

Hay Shire Council Annual Report 2023-2024



Exciting Heritage... Positive Future



Hay

Message from the MAYOR

It is an honour to present to you Hay Shire Council's Annual Report for the 2023/2024 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.

This report summarises the many highlights and challenges Council experienced during the year. Financial sustainability remains Council's number one challenge as the economy experiences high inflation, rising costs, shortages in housing stock and workforce shortages. We nevertheless delivered on an impressive range of projects and services.

In November I was delighted to lead the opening of three projects – Matthews Bridge in Maude, Teenage Adventure Zone and the John Houston Memorial Swimming Pool Amenities Building. I welcomed special guests Helen Dalton – Member for Murray, Senator Deborah O'Neill – Senator for NSW, Sussan Ley – Member for Farrer, Lisa Lake – Mayor of Cumberland City Council, Cumberland City Councillors and Hay Shire Councillors. The total project costs were Matthews Bridge Maude - \$8M; Teenage Adventure Zone - \$511 000; and John Houston Memorial Pool Amenities Block - \$1.73M, all jointly funded.

This year our Shire was in recovery mode from the extensive flooding event of 2022. Approximately \$1.5M of works was approved and flood restoration works began in earnest on roads throughout the shire. In January the Minister for Regional Transport and Roads, the Hon. Jenny Aitchison MP, paid a visit to Hay to initiate discussions around improving road safety, improving community transport and improving the condition of our roads. The Sturt Highway Taskforce was formed as an advocacy group, involving councils all along the Sturt Highway from Wentworth to Wagga Wagga.

In March our community welcomed Her Excellency, the Hon Margaret Beazley, Governor of NSW and her husband Mr Wilson as part of a regional tour to Wentworth, Balranald and Hay Shires. Whilst in the Hay Shire, Her Excellency toured Gayini, Hay Public School, Hay War Memorial High School, Hay Aboriginal Medical Services and Shear Outback. She also attended the cricket presentation at the Hay Park and hosted a community reception, including BBQ and bowls at Hay Bowling and Golf Club.

In our quest for economic development, our Council has embraced the opportunities presented by the development of the South West Renewable Energy Zone. Community information sessions for the renewable energy zone were undertaken with great support from the community. The renewable energy transition in Hay continues to progress and Hay Shire is receiving accolades across the state and country for its proactive approach.

A significant community education program was rolled out to prepare the community for a three-bin kerbside collection commencing in July 2024. Members of the RAMJO Waste Group team and staff of neighbouring councils met in Hay to hear about Hay's transition into recyclable waste and our plans and vision for developing an Eco-Park at the Waste Transfer Station. The RAMJO team were invaluable in their support of our transition to recyclables and acknowledged the excellent work of staff in developing the plans for an Eco-Park.

Council received funding in conjunction with Carrathool Shire to undertake a ten-year economic transition roadmap funded by the Regional Drought Resilience Program. Significant community consultation took place and sessions were well attended, providing much stimulus to develop the direction for our future.

Hay's Youth Taskforce continues to go from strength to strength, providing our youth with the skills and knowledge that will assist them and our community into the future. The inaugural Hay Youth Employment and Education Expo was held in the TAFE NSW Connected Learning Centre. 'Career Convo' evenings were held throughout the year highlighting job opportunities in different industries.

We are fortunate to have a vibrant, supportive and caring community in Hay Shire, and I sincerely thank our residents, businesses, community groups and many volunteers for their contribution towards making this community a great place to live, work and grow. I also thank our General Manager, David Webb, and all staff at Hay Shire Council for their ongoing commitment to our wonderful Hay, Maude and Booligal communities.

I would like to conclude by thanking my fellow councillors for their support and ability to manage their civic duty faithfully and impartially, working together for the best interest of our community.

It is an honour and a privilege 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:

RSD Audit

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 ²
LAND VALUE	\$859,644,910
POPULATION	2,882
RATEABLE ASSESSMENTS	1,808
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)

People & Governance	3
Corporate & Community Department	12
Engineering & Infrastructure	31
Planning & Compliance	7
Economic Development & Tourism	4
Total	58

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 2,882. 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

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 Darren Clarke, Cr Jenny 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 2023 to 30th June 2024, Council's Mayoral Allowance was \$20,552, including superannuation, and the total Councillor fees were \$87,832, including superannuation. All Councillor expenses, reimbursements and facilities are provided in accordance with the adopted policy.

During the period 1st July 2023 to 30th June 2024 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 = \$18,085
- Interstate trips = 2
- Overseas visits = nil
- Expenses for spouse or partner = nil

As part of their professional development:-

- Cr Oataway attended Country Mayors Association meetings, LGNSW Annual Conference, LGNSW Mayors Forum and the ALGA National General Assembly and participated in their workshops. Cr Oataway also attended the Rural and Regional Summit.
- Cr Garner attended LGNSW Conference, National Local Roads and Transport Conference, National General Assembly, State Local Roads Congress.
- Cr Clarke attended the State Roads Congress.
- Cr Chapman attended Murray Darling Association Annual Conference.

Term of Office

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

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 2023/2024

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

COUNCIL DELEGATES 2023/2024

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 Darren Clarke, Cr Lionel Garner, Cr Martyn Quinn, General Manager
❖ Western Riverina Community Library Committee	Cr Jenny Dwyer (alternative Cr Oataway)
❖ Local Health Advisory Committee	Cr Carol Oataway, Cr Paul Porter & General Manager
❖ General Manager's Performance Review Committee	Cr Carol Oataway, Cr Garner, Cr Dwyer & Cr Quinn

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:-

Total	\$276,432
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HUMAN RESOURCE ACTIVITIES

Hay Shire Council provided training opportunities to Council staff from the 1st July 2023 to the 30th June 2024, resulting in an expenditure of \$172,045. 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 14th February 2024 Council employees that performed paid work on a:

- | | | |
|--|----|---|
| • Permanent full-time basis | 41 | |
| • Permanent part-time basis | 8 | |
| • Casual basis | 2 | |
| • Fixed Term Contract | 2 | |
| • 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 | | 0 |
| • 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 1/7/23 to 30/6/24 Council incurred \$2,000 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 2023 to 30th June 2024, Council carried out works totalling \$203,344 from which it received an income of \$213,396. 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 2023 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 2023 to 30th June 2024 the following organisations received grants from Council totalling \$50,574.57 to the organisations listed below:-

Mens Shed	\$1,217.07
Hay Public School	\$50.00
Booligal Hall	\$1,500.00
Hay Tennis Club	\$5,000.00
Shear Outback	\$30,000.00
Hay Sheep Show	\$500.00
NSW Rural Doctors Network	\$3,000.00
Hay Rodeo Club	\$1,500.00
Mini Car Club	\$1500.00
Hay War Memorial High School	\$30.00
Hay Mardi Gras	\$1,500.00
Hay Jockey Club	\$1,500.00
Hay Fijian Community	\$500.00
Hay Childrens Services	\$2,732.05
Hay Vintage & Veteran Motorcycle & Car Club	\$45.45

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	Maude War Memorial Hall Committee
Hay Showground Management Committee	Bishop's Lodge Management Committee
Floodplain Risk Management Committee	Myers Lane Management Committee
Home Multi Service Outlet	

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 2023-2024 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 Councils 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 2024.

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 Councils portal.

CARERS RECOGNITION

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

ANTI-SLAVERY AND MODERN SLAVERY ACT

The Anti-slavery Commissioner did not raise any issues in 2023-2024 in relation to Council's operations.

Council commits to taking reasonable steps to ensure that:

- a) Modern Slavery is not occurring in the operations and supply chains of Council and any entity that it owns or controls
- b) it does not use or procure any goods, plant, equipment or other materials and work or services that are the product of Modern Slavery, and
- c) it develops and implements appropriate procedures including appropriate prevention plans and other policies in order to demonstrate that it has exercised due diligence to prevent Modern Slavery in Council's operations and supply chains, and to identify and respond to an actual or suspected case of Modern Slavery.

If Council becomes aware of any actual or suspected occurrence of Modern Slavery in its operations or supply chains (or in those of any entity that it owns or controls), Council commits to taking reasonable steps to respond to and address the occurrence in accordance with any internal Modern Slavery strategy and procedures of Council and any relevant code of practice/conduct or other guidance issued by the Anti-slavery Commissioner.

In addition to any other right or remedy of Council at law, including rights of termination or rights to damages, Council may, in its sole discretion, terminate contracts, upon written notice, with immediate effect and without any requirement to pay compensation in respect of such termination (other than payment for work performed by the Contractor and unpaid up until the date of termination) if a Contractor fails to comply with the requirements of this Modern Slavery commitment.

RATES AND CHARGES WRITTEN OFF

During the period 1st July 2023 to 30th June 2024 the amount of \$105,884 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 \$4,092 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:-

Trident Plastics	\$268,110	Supply of mobile garbage bins
The Next Economy	\$199,695	Drought Resilience Planning
Modcast	\$950,318	Concrete Culverts
Skala Australasia	\$974,381	Sorting & Processing Equipment
360Engineering	\$658,000	Design & Construct Scada & Telemetry Upgrade of water assets
Bitupave	\$500,000	Resealing contract
Buronga Truck	\$259,688	Supply of Tip Truck

PLANNING AND REPORTING

The Hay Shire Council is implementing the Hay Inclusion Action Plan with all new projects, and allowing 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 2023/24 year.

Private pools:-

- | | |
|---|---|
| • Number of inspections of tourist and visitor accommodation for 2022/23 | 7 |
| • Number of inspections of premises with more than 2 dwellings for 2022/23 | 0 |
| • Number of inspections that resulted in issuance of a certificate of compliance under s22D of the SP Act | 8 |
| • Number of inspections that resulted in issuance of a certificate of non-compliance under cl21 of the SP Reg | 2 |

COMPANION ANIMALS - Statement of Activities

Lodgement of pound data collection returns with the Office of Local Government	Period from 1 July 2022 to 30 June 2023 supplied to Office of Local Government
Lodgement of data relating to dog attacks with the Office of Local Government	Period from 1 July 2022 to 30 June 2023 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	\$72,720.00

Report on Achievements in Implementing Delivery Program

A1

Celebrate and promote our unique local environment

**Community Strategy
A1.1**

Support local community groups, First Nations groups, and other agencies working with the environment

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
A1.1.1 – To continuously promote and celebrate our open space and natural environment	T5	Implementation of Murrumbidgee Master Plan	CO	Murrumbidgee Master Plan implemented	Upgraded Madman's Bend	DIP
A1.1.2 – Promote National Parks within the LGA	T1	Liaise with National Parks to enhance the visitor experience	Q4	Visitors have access to National Parks	New National Parks signage installed	GM
A1.1.3 - Support sustainable natural environment programs	T4	Liaise with agencies and groups to support environmental programs	CO	Environmental programs supported	Programs Supported with local Landcare and LLS	DIP

Community Strategy
A1.2

Foster environment of investment for environmental sustainability

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
A1.2.1 – Support and promote renewable energy programs	T2	Support renewable energy projects	CO	Renewable energy projects supported	Projects supported facilitating community engagement and letters of support	DIP
A1.2.2 – Promote Sustainable transport initiatives	T2	Investigate electric and hydrogen vehicles/stations	Q2	Investigation of electric and hydrogen vehicles/stations undertaken	Grant funding received and report commissioned and completed for Hydrogen HV. EV's installed	GM
A1.2.3 - Liaise and consult with stakeholders	T4	Being proactive with liaising with government agencies and/or developers	CO	Positive consultations held with agencies and developers	Consultation and support provided as required	DIP/GM

Community Strategy
A1.3

Implement sustainable and eco-friendly tourism initiatives

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
A1.3.1 – Plan and manage cycleways and walking tracks	T1	Update Bike Plan	Q4	Community consultation undertaken and new Bike Plan developed	Review undertaken and new plan in progress	DIP
	T4	Investigate active transport initiatives	CO	Active transport initiatives identified	Ongoing and works undertaken as funds permit. Grant applications submitted	DIP
A1.3.2 – Support and encourage new tourism interests	T1	Working with tourism operators and agencies	CO	Relationships with tourism operators and agencies established	Ongoing support provided in accordance with Destination Management Plan	GM

Community Strategy
A1.4

People of all abilities have access to built environments, cycleways and passive areas

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
A1.4.1 – Provide access to built and suitable natural environments	T5	Implement DIAP	CO	Plan implemented as resources and funding permits	As funding permits	DIP
	T5	Improve access to our natural environments	CO	Improved access as funds and resources permit	Improved access at Madman's, Sandy Point and Maude	GM
A1.4.2 – Build on our cycleways network	T5	Review Bike Plan	Q4	Community consultation undertaken and new Bike Plan developed	Preliminary review undertaken	DIP
A1.4.3 - People of all abilities can access passive areas	T5	Review Street and Toilet access points.	Q4	Review undertaken	Review to commence	DIP
A1.4.4 Improve signage and promotion	T1	Update signage on cycleways	Q4	Signage updated and installed	Signs replaced as required	DIP
	T5	Include cycleways and walking tracks in promotion activities	CO	Cycleways and walking tracks including Council promotional material	Completed	GM
A1.4.5 To continuously upgrade and improve our parks open space and natural environments	T1	Implement maintenance and capital program	CO	Annual capital works and operations program delivered on time and within budget	Ongoing	DIP
	T1	Implement open spaces plan	CO	Funding achieved to implement Plan	Received funding and works ongoing	DIP

A2

Protect our water security

Community Strategy

A2.1

Advocate for ongoing water security and quality

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
A2.1.1 – Improvement in quality of river water	T3	Continue to advocate for better water quality	CO	Water agencies lobbied	Ongoing and regular discussions with relevant agencies	GM
A2.1.2 – The agricultural sector are well supported in their endeavours for water security	T3	Liaise with water user groups to advocate for continued water security	CO	Consultation with water user groups	Ongoing and supporting RAMJO advocacy	GM

Community Strategy

A2.2

Implement sustainable water practices

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
A2.2.1 – Our water supply is managed efficiently	T3	Implementation of a Business Plan for the expansion of the Hay Town Supply	CO	Business Plan adopted and implemented	Completed	GM
	T3	Investigate alternative town water supply	CO	Seek funding	Report nearing completion	GM
A2.2.2 – Promote sustainable water practices	T1	Advocate for improved river bank and river flows management	CO	Agencies lobbied	Ongoing	GM
A2.2.3 - Reduce consumption and reuse water	T4	Investigate and promote water efficiency practices	CO	Investigations undertaken and promotions occurring	Trial of electronic meters completed. Further funding being sourced. Leak detection systems installed	GM
A2.2.4 Manage levee bank system for the Hay Town	T1	Complete Floodplain Risk Management Study and Plan	Q4	Study and Plan completed	In progress. Part A Complete. Part B nearing completion	GM
A2.2.5 – Manage stormwater operations for the Hay Town supply	T1	Maintain stormwater and drainage assets to function effectively	CO	Implement annual and capital maintenance program	Detailed condition assessment complete	DIP

