

ANNUAL REPORT 2022/23

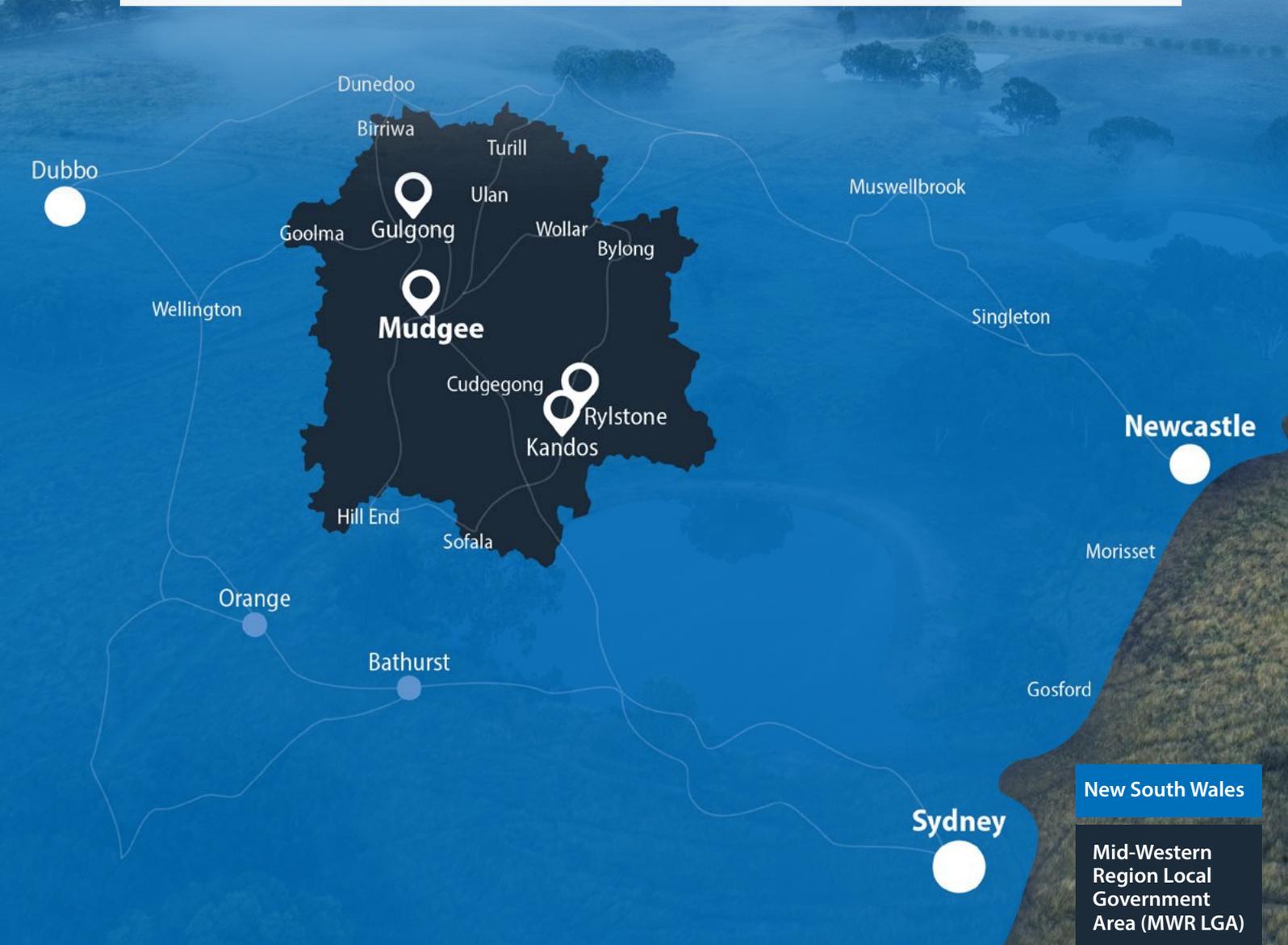
MID-WESTERN REGIONAL COUNCIL



Welcome to Mid-Western Regional Council's (Council) 2022/23 Annual Report. Council is the Local Government authority established by the NSW Government to provide services to the area shown on the map below. The Local Government Act requires that Council is overseen by nine elected Councillors led by the Mayor. The Councillors appoint a General Manager who then has a statutory obligation to implement the decisions of the Councillors. The Annual Report includes overviews from the Mayor and General Manager.

This Report follows Council's Delivery Program and Operational Plan. These documents detail how Council consulted with the community to determine what action is required. This report identifies how Council carried out those plans, as well as providing performance information prescribed by the Office of Local Government. The first part of the Annual Report is presented to the community in plain English. The second part is a statutory report for various parts of the State Government in the formats they prescribe. The final appendix is a financial report. The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2023.

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



CONTENTS

Message from the Mayor.....	4
Message from the General Manager.....	7
Your Council.....	8
Civic Leadership.....	10
Councillor Key Statistics.....	12
Organisation Structure.....	13
Vision and Values.....	14
About the Mid-Western Region.....	15
Key Completed Projects.....	16
Community Strategic Plan.....	26
Progress on the Operational Plan and Delivery Program.....	27
Looking After Our Community.....	28
Protecting Our Natural Environment.....	40
Building A Strong Local Economy.....	48
Connecting Our Region.....	52
Good Government.....	56
Managing the Money.....	66
Performance Measures.....	68

MID-WESTERN REGIONAL COUNCIL

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MAYOR	Cr Des Kennedy
GENERAL MANAGER	Brad Cam

MESSAGE FROM THE MAYOR



“

I am immensely proud that Mudgee once again earned the prestigious title of Australia's Top Tourist Town for the second consecutive year in 2022.

”

THE YEAR IN REVIEW

I am delighted to present the Annual Report for 2022/23, showcasing the remarkable achievements of Council in the Mid-Western region over the past year. The community faced significant challenges, including the aftermath of the COVID-19 Pandemic, floods, and a demanding economic environment. It's truly inspiring to witness the community's unwavering resilience and their ability to thrive in the face of adversity.

I am immensely proud that Mudgee once again earned the prestigious title of Australia's Top Tourist Town for the second consecutive year in 2022. Additionally, I was thrilled to share that Gulgong recently secured a well-deserved bronze award in the Small Town category at the NSW Top Tourism Town Awards. The tourism sector continues to be a vital cornerstone of the local economy, contributing a substantial \$131.6 million annually. Council also received the esteemed 2022 AR Bluett Memorial Award, recognizing us as the best Regional Rural Local Government in the state, a testament to Council's outstanding work and successful project deliveries.

The unveiling of the Mudgee Arts Precinct's Cultural Workshops space in February was a significant milestone, providing the community with a versatile venue for art, education, conferences, and collaborative endeavors.

The acquisition and repurposing of the former TAFE site underscored Council's commitment to enhancing the local arts scene and addressing the educational needs of future residents. Furthermore, the construction of a Country University Centre is currently in progress, expanding educational opportunities in the region.

Over the past 12 months, Council has executed numerous projects across all areas, as detailed in the Key Completed Projects section. Notable highlights include the upgrade of the playground in Rylstone, designed with inclusivity in mind, featuring sensory play equipment, an accessible flying fox, a slippery slide, a climbing web, swings, and sensory musical play equipment. Additionally, the grandstand at Mudgee Showground was completed in time for the show season, and Rylstone and Kandos now

boast new fenced dog parks. As part of Council's ongoing commitment to improving facilities, shade sails have been installed and updated at parks and playgrounds throughout the region.

Addressing community concerns related to affordable housing remains one of our key priorities. In the current year, Council has taken significant steps to address this concern, including releasing 22 parcels of land in its Saleyards Lane development. Efforts are also underway to create essential worker housing at the former Mudgee Bowling Club location on Burrundulla Avenue, ensuring that the community maintains a sufficient workforce in critical healthcare and education sectors.

Furthermore, there has been substantial expansion at Mudgee Valley Park, highlighted by the introduction of 31 new cabins. Looking ahead, the Council plans to add another 20 cabins in the coming years as part of our ongoing development efforts.

It is rewarding to see that Glen Willow Sports Precinct infrastructure continues to attract major sporting events. In the past year, Council successfully coordinated events such as the NRL Charity Shield, NRL Premiership round 4 featuring Manly-Warringah Sea Eagles v Newcastle Knights, and Round 20 of the Isuzu Ute A-League with Central Coast Mariners facing Macarthur Bulls FC, collectively generating more than \$3.8 million for the local economy.

I extend my gratitude to Council's dedicated staff and my fellow Councillors for their exemplary leadership and representation. I eagerly anticipate working collaboratively with the community to achieve even greater outcomes for the region in the coming 12 months.



DES KENNEDY
MAYOR

THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

FINANCIALS

STATUTORY
INFORMATION



“

Council has been successful in
\$18 million of applications in
government grant funding.

”

MESSAGE FROM THE GENERAL MANAGER

Welcome to Mid-Western Regional Council's 2022/23 Annual Report, a comprehensive overview of our organisation's achievements and performance throughout the past financial year. This report showcases Council's robust financial standing, forward-looking planning, prudent financial management, and ambitious capital works program that demonstrates its commitment to the community's well-being.

Despite facing adversity, Council has shown resilience and successfully managed the difficult circumstances caused by the flooding events in 2022. We dedicated ourselves to repairing the \$4 million in flood damage sustained across the region, reinforcing Council's commitment to the safety and resilience of our communities. Additionally, several road rehabilitation and widening projects were completed, including significant work on Wollar Road (4km), Bylong Valley Way (1.6km), and Lue Road (1km). These initiatives have contributed to improved infrastructure and connectivity within the region.

Further exemplifying our commitment to the community's welfare, Council completed the Mudgee Regional Airport Ambulance waiting bay project, enhancing healthcare conditions for medical personnel, patients, and their families awaiting transfer by medical air services. Moreover, the region has seen the completion of over 1400 metres of fresh pedestrian pathways, reinforcing the Council's dedication to fostering healthy living and community welfare through the ongoing development of the Mid-Western Region Cycling and Walking Strategy.

Council has been successful in \$18 million of applications in government grant funding. These funds support critical initiatives such as road repairs, the development of a 5MW Solar Array at the Mudgee Sewage Treatment Plant, major lighting upgrades at Glen Willow, Rylstone Showground arena lighting, Victoria Park Gulgong amenities upgrade, Kandos inclusive adventure playspace, Mudgee BMX pump track, and Glen Willow Netball Precinct upgrade.

Council remains committed to seeking additional funding opportunities, including the development of the key worker housing project in Burrundulla Avenue and infrastructure upgrades to facilitate affordable housing development.

Council's commitment to environmental sustainability is unwavering. Initial works have commenced to build a 5MW solar array located at Mudgee Sewage Treatment Plant. The array will offset electricity consumption within Council facilities. Council has improved the usability and compliance of the Ilford and Ulan Waste Transfer Stations by providing educational resources to the community and implementing new technology, such as smartlocks, to enhance access control and prevent unauthorised entry. Furthermore, local schools and preschools have been engaged, arranging tours of the Materials Recycling Facility in Mudgee to educate upcoming generations about waste management and sustainability practices.

The region's future holds substantial investment in the Central West Orana Renewable Energy Zone, and Council remains steadfast in managing the opportunities and challenges it presents. State Significant Projects at various planning stages are being thoroughly monitored and evaluated.

I extend my heartfelt appreciation to Council staff and volunteers for their unwavering dedication, which enables us to fulfill Council's vision of *"a prosperous and progressive community we proudly call home."* Your commitment is the driving force behind our achievements and our continual pursuit of a sustainable and brighter future for the Mid-Western Region.



BRAD CAM
GENERAL MANAGER

THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

FINANCIALS

STATUTORY
INFORMATION

YOUR COUNCIL



▲ Cr Des Kennedy
MAYOR



Cr Sam Paine
DEPUTY MAYOR ▲

Mid-Western Regional Council is represented by nine Councillors including a Mayor elected every two years from within.

Councillors are elected to a four year term, with the most recent elections occurring in December 2021. That election saw 34 candidates nominated to serve the Mid-Western Region, with Councillors Paul Cavalier, Des Kennedy, Katie Dicker, Peter Shelley, Percy Thompson, Alex Karavas, Sam Paine, Robbie Palmer and Phil Stoddart elected.

The impact of the COVID-19 pandemic has resulted in the 2020 Local Council elections being postponed to 4 December 2021, which will see this current term of Council proceeding for a three year term.

The three year term of the outgoing Council will conclude with Local Government elections to be held in September 2024.



- 1 Cr Paul Cavalier
- 2 Cr Katie Dicker
- 3 Cr Alex Karavas
- 4 Cr Robbie Palmer
- 5 Cr Peter Shelley
- 6 Cr Phil Stoddart
- 7 Cr Percy Thompson

THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

FINANCIALS

STATUTORY
INFORMATION

CIVIC LEADERSHIP

THE ROLE OF COUNCIL

The role of the Councillors, as members of the body corporate are:

- to direct and control the affairs of the Council in accordance with the Local Government Act
- to provide effective civic leadership to the local community
- to ensure as far as possible the financial sustainability of the Council
- to ensure as far as possible that the Council acts in accordance with the principles set out in Chapter 3 of the Act and the plans, programs, strategies and policies of the Council
- to develop and endorse the Community Strategic Plan, delivery program and other strategic plans, programs, strategies and policies of Council
- to determine and adopt a rating and revenue policy and operational plans that support the optimal allocation of Council resources to implement the strategic plans (including the Community Strategic Plan) of Council and for the benefit of the local area
- to keep under review the performance of Council, including service delivery
- to make decisions necessary for the proper exercising of Council's regulatory functions
- to determine the process for appointment of the General Manager by Council and to monitor the General Manager's performance
- to determine the senior staff positions within the organisation structure of the Council
- to consult regularly with community organisations and key stakeholders and keep them informed of the Council's decisions and activities
- to be responsible for ensuring that the Council acts honestly, efficiently and appropriately
- to consult with the General Manager in directing and controlling the Council

COUNCIL DECISIONS

Council is recognised as a single entity and Councillors only have the authority to make decisions as a group, when they are acting as Council, that is, in Council meetings.

