Audit and other assurance services

Internal Audit fees	14	12
<b>Remuneration for audit and other assurance services</b>	<b>14</b>	<b>12</b>
<b>Total remuneration of non NSW Auditor-General audit firms</b>	<b>14</b>	<b>12</b>
<b>Total audit fees</b>	<b>60</b>	<b>48</b>

## G Other matters

### G1-1 Statement of Cash Flows information

#### (a) Reconciliation of net operating result to cash provided from operating activities

\$ '000	2022	2021
<b>Net operating result from Income Statement</b>	<b>7,314</b>	<b>8,654</b>
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	3,621	3,628
(Gain) / loss on disposal of assets	624	(100)
Unwinding of discount rates on reinstatement provisions	-	5
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	1,936	(3,343)
(Increase) / decrease of inventories	65	(15)
(Increase) / decrease of other current assets	(15)	(2)
Increase / (decrease) in payables	(1,014)	1,326

## G1-1 Statement of Cash Flows information (continued)

<b>\$ '000</b>	<b>2022</b>	<b>2021</b>
Increase / (decrease) in accrued interest payable	(1)	(2)
Increase / (decrease) in other accrued expenses payable	(48)	165
Increase / (decrease) in other liabilities	23	(6)
Increase / (decrease) in contract liabilities	926	787
Increase / (decrease) in employee benefit provision	(43)	(12)
Increase / (decrease) in other provisions	158	(26)
<b>Net cash flows from operating activities</b>	<b>13,546</b>	<b>11,059</b>

### (b) Non-cash investing and financing activities

Dedications	—	—
Acquisition of plant and equipment by means of finance leases (2019 only)	—	—
Subsidised works (sewer scheme)	—	—
PwD construction	—	—
Bushfire grants	214	—
Developer contributions 'in kind'	—	—
Other dedications	—	—
<b>Total non-cash investing and financing activities</b>	<b>214</b>	<b>—</b>



## G2-1 Commitments

### Capital commitments (exclusive of GST)

\$ '000	2022	2021
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Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

#### Property, plant and equipment

Sewer Treatment Plant	–	63
Stronger Country Projects	687	–
Drought Funding Projects	–	211
Maude Bridge	1,323	3,451
Open Spaces Grant	477	–
Showgrounds	15	273
Splash Park	–	669
Sandy Creek Bridge	–	750
High Street (Lachlan Street)	–	334
Fixing Local Roads Round 2 - Cemetery Road and Town Streets	–	323
Fixing Local Roads Round 3	301	–
Boating Now	89	235
Roundabout	–	427
Airport	–	172
Local Roads and Community Infrastructure Round 2	9	416
Soapworks Bend	226	–
Crown Reserves Funding	137	–
Local Roads and Community Infrastructure	305	–
Murray Street Park	80	–
MRF Facility	1,288	–
COAG Funding (Medical Centre)	98	–
Swimming Pool Amenities	1,446	–
<b>Total commitments</b>	<b>6,481</b>	<b>7,324</b>

#### These expenditures are payable as follows:

Within the next year	6,481	7,324
<b>Total payable</b>	<b>6,481</b>	<b>7,324</b>

#### Sources for funding of capital commitments:

Sewer Funds	–	–
Grants	6,481	7,324
<b>Total sources of funding</b>	<b>6,481</b>	<b>7,324</b>

#### Details of capital commitments

The commitments relate to the following projects: Stronger Country Projects R4, Maude Bridge, Open Spaces Grant, Showgrounds, Boating Now, Local Roads and Community Infrastructure Rounds 2 and 3, Soapworks Bend, Crown Reserves Funding, Murray Street Park, MRF Facility, COAG Funding and the Swimming Pool Amenities.

## G3-1 Events occurring after the reporting date

Council is unaware of any material or significant 'non-adjusting events' that should be disclosed.

## G4 Changes from prior year statements

### G4-1 Correction of errors

Council made no correction of errors during the current reporting period.

## G5 Statement of performance measures

### G5-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2022	Indicator 2022	Indicators 20212020		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	1,871	12.89%	(0.16)%	(7.92)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	14,517				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	6,017	29.23%	27.11%	41.07%	> 60.00%
Total continuing operating revenue <sup>1</sup>	20,584				
3. Unrestricted current ratio					
Current assets less all external restrictions	13,144	2.67x	4.01x	5.95x	> 1.50x
Current liabilities less specific purpose liabilities	4,930				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	5,567	18.02x	11.67x	12.76x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	309				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	677	12.52%	13.00%	11.48%	< 10.00%
Rates and annual charges collectable	5,409				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	16,391	17.11	15.25	15.80	> 3.00
Monthly payments from cash flow of operating and financing activities	958	months	months	months	months

(1) Excludes fair value adjustments, reversal of revaluation decrements and net gain on sale of assets.

(2) Excludes impairment/revaluation decrements and net loss on sale of assets.

## G5-2 Statement of performance measures by fund

\$ '000	General Indicators <sup>3</sup>		Water Indicators		Sewer Indicators		Benchmark
	2022	2021	2022	2021	2022	2021	
<b>1. Operating performance ratio</b>							
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1, 2</sup>	<b>14.79%</b>	1.41%	<b>(6.97)%</b>	(13.83)%	<b>13.21%</b>	1.35%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>							
<b>2. Own source operating revenue ratio</b>							
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>20.81%</b>	18.90%	<b>97.48%</b>	91.98%	<b>95.89%</b>	84.68%	> 60.00%
Total continuing operating revenue <sup>1</sup>							
<b>3. Unrestricted current ratio</b>							
Current assets less all external restrictions	<b>2.67x</b>	4.01x	<b>29.69x</b>	∞	<b>22.02x</b>	20.57x	> 1.50x
Current liabilities less specific purpose liabilities							
<b>4. Debt service cover ratio</b>							
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>17.11x</b>	10.40x	∞	∞	<b>17.79x</b>	14.47x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
<b>5. Rates and annual charges outstanding percentage</b>							
Rates and annual charges outstanding	<b>18.22%</b>	19.19%	<b>0.00%</b>	0.00%	<b>0.00%</b>	0.00%	< 10.00%
Rates and annual charges collectable							
<b>6. Cash expense cover ratio</b>							
Current year's cash and cash equivalents plus all term deposits	<b>11.16 months</b>	8.60 months	∞	∞	∞	∞	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

(1) - (2) Refer to Notes at Note 24a above.