Community Strategy
A2.3

Educate the community in water saving initiatives

2022-2026 Delivery Plan		2023/24 Operational Plan				
Action	Council Target	Priority	Completion	Target	12 Month Review	Officer
A2.3.1 – Promote water saving initiatives in the community	T3	Investigate education programs	CO	Programs investigated and education commenced	Council implementing water efficiency initiatives	GM

A3

Manage our waste sustainability

Community Strategy
A3.1

Work with regional partners to develop and implement a sustainable waste management strategy

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
A3.1.1 – Pursue programs to reduce waste in landfill	T4	Implement three bin system.	Q4	Programs implemented	Completed	DIP
A3.1.2 – Recycling and Waste	T4	Manage Community Recycling Centre and implement Waste Management Strategy.	CO	CRC managed and Waste Management Strategy being implemented	Nearing completion	DIP
	T4	Development of a MRF within the LGA	CO	Construction of a MRF	Nearing completion	GM

Community Strategy
A3.2

Educate the community on efficient waste management practices

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
A3.1.1 – Promote better waste practices within the community	T4	Community education programs	CO	Community educated	Education undertaken	DIP
A3.1.2 – Support RAMJO Waste in their waste initiatives	T4	Continued support for regional waste strategy	CO	Regional Waste Strategy supported	New strategy complete	GM

A4

Our Community is inclusive and sustainable

Community Strategy

A4.1

Facilitate access to public spaces for cultural and community events

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
A4.1.1 – Public spaces are well maintained	T5	Ensure public spaces and amenities are clean and safe	CO	Public spaces and amenities are regularly cleaned and inspected	Well maintained	DIP
A4.1.2 – Continuously upgrade and improve recreation and cultural facilities and spaces	T5	Implement Open Spaces Strategy, Bike Plan, Murrumbidgee Masterplan, CSP	CO	Plans implemented at resources and funding permits	Significant upgrade works undertaken	DIP

Community Strategy
A4.2

Support Aboriginal organisations to hold events and programs

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
A4.2.1 – Liaise with Aboriginal organisations to support events and programs	T5	Continue support of events and programs	CO	Events and programs supported	Support provided as requested	GM

Community Strategy
A4.3

Support cultural environmental initiatives

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
A4.3.1 – Work with cultural groups to support environmental initiatives	T4	Ongoing support for cultural groups environmental initiatives	CO	Environmental initiatives supported	Environmental initiatives well supported	GM

B1

Maintain and beautify the town centres

Community Strategy

B1.1

Enhance the atmosphere of the main street and public areas

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
B1.1.1 – Continuous improvement of the Main Street area	T6	Continue to seek funding for Lachlan Street Masterplan	CO	Funding applications lodged	Completed	GM
B1.1.2 – Continuous improvement of public areas for the enjoyment of the local community and visitors	T5	Implement Open Spaces Strategy	CO	Open Spaces Strategy implemented as funding and resources permit	Ongoing	DIP

Community Strategy

B1.2

Support and promote public art initiatives

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
B1.2.1 – Art in public spaces is promoted	T5	Promote through tourism initiatives	CO	Public art is promoted	Witcombe Place complete	GM
B1.2.2 – Pursue public art initiatives	T6	Implement Public Art Strategy	CO	Public Art Strategy implemented as funding permits	Sourcing further funding.	DIP

B2

Our community has available housing options

Community Strategy

B2.1

Improve access to diverse range of housing opportunities

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
B2.1.1 Work with government agencies to improve access to housing	T7	Implement Housing Strategy	CO	Housing Strategy Implemented	Commenced implementation phase	GM
B2.1.2 Review planning controls to facilitate housing development	T4	Review of LEP	Q4	Review of LEP Completed	LEP Review progressing	DIP

B3

Our community has access to a range of employment opportunities

Community Strategy

B3.1

Develop skilled labour force to meet community needs

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
B3.1.1 Promote and partner with local employment and training opportunities	T3	Support education initiatives by meeting with education stakeholders to promote better pathways to employment for local people	CO	Relationships with stakeholders established and promotion of pathways occurring	Progressing a potential CUC. Grant application submitted	GM
B3.1.2 – Promote and provide opportunities for education and lifelong learning	T3	Encourage community participation by all age groups in lifelong learning initiatives	CO	Lifelong learning programs promoted	Ongoing	GM

Community Strategy B3.2

Promote inclusion of all abilities workers in the business community

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
B3.2.1 - Work with agencies to promote the employment of people of all abilities in the local business sector	T2	Ongoing community education, promotion and opportunity	CO	Programs promoted	Ongoing	GM
B3.2.2 - Work with Community agencies to identify and develop strategies to address cultural issues in the community	T4	Work with community partners in providing and promoting programs that contribute to community pride, inclusion and wellbeing particularly for young people	CO	Programs and partnerships promoted	Active Youth Taskforce Program and other programs being undertaken as funding permits	GM

**Community Strategy
B3.3**

Advocate, support, and seek partnerships with providers to generate more options and scope for all levels of education

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
B3.3.1 - Work with agencies to increase options for various levels of education	T3	Liaise with education agencies and support programs	CO	Programs supported and promoted	Continue pursuing CUC and working with TAFE NSW	GM

B4

All cultures are strong, well supported and flourishing

Community Strategy

B4.1

Ensure services are accessible to all groups in our community

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
B4.1.1 - Support agencies in delivery of services to all members of the community	T7	Work with community partners in promoting programs that contribute to the wellbeing of members of the community	CO	Relationships with agencies formed and programs promoted	Ongoing	DCC
B4.1.2 - Support our volunteers in their management and provision of services and functions to the community	T4	Implement Volunteer Recruitment and Retention strategy across every facet of the community	CO	Implementation of Volunteer Recruitment and Retention Strategy commenced	Volunteer recruitment and retention plans have had limited success.	DCC
B4.1.3 - Advocate for improved public transport	T4	Liaise and work with government and private agencies to improve public transport	CO	Ongoing lobbying of the public transport sector	Ongoing with no success to date.	GM
B4.1.4 - To promote and develop an inclusive community culture	T7	Support inclusive initiatives and events	CO	Events and initiatives supported and promoted	Ongoing	GM

Community Strategy

B4.2

Support cultural programs and initiatives, including First Nations

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
B4.2.1 – To continuously upgrade and improve the recreation and cultural facilities	T5	Implement grant funded projects	CO	Grant funded projects implemented	Projects ongoing	DIP
	T7	Support and seek partnerships with the Hay Aboriginal Community Working Party and the Hay Local Aboriginal Land Council to deliver relevant programs and projects	CO	Partnerships formed and groups supported	Partnerships developed and programs and projects supported	GM
B4.2.2 - Rationalise and manage the restoration and conservation of our museums	T5	Work with S355 committees and volunteers to coordinate efficient and sustainable services providing visitors an enjoyable experience	CO	Our museums provide efficient and sustainable services	Museums well supported	GM DCC

Community Strategy

B4.3

Promote inclusion in the community

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
B4.3.1 – Promote and develop an inclusive local community culture, where people of all ages interact and provide mutual support	T7	Assess ways for the use of community facilities to be extended and increased including incorporating strategies from the CSP	CO	Increase in use of Council facilities by all sectors of the community	DIAP Review complete	DIP
B4.3.2 – Targeted groups and agencies for consultation on prospective and ongoing programs and projects	T7	Identify groups/agencies to support and consult programs and projects	CO	Agencies and groups identified and relationships formed	Groups and agencies consulted as required	GM

B5

Our community has access to a range of community services

**Community Strategy
B5.1**

Advocate for greater capacity for local based childcare services

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
B5.1.1 –Improve capacity for childcare services	T4	Liaise with organisation to improve childcare capacity	CO	Childrens Services supported to assist with increasing capacity	Ongoing support provided	GM

**Community Strategy
B5.2**

Support local childcare services

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
B5.2.1 –Encourage and support local childcare services to provide a service that meets the community needs	T4	Nurturing existing and encouraging new services	CO	Existing and new services are well supported	Services well supported	GM

Community Strategy B5.3

Support local health initiatives and programs

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
B5.3.1 –Ensuring a healthy and vibrant community with access to adequate health care	T4	Work with health agencies to identify and develop strategies to address health issues and support the wellbeing of our community	CO	Relationships formed with health agencies and strategies developed	Advocacy ongoing. Regularly attend health forums	GM
	T4	Support and participate in the Local Health Advisory Committee	CO	Representation on LHAC and support provided	Actively involved. Mayor is Chair.	GM

Community Strategy B5.4

Advocate for and support local health providers and stakeholders

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
B5.4.1 –The community has access to adequate healthcare services	T4	Promote programs and services	CO	Programs and services promoted in the community	Well supported	GM
	T4	Continue to support local medical centres and our partnership with doctors	CO	Local medical services supported	Well supported. Upgrade of Medical Centre building complete	GM

C1

Our community welcomes new and innovative industry to support our future

Community Strategy
C1.1

Create a better business environment

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
C1.1.1 – Liaise with local businesses to support their future growth	T3	Implementation of Business Investment Attraction Strategy	CO	Business Investment Attraction Strategy implemented	Implementation of Strategy ongoing	GM
C1.1.2 – Promote and support Economic Development	T1	Support business initiatives in partnership with Agencies	CO	Business initiatives supported	Ongoing and regular communication provided	GM

Community Strategy C1.2

Boost demand for products and services in Hay

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
C1.2.1 – Support demand for local product and services	T3	Assist with marketing and networking of products	CO	Local businesses supported	Programs implemented and ongoing support provided	GM

Community Strategy C1.3

Facilitate growth industries

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
C1.3.2 – Development of Growth and Alternate Industries	T4	Actively pursue new industry through visits, meetings, workshops and industry activities	CO	Relationships formed with potential new industries	Ongoing and focus on renewable energy transition	GM
	T4	Assist and provide support to existing business and industries	CO	Existing businesses and industries supported	Businesses well supported	GM

Community Strategy
C1.4

Nurture and support the development and expansion of local industries

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
C1.4.1 – Support the growth of local businesses and the Shire	T3	Nurture the expansion of local industry	CO	Local industry is supported	Support provided where possible	GM
	T1	Implementation of the Investment Attraction Strategy	CO	Investment Attraction Strategy implemented	Implementation of strategy ongoing	GM

C2

Our community values its history and tourism

Community Strategy

C2.1

Actively identify, promote, and enhance tourism initiatives

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
C2.1.1 – Encourage tourism opportunities that meet the needs of the community	T2	Identify tourism markets and opportunities	CO	Opportunities identified	Implementing of Destination Management Plan ongoing	GM
	T2	Provide guidance and support to new and existing tourist operations	CO	Support provided	Local tourism operators well supported	GM
Promote and enhance the Hay Shire region as a tourist destination	T2	Implement Tourism Destination Management Plan	CO	Commenced implementation of Tourism Destination Management Plan	Commenced and initiatives being implemented	GM
Work with tourism partners to develop local and regional tourism initiatives	T2	Facilitate strong and effective relationships with local groups and other tourism agencies	CO	Relationships formed	Well developed and ongoing	GM
Improve visitation appeal	T2	Improve visitor experience	CO	Commenced implementation of Tourism Destination Management Plan	Visitation increased in previous year.	GM

Community Strategy C2.2

Actively identify, promote and enhance tourism initiatives

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
C2.2.1 – Promote and enhance the Hay Shire region as a great place to visit	T2	Implement Tourism Destination Management Plan	CO	Continued implementation of Tourism Destination Management Plan	Initiatives being implemented and working with Destination NSW in promoting the region	GM

Community Strategy C2.3

Promote accommodation and camping facilities

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
C2.3.1 – Promote and enhance the Hay Shire region as a great camping spot	T2	Include camping facilities and accommodation in marketing campaigns	CO	Included in promotional material and tourism campaigns	Promotional material completed and marketing ongoing with increased visitation	GM

Community Strategy

C2.4

Showcase our open space, recreation and cultural facilities

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
C2.4.1 Promote and enhance our open space recreation and cultural facilities	T2	Participate in local, regional and State campaigns	CO	Participation in campaigns	Promotional material complete and participating in campaigns	GM
Participate in marketing	T2	Include facilities in tourism and promotional material and Council planning and reporting documents	CO	Open spaces, recreational and cultural facilities marketed	Marketing campaigns ongoing	GM

C3

We have the capacity to hold numerous events and activities

Community Strategy

C3.1

Promote events and activities

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
C3.1.1 Promote and provide support to local events	T2	Include in Council's promotional activities	CO	Local events promoted	Local events well supported	GM
	T1	Advise and assist local organisations	CO	Advice and assistance provided	Support provided as required	GM

Community Strategy
C3.2

Promote our capacity to stage events

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
C3.2.1 Promote the Hay region as an event destination	T2	Advertising on radio, social media and printed media	CO	Promotion undertaken	Complete and promotions ongoing	GM
	T2	Implementation of the Destination Management Plan	CO	Continued implementation of Tourism Destination Management Plan	Plan updated and implementation ongoing	GM
	T2	Liaise with regional and State agencies	CO	Relationships formed	Relationships well developed	GM

C4

Our community is innovative and adaptive

Community Strategy

C4.1

Identify opportunities to grow the agriculture sector

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
C4.1.1 - Ongoing consultation with agencies and industry groups	T6	Identify supply chain gaps and potential new products. Liaise with the agricultural sector, and government departments.	CO	Gaps identified and potential new products investigated	Working with local industries	GM
C4.1.2 - Identify opportunities for agriculture technology to support and advance the industry	T4	Work with local agriculture sector and technology providers	CO	Relationships formed and opportunities identified	Working with local industries and Telstra	GM

Community Strategy
C4.2

Improve connectivity in the community

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
C4.2.1 Support initiatives that improve connectivity and communication in the local community	T4	Promote and support improvements to systems	CO	Systems improved	Ongoing	DCC
	T4	Advocate for improved connectivity across the Shire and region	CO	Improvement in Connectivity issues advocated for	Ongoing advocacy and liaising with Telstra/ NBN	DCC

Community Strategy C4.3

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

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
C4.3.1 Pursue funding opportunities with other levels of Government on matters affecting a community dealing with change and diverse needs	T4	Create opportunities for advocacy and lobbying both individually and as part of the Riverina and Murray Joint Organisation, CMA, LGNSW	CO	Represented at local government group meetings	HSC well represented	GM
	T4	Build on existing relationships with other levels of Government, including regular meetings with local State and Federal MPs	CO	Regular meetings and communications with local State and Federal MP's	Regular communication with local members and Ministers	GM