Council meetings are held at the Chambers of the Mudgee Administration Centre on the third Wednesday of every month except for January (no meeting). Occasionally Council holds extraordinary meetings. These are Council meetings held outside the normal meeting cycle, most often to consider matters of an urgent nature.

Meetings are open to the public, residents and businesses are actively encouraged to attend and participate in the decision-making process. Prior to the commencement of the formal Council meeting, Public Forum is held. This is an opportunity for members of the public to address Council on any issue of relevance to the Council.

Council also has advisory committees comprised of Councillors, members of the public and staff of the Council. These committees focus on specific narrow areas of expertise, and make recommendations for consideration by Council.

Council meetings are available to view live via webcast on the internet, giving the public access to Council decisions and debate without the need to attend meetings in a physical capacity. Archived videos from previous meetings are also available, as well as links to meeting schedules, agendas and minutes.



HAVING YOUR SAY

There are many ways for residents to have a say on the governing of the Mid-Western region. Residents can:

- vote for Councillors every four years through the Local Government election for Mid-Western Regional Council
- arrange to speak at the Public Forum
- write to or telephone elected members of the Council
- get social and connect with Council on social media, including Facebook and Instagram
- make a submission on Council's four year Delivery Plan including the one year Operational Plan when on exhibition each year
- participate in the review of the Community Strategic Plan every four years
- make submissions on items placed on public exhibition or notification, including major projects, development applications, strategic plans and policies

Mid-Western Regional Council is committed to engaging its residents, stakeholders and staff in the development of policies and plans, and the delivery of services for the community. Council's Community Engagement Strategy will assist residents in having their say.

CODE OF CONDUCT

Councillors and staff are bound by a Code of Conduct, which sets the standards for ethical behaviour and decision making.

The Code states Councillor and staff roles and responsibilities, and outlines steps to be followed when making and investigating allegations of breaches of the Code.

During 2022/23, there were no Code of Conduct complaints made against Councillors/staff.

Code of Conduct matters are dealt with via the following means:

- referred to a Conduct reviewer
- referred to the various legislative authorities where required (Office of Local Government, Independent Commission Against Corruption)
- resolved in accordance with Council's Procedures for the Administration of the Code of Conduct



COUNCILLOR KEY STATISTICS

COUNCILLOR ATTENDANCE AT MEETINGS AND WORKSHOPS

11 Ordinary Council meetings and 2 Extraordinary meetings were held between 1 July 2022 and 30 June 2023.

Elected Member	Ordinary Meetings Attended		Extraordinary Meetings Attended	
	Number	%	Number	%
Cr Des Kennedy – Mayor	10/11	91%	1/2	50%
Cr Sam Paine – Deputy Mayor	10/11	91%	2/2	100%
Cr Paul Cavalier	10/11	91%	1/2	50%
Cr Katie Dicker	11/11	100%	2/2	100%
Cr Alex Karavas	11/11	100%	2/2	100%
Cr Robbie Palmer	11/11	100%	2/2	100%
Cr Peter Shelley	10/11	91%	2/2	100%
Cr Phil Stoddart	11/11	100%	2/2	100%
Cr Percy Thompson	11/11	100%	2/2	100%

DELEGATED DECISION MAKING

As provided for in the Local Government Act, the Council can delegate some of its decision making authority to the General Manager, allowing a more efficient operation in several areas such as enforcement of Council regulations and finalising or negotiating various matters within parameters set by Council.

ORGANISATION STRUCTURE

BRAD CAM
General Manager



JULIAN GEDDES
Director Operations

- Works
- Infrastructure Planning
- Water and Sewer
- Waste and Environment



SIMON JONES
Director Community

- Customer Services
- Recreation Services
- Major Projects
- Community Services
- Library Services
- Governance



ALINA AZAR
Director Development

- Economic Development
- Health and Building
- Statutory Planning
- Strategic Planning



LEONIE VAN OOSTERUM
Director Corporate Services

- Financial Services
- Property and Revenue
- Procurement and Fleet
- Information Technology
- People and Performance

- THE YEAR IN REVIEW
- KEY COMPLETED PROJECTS
- DELIVERY PROGRAM PROGRESS
- FINANCIALS
- STATUTORY INFORMATION

VISION AND VALUES



RESPECT

We respect ourselves, our team mates and our organisation as a whole.

When we talk or write to each other we show respect by being positive, polite and truthful; really listening; responding politely; and providing honest feedback.

We never tolerate bullying and discrimination in the workplace.



INTEGRITY

We are all accountable for our own actions and also for assisting and supporting our fellow workers.

We seek solutions, we don't cast blame.

We work for the community and we are proud to show our care for the place in which we live.

We are committed to action – we do what we say we will do.

We are honest with each other in everything we say and do, and we are committed to open, two-way communication.



RECOGNITION

We are committed to a healthy, safe and constructive working environment where everyone's well-being is our major focus.

We work together to develop employment policies and practices that are adaptable to individual circumstances.

We celebrate our achievements and recognise that everyone's contribution is essential to this Council's success.

In supporting each other and working together we create the right environment in which we all can achieve our very best.

We seek continuous improvement both individually and collectively.

We admit our mistakes and focus on getting better.

We strive to achieve our personal best and be industry leaders.

“ **A prosperous and progressive community we proudly call home.** ”

ABOUT THE MID-WESTERN REGION

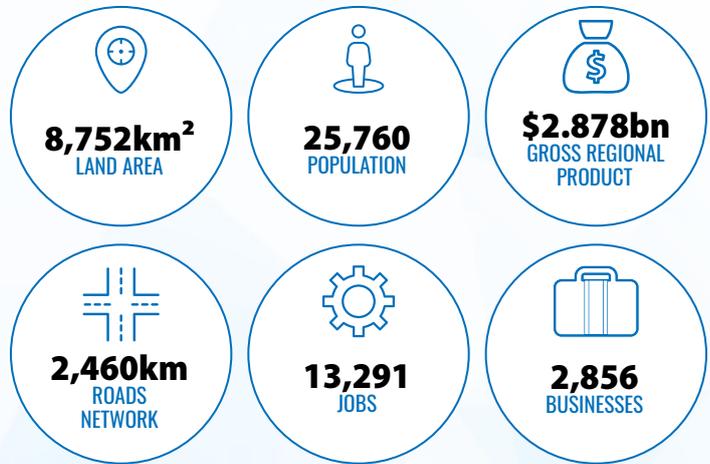
More than 25,000 residents have chosen the Mid-Western region as their place of residence. This area in regional New South Wales is witnessing rapid growth and serves as the entry point to the Central West and Far West regions of the state. Located just a little over three hours away from Sydney and Newcastle, it boasts excellent accessibility and a central position relative to other major regional hubs.

The townships of Gulgong, Kandos, Mudgee, and Rylstone are vibrant and bustling with the presence of both visitors and local families. Within the region, there are abundant open spaces, parks, and sports facilities for recreational activities, along with a rich calendar of annual events. Local markets are a testament to the area's cultural richness, showcasing homegrown produce and the creative work of local artisans.

The region's economic landscape stands out due to its diversity. It thrives on five major industry sectors: agriculture, retail, construction, tourism, and mining. These sectors consistently generate employment opportunities, thanks to the high-quality and varied local workforce, giving the region a competitive edge.

Although the current labor force represents a wide range of skills and educational backgrounds, the anticipated future growth in the region is set to intensify the demand for new skills and qualifications. Professions like engineers, builders, tradespeople, childcare providers, and healthcare professionals are expected to be particularly sought after in the next three to five years.

Visitors to the region are treated to an authentic country community experience imbued with warmth, character, and a strong sense of community spirit. The residents of this area hold deep affection for their home and are delighted to share its beauty and charm with an impressive annual influx of 691,000 visitors. (source: *Tourism Research Australia 2019*).



MAJOR TOWNS AND CENTRES

Mudgee, Gulgong, Kandos, Rylstone



MAJOR INDUSTRIES

Agriculture, Mining, Tourism, Retail, Construction



COMPETITIVE ADVANTAGES

- ☆ Skilled workforce
- ☆ Thriving tourism, arts and cultural sectors
 - ☆ Strong business services sector
 - ☆ Diverse and growing economic base
 - ☆ Regular coach and air services
- ☆ Centrally located to Sydney and Newcastle, and major regional centres in NSW
 - ☆ Sustainable water supply
 - ☆ Great lifestyle benefits

THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

FINANCIALS

STATUTORY
INFORMATION

KEY COMPLETED PROJECTS



LOOKING AFTER
OUR COMMUNITY

> Mudgee Arts Precinct, Cultural Workshops

Mudgee Arts Precinct

Mudgee Arts Precinct received an accolade in 2022 from the Australian Institute of Architecture, the design was awarded the NSW Country Division Award for Public Architecture. The blending of existing heritage and modern design proved to be a big success. Mudgee Arts Precinct hosted exhibitions including, *Mating Dance* by Anna-Wili Highfield. The exhibition celebrated Australia's principal dancing bird - the brolga, and featured unique sculptures sewn from waxed cotton of the Australian native birds suspended like marionettes. The Precinct also held its inaugural Mudgee Arts Precinct portrait prize, with 89 finalists exhibited, including Gus Armstrong's artwork *High waters on the shoulders of giants* which received the Mid-Western Regional Council Best Portrait Prize. Other exhibitions showcased were *Working the Waters* where Ann Finegan brought together a collection of works spanning over a decade that investigated our complex relationship with water and its cultural, environmental, spiritual and social impacts. Mudgee Arts Precinct also hosted the *ARTEXPRESS* exhibition, a collection of works from year 12 students for the Higher School Certificate. The collection included works from metropolitan and regional centres of NSW and represented all forms of visual arts described in the HSC Visual Arts syllabus.

Cultural Workshops Building

In February 2023 residents had their first glimpse at the region's all new creative space, the Mudgee Arts Precinct Cultural Workshops. The facility provides a creative learning centre that aims to meet the diverse needs of our community. This purpose-designed facility is fully accessible and offers a series of hireable spaces for the community including a digital classroom/technical suite with recording and editing facilities, large and small workshops/meeting co-working spaces, internal and external breakout areas and a kitchenette, all serviced by high-speed Wi-Fi.

Rylstone Playground

As part of an ongoing commitment to improve facilities within the Mid-Western region, Council completed upgrades to the children's playground in Rylstone. Council secured \$146,000 toward the project through the Everyone Can Play in NSW grant program. Council contributed matched funding for the community project. Positioned next to the Showground, this project delivered all-inclusive sensory play equipment, including an accessible flying fox, slippery dip, climbing web, swings and sensory musical play equipment.



KEY COMPLETED PROJECTS

Rylstone Dog Park

The Rylstone Showground has an off-leash area for residents to walk their dogs. Rylstone Showground is a multi-use venue in a picturesque setting by the banks of the Cudgegong River, with the grounds hosting a range of activities, shows and major events. The off-leash areas are conveniently located next to the upgraded children's sensory playground. Council secured funding for this project through the NSW Government's Stronger Country Communities Fund.

Kandos Dog Park

Kandos has a new dog park facility located at Darton Park, Kandos. The park offers a designated fenced off area for all dogs, while bins have been provided, including dog waste bags. There is an air-lock style entrance/exit gate, seating, shelter and drinking water for dogs. Council secured funding for this project through the NSW Government's Stronger Country Communities Fund.

Shade Sails

Shade sails have been installed and updated at parks and playgrounds across the region as part of Council's ongoing commitment to improve facilities. Gulgong Adventure Playground received an additional shade sail along with shade sails installed at Kandos, Rylstone and Mudgee. The upgrades are to ensure the enjoyment and safety of children and parents using our local playgrounds. Council secured funding through the NSW Government's Resources for Regions Fund (Round 7) to deliver the project.

Introduction of Standard Conditions for Development Consent

Standard Conditions for development consents is an initiative under the NSW Planning Reform Action Plan. Standard Conditions are available to be used by all councils when approving development applications, this will help speed up assessment timeframes, provide greater

consistency and certainty, and will make development consents easier to navigate – with all consent notices now generated and issued over the Planning Portal. This will free up Council to focus on the more complex aspects of development assessment and compliance. Standard Conditions are available for residential development, mixed use, change of use, food and drink premises, demolition and biodiversity credits.

Red Hill Cottage

Renovations at Red Hill, Gulgong were completed which included the restoration of the Miner's Cottage and the construction of public amenities at the Gulgong Gold Experience. The cottage has been restored to become the official entry to the Gulgong Gold Experience and contains tea rooms, a giftshop, kitchen, bathroom and Visitor Information Centre. The project benefits the community by creating value to an important tourism asset, promoting further visitation and increasing length of stay in the region.

Mudgee Pound Renovation

The Pound has recently undergone a significant renovation and an expansion project to enhance its functionality and appeal. This transformation includes the addition of a new office space for staff, revamped cat and dog isolation pens with improved amenities, an inviting reception area, and the installation of unisex toilets for increased accessibility. These updates reflect the Pound's commitment to providing better care for animals and a more welcoming experience for visitors.