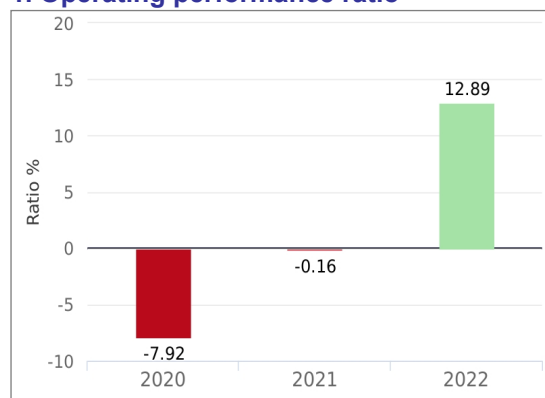
(3) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

**End of the audited financial statements**

## H Additional Council disclosures (unaudited)

### H1-1 Statement of performance measures – consolidated results (graphs)

#### 1. Operating performance ratio



##### Purpose of operating performance ratio

This ratio measures Council's achievement of containing operating expenditure within operating revenue.

##### Commentary on 2021/22 result

2021/22 ratio 12.89%

Improved ratio is largely the result of the increase in the prepayment of the Financial assistance grants, reclassification of some maintenance expenditure to capital and savings gained.

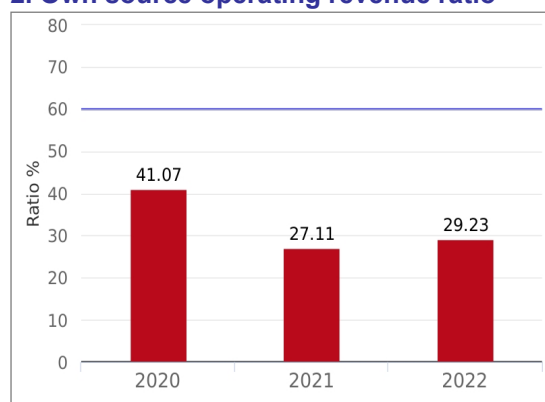
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

#### 2. Own source operating revenue ratio



##### Purpose of own source operating revenue ratio

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

##### Commentary on 2021/22 result

2021/22 ratio 29.23%

Own source revenue is below benchmark due to large amount of grants received during the period.

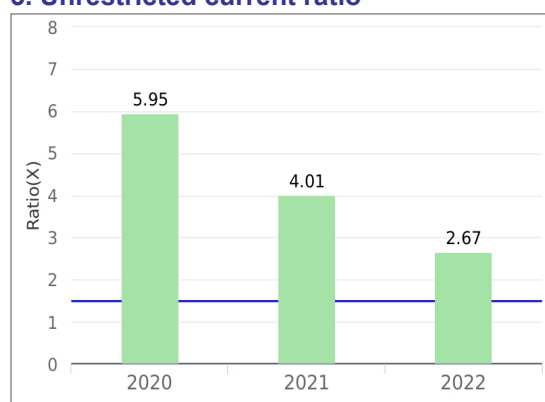
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

#### 3. Unrestricted current ratio



##### Purpose of unrestricted current ratio

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

##### Commentary on 2021/22 result

2021/22 ratio 2.67x

Council is meeting benchmark

Benchmark: — > 1.50x

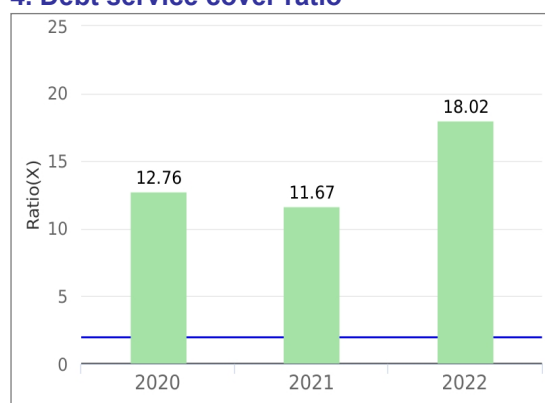
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

## H1-1 Statement of performance measures – consolidated results (graphs) (continued)

### 4. Debt service cover ratio



#### Purpose of debt service cover ratio

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

#### Commentary on 2021/22 result

2021/22 ratio 18.02x

Council is meeting benchmark due to sound cash position.

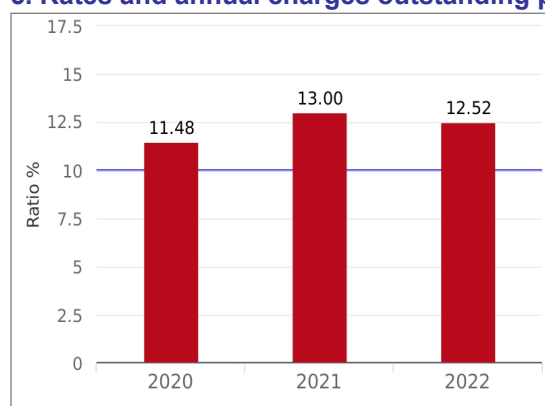
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

### 5. Rates and annual charges outstanding percentage



#### Purpose of rates and annual charges outstanding percentage

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

#### Commentary on 2021/22 result

2021/22 ratio 12.52%

Ratio has slightly improved but still affected by cost of living pressures on the community members.

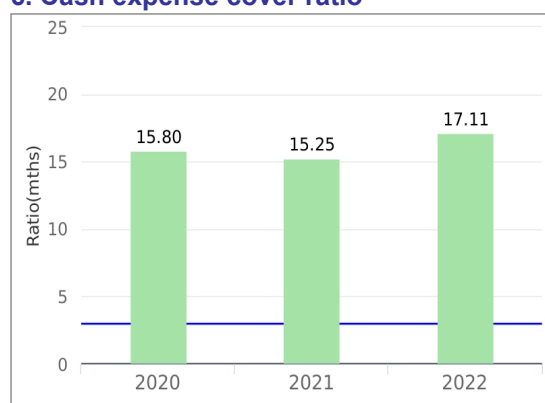
Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

### 6. Cash expense cover ratio



#### Purpose of cash expense cover ratio

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

#### Commentary on 2021/22 result

2021/22 ratio 17.11 months

Ratio is meeting benchmark and has improved due to improvement in cash position.