Community Strategy
C4.4

Support education and training initiatives

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
C4.4.1 Promote and support education and training initiatives	T3	Liaise with all levels of education to identify specific educational requirements for local opportunities	CO	Relationships formed	Ongoing support provided to Youth Taskforce and programs.	GM



D1	Our community is supported by a strong and resilient Council that is responsive to its needs
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Community Strategy D1.1	Communicate organisational performance to the community
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2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
D1.1.1 – 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	Achieved	DCC
D1.1.2 – 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

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
D1.2.1 – 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	Achieved	GM
	T2	Implement Enterprise Risk Management Strategy across all Council activities	CO	Improved risk culture	Achieved	DCC
D1.2.2 – 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	Ongoing. Restructure initiatives implemented	GM
	T2	Plant is replaced, managed and utilised in an efficient way	CO	Workplace efficiency	Efficiency program being developed	GM
D1.2.3 - 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	Commenced digital transformation program	DCC
	T2	Utilise mobile solutions	CO	Measurable workplace efficiencies	Digital meters being implemented	DCC
D1.2.4 – Continue to be fit for the future	T2	Review our improvement strategies and develop action plan	CO	Reviews undertaken	Sustainability review ongoing	GM

Community Strategy D1.3

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

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
D1.3.1 – 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	Ongoing	DCC
	T3	Be aware of changes to policy, legislation and reform proposals and contribute to regional forums	CO	Opinions sought by industry groups	Consultation occurring as required	GM
D1.3.2 – 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	Minimal Complaints received	GM
D1.3.3 - 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	Excellent relationship. MOU signed with Cumberland Council	GM
	T3	Play an active role in the Riverina and Murray Joint Organisation	CO	Active participation in RAMJO	Actively participating	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

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
D1.4.1 – Consultation and engagement systems	T6	Engage with the community in accordance with the Community Engagement Strategy and Participation Plan	CO	Community satisfaction	Achieved and ongoing	GM
D1.4.2 - Management Frameworks	T6	Implement risk management framework and Fraud Control Plan	CO	Risk effectively managed	Implemented and ongoing	DCC
	T6	Maintain and review Risk Register	CO	Progress reports from responsible officers	Completed	DCC
D1.4.3 - Asset Management	T2	Implement and review asset management plans including service delivery reviews	Q4	Asset Management Plan implemented and service delivery reviews commenced	Updated plans and progressing	GM

Community Strategy D1.5

Council will lead by example

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activity	Council Target	Priority	Completion	Target	12 Month Review	Officer
D1.5.1 – 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 services that meet the needs and expectations of the community and other stakeholders	CO	Community Satisfaction	Minimal complaints received	GM

Community Strategy D1.6

Council will seek to continuously improve

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
D1.6.1 Service delivery and levels	T4	Continue to review service delivery levels and standards on an annual basis	CO	Community satisfaction	Service Reviews Commenced and ongoing	GM
D1.6.2 Measure what we do	T4	Utilise data and feedback to measure our performance	CO	Improved performance and community satisfaction	Ongoing	GM

Community Strategy D1.7

Obtain a sustainable funding model

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
D1.7.1 Increase in Financial Assistance Grant	T6	Advocate for an improved distribution model	Q4	Advocacy undertaken	Advocacy ongoing	DCC
D1.7.2 Provide for a long term sustainable financial model	T6	Review options for future financial sustainability	Q4	Options reviewed and presented to Council	Independent review to commence late 2024	DCC
	T6	Advocate to reverse or compensate cost shifting	CO	Advocated for through relevant State departments	Ongoing advocacy through RAMJO and CMA	GM



Community Strategy D1.8	Develop and encourage internal capabilities
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2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
D1.8.1 Improve internal capacity and capability	T2	Build capacity in the workforce	CO	Capacity building opportunities sought	Growing within strategy being implemented. Restructure implemented	GM



D2	Our community is connected and informed
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Community Strategy D2.1	Enable all residents and groups to participate in local decision making
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2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
D2.1.1 – 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	Assets well managed	DCC
	T6	Consult with S355, volunteers and user groups on projects	CO	Committees consulted	Committees well supported	DCC
D2.1.2 – 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	Newsletters and social media regularly updated	GM
	T6	Ensuring that information and opportunities are delivered to target audiences	CO	Community satisfaction	Minimal complaints received	GM

Community Strategy D2.2

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

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
D2.2.1 – 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	Website traffic increased	DCC
D2.2.2 – 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	Achieved and feedback visits increased	DCC



E1	Our community can rely on well maintained infrastructure that is responsive to our service needs
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Community Strategy E1.1	Deliver infrastructure and assets that are responsive to community need
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2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
E1.1.1 – Manage roads, water, sewerage, recreational and drainage assets for the community	T1	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	Ongoing	DIP
	T1	Engage and consult with the community on service levels and requirements	CO	Community satisfaction	Minimal complaints received	DIP

Community Strategy E1.2

Ensure Council effectively manages its infrastructure and assets within available resources

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
E1.2.1 – Manage roads, water, sewerage, recreational and drainage assets for the community	T1	Maintain operations efficiently and review regularly in line with industry standards and best practice	CO	Annual maintenance program delivered on time and in budget	Ongoing	DIP
	T1	Implement inspection regime of assets identifying condition and defects	CO	Efficient and effective management of assets	Asset management plans being implemented	DIP
E1.2.2 – Manage roads, water, sewerage, recreational and drainage assets for the community	T2	Implement asset management plans	CO	Well managed assets	Implementation ongoing	GM
	T1	Effectively manage the utilisation, maintenance and renewal of Council's plant and equipment	CO	Workplace efficiency	Ongoing and rationalisation where appropriate	GM

Community Strategy
E3.1

Provision of sustainable infrastructure that is adaptive to changing needs, suitable/betterment and funding levels

2022-2026 Delivery Program		2023/24 Operational Plan				
Principal Activities	Council Target	Priority	Completion	Target	12 Month Review	Officer
Providing infrastructure that meets the ever changing needs of the community	T2	Development of a sustainable funding model to meet infrastructure provision	CO	Sustainable funding model developed	Continuing	DCC
	T2	Ensure infrastructure is suitable to community need and consider betterment during replacement where possible	CO	Infrastructure meets community needs and expectations	Asset management plans being implemented	DIP

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 2024



Hay Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024



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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.

Hay Shire Council

General Purpose Financial Statements for the year ended 30 June 2024

Statement by Councillors and Management

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

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

- the *Local Government Act 1993* (NSW) 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 22 October 2024.



Cr Carol Oataway
Mayor
22 October 2024



Cr Martyn Quinn
Councillor
22 October 2024



David Webb
General Manager
22 October 2024



Mark Dowling
Responsible Accounting Officer
22 October 2024

Hay Shire Council

Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
	Income from continuing operations			
5,123	Rates and annual charges	B2-1	4,960	4,853
943	Specific User charges	B2-2	1,126	1,005
53	Other revenues	B2-3	335	156
8,495	Grants and contributions provided for operating purposes	B2-4	12,192	8,824
8,532	Grants and contributions provided for capital purposes	B2-4	6,229	4,235
486	Interest and investment income	B2-5	699	321
95	Other income	B2-6	110	109
–	Net gain from the disposal of assets	B4-1	285	33
23,727	Total income from continuing operations		25,936	19,536
	Expenses from continuing operations			
5,364	Employee benefits and on-costs	B3-1	5,488	4,775
6,338	Materials and services	B3-2	7,093	5,755
60	Borrowing costs	B3-3	77	84
3,939	Depreciation, amortisation and impairment of non-financial assets	B3-4	4,529	4,026
275	Other expenses	B3-5	287	276
15,976	Total expenses from continuing operations		17,474	14,916
7,751	Operating result from continuing operations		8,462	4,620
7,751	Net operating result for the year attributable to Council		8,462	4,620
(781)	Net operating result for the year before grants and contributions provided for capital purposes		2,233	385

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 2024

\$ '000	Notes	2024	2023
Net operating result for the year – from Income Statement		8,462	4,620
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	10,762	22,937
Total items which will not be reclassified subsequently to the operating result		10,762	22,937
Total other comprehensive income for the year		10,762	22,937
Total comprehensive income for the year attributable to Council		19,224	27,557

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 2024

\$ '000	Notes	2024	2023
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	22,225	22,783
Receivables	C1-3	3,081	2,438
Inventories	C1-4	290	153
Prepayments		70	29
Total current assets		25,666	25,403
Non-current assets			
Infrastructure, property, plant and equipment (IPPE)	C1-5	219,303	204,566
Total non-current assets		219,303	204,566
Total assets		244,969	229,969
LIABILITIES			
Current liabilities			
Payables	C3-1	2,109	1,437
Contract liabilities	C3-2	1,201	6,166
Borrowings	C3-3	262	253
Employee benefit provisions	C3-4	1,680	1,361
Total current liabilities		5,252	9,217
Non-current liabilities			
Borrowings	C3-3	1,082	1,344
Employee benefit provisions	C3-4	84	54
Provisions	C3-5	526	553
Total non-current liabilities		1,692	1,951
Total liabilities		6,944	11,168
Net assets		238,025	218,801
EQUITY			
Accumulated surplus		85,386	76,924
IPPE revaluation surplus		152,639	141,877
Total equity		238,025	218,801

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 2024

\$ '000	Notes	2024			2023		
		Accumulated surplus	IPPE revaluation surplus	Total equity	Accumulated surplus	IPPE revaluation surplus	Total equity
Opening balance at 1 July		76,924	141,877	218,801	72,304	118,940	191,244
Net operating result for the year		8,462	–	8,462	4,620	–	4,620
Restated net operating result for the period		8,462	–	8,462	4,620	–	4,620
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	–	10,762	10,762	–	22,937	22,937
Other comprehensive income		–	10,762	10,762	–	22,937	22,937
Total comprehensive income		8,462	10,762	19,224	4,620	22,937	27,557
Closing balance at 30 June		85,386	152,639	238,025	76,924	141,877	218,801

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 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Cash flows from operating activities				
Receipts:				
5,122	Rates and annual charges		5,001	4,815
943	User charges and fees		1,237	1,038
486	Interest received		658	250
17,027	Grants and contributions		13,028	16,862
–	Bonds, deposits and retentions received		–	51
149	Other		1,660	1,249
Payments:				
(5,364)	Payments to employees		(5,128)	(4,855)
(6,338)	Payments for materials and services		(7,760)	(6,982)
(60)	Borrowing costs		(63)	(86)
(275)	Other		(571)	(257)
11,690	Net cash flows from operating activities	G1-1	8,062	12,085
Cash flows from investing activities				
Receipts:				
139	Proceeds from sale of IPPE		401	33
Payments:				
(11,237)	Payments for IPPE		(8,620)	(5,433)
–	Purchase of real estate assets		(148)	(50)
(11,098)	Net cash flows from / (used in) investing activities		(8,367)	(5,450)
Cash flows from financing activities				
Payments:				
(253)	Repayment of borrowings		(253)	(243)
(253)	Net cash flow provided (or used in) financing activities		(253)	(243)
339	Net change in cash and cash equivalents		(558)	6,392
13,773	Cash and cash equivalents at beginning of year		22,783	16,391
14,112	Cash and cash equivalents at end of year	C1-1	22,225	22,783

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

These financial statements were authorised for issue by Council on 22 October 2024. 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 material accounting policy information related to 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 2021 (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 C1-6
- (ii) estimated tip remediation provisions – refer Note C3-5
- (iii) employee benefit provisions – refer Note C3-4.

Significant judgements in applying the Council's accounting policies

- (i) Impairment of receivables – refer Note C1-3

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)*, 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.

A1-1 Basis of preparation (continued)

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

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 have been published that are not mandatory for the 30 June 2024 reporting period. Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2023.

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 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

This Standard amends AASB 13, including adding authoritative implementation guidance and providing related illustrative examples, for application by not-for-profit public sector entities.

In particular, this standard provides guidance on:

- (a) highest and best use
- (b) financially feasible uses
- (c) use of assumptions
- (d) nature of costs to include in the replacement cost of a reference asset and on the identification of economic obsolescence when using the cost approach.

The standard applies prospectively to annual periods beginning on or after 1 January 2024; i.e. Council's financial statements for the year ended 30 June 2025, with earlier application not permitted.

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 for the first time at 30 June 2024.

The following new standard is effective for the first time at 30 June 2024:

■ **AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates**

The most significant change introduced by this standard is to remove the requirement to disclose significant accounting policies and instead require disclosure of material accounting policy information.

"Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements."

In applying the new requirements, Council has after taking into account the various specific facts and circumstances applied professional judgement to ensure it discloses only material accounting policies as opposed to significant accounting policies throughout these financial statements.

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	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Functions or activities										
Governance	1	–	862	722	(861)	(722)	–	–	–	–
Administration	335	82	1,905	1,351	(1,570)	(1,269)	–	–	18,078	17,364
Public Order and Safety	179	262	707	690	(528)	(428)	171	244	2,004	2,042
Health	4	3	7	13	(3)	(10)	–	–	3,191	2,803
Environment	3,103	1,396	1,284	1,637	1,819	(241)	2,338	777	17,960	17,597
Community Services and Education	723	666	563	570	160	96	1,008	606	1,203	1,033
Housing and Community Amenities	636	683	1,707	1,364	(1,071)	(681)	381	426	4,862	2,914
Water Supplies	1,599	1,201	1,456	1,258	143	(57)	290	14	24,004	22,537
Sewerage Services	1,160	1,088	1,085	973	75	115	19	–	26,785	24,589
Recreation and Culture	920	3,129	1,579	1,417	(659)	1,712	881	3,102	30,619	27,820
Mining Manufacturing and Construction	7	8	80	87	(73)	(79)	–	–	98	117
Transport and Communication	8,179	2,348	4,725	3,861	3,454	(1,513)	8,430	2,338	115,280	110,192
Economic Affairs	1,421	607	1,514	973	(93)	(366)	734	304	885	961
General Purpose	7,669	8,063	–	–	7,669	8,063	4,169	5,248	–	–
Total functions and activities	25,936	19,536	17,474	14,916	8,462	4,620	18,421	13,059	244,969	229,969

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	2024	2023
Ordinary rates		
Residential	801	820
Farmland	1,506	1,449
Business	314	318
Less: pensioner rebates (mandatory)	(40)	(40)
Rates levied to ratepayers	2,581	2,547
Pensioner rate subsidies received	21	23
Total ordinary rates	2,602	2,570
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	391	364
Water supply services	742	711
Sewerage services	1,016	1,016
Waste management services (non-domestic)	240	220
Less: pensioner rebates (mandatory)	(66)	(61)
Annual charges levied	2,323	2,250
Pensioner annual charges subsidies received:		
– Water	10	11
– Sewerage	12	10
– Domestic waste management	13	12
Total annual charges	2,358	2,283
Total rates and annual charges	4,960	4,853

Council has used 2022 year valuations provided by the NSW Valuer General in calculating its rates.