Victoria Park Mudgee Fence

A freshly constructed fence now surrounds Victoria Park in Mudgee. The traditional white picket barrier has elevated the park's overall ambiance, solidifying its status as a premier cricket facility. Council secured funding for the project through the NSW Government's Stronger Country Communities Fund.

THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

FINANCIALS

STATUTORY
INFORMATION

KEY COMPLETED PROJECTS



PROTECTING OUR
NATURAL ENVIRONMENT

> A kangaroo and joey

Weeds

The Weeds Team has exceeded its roadside spray targets as part of a collaborative effort between Council, WaterNSW and Local Land Services to get action in relation to biosecurity weed and feral animal control on the leased Windamere Dam foreshore blocks. This involved the coordination of meetings with Water NSW, and Local Land Services to highlight the extent of the issue and the legislated biosecurity obligations including the stakeholder's roles. WaterNSW completed the NSW Water Windamere Action Plan which included mapping and yearly programmed control work. The initial inspections in late 2022 were carried out by the Weeds Team together with Local Land Services, with each able to have input into their biosecurity concerns (weeds or feral animals). The Weeds Team completed another full round of inspections in June 2023 to assess the results of the NSW Water Windamere Action Plan Year 1 spraying program. These inspections showed pleasing results for first round spraying of blackberry, with ongoing work with leaseholders and WaterNSW working toward a five-year plan.

Recycling and Waste

The Australian Disability Service commenced a new business activity involving recycling and selling rags to mechanics. The project has been well received by the supported workers and mechanics involved. The upskilling of supported workers has been carried out for the use of a new rag cutting machine, commercial scales, along with customer service and phone skills. The success of this program has seen 437kg of textiles diverted from landfill in the past six months. The Mudgee Recycling Facility staff have attended pre-schools to promote correct sorting of waste along with tours for schools at the Recycling Facility. Two thousand primary aged students in the Mid-Western region have been educated on topics including litter, and recycling food and waste. The program has been well received with most schools making annual bookings to participate in this program.

Communities that use the Ilford and Ulan Waste Transfer Stations have been consulted regarding the management options of their sites. Information was provided to the communities on the correct use of the facilities, and new

KEY COMPLETED PROJECTS



PROTECTING OUR
NATURAL ENVIRONMENT

technology along with smart-locks have been installed to prevent unauthorised access to the sites. There has been a noticeable improvement to the site's use, providing benefits to the community and Council.

Environment

Watershed Landcare has presented an event called Green Day to the schools across our region for the past 14 years. This year students were taught about the importance of using Food Organics, Garden Organics (FOGO) bins correctly, and how it assists Council's Waste Facility in preventing it becoming an anaerobic environment that creates methane.

Breakfast with the Birds is an event which was held at Putta Bucca Wetlands in November 2022. The event

was attended by 50 residents and Mark Leary was the guest speaker, with breakfast provided by Council in collaboration with Kookaburra Estate. Council is committed to the continued rehabilitation of Putta Bucca Wetlands which has significantly improved the bird life habitat in recent years.

The Putta Bucca Carp Muster was also held this year in conjunction with Club Mudgee Fishing Club, with over 200 people attending, and 115 carp removed from the Cudgegong River and wetlands.

Across three separate days, community plantings have been completed along the Cudgegong River, and Lawson Creek at the Glen Willow Sporting Complex which saw a total of 1500 native tube stock plants being planted by 150 participants.



THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

FINANCIALS

STATUTORY
INFORMATION

KEY COMPLETED PROJECTS



BUILDING A STRONG
LOCAL ECONOMY

> Flavours of Mudgee 2022



Flavours of Mudgee

Held on the fourth Saturday of September each year, Flavours of Mudgee is the region's largest food and wine event. Flavours of Mudgee 2023 marks 10 years of wining and dining on the CBD's beautiful tree-lined streets, and is backed by the region's best primary producers of wine and food. The event delivers a large amount of money into the local business community and has proven to be a fantastic way to showcase the region. In 2022, 11,696 people were in attendance, with 71% being visitors to the region, generating \$2 million for the local economy. Due to its popularity, Flavours of Mudgee looks to continue being a solid contributor to Mudgee's event calendar.

Mudgee Glow

Funded through the Reconnecting Regional NSW Community Events Program, Mudgee Glow illuminated the CBD with spectacular projections that could be seen on a number of key buildings, including Mudgee Town Hall and the Post Office. Market Street was decorated with fairy lights while entertainment and food trucks were positioned in Robertson Park. Mudgee Glow saw thousands of local residents and visitors roam the CBD enjoying the light spectacle.



BUILDING A STRONG LOCAL ECONOMY

KEY COMPLETED PROJECTS

Mudgee Sporting Events

This year Mudgee celebrated its sixth annual Charity Shield game at the coveted Glen Willow Stadium. The successful partnership between Mid-Western Regional Council, South Sydney Rabbitohs and St George clubs has seen the Charity Shield returning annually to showcase the game for rural fans. The game delivered major social and economic benefits, contributing \$1.6 million into the local economy. The Manly-Warringah Sea Eagles returned to Mudgee in April for the NRL Premiership Round 4 against the Newcastle Knights. Ticketing data showed half of the crowd were visitors to the region, which returned an estimated \$1.8 million in economic benefit into the local economy. The Central Coast Mariners returned to Glen Willow in March this year to play the Macarthur Bulls. It is estimated that the game has brought approximately \$400,000 in economic benefit to the local community, with 54% of attendees being visitors to the region.

Mudgee Valley Park

The Council-owned and managed Mudgee Valley Park now has 31 new cabins installed as part of a major expansion at the caravan park. The new cabins have increased the number of accommodation beds needed in the region, with other upgrades including internal roads and electrical infrastructure. An additional 20 cabins are proposed to be installed and are pending development application approval. Council aims to increase the number of beds for the region's tourism industry which is worth \$131.6 million per annum to the local economy.

Mudgee Riverside Operations

Council recently took over operations of Mudgee Riverside Park. This move ensures greater accountability and transparency in park management, leading to improved facilities, enhanced safety measures, and fair pricing for all

visitors. Council will actively be working to ensure this is a well-maintained and accessible recreational space that benefits both residents and tourists.

Economic Think Tank

The Economic Think Tank, established in 2013, upheld its tradition by hosting its tenth consecutive edition in 2023. This yearly gathering serves as a forum for the Council to interact with various industry and business sectors. During this event, participants engage in conversations covering a wide range of topics related to the local economy, significant regional projects, local issues and opportunities, the Council's support for businesses, and initiatives aimed at promoting economic growth. The event saw the participation of 28 individuals, including local business owners and managers from diverse fields such as mining, small businesses, tourism, agriculture, healthcare, and education, in addition to representatives from State Government agencies. Notable subjects discussed by attendees included challenges in recruitment, accommodation and related infrastructure, transportation, renewable energy zones, mobile phone coverage, and transit.

Rylstone Caravan Park New Amenities

During the first phase of improvements at the Rylstone Caravan Park, a new amenities structure has been constructed. This amenities facility includes restrooms, showers, storage space, a laundry area, a baby changing station, a reception office, and an outdoor camp kitchen. This addition plays a vital role in enhancing the services offered to visitors at the facility. Furthermore, the previous amenities building was dismantled as part of the initial phase of upgrades. Council secured \$154,525 through the NSW Government's Stronger Country Communities Fund, and contributed \$499,809 towards the project.

THE YEAR IN REVIEW

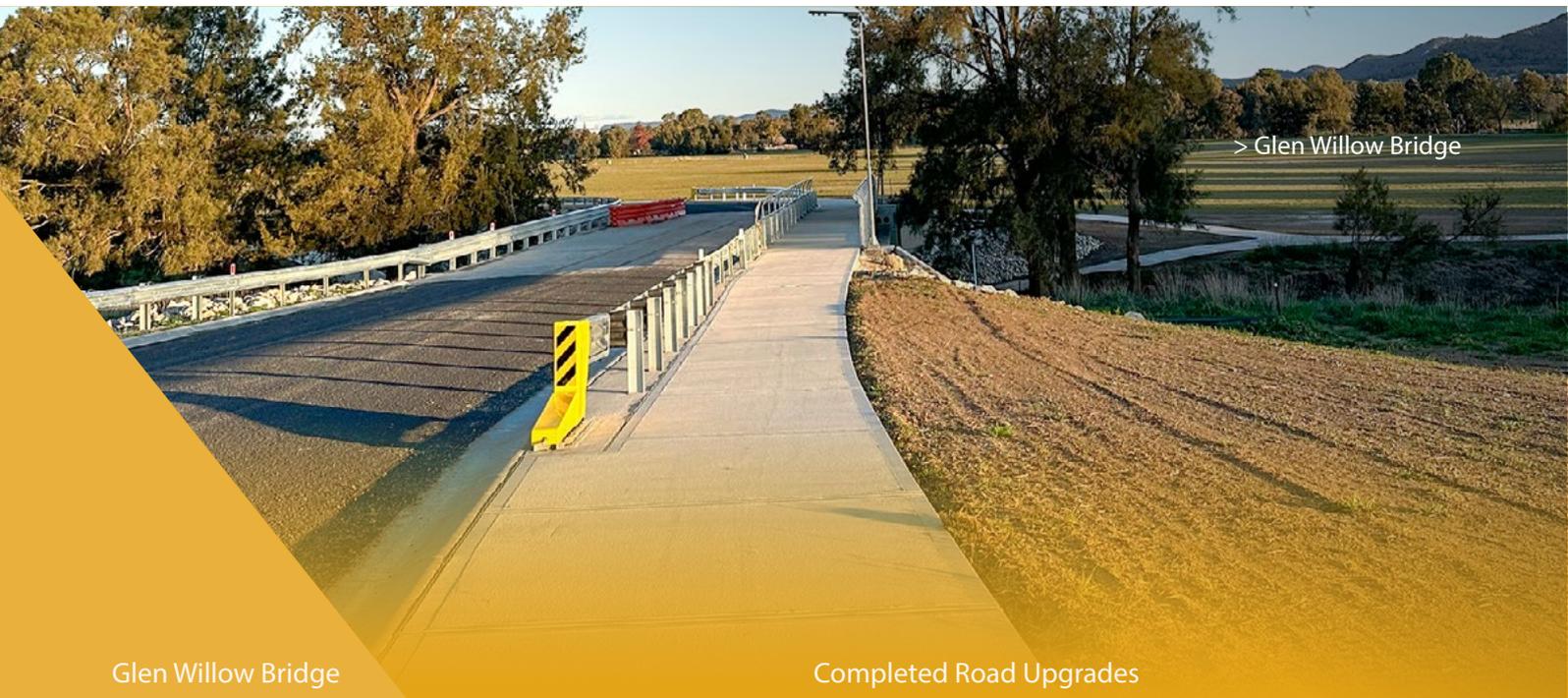
KEY COMPLETED PROJECTS

DELIVERY PROGRAM PROGRESS

FINANCIALS

STATUTORY INFORMATION

KEY COMPLETED PROJECTS



> Glen Willow Bridge

Glen Willow Bridge

The Glen Willow shared pathway has recently opened to the public, with the pathway connecting Glen Willow Regional Sporting Complex to Putta Bucca Road. The project includes a bridge over Lawson Creek and provides alternative accessibility to the sporting complex. Roundabouts are being constructed to improve the safety of users of the new transport connection. Council secured \$3.11 million through the NSW Government's Resources for Regions Fund, and \$1.68 million through the Australian Government's Local Roads and Community Infrastructure Program for the transport connection project.

Mudgee Airport Ambulance Waiting Bay

Mudgee Airport's ambulance waiting bay has been upgraded this year. The upgrade provides improved health care conditions for medical personnel and patients/families awaiting transfer by medical services. Included in the upgrade was the construction and fit-out of two internal rooms, providing a safe and comfortable space within the facility. Additional upgrades include new signage, line marking and dedicated aeromedical parking provided. Council secured \$50,000 through Round 3 of the Australian Government's Regional Airports Program, and provided matched funding.

Completed Road Upgrades

Council's commitment to road repairs has seen many upgrades to the region's infrastructure. Rehabilitation and widening works have been completed at Honeysuckle Creek, Bylong Valley Way 1.6km; Gollan Road 1km; Wollar Rd 4km and Lue Road 1km. These projects have greatly improved the safety and connectivity of our region.

Goodiman Creek Bridge

Works at the Goodiman Creek Bridge in Gulgong are now complete. The replacement of this ageing bridge was funded through the NSW Government's Fixing Country Bridges Program to better connect regional communities, and increase resilience to natural disasters. The Fixing Country Bridges Program allocated \$1.2 million to Council for the replacement of the bridge on Spring Creek Road, ensuring easier movement of freight and better road safety.

Footpath Upgrades

Council has upgraded a number of footpaths within the Mid-Western region. A total of 1400 metres in pedestrian pathways works have been completed. Pathway upgrades have included Cudgegong Street Rylstone, Roge's Street south toward Dabee Road in Kandos and Tallawang Street to Medley Street in Gulgong.

KEY COMPLETED PROJECTS



> Lue Road



THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

FINANCIALS

STATUTORY
INFORMATION

KEY COMPLETED PROJECTS



Reporting Programs Upgraded

Council migrated its enterprise resource planning (ERP) system to the cloud through TechnologyOne, providing numerous business advantages. Cloud accessibility fosters remote collaboration, while robust security measures and compliance adherence protect Council data. Automatic updates and maintenance reduce IT burdens, and disaster recovery ensures business continuity. Integrated analytics and insights empower data-driven decisions, while environmental sustainability contributes to a reduced carbon footprint. This transition has enhanced Council's agility and adaptability in an evolving business landscape.