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark



## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

#### Hay Shire Council

To the Councillors of Hay Shire Council

### Opinion

I have audited the accompanying financial statements of Hay Shire Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2022, the Statement of Financial Position as at 30 June 2022, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
  - have been prepared, in all material respects, in accordance with the requirements of this Division
  - are consistent with the Council's accounting records
  - present fairly, in all material respects, the financial position of the Council as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

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

## **Other Information**

The Council's annual report for the year ended 30 June 2022 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the special purpose financial statements and Special Schedule - Permissible income for general rates.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## **The Councillors' Responsibilities for the Financial Statements**

The Councillors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the *Local Government Act 1993*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.



The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note B5-1 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

*DMobilia*

Daniel Mobilia  
Delegate of the Auditor-General for New South Wales

31 October 2022  
SYDNEY



Cr Carol Oataway  
Mayor  
Hay Shire Council  
PO Box 141  
HAY NSW 2711

Contact: Daniel Mobilia  
Phone no: 02 9275 7379  
Our ref: D2221893/1738

31 October 2022

Dear Mayor

**Report on the Conduct of the Audit  
for the year ended 30 June 2022  
Hay Shire Council**

I have audited the general purpose financial statements (GPFS) of the Hay Shire Council (the Council) for the year ended 30 June 2022 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's GPFS.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2022 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

## INCOME STATEMENT

### Operating result

	2022 \$m	2021 \$m	Variance %
Rates and annual charges revenue	4.72	4.55	3.74
Grants and contributions revenue	14.57	15.58	6.48
Operating result from continuing operations	7.31	8.65	15.49
Net operating result before capital grants and contributions	1.25	0.08	1462.5

Rates and annual charges revenue (\$4.72 million) increased by \$0.17 million (3.74 per cent) in 2021–22. The increase is consistent with an increase in ordinary rates in line with the 2% rate peg and an increase in the total number of rateable properties.

Grants and contributions revenue (\$14.57 million) decreased by \$1.01 million (6.48 per cent) in 2021–22 due to decrease in Transport (other roads and bridges funding) capital grants of \$2.28 million and this decrease is offset by an increase in grant funding received including prepayments of the financial assistance grants of \$1.02 million during the year.

The Council's operating result from continuing operations (\$7.31 million including depreciation and amortisation expense of \$3.62 million) was \$1.34 million lower than the 2020–21 result. The decrease is largely due to the factors flagged earlier regarding the decrease in grants and contributions revenue.

The net operating result before capital grants and contributions (\$1.25 million) was \$1.17 million higher than the 2020–21 result due to the increase in rates and annual charges revenue during the year.

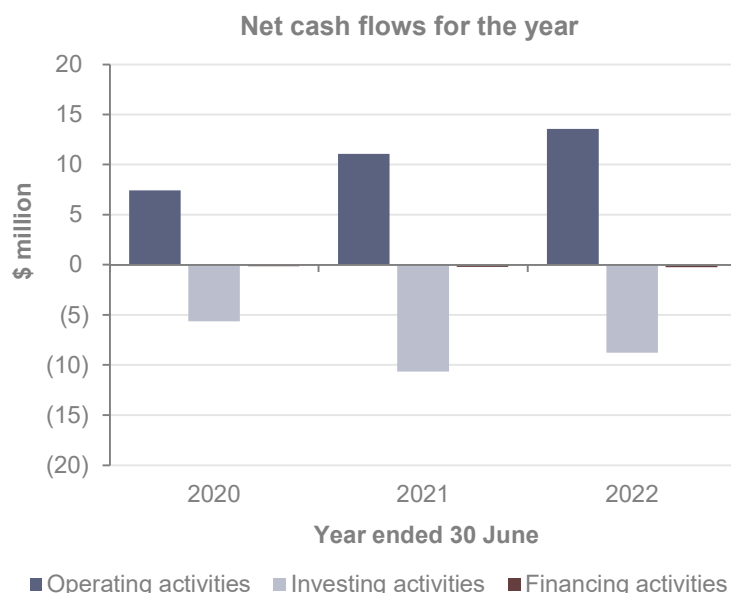
## STATEMENT OF CASH FLOWS

Council's cash and cash equivalents was \$16.39 million (\$11.84 million for the year ended 30 June 2021). There was a net increase of cash and cash equivalents of \$4.55 million during the 2021–22 financial year.

Net cash provided by operating activities has increased by \$2.49 million. This is mainly due to the increase in cash receipts from grants and contributions of \$3.78 million and offset by the increase in payments for materials and services of \$2.20 million.

Net cash used in investing activities has decreased by \$1.90 million due to lower purchase of infrastructure, property, plant and equipment as compared to prior year.

There were no significant movement in the net cash flows from financing activities.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2022	2021	Commentary
	\$m	\$m	
<b>Total cash, cash equivalents and investments</b>	<b>16.39</b>	<b>11.84</b>	<ul style="list-style-type: none"> <li>Externally restricted cash and investments are restricted in their use by externally imposed requirements. This has remained stable from 2020–21 to 2021–22.</li> </ul>
Restricted and allocated cash, cash equivalents and investments:			<ul style="list-style-type: none"> <li>Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect identified programs of works and any forward plans identified by Council. The increase is mainly due to a \$1.02 million increase in financial assistance grants.</li> </ul>
• External restrictions	5.70	5.26	
• Internal allocations	5.55	4.19	
• Unrestricted	5.14	2.39	<ul style="list-style-type: none"> <li>Unrestricted cash and investments were \$5.14 million, which is available to provide liquidity for day-to-day operations of the Council. The increase of \$2.75 million is mainly due to increase in grants and contributions.</li> </ul>

### Debt

Council has \$1.84 million of external borrowings (2021: \$2.07 million) which is secured over the revenue of Council. Council has no bank overdraft during the year (2021: \$nil).