Material accounting policy information

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.

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 Specific User charges

\$ '000	Timing	2024	2023
User charges			
Water supply services	1	523	454
Sewerage services	1	51	40
Total user charges		574	494
Fees			
(i) Fees - Statutory and regulatory functions (per s608)			
Planning and building regulation	2	45	46
Private works – section 67	2	213	178
Regulatory/ statutory fees	2	8	19
Registration fees	2	4	3
Regulatory fees	2	–	1
Section 10.7 certificates (EP&A Act)	2	7	7
Section 603 certificates	2	6	8
Other	2	2	–
Total fees – statutory/regulatory		285	262
(ii) Fees – other (incl. general user charges (per s608))			
Aerodrome	2	10	10
Cemeteries	2	62	55
Recycling income (non-domestic)	2	39	42
Tourism	2	55	51
Waste disposal tipping fees	2	1	–
Aged and disabled care	2	61	58
Sportsgrounds	2	19	17
Other	2	20	16
Total fees – other		267	249
Total fees		552	511
Total user charges and fees		1,126	1,005
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		574	494
User charges and fees recognised at a point in time (2)		552	511
Total user charges and fees		1,126	1,005

Material accounting policy information

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	2024	2023
Legal fees recovery – rates and charges (extra charges)		1	–
Commissions and agency fees	2	5	8
Diesel rebate		157	–
Insurance claims recoveries	2	113	35
Sales – general	2	56	92
Other	2	3	21
Total other revenue		335	156
Timing of revenue recognition for other revenue			
Other revenue recognised at a point in time (2)		335	156
Total other revenue		335	156

Material accounting policy information 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 2024	Operating 2023	Capital 2024	Capital 2023
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance – general component	2	248	856	–	–
Financial assistance – local roads component	2	39	259	–	–
Payment in advance - future year allocation					
Financial assistance – general component	2	2,982	3,118	–	–
Financial assistance – local roads component	2	900	1,015	–	–
Amount recognised as income during current year		4,169	5,248	–	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Water supplies	2	42	6	248	7
Sewerage services	2	20	–	–	–
Bushfire and emergency services	2	171	244	–	–
Community care	2	366	204	–	–
Economic development	2	1,057	156	–	–
Employment and training programs	2	–	3	–	–
Land Management	2	49	32	99	–
Floodplain management	2	124	354	–	–
Library	2	72	79	–	–
Noxious weeds	2	66	47	–	–
Public halls	2	–	–	9	241
Recreation and culture	2	5	37	1,123	3,060
Street lighting	2	40	80	–	–
Transport (other roads and bridges funding)	2	4,949	512	1,925	301
Aged and disabled care	2	294	398	–	–
Tourism and Events	2	26	149	–	–
Transport (roads to recovery)	2	560	546	–	–
Transport for NSW (Regional Roads, Block)	2	87	729	752	250
Other	2	–	–	21	–
Waste	2	95	–	2,052	376
Total special purpose grants and non-developer contributions – cash		8,023	3,576	6,229	4,235
Total special purpose grants and non-developer contributions (tied)		8,023	3,576	6,229	4,235
Total grants and non-developer contributions		12,192	8,824	6,229	4,235
Comprising:					
– Commonwealth funding		902	1,325	2,072	1,383
– State funding		11,286	7,499	4,136	2,725
– Other funding		4	–	21	127
		12,192	8,824	6,229	4,235

B2-4 Grants and contributions (continued)

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Total grants and contributions	12,192	8,824	6,229	4,235
Timing of revenue recognition for grants and contributions				
Grants and contributions recognised at a point in time (2)	12,192	8,824	6,229	4,235
Total grants and contributions	12,192	8,824	6,229	4,235

B2-4 Grants and contributions (continued)

Unspent grants and contributions

Certain grants and contributions are obtained by Council on the condition they be spent in a specified manner or in a future period but which are not yet spent in accordance with those conditions are as follows:

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Unspent grants and contributions				
Unspent funds at 1 July	3,436	892	2,730	1,994
Add: Funds received and not recognised as revenue in the current year				
Add: Funds received and not recognised as revenue in the current year	2,745	3,053	303	2,269
Less: Funds received in prior year but revenue recognised and funds spent in current year	(2,434)	(509)	(2,222)	(1,533)
Unspent funds at 30 June	3,747	3,436	811	2,730

Material accounting policy information

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	2024	2023
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	67	40
– Cash and investments	632	281
Total interest and investment income	699	321
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
General Council cash and investments	699	321
Total interest and investment income	699	321

B2-6 Other income

\$ '000	Notes	2024	2023
Rental income			
Investment properties			
Lease income (excluding variable lease payments not dependent on an index or rate)		97	97
Total Investment properties		97	97
Other lease income			
Leaseback fees - council vehicles		13	12
Total other lease income		13	12
Total rental income	C2-2	110	109
Total other income		110	109

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2024	2023
Salaries and wages	4,063	3,615
Employee leave entitlements (ELE)	981	653
Superannuation	617	549
Workers' compensation insurance	110	73
Fringe benefit tax (FBT)	24	29
Other	41	19
Total employee costs	5,836	4,938
Less: capitalised costs	(348)	(163)
Total employee costs expensed	5,488	4,775
Number of 'full-time equivalent' employees (FTE) at year end	58	55

Superannuation plans

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	2024	2023
Consultancy costs		110	102
Raw materials and consumables		1,773	1,891
Contractor costs		3,118	1,824
Audit Fees	F2-1	67	49
Councillor and Mayoral fees and associated expenses	F1-2	138	140
Advertising		52	43
Bank charges		16	16
Election expenses		–	5
Electricity and heating		313	220
Fire control expenses		255	268
Insurance		382	348
Postage		14	11
Printing and stationery		49	47
Repairs and maintenance		–	4
Street lighting		105	92
Subscriptions and publications		46	39
Telephone and communications		59	50
Tourism expenses (excluding employee costs)		265	322
Valuation fees		47	45
Donations, contributions and assistance		61	55
Medical services		51	42
Training costs (other than salaries and wages)		138	121
Other expenses		22	15
Legal expenses:			
– Legal expenses: other		2	6
Expenses from leases of low value assets		10	–
Total materials and services		7,093	5,755
Total materials and services		7,093	5,755

B3-3 Borrowing costs

(i) Interest bearing liability costs

Interest on loans		61	67
Total interest bearing liability costs		61	67
Total interest bearing liability costs expensed		61	67

(ii) Other borrowing costs

Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	C3-5	16	17
Total other borrowing costs		16	17
Total borrowing costs expensed		77	84

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

\$ '000	Notes	2024	2023
Depreciation and amortisation			
Plant and equipment		525	469
Office equipment		12	12
Furniture and fittings		23	22
Land improvements (depreciable)		9	7
Infrastructure:	C1-5		
– Buildings – non-specialised		42	40
– Buildings – specialised		483	439
– Other structures		470	274
– Roads		1,871	1,743
– Stormwater drainage		231	205
– Water supply network		396	359
– Sewerage network		390	348
Other assets:			
– Other		97	97
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C1-5	23	23
– Quarry assets	C1-5	7	8
Total gross depreciation and amortisation costs		4,579	4,046
Less: capitalised costs		(50)	(20)
Total depreciation and amortisation costs		4,529	4,026
Total Depreciation, Amortisation and Impairment for IPP&E		4,529	4,026

Material accounting policy information

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 non-financial 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

\$ '000	2024	2023
Other		
Contributions/levies to other levels of government:		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	14	8
– NSW fire brigade levy	37	32
– NSW rural fire service levy	236	236
Total other	287	276
Total other expenses	287	276

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

\$ '000	Notes	2024	2023
Gain (or loss) on disposal of property (excl. investment property)			
Proceeds from disposal – property		–	1
Gain (or loss) on disposal		–	1
Gain (or loss) on disposal of plant and equipment	C1-5		
Proceeds from disposal – plant and equipment		401	32
Less: carrying amount of plant and equipment assets sold/written off		(116)	–
Gain (or loss) on disposal		285	32
Net gain (or loss) from disposal of assets		285	33

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 27 June 2023 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	2024 Budget	2024 Actual	2024 ----- Variance -----	
Revenues				
Rates and annual charges	5,123	4,960	(163)	(3)% U
User charges and fees	943	1,126	183	19% F
User Charges income was higher than expected due to an increase in water usage charges driven by seasonal conditions.				
Other revenues	53	335	282	532% F
Increase was due to insurance claim recoveries and diesel rebate income which were not provided for in budget.				
Operating grants and contributions	8,495	12,192	3,697	44% F
Increase was due to larger than expected allocation of grant funds including the prepayment of a number of grants with the most significant being the Regional Emergency Road Repair fund				
Capital grants and contributions	8,532	6,229	(2,303)	(27)% U
Decrease was due to Council being unsuccessful with its application for grant funding to replace the Hay Swimming Pool.				
Interest and investment revenue	486	699	213	44% F
Increase in interest income was a result of higher than expected investment returns and strong cashflow.				
Net gains from disposal of assets	—	285	285	∞ F
Variance was due to much higher than expected proceeds from plant and equipment sales.				
Other income	95	110	15	16% F
Increase was a result of a small increase in rental returns				
Expenses				
Employee benefits and on-costs	5,364	5,488	(124)	(2)% U
Materials and services	6,338	7,093	(755)	(12)% U
Variance was largely a result of expenditure on grant funded transport operational projects including flood work restoration.				
Borrowing costs	60	77	(17)	(28)% U
Vaiance is a result of not allowing for the full cost of interest for the period in the budget allocation.				
Depreciation, amortisation and impairment of non-financial assets	3,939	4,529	(590)	(15)% U
Increase in depreciation is a result of the affect that inflation is having on replacement costs and cost of owning the respective assets. The budget was based in inflation moderating during the year which did not occur.				

B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Other expenses	275	287	(12)	(4)% U

B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Statement of cash flows				
Cash flows from operating activities	11,690	8,062	(3,628)	(31)% U
Increase is largely attributable to an increase in grant funding including new grant programs and a carry over of works from the previous period.				
Cash flows from investing activities	(11,098)	(8,367)	2,731	(25)% F
Variance is a direct result of additional grants funded projects and the requirement for an increase in capital expenditure.				
Cash flows from financing activities	(253)	(253)	–	0% F

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2024	2023
Cash assets		
Cash on hand and at bank	8,818	10,381
Cash equivalent assets		
– Short-term deposits	13,407	12,402
Total cash and cash equivalents	22,225	22,783
Reconciliation of cash and cash equivalents		
Total cash and cash equivalents per Statement of Financial Position	22,225	22,783
Balance as per the Statement of Cash Flows	22,225	22,783

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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	22,225	22,783
Less: Externally restricted cash, cash equivalents and investments	(11,089)	(12,463)
Cash, cash equivalents and investments not subject to external restrictions	11,136	10,320

External restrictions

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

Water fund	3,445	3,351
Sewer fund	3,086	3,046
Specific purpose unexpended grants – general fund	4,558	6,066
External restrictions	11,089	12,463
Total external restrictions	11,089	12,463

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	2024	2023
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(b) Internal allocations

Internal allocations

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

Plant and vehicle replacement	284	634
Infrastructure replacement	1,248	738
Employees leave entitlement	670	670
Carry over works	321	310
Deposits, retentions and bonds	20	34
Waste	100	70
Aerodrome	32	32
Computer replacement	32	32
Financial Assistance Grants	3,882	4,133
HACC reserve	415	280
Land development	61	61
LEP - Local Environment Plan	4	4
Levee bank	525	325
Library	14	14
Community Projects	370	378
Youth	3	23
Swimming Pool	6	–
Total internal allocations	7,987	7,738

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

C1-3 Receivables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Rates and annual charges	674	—	673	—
Interest and extra charges	99	—	134	—
User charges and fees	158	—	206	—
Private works	4	—	—	—
– Interest on investments	76	—	—	—
– Other income accruals	151	—	—	—
Government grants and subsidies	1,653	—	1,225	—
Net GST receivable	266	—	200	—
Total	3,081	—	2,438	—
Total net receivables	3,081	—	2,438	—

Material accounting policy information

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.

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.

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	2024 Current	2024 Non-current	2023 Current	2023 Non-current
(i) Inventories at cost				
Real estate for resale	199	–	51	–
Stores and materials	91	–	102	–
Total inventories at cost	290	–	153	–
Total inventories	290	–	153	–

(i) Other disclosures

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
(a) Details for real estate development				
Residential	199	–	51	–
Total real estate for resale	199	–	51	–
(Valued at the lower of cost and net realisable value)				
Represented by:				
Acquisition costs	199	–	51	–
Total costs	199	–	51	–
Total real estate for resale	199	–	51	–
Movements:				
Real estate assets at beginning of the year	51	–	1	–
– Purchases and other costs	148	–	50	–
Total real estate for resale	199	–	51	–

Material accounting policy information

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 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period							At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Re-measure- ment of asset remediation provision	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	1,452	–	1,452	2,024	226	–	–	(1,061)	–	–	2,641	–	2,641
Plant and equipment	9,513	(7,014)	2,499	–	2,816	(116)	(525)	–	–	–	11,229	(6,555)	4,674
Office equipment	836	(625)	211	–	38	–	(12)	–	–	–	874	(637)	237
Furniture and fittings	478	(263)	215	–	123	–	(23)	–	–	–	601	(285)	316
Land:													
– Operational land	1,784	–	1,784	–	–	–	–	–	–	–	1,784	–	1,784
– Community land	3,285	–	3,285	–	–	–	–	–	–	–	3,281	–	3,281
Land improvements – depreciable	109	(32)	77	172	–	–	(9)	–	–	–	281	(38)	243
Infrastructure:													
– Buildings – non-specialised	1,666	(274)	1,392	21	–	–	(42)	–	–	76	1,722	(274)	1,448
– Buildings – specialised	37,770	(13,070)	24,700	39	587	–	(483)	436	–	1,560	40,811	(13,972)	26,839
– Other structures	17,516	(7,069)	10,447	14	288	–	(470)	625	–	641	19,291	(7,747)	11,544
– Roads, bridges and footpaths	126,315	(25,825)	100,490	1,781	–	–	(1,871)	–	–	3,894	133,353	(29,059)	104,294
– Stormwater drainage	21,991	(9,301)	12,690	25	–	–	(231)	–	–	522	22,900	(9,894)	13,006
– Water supply network	30,167	(11,570)	18,597	252	–	–	(396)	–	–	1,515	31,047	(11,079)	19,968
– Sewerage network	26,943	(6,266)	20,677	307	–	–	(390)	–	–	2,199	29,360	(6,567)	22,793
Other assets:													
– Library books	–	–	–	–	–	–	–	–	–	–	–	–	–
– Other	8,608	(2,822)	5,786	–	–	–	(97)	–	–	355	9,100	(3,055)	6,045
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):													
– Quarry assets	124	(8)	116	–	–	–	(7)	–	(11)	–	113	(15)	98
– Tip assets	389	(241)	148	–	–	–	(23)	–	(32)	–	357	(265)	92
Total infrastructure, property, plant and equipment	288,946	(84,380)	204,566	4,635	4,078	(116)	(4,579)	–	(43)	10,762	308,745	(89,442)	219,303