Community Engagement Strategy and Policy

In December 2022 a revised Community Engagement Strategy was adopted to ensure that Council's engagement with the community involves a diverse range of methods

to reach all stakeholders so that the community have input to the decision-making processes shaping the Mid-Western Region. The development of this strategy was based on social justice principles, for engagement with the local community when developing plans, determining and prioritising key activities and gathering feedback on services delivered by Council.

Mudgee and Gulgong Urban Release Strategy (URS) 2023 Update

The Mudgee and Gulgong Urban Release Strategy (URS) 2023 Update has been drafted and placed on public exhibition. The URS is a residential land audit to understand the zones and identified supply, demand to 2041 and infrastructure servicing. The URS assists staff in decisions to rezone land to bring to market and to commence land use strategy work to identify future land supply.

KEY COMPLETED PROJECTS

> Mid-Western Regional Council, Mudgee Administration Building



THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

FINANCIALS

STATUTORY
INFORMATION

COMMUNITY STRATEGIC PLAN

The Towards 2040 Community Plan outlines our collective vision for the year 2040, answering four fundamental questions: where we stand today, where we aspire to be, the path to get there, and how we'll gauge our progress.

This plan presents a unique opportunity for collaboration between the Council and our community to strategically cultivate sustainable communities that mirror our local values and ambitions. It empowers the community to define and harmonise economic, social, cultural, and environmental objectives for our region. In crafting the

Towards 2040 Community Plan, the community played a pivotal role, with more than 1,500 individuals participating in diverse consultation and community engagement initiatives.

The key strategies and priorities identified are outlined here.



Looking After Our Community

- 1.1 A safe and healthy community
- 1.2 Vibrant towns and villages
- 1.3 Effective and efficient delivery of infrastructure
- 1.4 Meet the diverse needs of the community and create a sense of belonging



Protecting Our Natural Environment

- 2.1 Protect and enhance our natural environment
- 2.2 Provide total water cycle management
- 2.3 Live in a clean and environmentally sustainable way



Building a Strong Local Economy

- 3.1 A prosperous and diversified economy
- 3.2 An attractive business and economic environment
- 3.3 A range of rewarding and fulfilling career opportunities to attract and retain residents



Connecting Our Region

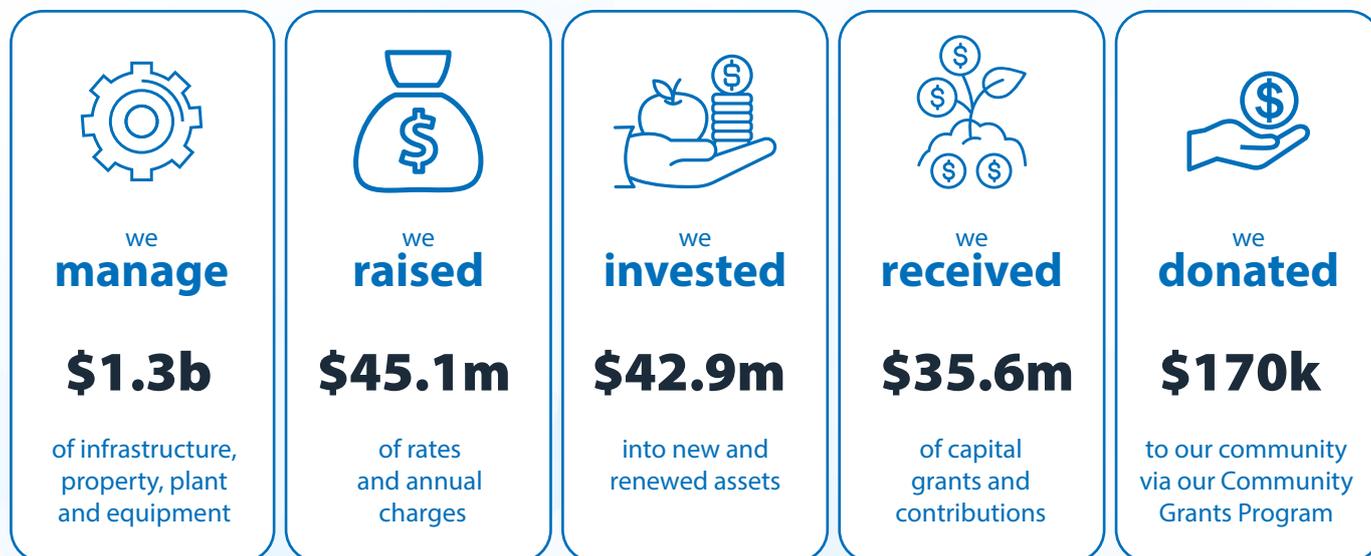
- 4.1 High quality road network that is safe and efficient
- 4.2 Efficient connection of the region to major towns and cities
- 4.3 An active travel network within the region



Good Government

- 5.1 Strong civic leadership
- 5.2 Good communications and engagement
- 5.3 An effective and efficient organisation

PROGRESS ON THE OPERATIONAL PLAN AND DELIVERY PROGRAM



THE YEAR IN REVIEW

KEY COMPLETED PROJECTS

PROGRESS AGAINST DELIVERY PROGRAM TARGETS

	No. of actions	100% complete	%
	68	63	93
	37	32	87
	19	19	100
	20	20	100
	65	55	85
TOTAL	209	189	90

DELIVERY PROGRAM PROGRESS

FINANCIALS

STATUTORY INFORMATION

A detailed review of the actions included in the Delivery Program for the 2022/23 year is provided on pages 28–65.

LOOKING AFTER OUR COMMUNITY

Goal 1.1 A safe and healthy community

Strategy 1.1.1 Maintain the provision of high quality, accessible community services that meet the needs of our community.

Provide comprehensive community support programs and services that embrace social justice, access and equity

ACTION	COMMENTS
Provide Meals on Wheels service	Mudgee Meals on Wheels, with its strong team of approximately 120 volunteers made up for individuals and business and community organisations, delivered 8,756 meals to those wishing to remain independently living within their own homes. Meals were also rolled out to clients on Home Care Packages and individuals with NDIS plans. All meal requests were met.
Provide Community Transport service	Community Transport delivered 4215 one-way trips during the financial year ended 30 June 2023 with a team of about 20 individual volunteers.
Provide Family Day Care service	Council continued to coordinate Family Day Care services across the region and Wellington. Whilst service requests for early childhood education and care remains high, educator numbers are low. Currently, Council's Family Day Care Scheme has 9 registered educators, 90 children enrolled, and a wait list for care for 60 children across Mudgee, Gulgong, Kandos and Wellington. The Scheme continues to explore options for engaging more educators, including through training incentives.

Provide customer focused library and information services

ACTION	COMMENTS
Deliver high quality, modern library services at Mudgee, Kandos, Rylstone and Gulgong	36118 people visited Mid-Western Regional Council library branches, with 332 new members joining. In total for the 2022/23 financial year, 70211 people visited our library branches with 660 new members joining.
Provide Mobile Library service	1853 items were borrowed from the Mobile Library, and there were 578 visits. In total for the 2022/23 financial year, 4377 items were borrowed with 1481 visits.
Deliver children and youth library programs including pre-school Bookworms and school holiday reading program	Library staff delivered 163 sessions, reaching 1734 children. In total for the 2022/23 financial year, Library staff delivered 263 programs, reaching 2788 children. This included sessions for Circle of Stories, Little Readers, Tall Tales, Chess Club, School Holiday Activities and the Summer Reading Program, plus special events such as Australian Reading Hour and National Simultaneous Storytime (NSS).
Maintain an up to date library collection in accordance with Collection Policy	<p>Council's Collection Development Policy was adopted at the 15 March 2023 Council Meeting. The Policy provides a framework for the continued development of the Library's collections, guides staff in item selection and retention, and informs the community of the principles upon which selections and collection management decisions are made.</p> <p>In the last six months, 41816 items were borrowed from the Library's physical and online (eBook and eAudiobook) collections, plus 57,626 accesses of the Library's web presences and online databases. For the 2022/23 financial year, this totalled 82290 items borrowed, and 65035 accesses. Council also consolidated ebook platforms from four to two to enable easier access for our members.</p>

Strategy 1.1.2 Work with key partners and the community to lobby for effective health services in our region.

Explore funding opportunities for improved health services and work in partnership with Western Local Area Health Network to promote health projects

ACTION	COMMENTS
Lobby government for funding to provide essential services and supporting infrastructure for Mudgee Hospital	Council continued to raise identified issues with local Members of Parliament and relevant government ministers.
Liaise with Western NSW Local Health District and work with local Medical Services Organisations through inter-agency meetings	Council continued to facilitate and promote its Interagency group meetings in Mudgee and Gulgong, and Kandos and Rylstone. Representatives from Western NSW Local Health District are always invited and often attend to provide input and discuss matters including effective health services across the region.
Support programs which assist in attracting medical practitioners to the region	Council continued to maintain funding specifically for the purpose of securing appropriate accommodation in the region for health services should the need arise.

Strategy 1.1.3 Support networks, programs and facilities which promote health and wellbeing and encourage healthy lifestyles.

Provide financial assistance in accordance with Council's Community Grants Program Policy

ACTION	COMMENTS
Provide financial assistance for local and regional bodies in accordance with Community Grants Program Policy	All planned reports to Council were completed. Grants totalling \$170,000 were approved in 2022/23.

Promote and support programs aimed at increasing community health and wellbeing

ACTION	COMMENTS
Provide funding for Healthy Communities initiatives	Council's Healthy Communities program remained a popular and affordable health option for residents across the region with a range of activities being held across the year in Gulgong, Mudgee, and Rylstone (as well as online options). Class options include aqua fitness classes during pool seasons in Mudgee and Gulgong, and low impact fitness classes in Mudgee, Gulgong and Rylstone.

Strategy 1.1.4 Work with key partners and the community to reduce crime, anti-social behaviour and improve community health and safety.

Support and implement programs which aim to reduce anti-social behaviour

ACTION	COMMENTS
Maintain effective working relationship with NSW Police	Council continued to work closely with NSW Police on matters of community concern.
Participate in the Liquor Accord as required	Council continued to liaise with the Liquor Accord and provide advice and feedback as requested. Council staff attended all meetings in the last financial year; the last meeting attended was on 20 June 2023.
Manage Alcohol Free Zones in Town Centres	There were no applications received for changes to the designated Alcohol Free Zones (AFZ's) within the major town limits. Any future suspension of the AFZ for a recognised event will be assessed and reported to Council for consideration. The AFZs were adopted by Council in March 2023 for another four years. New signs and stickers were installed as required.
Increase lighting and other safety initiatives in parks and gardens as per Capital Works Program	Security cameras were installed to assist with deterring antisocial behaviour at Apex Park Gulgong, Anzac Park Gulgong, Billy Dun Oval Gulgong, Victoria Park Gulgong, Rylstone playground and skatepark, Waratah Park Kandos and Victoria Park Mudgee. Security gates and bollards were installed throughout the Glen Willow Regional Sporting complex.

Maintain clean and attractive streets and public spaces where people feel safe

ACTION	COMMENTS
Regular street cleaning and litter collection in town centres	Council's street sweeping and town litter cleaning programs continued.

Work effectively with State Agency partners to maintain and enhance public safety

ACTION	COMMENTS
Participate in review of Emergency Plan as required	The local Emergency Plan (EMPLAN) review is nearing completion. As part of the review process CMG's (Contingency Management Plans) are also being reviewed with various agencies. EMPLAN and CMG's are due to go to the August LEMC meeting. The Local Recovery Plan has been reviewed and will be presented to the August LEMC meeting for adoption. After action review for 2022 flood event (SES) is progressing. The 2023 Alpha Road fire (RFS) is completed and will also be presented to the August 2023 LEMC Meeting.

Effective public health regulation and continuing education

ACTION	COMMENTS
Work in partnership with the NSW Food Authority to address matters such as food premises inspections, safe food handling and food borne illness investigations	Annual Food Inspection program was completed with 100% of Class A and B premises inspected. Food related complaints were investigated in a timely manner and reported to the Food Authority as required.
Continued support and promotion of Scores on Doors initiative	Council actively promoted the Scores on Doors initiative. Food premises that achieved 5 stars during the inspection program were issued a certificate.
Onsite sewerage management registration and inspections	The Onsite Sewerage Management (OSSM) program progressed relative to applications received for new systems or approvals to operate existing systems.
Underground Petroleum Storage System (UPSS) registration and inspections	Inspection of UPSSs commenced in February 2023 in line with Councils new UPSS Procedure and Inspection Program.
Public swimming pool registration and inspections	The Public Swimming Pool Inspection Program progressed with inspections carried out as registrations received.

THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

Effective animal control regulation

ACTION	COMMENTS
Utilise website to actively re-home animals	The introduction of the new Council website saw a significant increase in the number of animals rehomed due to the designated 'Pets in the Pound' page. The featured 'Pet of the Week' was a very popular post on Facebook. Rangers notify a minimum of 2 re-homing organisations to find suitable placements for animals in the Council pound which improved the re-homing numbers.
Utilise website to communicate any lost or found animals	The Lost and Found Council website page is not currently recommended for communicating lost or found animals to the community. This will be reviewed once a Senior Council Ranger is recruited in the new financial year.
Encourage registration of dogs through Council media channels	Council continued to implement media campaigns on companion animal registration through Council's social media channels, Council website, Community News and radio advertising.
Maintain off leash dog areas across the region	Council continued to provide off leash dog areas in the townships of Mudgee, Gulgong and Rylstone. This is promoted through Community News and Council's website. The new Mudgee dog park has been very well patronised by the local community.