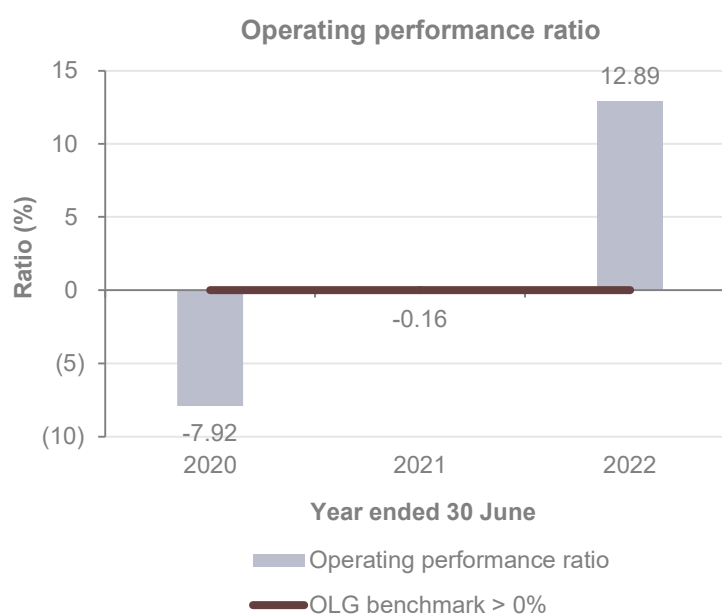
## PERFORMANCE

### Performance measures

The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning and Environment.

#### Operating performance ratio

- The Council exceeded the OLG benchmark for the current reporting period.
- The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



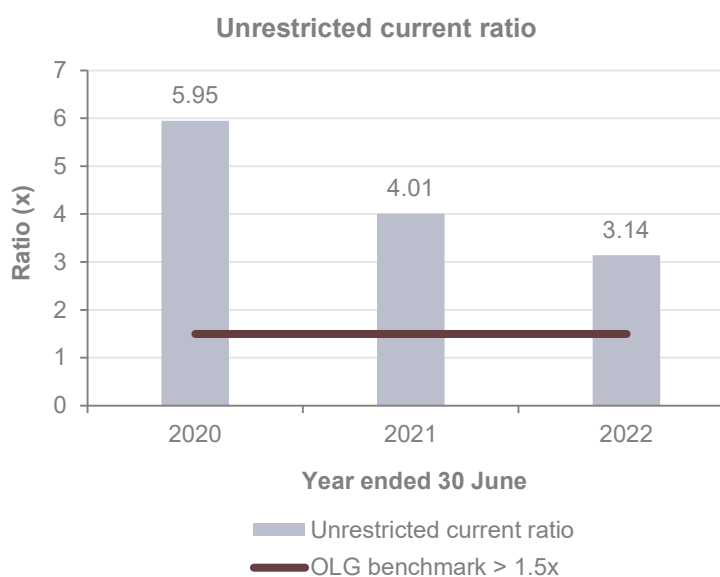
### Own source operating revenue ratio

- The Council did not meet the OLG benchmark for the current reporting period.
- The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



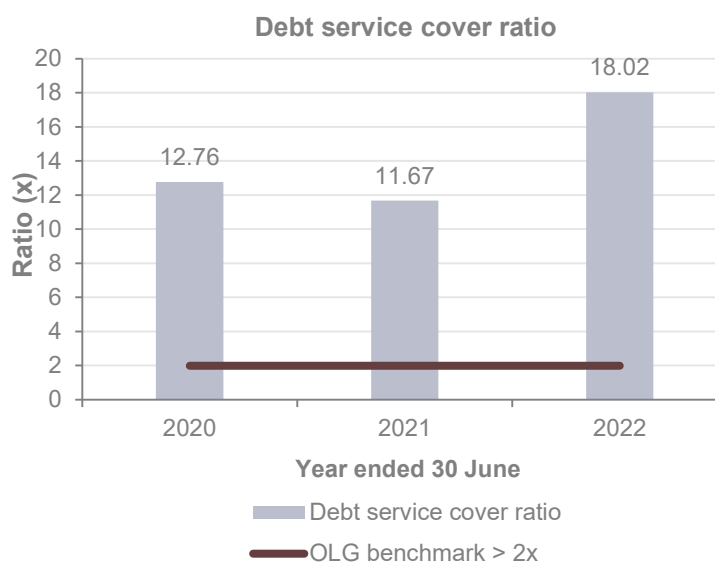
### Unrestricted current ratio

- The Council exceeded the OLG benchmark for the current reporting period.
- The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



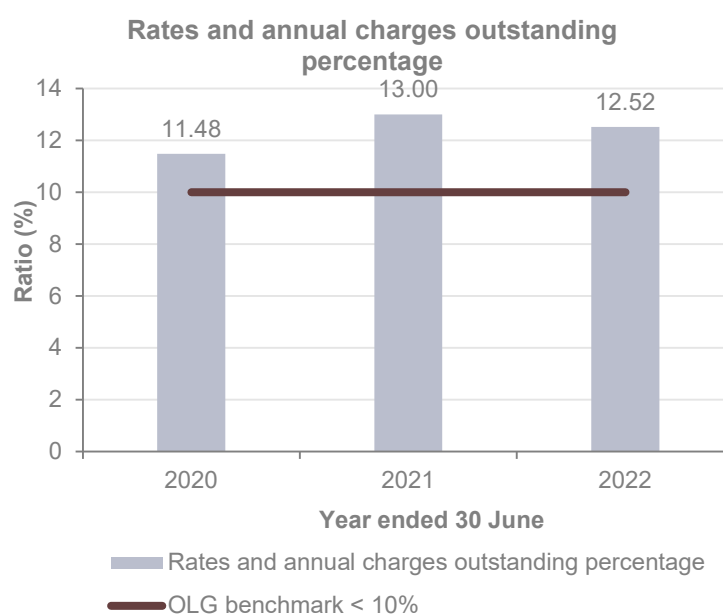
## Debt service cover ratio

- The Council exceeded the OLG benchmark for the current reporting period.
- The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



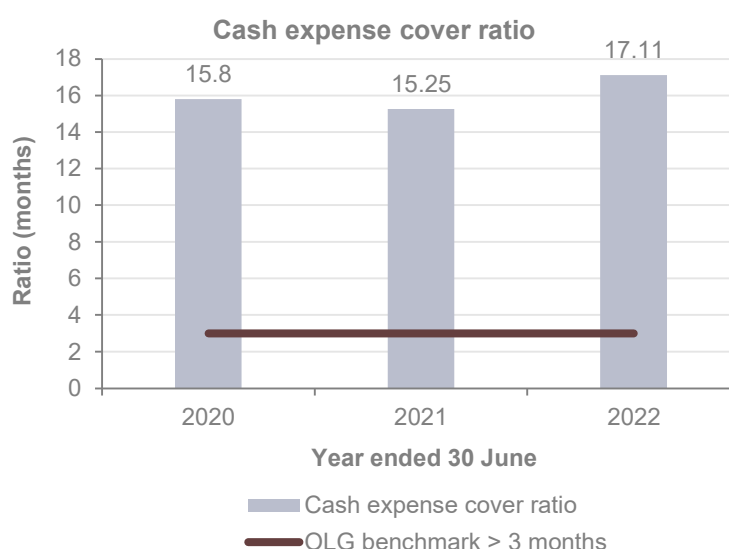
## Rates and annual charges outstanding percentage

- The Council did not meet the OLG benchmark for the current reporting period.
- The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.