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

C1-5 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period						At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	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
\$ '000												
Capital work in progress	616	–	616	391	902	–	(457)	–	–	1,452	–	1,452
Plant and equipment	9,520	(6,640)	2,880	88	–	(469)	–	–	–	9,513	(7,014)	2,499
Office equipment	741	(613)	128	96	–	(12)	–	–	–	836	(625)	211
Furniture and fittings	285	(240)	45	7	–	(22)	185	–	–	478	(263)	215
Land:												
– Operational land	1,784	–	1,784	–	–	–	–	–	–	1,784	–	1,784
– Community land	1,557	–	1,557	–	–	–	–	–	1,728	3,285	–	3,285
Land improvements – depreciable	93	(28)	65	12	–	(7)	–	–	6	109	(32)	77
Infrastructure:												
– Buildings – non-specialised	1,575	(208)	1,367	–	–	(40)	–	–	66	1,666	(274)	1,392
– Buildings – specialised	33,019	(11,484)	21,535	597	1,636	(439)	124	–	1,247	37,770	(13,070)	24,700
– Other structures	9,474	(3,630)	5,844	–	675	(274)	84	–	4,117	17,516	(7,069)	10,447
– Roads, Bridges and Footpaths	116,207	(25,783)	90,424	1,077	–	(1,743)	22	–	10,710	126,315	(25,825)	100,490
– Stormwater drainage	19,442	(8,313)	11,129	–	–	(205)	–	–	1,766	21,991	(9,301)	12,690
– Water supply network	27,866	(10,385)	17,481	137	–	(359)	8	–	1,329	30,167	(11,570)	18,597
– Sewerage network	24,979	(5,471)	19,508	4	–	(348)	34	–	1,479	26,943	(6,266)	20,677
Other assets:												
– Library books	106	(106)	–	–	–	–	–	–	–	–	–	–
– Other	8,337	(2,940)	5,397	–	–	(97)	–	–	489	8,608	(2,822)	5,786
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):												
– Tip assets	393	(219)	174	–	–	(23)	–	(4)	–	389	(241)	148
– Quarry assets	288	–	288	–	–	(8)	–	(164)	–	124	(8)	116
Total infrastructure, property, plant and equipment	256,282	(76,060)	180,222	2,409	3,213	(4,046)	–	(168)	22,937	288,946	(84,380)	204,566

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

C1-5 Infrastructure, property, plant and equipment (continued)

Material accounting policy information

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:

Plant and equipment	Years	Other equipment	Years
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	Buildings	
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
Water and sewer assets		Stormwater assets	
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		
Transportation assets		Other infrastructure assets	
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.

C1-5 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".

C2 Leasing activities

C2-1 Council as a lessee

Council currently does not lease any Land or Buildings and has one low value motor vehicle lease.

(a) Income Statement

\$ '000	2024	2023
Expenses relating to leases of low-value assets	10	—
	10	—

(b) 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.

Material accounting policy information

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 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.

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 the Statement of Financial Position as:

- property, plant and equipment - where the rental is incidental, or the asset is held to meet Council's service delivery objective (refer note C1-6)

\$ '000	2024	2023
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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:

(i) 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 C1-6.

Lease income (excluding variable lease payments not dependent on an index or rate)	110	109
Total income relating to operating leases for Council assets	110	109

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 2024	Specialist Buildings Childcare & Medical 2023	Non-specialist - Building & Residential 2024	Non-specialist - Building & Residential 2023
Opening balance as at 1 July	3,145	2,905	1,392	1,367
Additions renewals	—	70	21	—
Depreciation expense	(72)	(65)	(42)	(40)
Revaluation increments to equity (ARR)	396	235	76	65
Closing balance as at 30 June	3,469	3,145	1,447	1,392

\$ '000	2024	2023
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(ii) 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:

< 1 year	112	109
1–2 years	114	110
2–3 years	116	112
3–4 years	119	114
4–5 years	122	117
> 5 years	125	120
Total undiscounted lease payments to be received	708	682

C2-2 Council as a lessor (continued)

(b) Finance leases

Council has sub-leased some properties which are on Crown land to community organisations.

C3 Liabilities of Council

C3-1 Payables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Goods and services – operating expenditure	1,498	–	764	–
Accrued expenses:				
– Borrowings	9	–	10	–
– Salaries and wages	243	–	202	–
– Other expenditure accruals	37	–	217	–
Security bonds, deposits and retentions	98	–	98	–
Other	36	–	–	–
Prepaid rates	188	–	146	–
Total payables	2,109	–	1,437	–

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

Nil

Material accounting policy information

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	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	766	–	1,951	–
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	435	–	4,215	–
Total grants received in advance		1,201	–	6,166	–
Total contract liabilities		1,201	–	6,166	–

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.

Significant changes in contract liabilities

There has been a number of large grants spent during the year.

C3-3 Borrowings

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Loans – secured ¹	262	1,082	253	1,344
Total borrowings	262	1,082	253	1,344

(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.

(a) Changes in liabilities arising from financing activities

\$ '000	2023 Opening Balance	Cash flows	2024 Closing balance
Loans – secured	1,597	(253)	1,344
Total liabilities from financing activities	1,597	(253)	1,344

\$ '000	2022		Non-cash movements				2023
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	1,840	(243)	–	–	–	–	1,597
Total liabilities from financing activities	1,840	(243)	–	–	–	–	1,597

(b) Financing arrangements

\$ '000	2024	2023
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Total facilities

Total financing facilities available to Council at the reporting date are:

Credit cards/purchase cards	15	15
Total financing arrangements	15	15

Drawn facilities

Financing facilities drawn down at the reporting date are:

Undrawn facilities

Undrawn financing facilities available to Council at the reporting date are:

– Credit cards/purchase cards	15	15
Total undrawn financing arrangements	15	15

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.

C3-4 Employee benefit provisions

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Annual leave	442	–	360	–
Sick leave	276	–	228	–
Long service leave	962	84	773	54
Total employee benefit provisions	1,680	84	1,361	54

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

\$ '000	2024	2023
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	1,113	1,331
	1,113	1,331

Material accounting policy information

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.

C3-5 Provisions

\$ '000	2024 Current	2024 Non-Current	2023 Current	2023 Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	526	–	553
Sub-total – asset remediation/restoration	–	526	–	553
Total provisions	–	526	–	553

C3-5 Provisions (continued)

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
2024		
At beginning of year	553	553
Unwinding of discount	15	15
Remeasurement effects	(42)	(42)
Total other provisions at end of year	526	526
2023		
At beginning of year	703	703
Remeasurement effects	(150)	(150)
Total other provisions at end of year	553	553

Nature and purpose of provisions

Asset remediation

The asset remediation provision represents the present value estimate of future costs Council will incur to restore, rehabilitate and reinstate the tip as a result of past operations.

Material accounting policy information

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 tips and quarries.

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.

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.

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.

C4 Reserves

C4-1 Nature and purpose of reserves

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 2024	Water 2024	Sewer 2024
Income from continuing operations			
Rates and annual charges	3,182	763	1,015
User charges and fees	554	521	51
Interest and investment revenue	561	56	82
Other revenues	335	–	–
Grants and contributions provided for operating purposes	12,109	52	31
Grants and contributions provided for capital purposes	5,981	248	–
Net gains from disposal of assets	285	–	–
Other income	110	–	–
Total income from continuing operations	23,117	1,640	1,179
Expenses from continuing operations			
Employee benefits and on-costs	5,108	232	148
Materials and services	5,747	833	513
Borrowing costs	55	–	22
Depreciation, amortisation and impairment of non-financial assets	3,718	399	412
Other expenses	287	–	–
Total expenses from continuing operations	14,915	1,464	1,095
Operating result from continuing operations	8,202	176	84
Net operating result for the year	8,202	176	84
Net operating result attributable to each council fund	8,202	176	84
Net operating result for the year before grants and contributions provided for capital purposes	2,221	(72)	84

D1-2 Statement of Financial Position by fund

\$ '000	General 2024	Water 2024	Sewer 2024
ASSETS			
Current assets			
Cash and cash equivalents	15,694	3,445	3,086
Receivables	2,542	386	153
Inventories	290	—	—
Other	70	—	—
Total current assets	18,596	3,831	3,239
Non-current assets			
Infrastructure, property, plant and equipment	175,487	20,269	23,547
Total non-current assets	175,487	20,269	23,547
Total assets	194,083	24,100	26,786
LIABILITIES			
Current liabilities			
Payables	2,067	36	6
Contract liabilities	1,140	61	—
Borrowings	134	—	128
Employee benefit provision	1,680	—	—
Total current liabilities	5,021	97	134
Non-current liabilities			
Borrowings	597	—	485
Employee benefit provision	84	—	—
Provisions	526	—	—
Total non-current liabilities	1,207	—	485
Total liabilities	6,228	97	619
Net assets	187,855	24,003	26,167
EQUITY			
Accumulated surplus	63,462	7,250	14,674
Revaluation surplus	124,393	16,753	11,493
Council equity interest	187,855	24,003	26,167
Total equity	187,855	24,003	26,167

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance team manages the cash and Investments portfolio with the assistance of independent advisors. Council has an investment policy which complies with the s 625 of the Act and the Ministerial Investment Order. The policy is regularly reviewed by Council and a monthly investment report is provided to Council setting out the make-up performance of the portfolio as required by local government regulations.

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 team under policies approved by the Council.

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

The risks associated with the financial instruments held are:

- Market risk – the risk that movements in interest rates could affect returns.
- 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 contracting entity will not complete its obligations under a financial instrument, resulting in a financial loss to Council.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

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

(a) Market risk – interest rate

\$ '000	2024	2023
<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	134	124

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

(b) Credit risk

Council's major receivables comprise of rates, annual charges and 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 other than Council has significant credit risk exposures in its local area given the nature of Councils activities.

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	
2024				
Gross carrying amount	–	658	16	674
2023				
Gross carrying amount	–	652	21	673

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	
2024						
Gross carrying amount	1,923	10	81	162	231	2,407
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ECL provision	—	—	—	—	—	—
2023						
Gross carrying amount	1,614	6	8	5	132	1,765
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ECL provision	—	—	—	—	—	—

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
2024							
Payables	0.00%	98	–	–	–	98	2,109
Borrowings	3.86%	–	312	1,174	–	1,486	1,344
Total financial liabilities		98	312	1,174	–	1,584	3,453
2023							
Payables	0.00%	98	1,339	–	–	1,437	1,437
Borrowings	3.86%	–	312	1,248	238	1,798	1,597
Total financial liabilities		98	1,651	1,248	238	3,235	3,034

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

All assets and liabilities measured at fair value are 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	
		2024	2023	2024	2023	2024	2023	2024	2023
Recurring fair value measurements									
Infrastructure, property, plant and equipment	C1-5								
Operational land		30/06/24	30/06/23	—	—	1,784	1,784	1,784	1,784
Community land		30/06/24	30/06/23	—	—	3,281	3,285	3,281	3,285
Land improvements depreciable		30/06/24	30/06/23	—	—	243	77	243	77
Buildings – non-specialised		30/06/24	30/06/23	1,448	1,392	—	—	1,448	1,392
Buildings specialised		30/06/24	30/06/23	—	—	26,839	24,700	26,839	24,700
Other structures		30/06/24	30/06/23	—	—	11,544	10,447	11,544	10,447
Roads bridges and footpaths		30/06/24	30/06/23	—	—	104,294	100,490	104,294	100,490
Stormwater drainage		30/06/24	30/06/23	—	—	13,006	12,690	13,006	12,690
Water supply network		30/06/24	30/06/23	—	—	19,968	18,597	19,968	18,597
Sewer network		30/06/24	30/06/23	—	—	22,793	20,677	22,793	20,677
Other assets		30/06/24	30/06/23	—	—	6,045	5,786	6,045	5,786
Tip assets		30/06/24	30/06/23	—	—	98	148	98	148
Quarry Assets		30/06/24	30/06/23	—	—	92	116	92	116
Total infrastructure, property, plant and equipment				1,448	1,392	215,214	201,722	216,662	203,114

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:

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 2023 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.

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. A desktop valuation was undertaken in 2024.

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. As non-specialised buildings are valued at market that asset class has been classified as Level 2. 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 and indexed in 2024 by APV valuers.

Roads, bridges and footpaths

Roads including all road assets, Bridges and Footpaths were comprehensively valued in 2021 by APV. A desktop valuation was carried out in 2024. 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.

Stormwater Drainage infrastructure

Assets within this class comprise pits and pipes. All assets were comprehensively revalued in 2021 by APV. A desktop revaluation has been carried out in 2024.

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 2024.

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

E2-1 Fair value measurement (continued)

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 2024.

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.

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.

A desktop revaluation was undertaken in 2024 by APV valuers.

Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

The following summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

Infrastructure, property, plant and equipment

Plant, equipment, furniture & fittings and office equipment: Valuation Technique: Cost used to approximate fair value.

Unobservable inputs: Gross replacement cost, useful life and residual value.

Operational Land: Valuation technique: Independent valuation company. Unobservable inputs: Land value & area.

Community Land: Valuation technique: Independent valuation company. Unobservable inputs: Land value & area.

Land Improvements: Valuation technique: Independent valuation company. Unobservable inputs: Asset condition & remaining lives.

Buildings Specialised: Valuation technique: Independent valuation company. Unobservable inputs: Asset condition & remaining lives.

Roads, Bridges & Footpaths: Valuation technique: Independent valuation company, unit rates & lengths. Unobservable inputs: Asset condition & remaining lives.

Stormwater Drainage: Valuation technique: Independent valuation company, unit rates & lengths. Unobservable inputs: Asset condition & remaining lives.

Water Supply Network: Valuation technique: Independent valuation company, unit rates & lengths, indexed annually at the determined indexation rate. Unobservable inputs: Asset condition & remaining lives.

Sewerage Network: Valuation technique: Independent valuation company, unit rates & lengths, indexed annually at the determined indexation rate. Unobservable inputs: Asset condition & remaining lives.

Swimming Pools: Valuation technique: Independent valuation company. Unobservable inputs: Asset condition & remaining lives.

Other Assets: Valuation technique: Independent valuation company. Unobservable inputs: Asset condition & remaining lives.

Other Structures: Valuation technique: Independent valuation company. Unobservable inputs: Asset condition & remaining lives.