FINANCIALS

STATUTORY
INFORMATION

Effective parking control regulation

ACTION	COMMENTS
Undertake regular parking controls and enforcement activities as required	Rangers continued to undertake parking patrols of timed parking zones and restricted parking areas on an ad hoc basis. Rangers worked collaboratively with the Roads Department and Roads Safety Officer of Council to better educate the community and organisations on adhering to these regulations.

Goal 1.2 Vibrant towns and villages

Strategy 1.2.1 Respect and enhance the historic character of our region and heritage value of our towns and villages.

Review of Development Control Plan

ACTION	COMMENTS
Conduct annual review of Development Control Plan	Council resolved to approve Amendment 6 of the Development Control Plan which commenced operation on 19 July 2023.

Heritage advisory services and heritage conservation

ACTION	COMMENTS
Provide access to heritage funding through Local Assistance Program	Local Heritage Grants were allocated, projects were completed and funding was provided.

Support and assist preservation of important historical sites in the region

ACTION	COMMENTS
Maintain historical sites within the region, for example Red Hill Reserve	Historical sites were maintained to ensure their preservation and enhance the historic character of our towns and region through the Capital Works Program and maintenance works as required. Works included upgrades to the Red Hill Cottage and pathway upgrades, Kildallon Education Centre and St Johns Anglican church grounds.

Strategy 1.2.2 Work with key stakeholders to minimise the impacts of state significant development in the region

Monitor employment and population growth

ACTION	COMMENTS
Provide updated population estimates based on building statistics and employment growth	Council continued to monitor relevant statistics and update documentation in conjunction with government agencies.

Meet regularly with mining companies

ACTION	COMMENTS
Hold quarterly meetings with mine managers	Quarterly meetings were held with representatives of local mines.

Work with key stakeholders to address issues and mitigate impacts associated with state significant developments

ACTION	COMMENTS
Raise any issues as part of State Significant Development process	Council continued to raise issues with the Department of Planning and Environment on State Significant Developments. Council made submissions through the Major Projects Portal and arranged meetings in person and over the phone with proponents.

Strategy 1.2.3 Make available diverse, sustainable, adaptable and affordable housing options through effective land use planning

Ongoing monitoring of land release and development

ACTION	COMMENTS
Review and release land for development as required	Council utilised a Land Use Monitoring tool to monitor building approvals, subdivision approvals, construction and subdivision certificates against Council's Urban Release Strategy.

Promote affordable housing options within the region

ACTION	COMMENTS
Provide funding to lease emergency housing for women and children leaving family violence	Council recently entered into an agreement with Housing Plus to support households within the Mid-Western Region with very low, low and moderate incomes who are experiencing homelessness or are leaving family violence.

THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

FINANCIALS

STATUTORY
INFORMATION

Strategy 1.2.4 Maintain and promote the aesthetic appeal of the towns and villages within the region

Maintain and beautify civic open space and street access areas within towns and villages in the region

ACTION	COMMENTS
Work in partnership with local groups to identify opportunities for public sculpture installations across the region	Council installed three new works from the annual Sculptures in the Garden event, plus a further two works gifted by the organisation. Works were installed in a variety of sites including Mudgee, Gulgong and Rylstone. Further, a number of previously installed artworks were relocated to more appropriate sites for the enjoyment of the community and visitors to the region.
Continue ongoing program of street beautification and tree planting	Council maintained the towns and villages streetscape to the desired service levels which included proactive winter tree pruning program and annual flower displays throughout the region. Avenue tree planting program and street beautification was completed in Perry Street Mudgee, Memorial Park Mudgee and Fletchers Park Gulgong.

Application of appropriate building and development controls to protect and enhance the natural and built environment in the region

ACTION	COMMENTS
Deliver building regulation and certification functions in accordance with relevant legislation and adopted planning instruments	Applications were assessed relative to the rate in which they are lodged. Assessment processing times were within industry standard.
Deliver planning functions and building regulation in accordance with relevant legislation and adopted planning instruments	Council continued to undertake planning and building regulatory functions, in accordance with relevant legislation and adopted planning instruments. Monthly reports were provided to Council on the number of applications determined and processing.

Goal 1.3 Effective and efficient delivery of infrastructure

Strategy 1.3.1 Provide infrastructure and services to cater for the current and future needs of our community.

Review asset management plans and underpin with financial strategy

ACTION	COMMENTS
Review, update and develop asset management plans for each major category of infrastructure in accordance with AMP review schedule	Council's Asset Management Strategy and Policy were adopted by Council in 2022. Asset Management Plans (AMPs) are regularly reviewed and updated.

Manage and maintain sportsgrounds, parks, reserves and playgrounds across the region

ACTION	COMMENTS
Review and update Parks Management Plans	The final Parks Management Plans are currently being reviewed by the NSW Crown Lands department.
Maintain and operate public open space in accordance with agreed service levels	The Capital Works Program and works requests were completed to a high standard to ensure that technical service levels were met. This included inspection programs. Maintenance activities included garden bed maintenance, playgrounds/play spaces operations, open space tree maintenance, irrigation services and sports grounds maintenance/renovations.
Passive parks and facilities upgrades as per Capital Works Program	Passive parks and facilities were maintained to established service levels and industry standards. Shade sail upgrades were completed to the Mudgee Skate Park and Rylstone Showground playground. Irrigation upgrades were completed for Coronation Park Gulgong, Rotunda Park Kandos and Memorial Park Mudgee. Coronation Park Gulgong fence replacement and enhancements to the Mudgee Riverside Walking track were also completed.
Public toilet construction and refurbishment as per Capital Works Program	Council carried out maintenance and refurbishments of public toilets in accordance with the Capital Works Program and adopted service levels. This included the construction of a public toilet at the Putta Bucca Wetlands Mudgee and opening of additional toilet facilities at the Anglican Church site Mudgee.
Playground installations and upgrades as per Capital Works Program	Playgrounds were maintained to industry standards through Council's reactive and programmed maintenance program. A new inclusive playground was constructed the Rylstone Showground and a nature playground at the Putta Bucca Wetlands Mudgee.
Active parks and facilities upgrades as per Capital Works Program	Council managed and maintained the region's sporting facilities to the desired service levels. Stage 2 Glen Willow was completed whilst construction commenced on the Putta Bucca Training Camp. Significant capital upgrades included Victoria Park Mudgee fencing, Cahill Park cricket wicket, Glen Willow netball courts, Victoria Park Gulgong shot put and Mudgee showground arena renovation.

THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

FINANCIALS

Manage and maintain cemeteries throughout the region

ACTION	COMMENTS
Maintain and operate town and rural cemeteries in accordance with adopted service levels and policy requirements	Funeral services and the maintenance of the cemeteries continued throughout the year in accordance with service levels and policy requirements.
Upgrades and extensions of cemeteries as per Capital Works Program	Council completed upgrades to Council managed cemeteries in accordance with the Capital Works Program. This included signage upgrades at the Rylstone and Mudgee Cemetery, Mudgee and Gulgong memorial tree expansion and initial works for the road upgrade at Gulgong Cemetery.

STATUTORY
INFORMATION

Manage, plan and maintain buildings and other assets across the region

ACTION	COMMENTS
Building upgrades and refurbishments as per Capital Works Program	Capital works were completed in accordance with the Capital Works Program and allocated budgets. Works included upgrades to Kildallon Education Centre (old Mudgee TAFE site), Kandos and Goolma Community Halls, Gulgong Men's Shed and Council works depots.

Maintain and operate swimming pool centres across the region

ACTION	COMMENTS
Maintain and operate swimming pool facilities at Mudgee, Gulgong and Kandos in accordance with adopted service levels	Council public swimming pools were maintained and operated to industry standards with no extensive down time of the facilities. Audits conducted by the NSW Health departments and Royal Lifesaving have confirmed Council met the desired service levels and industry compliance. Council was awarded a 5-star safety rating from Royal Lifesaving through the Aquatic Facility Safety Assessment program.
Undertake capital upgrades and renewals to swimming pool facilities as per Capital Works Program	Council's swimming pools were maintained to agreed service levels and operated within industry standards. The 2022/23 Capital Works Program had additional shade structures installed at the Mudgee Swimming Pool and external works upgrades at the Kandos Swimming Pool.

Implement land use actions in the Local Strategic Planning Statement (LSPS)

ACTION	COMMENTS
Deliver annual strategic planning works program in accordance with the LSPS	Council has commenced work on implementing the short-term Land Use Actions outlined in the LSPS. Review of URS was one component of this.

Goal 1.4 Meet the diverse needs of the community and create a sense of belonging

Strategy 1.4.1 Support programs which strengthen the relationships between the range of community groups

Provide youth representation through the Youth Council

ACTION	COMMENTS
Provide secretarial support for Youth Council	Council's Youth Services Officers provided secretarial support for Youth Council meetings and continued to liaise with Youth Councillors regarding potential activities and events for youth across the region. The Youth Council currently meet once per school term and at each meeting there were at least two staff members in attendance, usually the two Youth Services Officers.
Provide funding for delivery of youth oriented initiatives	Council's Youth Services Officers coordinated a range of weekly, monthly and school holiday events for local youth. Throughout the year, over 130 events and activities took place both in person and online, across the region and, sometimes, visiting neighbouring LGAs for excursions to offer youth experiences unavailable locally.

Provide meaningful employment to members of the disabled community

ACTION	COMMENTS
Support employment for people with disabilities at Council	Council continued to support employment opportunities for people with a disability.
Continued operations of Mudgee Recycling and Ironed Out	Ironed Out and Mudgee Recycling continued to provide employment and service to Council's supported workforce.

THE YEAR
IN REVIEW

Work with lead agencies to ensure adequate provision of a range of services

ACTION	COMMENTS
Attend inter-agency meetings	Council staff facilitated a total of nine interagency meetings for the Mudgee and Gulgong and Kandos and Rylstone interagency groups. Meetings were held both in an online format and the occasional hybrid online/in-person format in order to boost attendances and to encourage networking opportunities. A range of community stakeholders attended these meetings including community and allied health representatives, education representatives and representatives from disability service providers, as well as government stakeholders.

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

Promote volunteering through the community

ACTION	COMMENTS
Run community services programs that encourage volunteering	Council delivered a number of services heavily reliant upon volunteers. Approximately 20 volunteers drove for Community Transport, approximately 120 volunteers were registered as individuals or through community businesses and organisations volunteering delivering Meals on Wheels, and also a team through the Rotary Clubs of Mudgee assisted facilitating the Mudgee Town Hall Cinema each month. Not including the Rotary volunteer hours, Council's volunteer teams exceeded 5,500 hours of volunteering this year.

FINANCIALS

Strategy 1.4.2 Support arts and cultural development across the region

Arts and cultural events promotion

ACTION	COMMENTS
Provide financial and in-kind support to events in accordance with Events Assistance Policy	The Events Assistance program continued to be delivered in accordance with policy.
Promote the use of Council facilities for significant events	Council continued to promote local venues for future events and conferences. Major events secured for 2022/23 included Charity Shield (18 February 2023) an NRL Premiership Match (1 April 2023) and an A-League match (11 March 2023).

STATUTORY
INFORMATION



Provision of meeting and exhibition space

ACTION	COMMENTS
Promote the use of community buildings and make available at reasonable cost	All community venues and facilities were promoted and made available to hire through Council's booking system on Council's website. All fees and charges for hire of venues and facilities were reviewed to ensure they remain at a fair and reasonable cost. The opening of the Mudgee Arts Precinct Cultural Workshop supported arts and cultural developments and enhanced the number of community facilities available in the region.
Promote exhibition spaces and workshop facilities provided at Mudgee Arts Precinct	The hiring of work and exhibition spaces within the Mudgee Arts Precinct are increasing, particularly within the Cultural Workshop area. Council is experiencing regular hiring patterns, as well as ad-hoc requests for the hiring of spaces. As the spaces become more well known to the community, interest in the facility is increasing. The Community Gallery Space and Seminar Room within the main gallery building are often used for smaller community exhibitions and corporate events.

Coordinate and facilitate cultural and arts projects throughout the region

ACTION NAME	COMMENTS
Liaise with local arts and cultural groups and Council's Regional Arts Development organisation to develop cultural and artistic projects at Mudgee Arts Precinct and across the region	Mudgee Arts Precinct, worked with Arts OutWest throughout the year to promote exhibitions at the Precinct. The Precinct hosted the Arts OutWest curated exhibition, <i>While the World Waits</i> in July 2022 and worked closely with the organisation on development of Council's soon to be endorsed Cultural Plan. Planning is already in the works for a youth song writing workshop later in the year as proposed by Arts OutWest in the Cultural Workshops and a seminar on pursuing arts funding is being facilitated by Arts OutWest and hosted in the Mudgee Arts Precinct Seminar Room in late July 2023. Council also worked with other arts groups, including Cementa, who received funding from Council for a Youth arts/social program in early 2023, and other organisations that enjoy the Mudgee Arts Precinct exhibitions and hiring of its various cultural infrastructure facilities for exhibitions and arts classes.
Support arts events and programs in the region	Council supported the development of arts and culture across the region through a range of activities, including hosting a number of major exhibitions in the Mudgee Arts Precinct Gallery and offering space for community exhibitions throughout the year, such as the HSC exhibitions from local high schools. Council also supported events such as <i>Sculptures in the Garden</i> , <i>Art Unlimited</i> and the official opening of Kildallon Education Centre at the old TAFE site in Court Street, Mudgee. With the opening of the Cultural Workshops, Council was able to expand its cultural activity offerings, and provided additional infrastructure for community members seeking appropriate venues for activities such as private art classes, or arts funding seminars.