### Cash expense cover ratio

- The Council exceeded the OLG benchmark for the current reporting period.
- This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.



### Infrastructure, property, plant and equipment renewals

The Council renewed \$3.62 million of assets in the 2021–22 financial year, compared to \$6.06 million of assets in the 2020–21 financial year. The decrease is primarily due to large renewals on buildings and roads in the prior year.

## OTHER MATTERS

### Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements or a material deficiency in the Council's accounting records or financial statements. The Council's:

- accounting records were maintained in a manner and form to allow the GPFS to be prepared and effectively audited
- staff provided all accounting records and information relevant to the audit.

*DMobilia*

Daniel Mobilia  
Delegate of the Auditor-General for New South Wales

cc: Mr David Webb, General Manager  
Mark Dowling, Director of Corporate and Community  
Rick Warren, Chair of Audit, Risk and Improvement Committee  
Michael Cassel, Secretary of the Department of Planning and Environment

# Hay Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2022

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## Special Purpose Financial Statements

for the year ended 30 June 2022

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<b>Special Purpose Financial Statements:</b>	
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Statement of Financial Position of sewerage business activity	7
<b>Note – Significant Accounting Policies</b>	<b>8</b>
<b>Auditor's Report on Special Purpose Financial Statements</b>	<b>11</b>

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### Background

- i. These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- ii. The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.

- iii. For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).

- iv. In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

## Hay Shire Council

### Special Purpose Financial Statements

for the year ended 30 June 2022

### Statement by Councillors and Management

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

The attached Special Purpose Financial Statements have been prepared in accordance with:

- the NSW Government Policy Statement 'Application of National Competition Policy to Local Government',
- the Division of Local Government Guidelines 'Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality',
- the Local Government Code of Accounting Practice and Financial Reporting,
- the NSW Office of Water Best-Practice Management of Water and Sewerage Guidelines.

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

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

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

Signed in accordance with a resolution of Council made on 27 September 2022.



Cr Carol Oatway

Mayor

27 September 2022



Cr Lionel Garner

Councillor

27 September 2022



David Webb

General Manager

27 September 2022



Mark Dowling

Responsible Accounting Officer

27 September 2022

## Hay Shire Council

### Income Statement of water supply business activity

for the year ended 30 June 2022

\$ '000	2022	2021
<b>Income from continuing operations</b>		
Access charges	699	686
User charges	454	510
Interest and investment income	7	8
Grants and contributions provided for operating purposes	30	105
<b>Total income from continuing operations</b>	<b>1,190</b>	<b>1,309</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	198	217
Materials and services	704	802
Depreciation, amortisation and impairment	344	446
Water purchase charges	27	25
<b>Total expenses from continuing operations</b>	<b>1,273</b>	<b>1,490</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(83)</b>	<b>(181)</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>(83)</b>	<b>(181)</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>(83)</b>	<b>(181)</b>
<b>Surplus (deficit) after tax</b>	<b>(83)</b>	<b>(181)</b>
<b>Plus accumulated surplus</b>	<b>7,183</b>	<b>7,364</b>
<b>Plus adjustments for amounts unpaid:</b>		
<b>Closing accumulated surplus</b>	<b>7,100</b>	<b>7,183</b>
<b>Return on capital %</b>	<b>(0.5)%</b>	<b>(1.1)%</b>
<b>Subsidy from Council</b>	<b>733</b>	<b>433</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	(83)	(181)
<b>Surplus for dividend calculation purposes</b>	<b>-</b>	<b>-</b>
<b>Potential dividend calculated from surplus</b>	<b>-</b>	<b>-</b>

## Hay Shire Council

### Income Statement of sewerage business activity

for the year ended 30 June 2022

\$ '000	2022	2021
<b>Income from continuing operations</b>		
Access charges	994	971
User charges	41	46
Interest and investment income	7	11
Grants and contributions provided for operating purposes	11	10
Net gain from the disposal of assets	7	—
<b>Total income from continuing operations</b>	<b>1,060</b>	<b>1,038</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	143	154
Borrowing costs	29	34
Materials and services	401	392
Depreciation, amortisation and impairment	347	444
<b>Total expenses from continuing operations</b>	<b>920</b>	<b>1,024</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>140</b>	<b>14</b>
Grants and contributions provided for capital purposes	34	176
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>174</b>	<b>190</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>174</b>	<b>190</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(35)	(4)
<b>Surplus (deficit) after tax</b>	<b>139</b>	<b>186</b>
<b>Plus accumulated surplus</b>	<b>14,291</b>	<b>14,101</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	35	4
<b>Closing accumulated surplus</b>	<b>14,465</b>	<b>14,291</b>
<b>Return on capital %</b>	<b>0.8%</b>	<b>0.3%</b>
<b>Subsidy from Council</b>	<b>572</b>	<b>233</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	139	186
Less: capital grants and contributions (excluding developer contributions)	(34)	(176)
<b>Surplus for dividend calculation purposes</b>	<b>105</b>	<b>10</b>
<b>Potential dividend calculated from surplus</b>	<b>53</b>	<b>5</b>

## Hay Shire Council

### Statement of Financial Position of water supply business activity

as at 30 June 2022

\$ '000	2022	2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,992	2,693
Receivables	333	336
<b>Total current assets</b>	<b>3,325</b>	<b>3,029</b>
<b>Non-current assets</b>		
Inventories	—	4
Infrastructure, property, plant and equipment	17,756	16,919
<b>Total non-current assets</b>	<b>17,756</b>	<b>16,923</b>
<b>Total assets</b>	<b>21,081</b>	<b>19,952</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Income received in advance	112	—
<b>Total current liabilities</b>	<b>112</b>	<b>—</b>
<b>Total liabilities</b>	<b>112</b>	<b>—</b>
<b>Net assets</b>	<b>20,969</b>	<b>19,952</b>
<b>EQUITY</b>		
Accumulated surplus	7,100	7,183
Revaluation reserves	13,869	12,769
<b>Total equity</b>	<b>20,969</b>	<b>19,952</b>