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	Operational Land		Community Land		Land improve- ments depreciable		Building specialised	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	1,784	1,784	3,285	1,557	77	65	24,700	21,535
Transfers from/(to) another asset class	–	–	–	–	–	–	436	124
Purchases (GBV)	–	–	–	–	172	12	626	2,233
Disposals (WDV)	–	–	–	–	–	–	–	–
Depreciation and impairment	–	–	–	–	(9)	–	(483)	(439)
Revaluation	–	–	–	1,728	–	–	1,560	1,247
Rounding adjustment	–	–	(4)	–	3	–	–	–
Closing balance	1,784	1,784	3,281	3,285	243	77	26,839	24,700

\$ '000	Roads, bridges, footpaths		Other structures		Water supply network		Sewerage network	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	100,490	90,424	10,447	5,844	18,597	17,481	20,677	19,508
Transfers from/(to) another asset class	–	22	625	84	–	8	–	34
Purchases (GBV)	1,781	1,077	302	675	252	137	307	4
Disposals (WDV)	–	–	–	–	–	–	–	–
Depreciation and impairment	(1,871)	(1,743)	(470)	(274)	(396)	(359)	(390)	(348)
Revaluation	3,894	10,710	641	4,117	1,515	1,329	2,199	1,479
Rounding adjustment	–	–	(1)	1	–	1	–	–
Closing balance	104,294	100,490	11,544	10,447	19,968	18,597	22,793	20,677

E2-1 Fair value measurement (continued)

\$ '000	Stormwater		Other assets		Tip asset		Quarry Assets	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	12,690	11,129	5,786	5,397	148	174	116	288
Purchases (GBV)	25	–	–	–	–	–	–	–
Disposals (WDV)	–	–	–	–	–	–	–	–
Depreciation and impairment	(231)	(205)	(97)	(97)	(23)	(23)	(7)	(8)
Revaluation	522	1,766	355	489	(32)	(4)	(11)	(164)
Rounding adjustment	–	–	1	(3)	(1)	1	–	–
Closing balance	13,006	12,690	6,045	5,786	92	148	98	116

\$ '000	Total	
	2024	2023
Opening balance	201,722	178,239
Transfers from/(to) another asset class	1,061	457
Purchases (GBV)	6,442	4,329
Disposals (WDV)	(116)	–
Depreciation and impairment	(4,537)	(3,999)
Revaluation	10,643	22,697
Rounding adjustment	(1)	(1)
Closing balance	215,214	201,722

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 8.5% of salaries for the year ending 30 June 2024 (increasing to 9% in line with the increase in the Superannuation Guarantee) 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 \$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 2023. 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 2024 was \$72,710.11. The last valuation of the Scheme was performed by Richard Boyfield FIAA on 30 June 2023.

Council's expected contribution to the plan for the next annual reporting period is \$43,421.03 based on a past services liabilities methodology. The share of the surplus that can be attributed to Council is 0.19%. It is estimated that there are \$18,714.23 past service contributions remaining. **The share of this surplus that is broadly attributed to Council is estimated to be in the order of \$9,316 as at 30 June 2023.**

The estimated employer reserves financial position for the Pooled Employers at 30 June 2024 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	2,237.5	
Past Service Liabilities	2,141.9	104.5%
Vested Benefits	2,159.8	103.6%

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

The share of this deficit that is broadly attributed to Council is estimated to be in order of \$8,249.99 as at 30 June 2024.

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	6.0% per annum
Salary inflation *	3.5% per annum
Increase in CPI	3.5% for FY 23/24 2.5% per annum thereafter

* 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)

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	2024	2023
Compensation:		
Short-term benefits	979	551
Post-employment benefits	59	33
Other long-term benefits	34	16
Total	1,072	600

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

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				
2024						
Electrical maintenance work	1	40	–	30 day terms on invoices	–	–
Plant and Equipment Hire	2	138	–	30 day terms on invoices	–	–
2023						
Electrical maintenance work	1	26	–	30 day terms on invoices	–	–
Plant and Equipment Hire	2	148	–	30 day terms on invoices	–	–

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 electrical company of which a Councillor has an interest.
- 2

This expenditure relates to the the hire of plant and equipment from a company of which a Councillor has an interest.

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2024	2023
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	19	18
Councillors' fees	90	88
Other Councillors' expenses (including Mayor)	29	34
Total	138	140

F2 Other relationships

F2-1 Audit fees

\$ '000	2024	2023
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	67	49
Remuneration for audit and other assurance services	67	49
Total Auditor-General remuneration	67	49
Total audit fees	67	49

G Other matters

G1-1 Statement of Cash Flows information

(a) Reconciliation of Operating Result

\$ '000	2024	2023
Net operating result from Income Statement	8,462	4,620
Add / (less) non-cash items:		
Depreciation and amortisation	4,529	4,026
(Gain) / loss on disposal of assets	(285)	(33)
Unwinding of discount rates on reinstatement provisions	15	—
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(643)	307
(Increase) / decrease of inventories	11	5
(Increase) / decrease of other current assets	(41)	14
Increase / (decrease) in payables	734	(193)
Increase / (decrease) in accrued interest payable	(1)	(2)
Increase / (decrease) in other accrued expenses payable	(139)	227
Increase / (decrease) in other liabilities	78	72
Increase / (decrease) in contract liabilities	(4,965)	3,281
Increase / (decrease) in employee benefit provision	349	(89)

G1-1 Statement of Cash Flows information (continued)

\$ '000	2024	2023
Increase / (decrease) in other provisions	(42)	(150)
Net cash flows from operating activities	8,062	12,085

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2024	2023
---------	------	------

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Property, plant and equipment

Stronger Country Projects	99	870
DVA- Saluting their services	–	10
Open Spaces Grant	–	88
Swimming Pool replacement	5,964	2,967
Budgee Creek Bridge	345	700
Water Projects	–	293
Fixing Local Roads Round 4	91	–
Fixing Local Roads Round 3	–	379
Boating Now	–	33
Environmental Trust	–	503
Hydrotherapy Pool	300	300
Nimmie Creek Bridge	2,134	–
Soapworks Bend	–	226
Pimper Creek Bridge	200	–
Local Roads and Community Infrastructure	–	10
MRF Facility	273	1,887
Total commitments	9,406	8,266

These expenditures are payable as follows:

Within the next year	9,406	8,266
Total payable	9,406	8,266

Sources for funding of capital commitments:

Unrestricted general funds	2,995	133
Grants	6,411	8,133
Total sources of funding	9,406	8,266

Details of capital commitments

The commitments relate to the following projects: Stronger Country Projects R4, MRF Facility, Hydrotherapy Pool, Swimming Pool Replacement, Nimmie Creek, Budgee Creek, Pimper Creek and Fixing Local Roads R4.

G3-1 Events occurring after the reporting date

Council has not identified any material or significant 'non-adjusting events' that should be disclosed.

G4 Statement of performance measures

G4-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023 2022		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1, 2}	1,948	10.03%	2.31%	12.89%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	19,422				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	7,230	28.19%	33.04%	29.23%	> 60.00%
Total continuing operating revenue ¹	25,651				
3. Unrestricted current ratio					
Current assets less all external restrictions	14,038	1.66x	0.92x	3.14x	> 1.50x
Current liabilities less specific purpose liabilities	8,466				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	6,554	19.86x	13.65x	18.02x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	330				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	773	13.25%	14.49%	12.52%	< 10.00%
Rates and annual charges collectable	5,835				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	22,225	19.36	22.01	17.11	> 3.00
Monthly payments from cash flow of operating and financing activities	1,148	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.

G4-2 Statement of performance measures by fund

\$ '000	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2024	2023	2024	2023	2024	2023	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1, 2}	11.49%	2.01%	(5.17)%	(2.68)%	7.12%	11.29%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹							
2. Own source operating revenue ratio							
Total continuing operating revenue excluding capital grants and contributions ¹	20.77%	24.08%	81.71%	97.98%	97.37%	99.10%	> 60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	1.66x	0.92x	39.49x	14.87x	24.17x	24.51x	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	18.54x	12.01x	∞	∞	23.55x	20.00x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates and annual charges outstanding percentage							
Rates and annual charges outstanding	10.40%	13.82%	24.84%	20.99%	13.07%	11.35%	< 10.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	15.82 months	15.98 months	38.82 months	∞	45.89 months	302.08 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

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

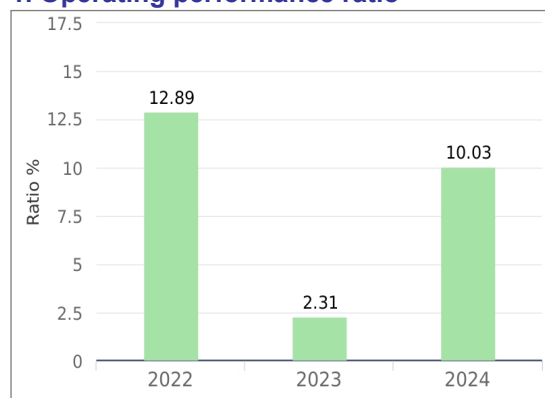
(3) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

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 2023/24 result

2023/24 ratio 10.03%

Operating performance ratio is a reflection of the increase in costs and the demand on Council to deliver additional services.

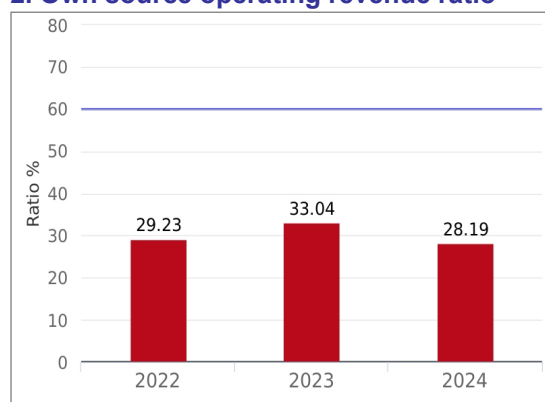
Benchmark: — > 0.00%

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 2023/24 result

2023/24 ratio 28.19%

Own source revenue ratio is below historic levels due to the current level of grant funding. Ratio is expected to increase in future years.

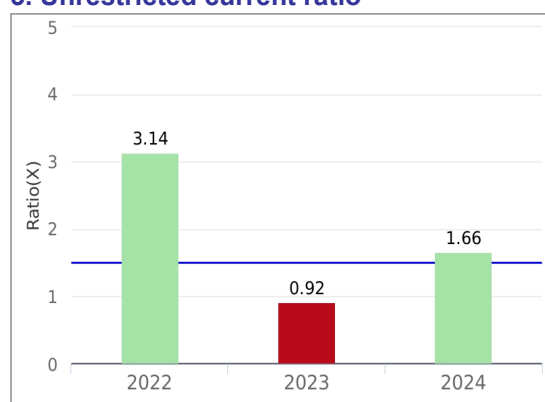
Benchmark: — > 60.00%

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 2023/24 result

2023/24 ratio 1.66x

Council maintains a satisfactory level of working capital which is a key component of its financial strategy.

Benchmark: — > 1.50x

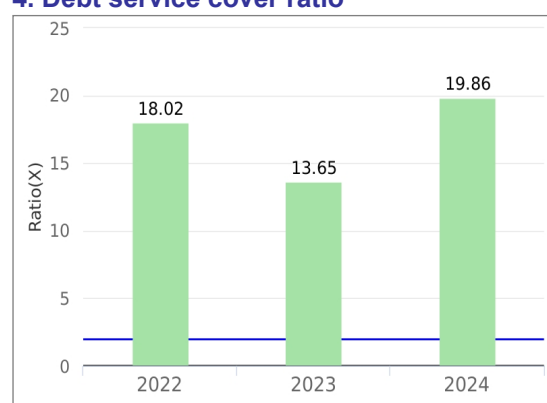
Source of benchmark: Code of Accounting Practice and Financial Reporting

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 2023/24 result

2023/24 ratio 19.86x

Council has a conservative approach to debt which ensures a satisfactory ratio.

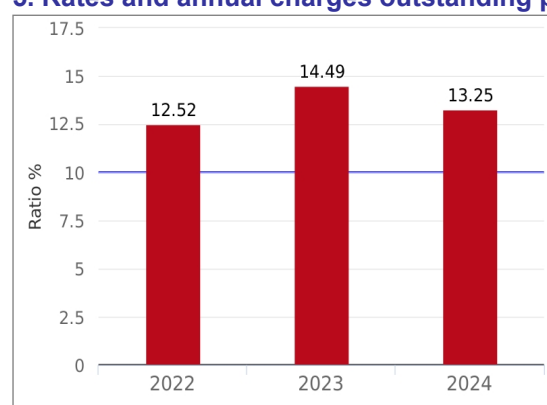
Benchmark: — > 2.00x

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 2023/24 result

2023/24 ratio 13.25%

Whilst the ratio remains high the trend down from the previous year is pleasing.

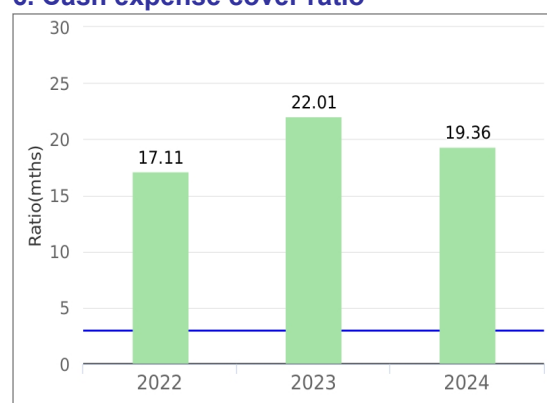
Benchmark: — < 10.00%

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 2023/24 result

2023/24 ratio 19.36 months

Council maintains a satisfactory liquidity ratio.

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 2024, the Statement of Financial Position as at 30 June 2024, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information 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 2024, 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).

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

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 2024 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. 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.



Lawrissa Chan
Delegate of the Auditor-General for New South Wales

25 October 2024
SYDNEY



Mayor
Hay Shire Council
PO Box 141
HAY NSW 2711

Contact: Lawrissa Chan
Phone no: 02 9275 7255
Our ref: R008-2124742775-7553

25 October 2024

Dear Mayor

Report on the Conduct of the Audit
for the year ended 30 June 2024
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 2024 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 2024 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

	2024	2023	Variance
	\$m	\$m	%
Rates and annual charges revenue	5.0	4.9	2.2
Grants and contributions revenue	18.4	13.1	40.5
Operating result from continuing operations	8.5	4.6	84.8
Net operating result before capital grants and contributions	2.2	0.3	633.3

Rates and annual charges revenue (\$5.0 million) increased by \$0.1 million (2.2 per cent) in 2023–24 mainly due to a rate peg increase of 3.7 per cent.

Grants and contributions revenue (\$18.4 million) increased by \$5.3 million (40.5 per cent) in 2023–24 mainly due to \$5.1 million of operating grants for flood funding programs from the flooding event in 2022–23.