Strategy 1.4.3 Provide equitable access to a range of places and spaces for all in the community

Public facilities to be accessible

ACTION	COMMENTS
Continue to monitor existing buildings	Council successfully monitored maintenance activities and upgrades in accordance with the 30 year asset maintenance plan and works request system. All maintenance and upgrades undertaken met accessibility standards.
Deliver actions developed in the Disability Inclusion Action Plan	Council recruits and trains people with a disability and actively engages to offer work experience opportunities in accordance with the Disability Inclusion Action Plan (DIAP). Council continued to work with the Access Committee, most recently through consultation on the new Cycling and Walking Strategy to replace the Pedestrian Access Mobility Plan. Council promoted inclusion by inviting disability groups to participate in activities, such as the Waste 2 Art exhibition and movie screenings. Council's Community News monthly newsletter was distributed in 6 formats including printed document, audio recording, video (with audio), email newsletter, and digital e-book (which can be increased in font size). Council's website has ALT Text, a screen reading tool to describe images. Council needs to work on updating its Community Grants Program and prioritising updates of key facilities in terms of accessibility.

Coordinate the provision of local community centres and halls for community use

ACTION	COMMENTS
A variety of community facilities available for use	The facility booking system continues to provide an online and accessible service to our community with the convenience of checking availability and making bookings by their phone or computer through the Council website.

THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

FINANCIALS

STATUTORY
INFORMATION

PROTECTING OUR NATURAL ENVIRONMENT

Goal 2.1 Protect and enhance our natural environment

Strategy 2.1.1 Ensure land use planning and management enhances and protects biodiversity and natural heritage.

Manage environmental and cultural factors impacted by physical works on Council lands

ACTION	COMMENTS
Prepare Review of Environmental Factors for Council works	The Review of Environmental Factor's (REF) was completed for Council works as required by the Environmental Planning & Assessment Act Part 5.
Work with local Aboriginal groups or suitably qualified consultants to effectively plan works involving sites of cultural significance	Due diligence assessments were completed with the REF as required. Council's Environment Team engaged with a Local Aboriginal group regarding Cox's Creek Road even though there is no requirement for engagement through REF process.

Strategy 2.1.2 Minimise the impact of mining and other major developments.

Work with key stakeholders to address issues and mitigate impacts associated with State Significant Developments

ACTION	COMMENTS
Raise any issues as part of State Significant Development process	Council continued to raise issues with the Department of Planning and Environment, on State Significant Developments. Council made submissions through the Major Projects Portal; and arranged meetings in person and over the phone with proponents.
Represent Council on Community Consultative Committees	Councillors represented Council on Community Consultative Committees for local State Significant Developments.

Strategy 2.1.3 Raise community awareness of environmental and biodiversity issues.

Deliver projects which work towards protecting biodiversity and regeneration of native environment

ACTION	COMMENTS
Pursue grant funding for environmental projects	Grant funded improvement works continued at Putta Bucca Wetlands. The Murray Darling healthy rivers project is nearing completion.
Promote environmental awareness in the community through education and events	Events that raised community awareness of environmental and biodiversity issues included Breakfast with the Birds, Green Day, National Tree Day, Carp Muster and the schools waste and recycling education program.



Work with schools to promote environmental awareness amongst students

ACTION	COMMENTS
Support Green Day	Council provided financial support to assist with the running of Green Day. Council staff provided a presentation to a number of schools on compost produced from the contents of our existing Food Organics, Garden Organics (FOGO) bins and landfill gas generation caused by organics in landfill.

THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

Strategy 2.1.4 Control invasive plant and animal species.

Effective weeds management

ACTION	COMMENTS
Effective monitoring and management of priority weeds across region	Council's annual biosecurity weeds inspection program was completed with a focus on reinspections. This focus ensured action was being taken when there were known biosecurity weeds incursions. In the 2022/23 Financial year 402 reinspections and 310 new inspections were completed.
Ongoing community education on priority weeds	The Weeds Team stand at the Mudgee Small Farms Field Days and the high school trades day provided information and advice with regards to biosecurity weeds. New property information packs were sent to all new rural property owners providing educational information on weed control. In addition, targeted mail outs were sent to residents in areas with problem weeds providing identification and control advice.
Undertake weed control on roadsides and Council land	Council's roadside spraying program completed 2920km of weeds roadside spraying for the financial year.

DELIVERY PROGRAM
PROGRESS

FINANCIALS

Collaborate with agencies to manage feral animals

ACTION	COMMENTS
Support relevant agencies with community education and awareness programs	Ongoing media and social media opportunities allowed Council to promote community awareness programs from responsible agencies that inform the public of issues relating to the management of feral animals.

STATUTORY
INFORMATION



Goal 2.2 Provide total water cycle management

Strategy 2.2.1 Identify and implement innovative water conservation and sustainable water usage management practices

Encourage reduced water consumption through Best Practice Pricing

ACTION	COMMENTS
Maintain Best Practice water supply, sewerage and trade waste tariffs	Best practice water pricing structure was maintained. The implementation of liquid trade waste charges is fully implemented.

Implement water conservation and reuse programs

ACTION	COMMENTS
Ongoing community education on water conservation	Community education continued in 2022/23 through general water savings advice and engagement to access YourWater portal on Council's website and social media platforms. Customer leakage notifications was communicated to customers that signed up to Council's YourWater site.

Work to secure water for agriculture and urban use

ACTION	COMMENTS
Work with State Government to secure domestic water supply	Council maintains ongoing dialogue with the State Government regarding water security.

Play an active role in the Cudgegong Valley and Macquarie Valley User Group

ACTION	COMMENTS
Represent community at Customer Service Committee meetings for the Cudgegong Valley and Macquarie Valley User Groups	Council continued to represent community interests at meetings.

Strategy 2.2.2 Maintain and manage water quantity and quality

Achieve NSW Government Best Practice Management of Water Supply and Sewerage

ACTION	COMMENTS
Implement an Integrated Water Cycle Management Strategy	<p>Water supply and sewerage system models were built for Mudgee and Rylstone systems. Council submitted strategic planning proposals to the Department of Planning and Environment (DPE) in line with newly released strategic planning guidance. Council received support to progress strategic planning for Mudgee Sewerage System and completed actions in accordance with agreed milestone requirements of the project funding deed. The Mudgee Sewerage strategic planning project is due to be completed in early 2024. Council is awaiting a response from DPE to progress Mudgee and Gulgong water security strategic planning.</p> <p>Further strategic options assessment has been completed for Rylstone Kandos Sewerage Augmentation. Council would not be receiving Safe and Secure grant funding for the project. The options assessment has been presented to DPE Water in progression of Section 60 approval requirements.</p>
Ongoing implementation and review of the Drinking Water Management System	The Drinking Water Management System was implemented. Continual review and improvements were undertaken during 2022/23 including review of the Improvement Plan and submission of annual Drinking Water quality report to NSW Health.

THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

Identify and plan future maintenance, renewals and upgrades for Council's water supply infrastructure

ACTION	COMMENTS
Water Supply infrastructure renewals and new works undertaken as per Capital Works Program	<p>Cast iron water main replacements in Gulgong was undertaken by internal resources during the first six months of 2022/23. Due to construction staff resourcing unavailability delayed the program over the last six months. Therefore, A panel of civil works and plumbing contractors was established. A series of Gulgong based main renewal projects were put to the panel late last financial year, however the panel was unavailable to commence until July/August 2023.</p> <p>The upgrade of Mudgee river pump station was delayed late in the financial year due to delays in arrival of pumps. The upgrade project is due for completion in September 2023.</p> <p>Water Main renewals completed in 2022/23 included Mayne Street Gulgong, Horatio Street Mudgee and Saville Row Kandos.</p> <p>Internal staff resources continued to be redirected to operation of essential water supply and sewerage services, which impacted the progress of some infrastructure renewal projects.</p>

FINANCIALS

STATUTORY
INFORMATION



Strategy 2.2.3 Protect and improve catchments across the region by supporting relevant agencies.

Support relevant agencies with implementation of regional plans

ACTION	COMMENTS
Represent Council interests as appropriate	Council is an active participant in the Central Tablelands Environment and Waterways Alliance including having access to regionally based programs and funding opportunities. Council collaborated with Local Land Services (LLS) through the steering committee with regards the management of Putta Bucca Wetlands.

Continue Riparian rehabilitation program along waterways

ACTION	COMMENTS
Implement and maintain riparian protection projects and educational activities	Council is a member of the waterways alliance and is represented at alliance meetings. Riparian protection projects that were carried out this past financial year included the grant funded Murray Darling Healthy Rivers project to engage with landholders to carry out on the ground works in riparian areas on private property including planting, exclusion fencing and weed control. Other projects included community and school tree planting activities and woody weed control work in the riparian zones along the Cudgegong River adjacent to Glen Willow.
Maintenance and promotion of Putta Bucca Wetlands	Scheduled maintenance at Putta Bucca Wetlands was completed, including mowing and weed control. In November 2022 a community Breakfast with the Birds was held at Putta Bucca Wetland. This event was a successful promotional event for the site. Grant funded work for repair of flood damage was completed.

Strategy 2.2.4 Maintain and manage waste water quality to meet Environmental Protection Agency standards.

Identify and plan future maintenance, renewals and upgrades for Council's sewerage treatment infrastructure

ACTION	COMMENTS
Sewer Infrastructure renewals and new works undertaken as per Capital Works Program	Sewer relining works scheduled for 2022/23 were completed on schedule and within budget. Gulgong Hospital Sewer Pump Station upgrade was deferred to 2024, pending the Urban Release Strategy review before finalising design. Staff continued to be redirected to operation of essential water supply and sewerage services, impacting progress of some infrastructure renewal projects.



Improve and develop treatment options to ensure quality of waste water meets EPA standards

ACTION	COMMENTS
Continue to improve outgoing water quality at all sewerage treatment plants across the region	Council achieved 100% compliance with EPA license requirements for pollutant limits for the 2022/23 reporting period at Mudgee and Gulgong Sewage Treatment Plants (STPs). At Kandos STP and Rylstone STP, EPA license requirements for pollutant load limits has been met with exception of pH and total suspended solids between January and April 2023 was associated with the natural algal development processes occurring in final effluent ponds.

THE YEAR
IN REVIEW

Achieve NSW Government Best Practice Management of Water Supply and Sewerage

ACTION	COMMENTS
Ongoing management of liquid trade waste in accordance with Council's Liquid Trade Waste Policy	Liquid trade waste was managed in accordance with Council's Liquid Trade Waste Policy during 2022/23.

KEY COMPLETED
PROJECTS

Strategy 2.2.5 Provide a water and sewer network that balances asset conditions with available resources and community needs.

Identify and plan future maintenance, renewals and upgrades for Council's stormwater assets

ACTION	COMMENTS
Effectively maintain existing drainage network including built infrastructure and overland drainage reserves	Maintenance of the existing drainage network, including built infrastructure and overland flow drainage reserves, was completed as per the expected level of service. Required repairs were completed following the severe storm events in July 2022 and October 2022.
Update Mudgee Flood Study and Flood Management Plan	The full review of the 2021 Flood Study modelling is progressing. However, project delays were experienced with a revised Flood Study report to be released in draft for consultation with the Flood Management Committee. It is expected that public consultation and finalisation of the Mudgee flood study will be completed in early 2024 with a Flood Management Risk Assessment and Flood Management Plan to follow.
Identify and undertake culvert replacement and causeway improvement program	There were no planned renewals for 2022/23. However, severe storm events in July and October 2022 caused significant damage to a number of causeways warranting their replacement. Natural disaster betterment funding was secured and the damaged causeways are to be replaced in 2023/24.
Drainage renewal and new works undertaken as per Capital Works Program	Planned drainage renewal and new works were undertaken in accordance with Council's Capital Works Program. New drainage assets were brought into Council's asset register as completed by developers with new subdivision works.

DELIVERY PROGRAM
PROGRESS

FINANCIALS

STATUTORY
INFORMATION



Goal 2.3 Live in a clean and environmentally sustainable way

Strategy 2.3.1 Educate, promote and support the community in implementing waste minimisation strategies.

Promote a philosophy of Reduce, Reuse, Recycle

ACTION	COMMENTS
Provide education on waste minimisation	A social media education plan was developed for use by Council's Communications Team. Over 2000 students in the Mid-Western Regional Council area participated in waste minimisation and litter workshops.

Provide a domestic recycling and waste services for all residents through kerbside collection and rural waste transfer stations

ACTION	COMMENTS
Provide kerbside services and local recycling facilities	Kerbside services and waste/recycling facilities were provided at the agreed levels of service. 7649 properties receiving a kerbside service each week.

Strategy 2.3.2 Work regionally and collaboratively to implement strategies that will enhance environmental outcomes in regard to waste management and minimisation.

Participate in regional procurement contracts for waste services that provided added value

ACTION	COMMENTS
Provide regional scrap steel, green waste processing, used motor oil, household chemical collection and e-waste services	Council participates in regional contracts and tenders that provide best value and service to the region. Joint contracts include FOGO collection and processing, mattress recycling, tyre recycling, scrap metal collections, waste oil collection and green waste processing.

Participate in regional investigations for collaborative solutions to problem wastes types

ACTION	COMMENTS
Participate in NetWaste steering committee for strategic direction of the group	Council continued to participate in the NetWaste Steering committee and attends quarterly regional meetings. The steering committee is responsible for assessment and feedback on Netwaste strategies, tender assessments, programs and proposals. Waste recycled through NetWaste and collaborative regional contracts in 2022/23 included FOGO 2300 tonnes, Mattresses 61 tonnes, scrap metal 982 tonnes and tyres 51 tonnes.