# Hay Shire Council

## Statement of Financial Position of sewerage business activity

as at 30 June 2022

\$ '000	2022	2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,707	2,470
Receivables	111	122
<b>Total current assets</b>	<b>2,818</b>	<b>2,592</b>
<b>Non-current assets</b>		
Inventories	—	3
Infrastructure, property, plant and equipment	20,251	18,865
<b>Total non-current assets</b>	<b>20,251</b>	<b>18,868</b>
<b>Total assets</b>	<b>23,069</b>	<b>21,460</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	8	9
Borrowings	120	117
<b>Total current liabilities</b>	<b>128</b>	<b>126</b>
<b>Non-current liabilities</b>		
Borrowings	738	858
<b>Total non-current liabilities</b>	<b>738</b>	<b>858</b>
<b>Total liabilities</b>	<b>866</b>	<b>984</b>
<b>Net assets</b>	<b>22,203</b>	<b>20,476</b>
<b>EQUITY</b>		
Accumulated surplus	14,465	14,291
Revaluation reserves	7,738	6,185
<b>Total equity</b>	<b>22,203</b>	<b>20,476</b>

## Note – Significant Accounting Policies

A statement summarising the supplemental accounting policies adopted in the preparation of the special purpose financial statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

These financial statements are SPFS prepared for use by Council and the Office of Local Government. For the purposes of these statements, the Council is a non-reporting not-for-profit entity.

The figures presented in these special purpose financial statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these special purpose financial statements have been prepared in accordance with the *Local Government Act 1993* (Act), the *Local Government (General) Regulation 2005* (Regulation) and the Local Government Code of Accounting Practice and Financial Reporting.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, fair value of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

The Statement of Financial Position includes notional assets/liabilities receivable from/payable to Council's general fund. These balances reflect a notional intra-entity funding arrangement with the declared business activities.

### National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government. The framework for its application is set out in the June 1996 NSW Government Policy statement titled 'Application of National Competition Policy to Local Government'. *The Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality* issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, and returns on investments (rate of return and dividends paid).

### Declared business activities

In accordance with *Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

#### Category 1

(where gross operating turnover is over \$2 million)

Council has no Category 1 business activities

#### Category 2

(where gross operating turnover is less than \$2 million)

##### a. Water supply operations

Supply of water to the town of Hay

##### b. Sewerage service operations

Supply of sewerage services to the town of Hay

### Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs.

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose Financial Statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

## Note – Significant Accounting Policies (continued)

### Notional rate applied (%)

Corporate income tax rate – **27.5%**

Land tax – the first \$692,000 of combined land values attracts **0%**. For the combined land values in excess of \$692,001 up to \$4,231,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$4,231,000 a premium marginal rate of **2.0%** applies.

Payroll tax – **5.45%** on the value of taxable salaries and wages in excess of \$850,000.

In accordance with the Department of Industry (DoI) – Water guidelines, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the DoI – Water guidelines as a ‘dividend for taxation equivalent’, may be applied for any purpose allowed under the *Local Government Act, 1993*.

Achievement of substantial compliance to the DoI – Water guidelines is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

### Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 27.5%.

Income tax is only applied where a gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional – that is, it is payable to Council as the ‘owner’ of business operations - it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in the SPFS.

The rate applied of 27.5% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

### Local government rates and charges

A calculation of the equivalent rates and charges for all Category 1 businesses has been applied to all assets owned, or exclusively used by the business activity.

### Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that Council business activities face ‘true’ commercial borrowing costs in line with private sector competitors. In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council’s borrowing rate for its business activities.

#### (i) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed. Subsidies occur where Council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations. The overall effect of subsidies is contained within the Income Statements of business activities.

#### (ii) Return on investments (rate of return)

The NCP policy statement requires that councils with Category 1 businesses ‘would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field’.

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.



## Note – Significant Accounting Policies (continued)

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The rate of return is calculated as follows:

**Operating result before capital income + interest expense**

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**Written down value of IPP&E as at 30 June**

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As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 3.77% at 30/6/22.

### (iii) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.

Local government water supply and sewerage businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

Each dividend must be calculated and approved in accordance with the Department of Industry – Water guidelines and must not exceed:

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30/6/2022 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the Department of Industry – Water guidelines a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the Department of Industry – Water.



## **INDEPENDENT AUDITOR'S REPORT**

### **Report on the special purpose financial statements**

#### **Hay Shire Council**

To the Councillors of Hay Shire Council

### **Opinion**

I have audited the accompanying special purpose financial statements (the financial statements) of Hay Shire Council's (the Council) Declared Business Activities, which comprise the Statement by Councillors and Management, the Income Statement of each Declared Business Activity for the year ended 30 June 2022, the Statement of Financial Position of each Declared Business Activity as at 30 June 2022 and the Significant accounting policies note.

The Declared Business Activities of the Council are:

- water supply business activity
- sewerage business activity

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's Declared Business Activities as at 30 June 2022, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in the Significant accounting policies note and the Local Government Code of Accounting Practice and Financial Reporting 2021–22 (LG Code).

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

### **Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as the auditor of councils
- precluding the Auditor-General from providing non-audit services.