Council's operating result from continuing operations (\$8.5 million including depreciation, amortisation and impairment expense of \$4.5 million) was \$3.9 million higher than the 2022–23 result. This increase was mainly due to grants and contributions as explained above and the offset of additional expenditure related to those projects.

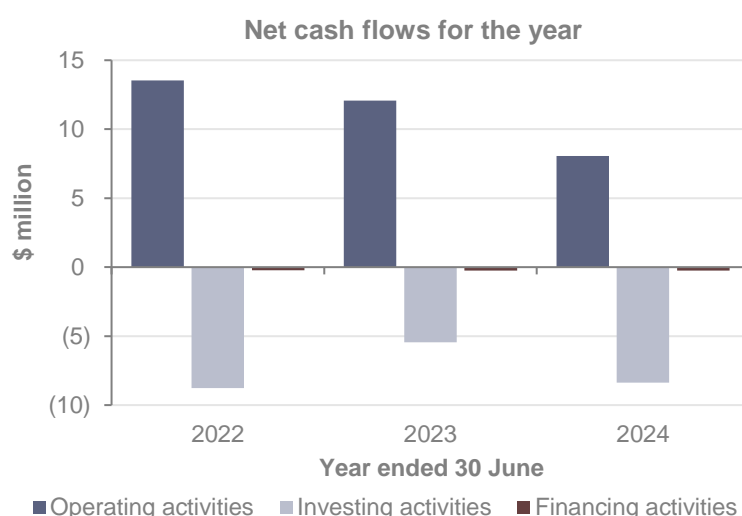
The net operating result before capital grants and contributions of \$2.2 million was \$1.9 million higher than the 2022–23 result. This increase is mainly attributed to the increase in operating grants as noted above.

STATEMENT OF CASH FLOWS

Cash flows from operating activities decreased by \$4.0 million mainly due to an increase in payments to employees and materials and services.

Cash flows from investing activities decreased by \$2.9 million mainly due to payments for infrastructure, property, plant and equipment.

Cash flows from financing activities remained consistent with the repayment existing loan balances during the year.



FINANCIAL POSITION

Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	22.2	22.8	Externally restricted balances comprise mainly of specific purpose unexpended grants, developer contributions, water and sewer funds. Externally restricted funds decreased by \$1.3 million mainly due to expenditure on specific purpose unexpended grants held in the prior year of \$4.8 million being offset by specific purpose grants received and unspent in the current year of \$3.4 million.
Restricted and allocated cash, cash equivalents and investments:			
• External restrictions	11.1	12.4	Internal allocations are determined by council policies or decisions, which are subject to change. Internal allocations have remained steady compared with the prior year.
• Internal allocations	8.0	7.7	

Debt

At 30 June 2024, Council had:

- \$1.3 million in secured loans (\$1.6 million in 2022–23)
- \$15,000 in credit card facility with \$0 used (\$15,000 with \$0 used in 2022–23).

PERFORMANCE

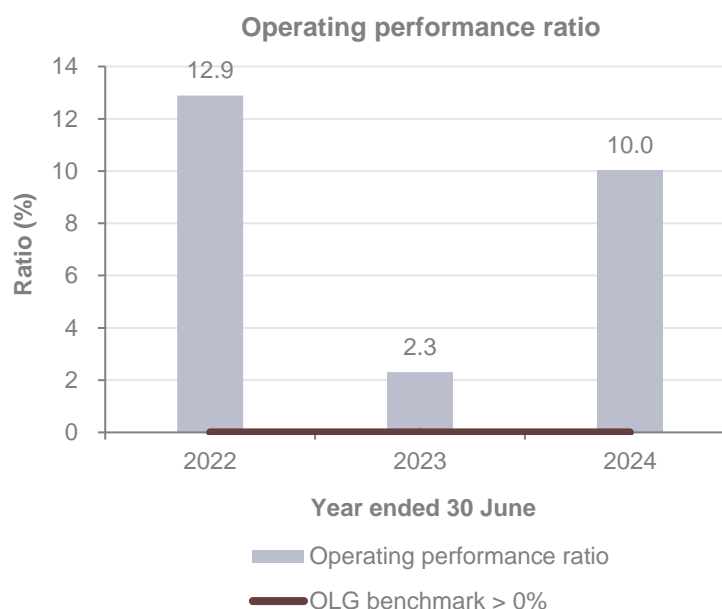
Performance measures

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, Housing and Infrastructure.

Operating performance ratio

Council exceeded the benchmark for the current reporting period.

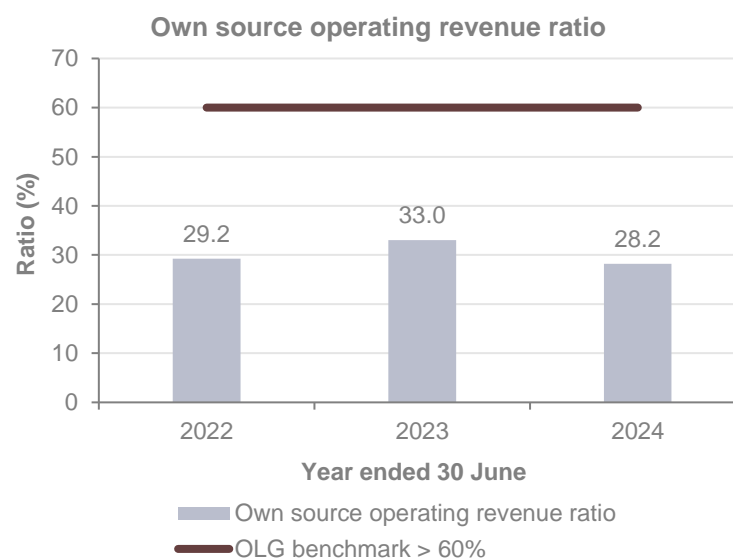
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



Own source operating revenue ratio

Council did not meet the benchmark for the current reporting period.

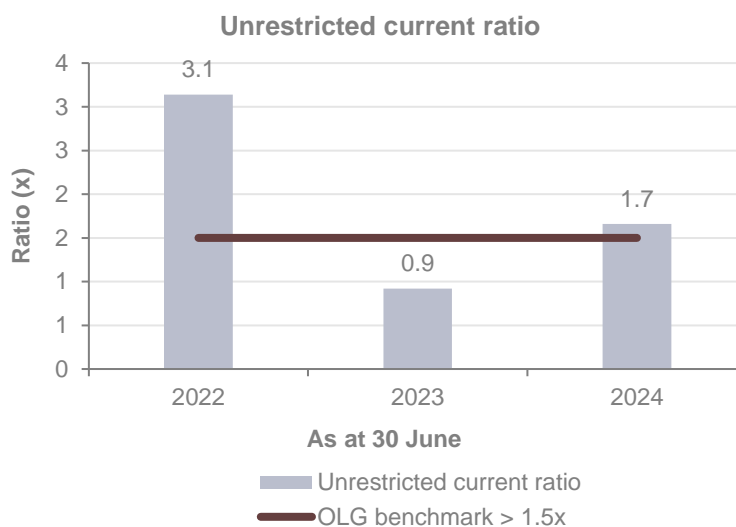
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

Council exceeded the benchmark for the current reporting period.

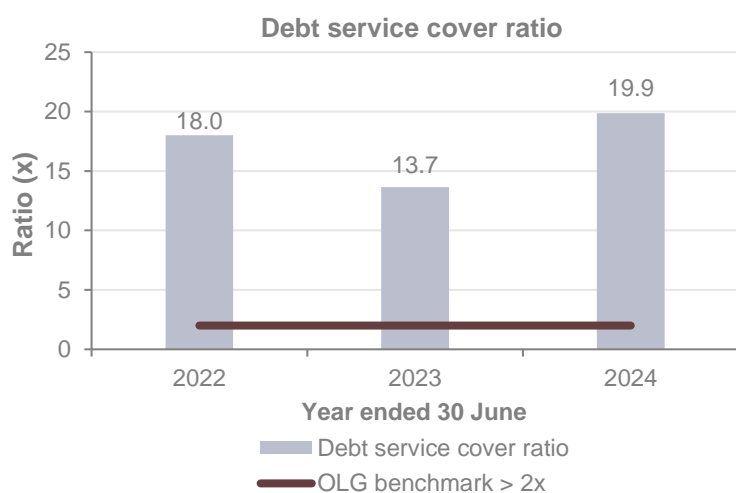
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

Council exceeded the benchmark for the current reporting period.

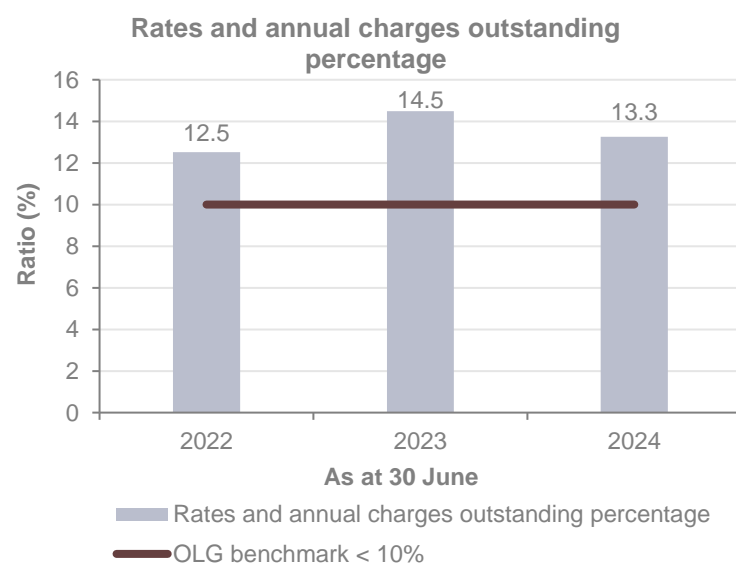
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding percentage

Council did not meet the benchmark for the current reporting period.

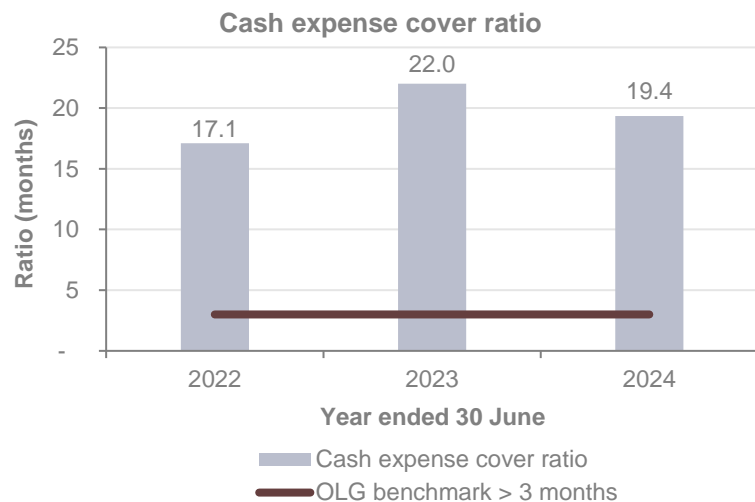
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.



Cash expense cover ratio

Council exceeded the 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

Council renewed \$4.6 million of infrastructure, property, plant and equipment during the 2023–24 financial year, mainly on roads, bridges and footpaths. A further \$4.1 million was spent on new assets.

OTHER MATTERS

Legislative compliance

My audit procedures did not identify any instances of material non-compliance with the financial reporting requirements in Chapter 13, Part 3, Division 2 of the LG Act and the associated regulation 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.

Lawrissa Chan
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

Hay Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024



Special Purpose Financial Statements

for the year ended 30 June 2024

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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 2024

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:

- NSW Government Policy Statement, *Application of National Competition Policy to Local Government*
- 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
- Sections 3 and 4 of the NSW Department of Climate Change, Energy, the Environment and Water's (DCCEE) *Regulatory and assurance framework for local water utilities, July 2022*

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,
- accord with Council's accounting and other records; and
- 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 22 October 2024.



Cr Carol Oataway

Mayor

22 October 2024



Cr Martyn Quinn

Councillor

22 October 2024



David Webb

General Manager

22 October 2024



Mark Dowling

Responsible Accounting Officer

22 October 2024

Hay Shire Council

Income Statement of water supply business activity

for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	763	731
User charges	521	466
Interest and investment income	56	18
Grants and contributions provided for operating purposes	52	18
Total income from continuing operations	1,392	1,233
Expenses from continuing operations		
Employee benefits and on-costs	232	206
Materials and services	799	669
Depreciation, amortisation and impairment	399	361
Water purchase charges	34	30
Total expenses from continuing operations	1,464	1,266
Surplus (deficit) from continuing operations before capital amounts	(72)	(33)
Grants and contributions provided for capital purposes	248	7
Surplus (deficit) from continuing operations after capital amounts	176	(26)
Surplus (deficit) from all operations before tax	176	(26)
Surplus (deficit) after tax	176	(26)
Plus accumulated surplus	7,074	7,100
Plus adjustments for amounts unpaid:		
Closing accumulated surplus	7,250	7,074
Return on capital %	(0.4)%	(0.2)%
Subsidy from Council	944	792
Calculation of dividend payable:		
Surplus (deficit) after tax	176	(26)
Less: capital grants and contributions (excluding developer contributions)	(248)	(7)
Surplus for dividend calculation purposes	—	—
Potential dividend calculated from surplus	—	—

Hay Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	1,015	1,015
User charges	51	40
Interest and investment income	82	42
Grants and contributions provided for operating purposes	31	10
Total income from continuing operations	1,179	1,107
Expenses from continuing operations		
Employee benefits and on-costs	148	137
Borrowing costs	22	26
Materials and services	513	450
Depreciation, amortisation and impairment	412	369
Total expenses from continuing operations	1,095	982
Surplus (deficit) from continuing operations before capital amounts	84	125
Surplus (deficit) from continuing operations after capital amounts	84	125
Surplus (deficit) from all operations before tax	84	125
Less: corporate taxation equivalent (25%) [based on result before capital]	(21)	(31)
Surplus (deficit) after tax	63	94
Plus accumulated surplus	14,590	14,465
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	21	31
Closing accumulated surplus	14,674	14,590
Return on capital %	0.5%	0.7%
Subsidy from Council	907	710
Calculation of dividend payable:		
Surplus (deficit) after tax	63	94
Surplus for dividend calculation purposes	63	94
Potential dividend calculated from surplus	32	47

Hay Shire Council

Statement of Financial Position of water supply business activity

as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	3,445	3,351
Receivables	386	306
Total current assets	3,831	3,657
Non-current assets		
Infrastructure, property, plant and equipment	20,269	18,891
Total non-current assets	20,269	18,891
Total assets	24,100	22,548
LIABILITIES		
Current liabilities		
Contract liabilities	61	209
Income received in advance	36	37
Total current liabilities	97	246
Total liabilities	97	246
Net assets	24,003	22,302
EQUITY		
Accumulated surplus	7,250	7,074
Revaluation surplus	16,753	15,228
Total equity	24,003	22,302

Hay Shire Council

Statement of Financial Position of sewerage business activity

as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	3,086	3,046
Receivables	153	140
Total current assets	3,239	3,186
Non-current assets		
Infrastructure, property, plant and equipment	23,547	21,410
Total non-current assets	23,547	21,410
Total assets	26,786	24,596
LIABILITIES		
Current liabilities		
Payables	6	6
Borrowings	128	124
Total current liabilities	134	130
Non-current liabilities		
Borrowings	485	614
Total non-current liabilities	485	614
Total liabilities	619	744
Net assets	26,167	23,852
EQUITY		
Accumulated surplus	14,674	14,590
Revaluation surplus	11,493	9,262
Total equity	26,167	23,852

Note – Material accounting policy information

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 2022* (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 – Material accounting policy information (continued)

Notional rate applied (%)

Corporate income tax rate – 25%

Land tax – the first \$1,075,000 of combined land values attracts **0%**. For the combined land values in excess of \$1,075,000 up to \$6,571,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$6,571,000 a premium marginal rate of **2.0%** applies.