Apply for available grants

ACTION	COMMENTS
Apply for grants to upgrade or introduce services to the community that reduce landfill tonnes and CO ₂ emissions	The EPA Grant Funded Scrap Together Campaign was run from May to September 2022. This campaign included a resident survey, social media posts, the production of a 5-minute video on the journey of organics after it leaves the kerbside, radio clips and pop up stalls. This grant was obtained by working collaboratively with Dubbo Regional Council and Narromine Council. No other suitable grant opportunities were identified.

THE YEAR
IN REVIEW

Strategy 2.3.3 Support programs that create environmental awareness and promote sustainable living.

Build community awareness through environmental education

ACTION	COMMENTS
Provide education to the community on environmental issues	2000 Primary aged school students participated in workshops on litter, recycling and food waste. Council staff hosted National Tree Day, Breakfast with the Birds and presented at Green Day.
Promote and implement projects that encourage sustainable living	Environment staff coordinated and implemented the Murray Darling Healthy Rivers project, engaging with landholders to carry out on the ground works in riparian areas on private property including planting, exclusion fencing and weed control. In addition, they hosted and coordinated community/ school tree planting days, National Tree Day, Breakfast with the Birds and presented at Green Day. The 3 Council shared education officer presented to over 2000 primary aged students in the Mid-Western area on topics including litter, recycling and food and organic waste.

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

FINANCIALS

Strategy 2.3.4 Consider technologies in Council's facilities, infrastructure and service delivery to reduce ecological footprint.

Implement alternative energy and sustainable technologies in physical works and service delivery

ACTION	COMMENTS
Work with Endeavour Energy to obtain funds for LED Street Lighting Retrofit in Kandos and Rylstone	Council completed the Mudgee and Gulgong LED streetlight upgrade project. Discussions will commence with Endeavour Energy for street lighting retrofit in Rylstone and Kandos areas.
Consider opportunities for alternative energy and sustainable technologies (such as solar panel installation) as part of the Capital Works Program	Over the past 12 months there were a number of alternative energy delivery opportunities considered for Council projects. These included the Centre of Excellence Training Camp and the Country University Centre (CUC). Alongside this, Council continued to progress the development of its own Solar Farm in Mudgee. This will provide in excess of 100% offset of Council's power use through renewable energy and is currently on track to be commissioned in the first quarter of 2024/25.

STATUTORY
INFORMATION

BUILDING A STRONG LOCAL ECONOMY

Goal 3.1 A prosperous and diversified economy

Strategy 3.1.1 Support the attraction and retention of a diverse range of businesses and industries.

Promote the region to target businesses that complement key local industries

ACTION	COMMENTS
Conduct 2-3 marketing activities, conferences or events where the region can be promoted	Council undertook a number of marketing initiatives to promote the region to live, work, invest and visit including TV advertising, public relations, digital marketing campaigns and social media marketing.

Work with business and industry groups to facilitate business development workshops for existing businesses in the region

ACTION	COMMENTS
Support the business chambers and industry groups by attendance at meetings as required	Council representatives participated in meetings as required and continued to support initiatives of local business chambers.

Establish a process of capturing and monitoring relevant economic data to identify opportunities, trends and needs of local businesses

ACTION	COMMENTS
Produce annual update to Economic and Business Profile booklet	The Economic and Business Profile booklet was updated in October 2022 to reflect the 2021 Census data released.

Work with the community to identify economic development opportunities

ACTION	COMMENTS
Engage with new business investors coming to the region and work with them to promote benefits	Council utilised Australian Business Register (ABR) data to track new businesses that opened in the region and continued to provide information to encourage new investment including updating data in the Economic and Business Profile. Welcome to region postcards were sent to all new businesses on a quarterly basis. Council engaged the Office of Regional Economic Development and held a workshop to prepare a package to attract investment to the LGA. This workshop occurred on 20 July 2023.
Conduct annual think tank forum to encourage business leaders to participate in local economic development	The annual Economic Think Tank took place on 18 May 2023.
Identify opportunities to invest in infrastructure which attracts new business investors to the region	Regular meetings were undertaken with industry groups. Council engaged the Office of Regional Economic Development and held a workshop to prepare a package to attract investment to the LGA. This workshop occurred on 20 July 2023.
Work with key stakeholders to prepare for changes in industry composition in the future	Regular meetings were undertaken with industry groups. The annual Local Economic Think Tank was held on 18 May 2023.



Work with Mudgee Region Tourism (MRT) to identify target markets and promote the region

ACTION	COMMENTS
Work with MRT to identify visitor trends and marketing initiatives	MRT has a contract with Council to undertake tourism marketing on behalf of the region. Council staff met with MRT on a quarterly basis to ensure alignment against Council's organisational objectives. Additional meetings were held to discuss joint activities, new plans and activities.

Develop existing events in the region and attract new event proponents to hold major events and festivals in the region

ACTION	COMMENTS
Submit bids for new events and conferences, and support event proponents holding or seeking to hold events in the region	Council's Events team continued to submit bids for relevant conferences and events and liaised with event producers to investigate opportunities in the region.
Deliver Flavours of Mudgee in September	Flavours of Mudgee took place in September 2022 with 11,696 attendees and 58 stall holders.

Strategy 3.1.2 Encourage the development of a skilled and flexible workforce to satisfy local industry and business requirements.

Work with business and industry groups to identify the main skills shortage areas

ACTION	COMMENTS
Encourage business leaders to provide feedback on skills issues	Regular meetings were undertaken with industry groups.

Encourage workers to move to the region for employment opportunities where skills shortages exist

ACTION	COMMENTS
Host Mudgee Region Jobs website for dedicated jobs in the region	Mudgee Region Jobs website is hosted by Council.

THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

FINANCIALS

STATUTORY
INFORMATION



Goal 3.2 An attractive business and economic environment

Strategy 3.2.1 Promote the region as a great place to live, work, invest and visit.

Provide brand leadership, market the region's competitive advantages and investment opportunities

ACTION	COMMENTS
Conduct 2-3 marketing activities, conferences or events where the region can be promoted	Council undertook a number of marketing initiatives to promote the region to live, work, invest and visit including TV advertising, public relations, digital marketing campaigns and social media marketing.

Strategy 3.2.2 Provide leadership on economic development initiatives and identify resources and infrastructure required to drive investment and economic growth in the region.

Promote the development of infrastructure at the Mudgee airport as an opportunity for business expansion in the aviation industry

ACTION	COMMENTS
Implement airport development strategy and promotional opportunities in the future	Mudgee Airport strategies and promotional opportunities continued to be reviewed. The Mudgee Airport Drainage plan and Master Plan are planned for completion in the 2023/24 financial year.

Lobby State and Federal Government on infrastructure needs of local businesses including transport and communications linkages

ACTION	COMMENTS
Lobby government agencies and departments on the provision of infrastructure to meet community needs	Council continued to raise identified issues with local Members of Parliament and relevant government ministers.

Strategy 3.2.3 Support the expansion of essential infrastructure and services to match business and industry development in the region.

Lobby State and Federal Government for expanded health and education services

ACTION	COMMENTS
Lobby government agencies and departments on the provision of services to meet community needs	Council continued to raise identified issues with local Members of Parliament and relevant government ministers.



Goal 3.3 A range of rewarding and fulfilling career opportunities to attract and retain residents

Strategy 3.3.1 Support projects that create new jobs in the region and help to build a diverse and multi-skilled workforce.

Work with lead agencies for employment to identify trends and discuss issues impacting employment

ACTION	COMMENTS
Work with major employers to identify trends and develop strategies to create employment opportunities across the region	Regular meetings were held with industry groups including the annual Local Economic Think Tank. Council continued to review trends and report statistics through Economic and Business Profile Booklet.

THE YEAR
IN REVIEW

Strategy 3.3.2 Build strong linkages with institutions providing education, training and employment pathways in the region.

Work with key stakeholders for education in the region to identify opportunities for economic growth

ACTION	COMMENTS
Work with education providers on the provision of services to meet community needs	Council continued to work with education providers across the region including TAFE NSW, Skillset and local schools. Council is also involved in the establishment of a CUC in Mudgee.
Establish a Country Universities Campus to support higher education in the region	CUC Mudgee Region building is under construction and is scheduled to be operational in 2023/24.

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

FINANCIALS

STATUTORY
INFORMATION

CONNECTING OUR REGION

Goal 4.1 High quality road network that is safe and efficient

Strategy 4.1.1 Provide traffic management solutions that promote safer local roads and minimise traffic congestion.

Work with the Transport for NSW to improve road safety

ACTION	COMMENTS
Liaise with Transport for NSW on road safety matters	Road safety matters were addressed through regular meetings with Transport for NSW (TfNSW) at the Local Traffic Committee (LTC) and monthly progress meetings for TfNSW grant funded capital projects to improve road safety. Council's Road Safety Officer delivered all TfNSW road safety project initiatives in line with TfNSW's expectations. Council and TfNSW officers met on a number of occasions to undertake speed zone assessment on public roads. Fatal crash response road safety assessments of locations where vehicle crashes resulted in deaths and/or casualties were completed.

Regulate effective and appropriate user activities on the road network

ACTION	COMMENTS
Provide local assessments to the National Heavy Vehicle Regulator as required	Council continued to assess applications received through the National Heavy Vehicle Regulator (NHVR) for the movement of oversize and overmass vehicles through the region on the local and regional road network. Applications were reviewed and assessed as received.
Review speed limits and traffic management	Council held monthly Local Traffic Committee meetings. Council liaised with TfNSW on speed zone assessment of public roads and implemented changes to speed zones where required within the LGA.

Participate in relevant regional transport committees and working parties

ACTION	COMMENTS
Facilitate the Local Traffic Committee	The LTC met regularly and the with minutes were provided to Council for adoption. Regional traffic related committees were attended as required.

Strategy 4.1.2 Provide a road network that balances asset conditions with available resources and community needs.

Review the Roads Asset Management Plan

ACTION	COMMENTS
Update data for Asset Management Plans in line with Fair Value reporting requirements	Asset data continued to be updated and reviewed to ensure the most accurate information is available. Fair Value for Roads was completed in 2019/20 and will be due again in 2024/25.

Implement the works program in accordance with the Roads Asset Management Plan

ACTION	COMMENTS
Manage State Roads in accordance with Transport for NSW contracts	Council continued to maintain the state road network under the Council Routine Maintenance Contract with Roads and Maritime Services (RMS) which was extremely challenging with continued wet weather in the first half of the year. Council completed a road widening project on Goolma Road and significant Heavy Patching works on Goolma Road and the Castlereagh Highway. Reseals were completed as programmed and audio tactile line marking included in select areas some of which incorporated a widened centreline.
Ongoing maintenance and upgrades of Regional Roads network	Council completed approximately 4km of widening and rehabilitation work on Wollar Road utilising Resources for Regions funding. The widening and rehabilitation of 1.6km of Gollan Road was completed in February 2023, which was 50% funded through the TfNSW Repair Program funding. The safety project funded by TfNSW on Hill End Road is progressing well with some major earthworks to allow improvement of high-risk curves completed. Maintenance works were completed throughout the year including heavy patching of pavement failures on Bylong Valley Way and Wollar Road made challenging with the wet weather.
Maintain local road network in accordance with established levels of service	Local road maintenance was performed across the sealed and unsealed local network throughout the year. Continued wet weather made works extremely challenging in the first half of the year. In the second half of the year, dry weather allowed Council to perform crucial maintenance to improve roads conditions considerably.
Upgrade, renewal and extension of local roads in accordance with Capital Works Program	Approximately 40km of urban and rural reseals were completed in 2023. 700m of widening and rehabilitation work on Bruce Rd Mudgee was completed in September 2022. Widening and rehabilitation work on approximately 1km of Lue Road at Havilah was completed in February 2023. 3.5kms of Coxs Creek Road seal extension and 4kms of Queens Pinch Road seal extension were completed with the projects continuing next Financial Year. Botobolar Road seal extension commenced with drainage, formation and pavement works and will continue in the new Financial Year to achieve 6km of seal extension. 4kms of Blue Springs Rd was widened and rehabilitated funded by the Stubbo Solar farm.
Upgrade and renewal of local bridges in accordance with Capital Works Program	The construction of the new bridge on Spring Ridge Road over the Goodiman Creek was completed in March 2023. This was funded through the Fixing Country Bridges program. The construction of a new bridge at Glen Willow was completed in March 2023.
Implementation of the Ulan Road Strategy	Major upgrade works for Ulan Road were completed. Other works including shoulder widening at various locations and reseal are ongoing. Due to resources not being available, the programmed works adjacent to Moolarben Mine entrance have been delayed.

THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

FINANCIALS

STATUTORY
INFORMATION

Pursue additional funding for upgrading of roads infrastructure

ACTION	COMMENTS
Lobby for additional funding for roads	Council continued to identify and pursue new funding for additional road projects.
Ensure major developers contribute to local road upgrades for the impact of additional development	Council continued to identify and pursue new road upgrade contributions for additional road projects.

Goal 4.2 Efficient connection of the region to major towns and cities

Strategy 4.2.1 Develop a regional network in partnership with government agencies, that grows with the needs of residents and businesses.

Support the continuation of commercial passenger services at Mudgee Airport

ACTION	COMMENTS
Work with operator to maintain regular passenger services to and from Sydney	FlyPelican commenced services in June 2015. The service remained operational at 30 June 2023.
Operation and maintenance of Mudgee Airport in accordance with regulatory requirements	Mudgee Airport met safety and security requirements.