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

## **Emphasis of Matter - Basis of Accounting**

Without modifying my opinion, I draw attention to the Significant accounting policies note to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

## **Other Information**

The Council's annual report for the year ended 30 June 2022 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and Special Schedule 'Permissible income for general rates'.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## **The Councillors' Responsibilities for the Financial Statements**

The Councillors are responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in the Significant accounting policies note to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

*DMobilia*

Daniel Mobilia  
Delegate of the Auditor-General for New South Wales

31 October 2022  
SYDNEY

# Hay Shire Council

SPECIAL SCHEDULES  
for the year ended 30 June 2022

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Hay Shire Council

Special Schedules

for the year ended 30 June 2022

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## Hay Shire Council

## Permissible income for general rates

\$ '000	Notes	Calculation 2021/22	Calculation 2022/23
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	2,483	2,567
Plus or minus adjustments <sup>2</sup>	b	12	1
<b>Notional general income</b>	$c = a + b$	<b>2,495</b>	<b>2,568</b>
<b>Permissible income calculation</b>			
Or rate peg percentage	e	2.00%	0.70%
Or plus rate peg amount	$i = e \times (c + g)$	50	18
<b>Sub-total</b>	$k = (c + g + h + i + j)$	<b>2,545</b>	<b>2,586</b>
Plus (or minus) last year's carry forward total	l	67	45
<b>Sub-total</b>	$n = (l + m)$	<b>67</b>	<b>45</b>
<b>Total permissible income</b>	$o = k + n$	<b>2,612</b>	<b>2,631</b>
Less notional general income yield	p	2,567	2,631
<b>Catch-up or (excess) result</b>	$q = o - p$	<b>45</b>	<b>-</b>
<b>Carry forward to next year <sup>6</sup></b>	$t = q + r + s$	<b>45</b>	<b>-</b>

## Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916 (NSW)*.
- (6) Carry-forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the Act. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



## INDEPENDENT AUDITOR'S REPORT

### Special Schedule – Permissible income for general rates

#### Hay Shire Council

To the Councillors of Hay Shire Council

### Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Hay Shire Council (the Council) for the year ending 30 June 2023.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting 2021–22 (LG Code) and is in accordance with the books and records of the Council.

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

### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Schedule' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

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

### Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Schedule. The Schedule has been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.



## Other Information

The Council's annual report for the year ended 30 June 2022 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2022'.

My opinion on the Schedule does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and the special purpose financial statements.

In connection with my audit of the Schedule, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Schedule or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## The Councillors' Responsibilities for the Schedule

The Councillors are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

## Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the Schedule.

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar8.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar8.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.

Daniel Mobilia  
Delegate of the Auditor-General for New South Wales

31 October 2022  
SYDNEY

## Hay Shire Council

## Report on infrastructure assets as at 30 June 2022

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2021/22 Required maintenance <sup>a</sup>	2021/22 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
<b>Buildings</b>	Buildings – non-specialised	–	–	20	22	1,367	1,575	0.0%	20.0%	80.0%	0.0%	0.0%
	Emergency Services	–	–	10	12	1,088	1,463	0.0%	100.0%	0.0%	0.0%	0.0%
	Council Offices	–	–	25	9	1,174	2,162	0.0%	100.0%	0.0%	0.0%	0.0%
	Council Works Depot	–	–	20	5	715	1,031	0.0%	100.0%	0.0%	0.0%	0.0%
	Council Public Halls	180	–	30	10	2,416	4,624	30.0%	0.0%	60.0%	10.0%	0.0%
	Libraries	–	–	20	7	2,738	2,964	100.0%	0.0%	0.0%	0.0%	0.0%
	Cultural Facilities	–	–	40	20	4,349	7,839	0.0%	30.0%	60.0%	10.0%	0.0%
	Tourist Centre	–	–	20	11	638	868	0.0%	100.0%	0.0%	0.0%	0.0%
	Other Specialised Buildings	–	–	80	17	3,870	4,782	10.0%	30.0%	60.0%	0.0%	0.0%
	Aerodrome	–	–	10	10	210	354	0.0%	80.0%	20.0%	0.0%	0.0%
	Showground	–	–	20	15	2,041	3,188	0.0%	0.0%	100.0%	0.0%	0.0%
	Medical Centre	–	–	20	7	2,296	3,744	10.0%	60.0%	20.0%	10.0%	0.0%
	<b>Sub-total</b>	<b>180</b>	<b>–</b>	<b>315</b>	<b>145</b>	<b>22,902</b>	<b>34,594</b>	<b>15.0%</b>	<b>35.1%</b>	<b>45.1%</b>	<b>4.7%</b>	<b>0.0%</b>
<b>Other structures</b>	Other structures	–	–	20	25	5,844	9,474	10.0%	40.0%	25.0%	25.0%	0.0%
	Other	–	–	30	11	5,397	8,337	35.0%	40.0%	25.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>50</b>	<b>36</b>	<b>11,241</b>	<b>17,811</b>	<b>21.7%</b>	<b>40.0%</b>	<b>25.0%</b>	<b>13.3%</b>	<b>0.0%</b>
<b>Roads</b>	Rural Sealed roads	–	–	500	534	43,636	55,363	70.0%	26.0%	4.0%	0.0%	0.0%
	Unsealed roads	–	–	500	432	17,312	19,603	65.0%	30.0%	5.0%	0.0%	0.0%
	Bridges	–	–	50	–	9,418	11,830	79.0%	11.0%	10.0%	0.0%	0.0%
	Urban Streets	–	–	150	180	12,609	16,263	0.0%	54.0%	16.0%	30.0%	0.0%
	Footpaths	–	–	50	13	3,264	5,573	0.0%	54.0%	16.0%	30.0%	0.0%
	Kerb and Gutter	–	–	40	3	3,424	6,156	54.0%	16.0%	30.0%	0.0%	0.0%
	Other road assets	–	–	50	53	761	1,419	0.0%	50.0%	50.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>1,340</b>	<b>1,215</b>	<b>90,424</b>	<b>116,207</b>	<b>55.2%</b>	<b>30.2%</b>	<b>9.0%</b>	<b>5.6%</b>	<b>0.0%</b>
<b>Water supply network</b>	Intake Works	–	–	50	58	774	1,810	0.0%	50.0%	50.0%	0.0%	0.0%
	Mains	400	–	80	107	9,457	15,039	0.0%	50.0%	40.0%	10.0%	0.0%
	Reservoirs	–	–	30	21	4,019	5,317	0.0%	75.0%	25.0%	0.0%	0.0%
	Treatment	–	–	100	137	3,231	5,700	0.0%	100.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>400</b>	<b>–</b>	<b>260</b>	<b>323</b>	<b>17,481</b>	<b>27,866</b>	<b>0.0%</b>	<b>65.0%</b>	<b>29.6%</b>	<b>5.4%</b>	<b>0.0%</b>