Payroll tax – **5.45%** on the value of taxable salaries and wages in excess of \$1,200,000.

In accordance with DCCEEW's regulatory and assurance framework, 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 regulatory and assurance framework as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the Act.

Achievement of substantial compliance to DCCEEW's regulatory and assurance framework 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 25.0%.

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 25% 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 – Material accounting policy information (continued)

The rate of return is calculated as follows:

Operating result before capital income + interest expense

Written down value of IPP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 4.3% at 30/6/2024.

(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 DCCEEW's regulatory and assurance framework and must not exceed:

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30/6/2024 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the DCCEEW's regulatory and assurance framework, Statement of Compliance, Statement of dividend payment, dividend payment form and an Unqualified Independent Financial Audit Report are required to be submitted to the DCCEEW.



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 2024, the Statement of Financial Position of each Declared Business Activity as at 30 June 2024 and the Material accounting policy information note.

The Declared Business Activities of the Council are:

- water supply
- sewerage.

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 2024, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in the Material accounting policy information note and the Local Government Code of Accounting Practice and Financial Reporting 2023–24 (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).

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

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 Material accounting policy information 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 2024 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 Material accounting policy information 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. 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.



Lawrissa Chan
Delegate of the Auditor-General for New South Wales

25 October 2024
SYDNEY

Hay Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2024



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Hay Shire Council

Permissible income for general rates

\$ '000	Notes	Calculation 2023/24	Calculation 2024/25
Notional general income calculation ¹			
Last year notional general income yield	a	2,631	2,734
Plus or minus adjustments ²	b	9	(72)
Notional general income	c = a + b	2,640	2,662
Permissible income calculation			
Percentage increase	d	3.70%	4.50%
Plus percentage increase amount ³	f = d x (c + e)	98	120
Sub-total	g = (c + e + f)	2,738	2,782
Plus (or minus) last year's carry forward total	h	—	4
Sub-total	j = (h + i)	—	4
Total permissible income	k = g + j	2,738	2,786
Less notional general income yield	l	2,734	2,781
Catch-up or (excess) result	m = k - l	4	4
Carry forward to next year ⁴	p = m + n + o	4	4

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)*.
- (3) The 'percentage increase' is inclusive of the rate-peg percentage, and/or special variation and/or Crown land adjustment (where applicable).
- (4) 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 2025.

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 2023–24 (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).

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

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 2024 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 2024.

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. 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.



Lawrissa Chan
Delegate of the Auditor-General for New South Wales

25 October 2024
SYDNEY

Hay Shire Council

Report on infrastructure assets as at 30 June 2024

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	2023/24 Required maintenance ^a	2023/24 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	\$ '000	1	2	3	4	5
Buildings	Swimming Pool Buildings	—	—	20	7	1,507	1,549	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Buildings – non-specialised	—	—	25	19	1,448	1,722	0.0%	20.0%	80.0%	0.0%	0.0%	0.0%
	Emergency Services	—	—	15	21	1,417	1,664	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
	Council Offices	—	—	35	25	1,343	2,480	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
	Council Works Depot	—	—	30	22	537	637	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
	Council Public Halls	120	—	40	19	2,727	5,283	0.0%	30.0%	60.0%	10.0%	0.0%	0.0%
	Libraries	—	—	30	14	3,050	3,387	0.0%	30.0%	60.0%	10.0%	0.0%	0.0%
	Cultural Facilities	—	—	55	27	4,895	9,398	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Tourist Centre	—	—	30	7	789	994	0.0%	30.0%	60.0%	10.0%	0.0%	0.0%
	Other Specialised Buildings	—	—	95	87	5,564	7,225	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
	Aerodrome	—	—	10	17	220	407	10.0%	30.0%	60.0%	0.0%	0.0%	0.0%
	Showground	—	—	25	32	2,291	3,696	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
	Medical Centre	—	—	25	9	2,792	4,384	10.0%	60.0%	20.0%	10.0%	0.0%	0.0%
	Sub-total	120	—	435	306	28,287	42,826	26.7%	42.0%	28.0%	3.3%	0.0%	0.0%
Other structures	Other structures	—	—	50	46	11,544	19,517	10.0%	40.0%	25.0%	25.0%	0.0%	0.0%
	Other	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	—	—	50	46	11,544	19,517	10.0%	40.0%	25.0%	25.0%	0.0%	0.0%
Roads	Rural Sealed roads	—	—	550	1,679	50,846	65,417	70.0%	26.0%	4.0%	0.0%	0.0%	0.0%
	Unsealed roads	—	—	550	772	21,193	23,861	65.0%	30.0%	5.0%	0.0%	0.0%	0.0%
	Bridges	—	—	60	—	9,408	10,449	80.0%	10.0%	10.0%	0.0%	0.0%	0.0%
	Urban Streets	—	—	175	159	14,323	18,681	0.0%	54.0%	16.0%	30.0%	0.0%	0.0%
	Footpaths	—	—	60	12	3,891	6,506	0.0%	54.0%	16.0%	30.0%	0.0%	0.0%
	Kerb and Gutter	—	—	60	17	3,803	6,875	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%
	Other road assets	—	—	60	6	830	1,564	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%
	Sub-total	—	—	1,515	2,645	104,294	133,353	52.2%	32.3%	9.8%	5.7%	0.0%	0.0%
Water supply network	Intake Works	—	—	55	53	1,147	2,233	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%
	Mains	450	—	110	162	10,350	16,376	0.0%	50.0%	40.0%	10.0%	0.0%	0.0%
	Reservoirs	—	—	50	25	4,788	6,182	0.0%	75.0%	25.0%	0.0%	0.0%	0.0%
	Treatment	—	—	110	133	3,603	6,256	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	450	—	325	373	19,968	31,047	0.0%	65.1%	29.7%	5.3%	0.0%	0.0%

Hay Shire Council

Report on infrastructure assets as at 30 June 2024 (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	2023/24 Required maintenance ^a	2023/24 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	750	—	90	87	12,620	16,936	0.0%	50.0%	40.0%	10.0%	0.0%
	Pumping Station	—	—	90	42	2,009	3,918	0.0%	40.0%	40.0%	10.0%	10.0%
	Treatment	—	—	60	65	8,164	8,506	100.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	750	—	240	194	22,793	29,360	29.0%	34.2%	28.4%	7.1%	1.3%
Stormwater drainage	Stormwater drainage	—	—	60	75	13,006	22,900	8.0%	86.0%	6.0%	0.0%	0.0%
	Other	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	—	—	60	75	13,006	22,900	8.0%	86.0%	6.0%	0.0%	0.0%
Total – all assets		1,320	—	2,625	3,639	199,892	279,003	33.5%	42.6%	17.5%	6.3%	0.1%

(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 2024

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023 2022		Benchmark
Buildings and infrastructure renewals ratio					
Asset renewals ¹	4,635	119.37%	64.73%	98.64%	> 100.00%
Depreciation, amortisation and impairment	3,883				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	1,320	0.65%	0.63%	0.74%	< 2.00%
Net carrying amount of infrastructure assets	202,533				
Asset maintenance ratio					
Actual asset maintenance	3,639	138.63%	115.10%	88.08%	> 100.00%
Required asset maintenance	2,625				
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%	0.00%	
Gross replacement cost	279,003				

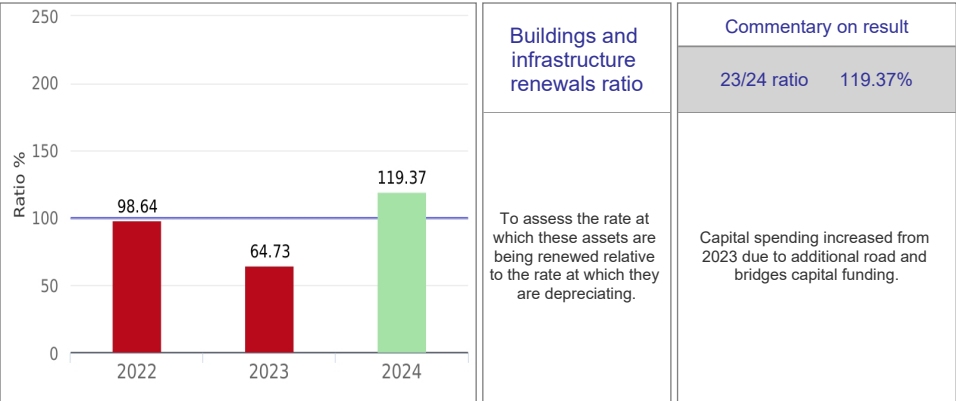
(*) All asset performance indicators are calculated using classes identified in the previous table.

(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 2024

Buildings and infrastructure renewals ratio



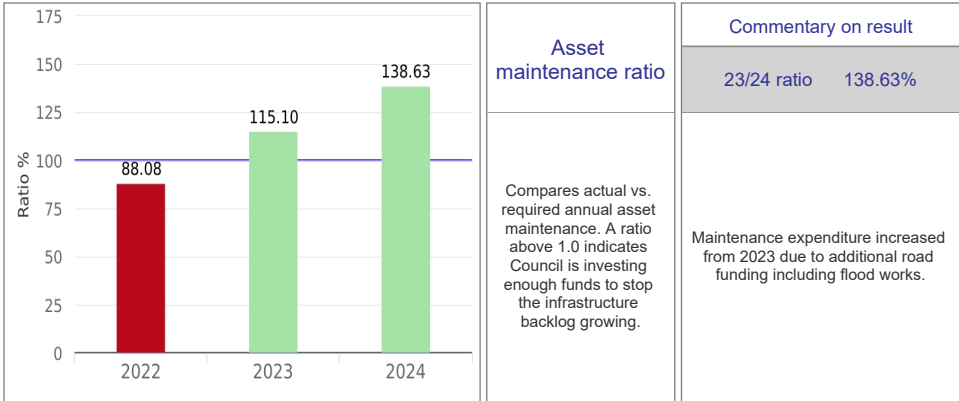
Benchmark: — > 100.00%

■ Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

■ Ratio is outside benchmark

Asset maintenance ratio



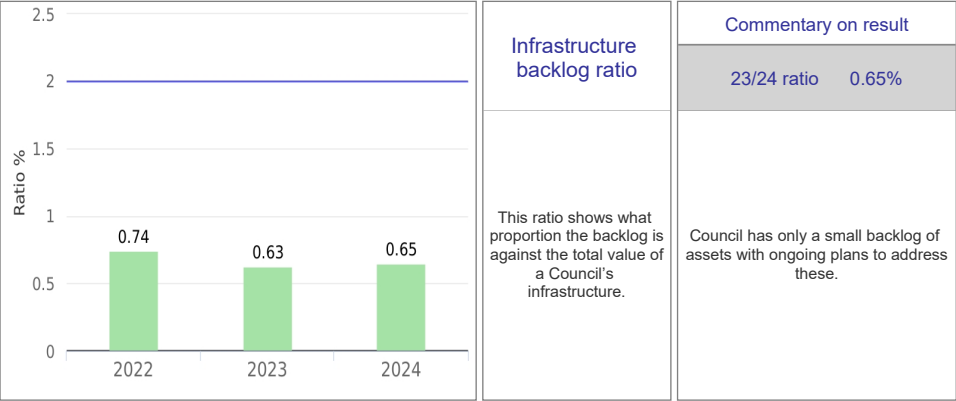
Benchmark: — > 100.00%

■ Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

■ Ratio is outside benchmark

Infrastructure backlog ratio



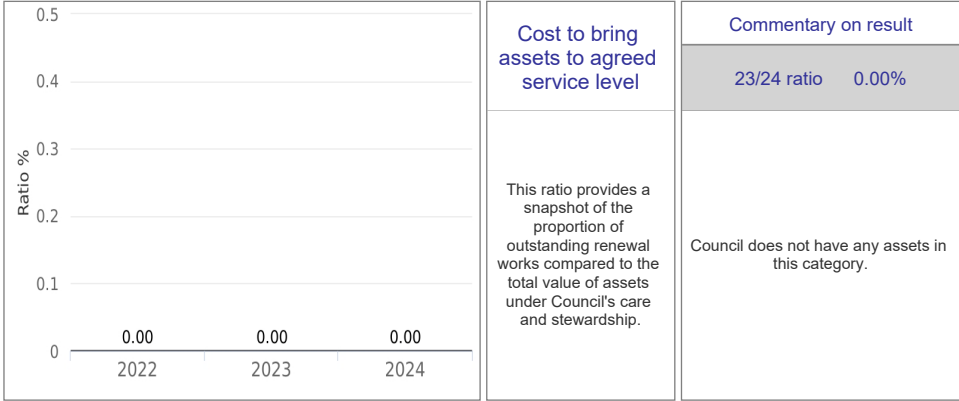
Benchmark: — < 2.00%

■ Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

■ Ratio is outside benchmark

Cost to bring assets to agreed service level



Hay Shire Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2024	2023	2024	2023	2024	2023	
Buildings and infrastructure renewals ratio							
Asset renewals ¹	131.61%	81.67%	63.64%	0.00%	78.72%	0.00%	> 100.00%
Depreciation, amortisation and impairment							
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard	0.08%	0.07%	2.25%	2.15%	3.29%	3.39%	< 2.00%
Net carrying amount of infrastructure assets							
Asset maintenance ratio							
Actual asset maintenance	149.13%	120.62%	114.77%	99.31%	80.83%	90.00%	> 100.00%
Required asset maintenance							
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%	0.00%	0.00%	0.00%	0.00%	
Gross replacement cost							

(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.