# Hay Shire Council

## Report on infrastructure assets as at 30 June 2022 (continued)

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2021/22 Required maintenance <sup>a</sup>	2021/22 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Sewerage network	Mains	700	—	80	63	10,573	14,352	0.0%	50.0%	40.0%	10.0%	0.0%
	Pumping Station	—	—	70	62	1,740	3,302	0.0%	50.0%	40.0%	10.0%	0.0%
	Treatment	—	—	50	72	7,195	7,325	100.0%	0.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>700</b>	<b>—</b>	<b>200</b>	<b>197</b>	<b>19,508</b>	<b>24,979</b>	<b>29.3%</b>	<b>35.3%</b>	<b>28.3%</b>	<b>7.1%</b>	<b>0.0%</b>
Stormwater drainage	Stormwater drainage	—	—	50	35	11,129	19,442	8.0%	86.0%	6.0%	0.0%	0.0%
	Other	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>—</b>	<b>—</b>	<b>50</b>	<b>35</b>	<b>11,129</b>	<b>19,442</b>	<b>8.0%</b>	<b>86.0%</b>	<b>6.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Total – all assets</b>		<b>1,280</b>	<b>—</b>	<b>2,215</b>	<b>1,951</b>	<b>172,685</b>	<b>240,899</b>	<b>34.1%</b>	<b>40.7%</b>	<b>19.5%</b>	<b>5.7%</b>	<b>0.0%</b>

(a) Required maintenance is the amount identified in Council's asset management plans.

### Infrastructure asset condition assessment 'key'

#	Condition	Integrated planning and reporting (IP&R) description
1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

## Hay Shire Council

## Report on infrastructure assets as at 30 June 2022

## Infrastructure asset performance indicators (consolidated) \*

\$ '000	Amounts 2022	Indicator 2022	Indicators 2021      2020		Benchmark
Buildings and infrastructure renewals ratio					
Asset renewals <sup>1</sup>	3,121	98.64%	169.59%	245.71%	>= 100.00%
Depreciation, amortisation and impairment	3,164				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	1,280	0.74%	1.41%	5.55%	< 2.00%
Net carrying amount of infrastructure assets	172,370				
Asset maintenance ratio					
Actual asset maintenance	1,951	88.08%	71.78%	76.51%	> 100.00%
Required asset maintenance	2,215				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	—	0.00%	0.00%	3.98%	
Gross replacement cost	240,899				

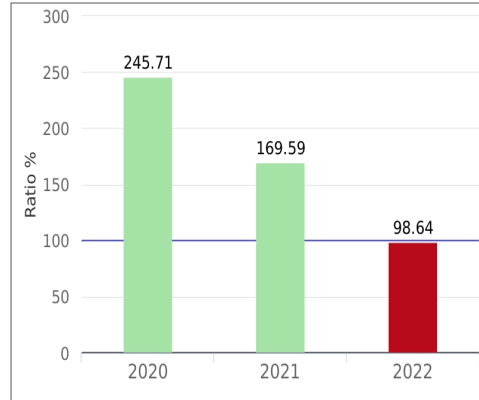
(\*) All asset performance indicators are calculated using classes identified in the previous table.

(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

# Hay Shire Council

## Report on infrastructure assets as at 30 June 2022

### Buildings and infrastructure renewals ratio



**Buildings and infrastructure renewals ratio**

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

Commentary on result	
21/22 ratio	98.64%
Renewal ratio is above benchmark due to availability of capital grants	

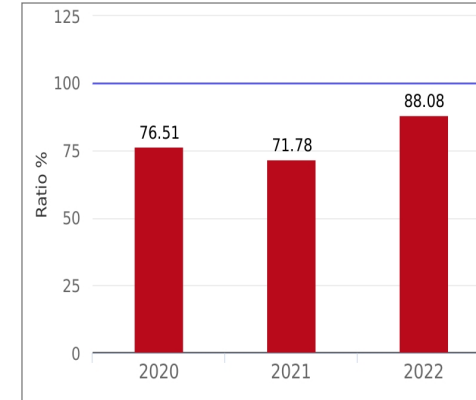
Benchmark: —  $\geq 100.00\%$

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

### Asset maintenance ratio



**Asset maintenance ratio**

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

Commentary on result	
21/22 ratio	88.08%
Maintenance ratio is considered satisfactory in the short term	

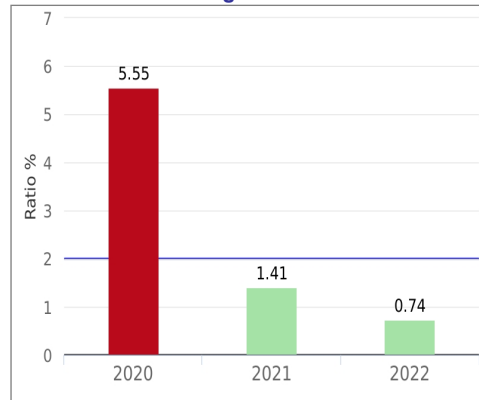
Benchmark: —  $> 100.00\%$

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

### Infrastructure backlog ratio



**Infrastructure backlog ratio**

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

Commentary on result	
21/22 ratio	0.74%
Council has addressed its significant backlog items	

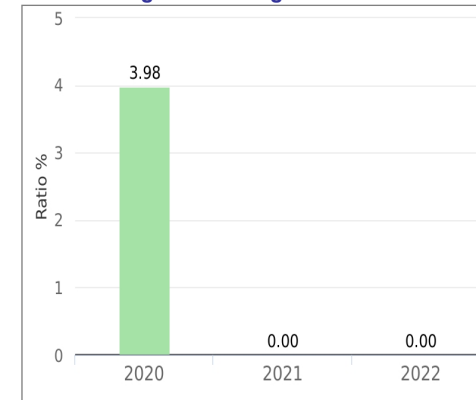
Benchmark: —  $< 2.00\%$

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

### Cost to bring assets to agreed service level



**Cost to bring assets to agreed service level**

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

Commentary on result	
21/22 ratio	0.00%
Council does not have any assets not performing to expected service levels	

## Hay Shire Council

### Report on infrastructure assets as at 30 June 2022

#### Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2022	2021	2022	2021	2022	2021	
Buildings and infrastructure renewals ratio							
Asset renewals <sup>1</sup>							
Depreciation, amortisation and impairment	125.44%	234.90%	0.00%	0.00%	0.00%	0.00%	>= 100.00%
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	0.13%	0.78%	2.29%	2.97%	3.59%	4.29%	< 2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	81.54%	67.86%	124.23%	87.31%	98.50%	86.00%	> 100.00%
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.