Lobby for improved highway linkages along the Great Western Highway and Bells Line

ACTION	COMMENTS
Lobby for improved access to Western NSW from Sydney	Council continued to participate in transport infrastructure planning groups and meetings with relevant government agencies.

Strategy 4.2.2 Create a communication network that services the needs of residents and businesses.

Pursue improved broadband and mobile coverage with Government and major service providers

ACTION	COMMENTS
Lobby for improved internet speeds and mobile coverage throughout the region	Council continued to pursue grant opportunities and lobby for improved mobile coverage and internet speeds. Council received regular updates and raised issues relating to NBN, Mobile network and other technology solutions coverage.

Goal 4.3 An active travel network within the region

Strategy 4.3.1 Develop and enhance walking and cycling networks across the region.

Implement the Pedestrian Access Mobility Plan

ACTION	COMMENTS
Upgrade and renewal of footpaths and cycleways in accordance with Capital Works Program	Council extended the footpath/cycle-way network in all four of the major centres throughout 2022/23 utilising both Council allocated funds and grant funding. Projects included: Fitzgerald Street, Cudgegong Street and Louee Street in Rylstone; Rodgers Street in Kandos; Perry Street and Lions Drive in Mudgee; and Rouse Street in Gulgong.
Maintain existing footpath and cycleway network in accordance with established levels of service	Council extended the footpath/cycle-way network in all four of the major centres throughout 2022/23 utilising both Council allocated funds and grant funding. This included works identified in the Pedestrian Access Mobility Plan (PAMP): Fitzgerald Street, Cudgegong Street and Louee Street in Rylstone; Rodgers Street in Kandos; Perry Street, Lions Drive in Mudgee; and Rouse Street in Gulgong.

THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

Strategy 4.3.2 Support viable public transport options across the region.

Work with Transport for NSW to develop viable public transport options

ACTION	COMMENTS
Engage with Transport for NSW to understand opportunities and demand for public transport in the region	Council partnered with TfNSW to deliver two separate engagement workshops one with Council representatives and one as a public forum to engage and listen to stakeholder requirements for Transport. Workshops were held 26 July 2023.

DELIVERY PROGRAM
PROGRESS

FINANCIALS

STATUTORY
INFORMATION

GOOD GOVERNMENT

Goal 5.1 Strong civic leadership

Strategy 5.1.1 Provide clear strategic direction through the Community Plan, Delivery Program and Operational Plan

Ensure actions of the Operational Plan and Delivery Program are completed on time, on budget and meets performance criteria

ACTION	COMMENTS
Successful delivery of Operational Plan	78% of the capital and 87% of operating budgets were completed.
Six monthly progress reporting against Delivery Program and comprehensive Quarterly Budget Reviews against Operational Plan	Six monthly progress reporting against Delivery Program and comprehensive Quarterly Budget Reviews against Operational Plan were provided.

Strategy 5.1.2 Provide accountable and transparent decision making for the community

Ongoing review and enhancement of governance framework

ACTION	COMMENTS
Continue to hold "Open Day" prior to Council Meetings	Public Forums (aka Open Days) were available for the public to attend throughout 2022/23. Public Forum information is noted in the meeting notice section of the Council business paper and on the Council Website Residents wanting to observe the speaker presenting to Council must attend in person at the Mudgee Council Chambers.
Webcast of Council Meetings	Council continued to provide the community access to the Council meetings via webcast on Council's website.
Promotion of upcoming Council meetings	Council meetings were regularly promoted on Council's website, in Community News and in the local newspaper.

Provide a compliance and enforcement framework which supports consistency and transparency in decision making

ACTION	COMMENTS
Ensure effective compliance monitoring, investigation and enforcement activities in accordance with relevant legislation and policies	Council's Compliance program includes compliance monitoring, investigation and enforcement activities. In June 2023 Council approved a budget for increased resourcing to provide compliance support across all of Council including routine reporting to the Executive and staff training

Provide professional development opportunities to support elected members in fulfilling their obligations as Councillors

ACTION	COMMENTS
Provide access to professional development programs for elected members	Council continued to provide opportunities to Councillors for individual professional development programs. During the current Council term, Councillors completed 'Elected Life' training and 'Councillor Legal training' conducted by Lindsay Taylor Lawyers.

Hold awareness sessions for potential candidates in the six months leading up to each Council election and ensure information packages are available

ACTION	COMMENTS
Develop program for candidate awareness sessions (next election due in 2024, or in case of a by-election)	Planning will commence mid 2023 for candidate information sessions.

Strategy 5.1.3 Provide strong representation for the community at Regional, State and Federal levels

Continue to lobby State and Federal Government on all matters that are of relevance to the region

ACTION	COMMENTS
Work with the Mayor to access Local Members and Ministers on relevant issues	Regular meetings were held with local members and access provided to various ministers for specific issues.
Strengthen relationships with local State and Federal members	Regular meetings were held with local members and access provided to various ministers for specific issues.
Engage with Regional Directors of State Government agencies	Regular meetings were held with Regional Directors to discuss regional priorities.

Goal 5.2 Good communications and engagement

Strategy 5.2.1 Improve communications between Council and the community and create awareness of Council's roles and responsibilities

Publish monthly editions of Community News

ACTION	COMMENTS
Community News distributed monthly to every household in the region	Community News was distributed monthly.

Provide an up to date and functional website

ACTION	COMMENTS
Ensure web content is kept up to date and relevant	The content on Council's website was updated regularly.

Regularly report to the community in a variety of interesting ways

ACTION	COMMENTS
Utilisation use of all media avenues including social media, radio and television to communicate Council initiatives	Council continued to increase reach and engagement across all communications platforms including a 58.5% increase on Facebook reach and 10% increase on audience. The Council website had more than 181,000 users and more than 782,000 page views.

Operate and maintain a community works request system that provides timely and accurate information and responses

ACTION	COMMENTS
Maintain Works Request System and produce regular reporting on response times	Any works requests lodged by the community over the counter, the call centre, by email/post or the Council website 'report a problem' online form are registered in Council's works request system. These requests are reviewed within 14 days. An overdue requests report is monitored and reviewed by the Executive team.
Promote use of works request system for community to submit works requests	Council continued to promote the works requests system through Councils social media channels, Council's website, Community News and radio advertising.

Educate the community on Council's roles and responsibilities

ACTION	COMMENTS
Provide access to Council's corporate documents both through the website and Administration Centres	Council's corporate documents continue to be available via Council's website and in person at Council's Administration Centres Mudgee, Gulgong and Rylstone.

Strategy 5.2.2 Encourage community access and participation in Council decision making

Seek feedback on policy development and local issues

ACTION	COMMENTS
Ensure policies, strategies and proposals impacting the community are placed on exhibition for public comment	Policies, strategies and proposals impacting the community were placed on public exhibition as required and in accordance with the Community Engagement Strategy.
Utilise a range of formal and informal engagement tools to seek community feedback on a broad range of issues	Council continued to promote opportunities for the community to contribute to Council's decision-making process through a range of platforms including through Council website forms, social media, face to face engagements and feedback sessions.

Provide opportunities and make it easy for the community to participate in and influence decision making

ACTION	COMMENTS
Encourage attendance at Council Meetings in person and via webcast	Council continued to provide the community access to the Council meetings in person at Mudgee Council Chambers or webcast on Council's website.
Investigate and consult with the community on high priority projects to inform Council's strategic plans	Council continued to promote opportunities for the community to contribute to Council's planning and budgeting process through a range of platforms including Council's website. A new Community Engagement Strategy, Policy and Procedure was implemented throughout the financial year.

THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

FINANCIALS

STATUTORY
INFORMATION

Goal 5.3 An effective and efficient organisation

Strategy 5.3.1 Pursue excellence in service delivery

Benchmark Council's service delivery against relevant organisations

ACTION	COMMENTS
Participate in NSW LGPA, LGNSW, JO and other industry body surveys and benchmarking exercises	Staff continued to participate in relevant activities.
Desktop analysis of annual financial results against other NSW councils	Council participated in a benchmarking survey with other Group 4 Councils. This report was combined with Council's annual desktop analysis and was reported to ARIC and Council during the second half of the financial year.
Report on OLG group comparative data	Council participated in a benchmarking survey with other Group 4 Councils. The information from this report was combined with Council's annual desktop analysis and was reported to ARIC and Council during the second half of the financial year.

Monitor community expectations regarding service delivery

ACTION	COMMENTS
Engage with the community on desired levels of service across Council functions	Council's website communications tool supports community engagement activities and provides a forum to receive community feedback. Council departments determine and assess the desired service levels of the community.
Develop an internal service review framework	An internal service delivery review (SDR) framework was developed and will be rolled out within the organisation. SDR tools continue to be developed. A program of SDRs will be scheduled to commence following the 2024 Local Government Elections.

Provide a responsive customer service function

ACTION	COMMENTS
Reply to all correspondence within 14 days	Council strives towards replying to all correspondence within 14 days. An acknowledgement letter is provided to all incoming correspondence. An overdue correspondence report is monitored and reviewed by the Executive team.
Deliver an efficient, accurate and professional counter and call centre service	Council continued to deliver an efficient, accurate and professional counter and call centre service.
Review Service Level Agreements between Customer Service and relevant departments to ensure consistent and professional services are delivered	The established Service Level Agreements (SLA's) between Customer Service and the other departments are under review and are due for completion in September 2023.
Ensure knowledge management system is maintained with current information and staff are adequately trained	Council continued to administer, maintain and update its knowledge management system "checkmate". All new staff that require "checkmate" are trained individually by a specialist.

Strategy 5.3.2 Provide a positive and supportive working environment for employees

Attract, retain and develop a skilled workforce

ACTION	COMMENTS
Develop a Learning and Development program targeted towards achievement of Delivery Program and areas of risk identified in Workforce Strategy	The Learning and Development Program was implemented throughout the year focusing on individual and group training opportunities as well as meeting compliance requirements.
Ensure all employees have clearly articulated accountabilities against which they will be assessed annually	All employees have a Position Description that sets out accountabilities. Annual performance reviews were completed in October 2022.

Provide a safe, healthy and non-discriminatory working environment

ACTION	COMMENTS
Establish a culture of workplace safety which includes daily pre-start meetings for outdoor staff and monthly Safety Toolbox Talks	Daily pre-start meetings form part of the daily risk assessment process for most outdoor staff. A new pre-start meeting template is being developed in consultation with staff to ensure the process continues to foster workplace safety culture. Monthly safety topics are distributed Council wide for inclusion in Department/Team meetings. Additional toolbox talks are distributed as the need arises.
Align workplace behaviour with core values of Respect, Integrity and Recognition	Behaviours aligned to core values are included in position descriptions, induction and orientation. These are measured during annual performance reviews. They are promoted and reinforced via staff update meetings, department meetings and the fortnightly internal General Manager's Newsletter.
Implement and embed a WHS Management System that reflects ISO45001 requirements	Council's WHS Management System continued to be reviewed in line with legislative requirements and updated where required.
Implement and review the Equal Employment Opportunity Management Plan	The Equal Employment Opportunity (EEO) Management Plan was reviewed and implemented across 2022/23.

Strategy 5.3.3 Prudently manage risks associated with all Council activities

Monitor and review Council's policies and strategies

ACTION	COMMENTS
Provide up to date Policy Register	The policy register was administered and monitored by Governance with all adopted policies available on the Council website. A Policy register progress report is prepared for Executive on a quarterly basis.
Identify and resolve existing policy gaps	The Governance Team administers the policy register. The planned review of the policy register by a contractor was delayed. The review is anticipated to be completed by end of 2023.
Education program to ensure staff understand policy requirements	The Governance team recently reviewed the procedure on policy design and requirements. The team will continue to monitor the updating of these in line with the procedure and provide bi-monthly reports to the Executive on the progress of policy reviews.

Monitor and review Council's risks

ACTION	COMMENTS
Review and update risk registers annually	Council adopted a revised Risk Management Framework in February 2023. Risk registers are being reviewed in line with the new framework.
Provide an effective Legislative Compliance Framework	The Governance team implemented a legislative compliance framework. A Legislative Compliance policy was reviewed and adopted by Council during this term. The Governance Team reports any legislative compliance breaches to the Executive and ARIC on a quarterly basis.
Develop a Fraud Control Framework	Council adopted a revised Fraud and Corruption Control Policy and is progressing, within resources, for education and training on the policy and fraud.

Provide long term financial sustainability through sound financial management

ACTION	COMMENTS
Update Long Term Financial Plan	Work commenced in March 2023 on the Long Term Financial Plan (LTFP) as part of the annual budget process. Due to a lack of resources in key accounting positions in the finance team this is delayed. Work will recommence once the year-end financial statements are completed.
Monthly reporting against budget and schedule for major works programs/strategic projects	All monthly budget reports were prepared for Council in accordance with the schedule.
Comprehensive Quarterly Budget Review reporting	All Quarterly Budget Review Statements were completed within schedule and in accordance with the Office of Local Government Guidelines.
Review Council's rating structure to identify opportunities to raise additional revenue and options to offset revenue loss	Council's rating structure continued to be reviewed in accordance with relevant legislation including Independent Pricing and Regulatory Tribunal (IPART) directions. IPART'S final draft report was released and investigations continued into the appropriate rating of land used for renewable energy purposes.
Identify opportunities to increase revenue from property related investments	Council continued to pursue property related opportunities. In the last 12 months, this included the continued development of Stage 2 of the Saleyards Lane subdivision, and the continuation of planning for new future development sites in conjunction with Council's Executive. Planned works for this multi-year project were completed this financial year.
Integration of long term impacts on financial sustainability indicators incorporated into Council decision making process	A review of the current Council report template, including sustainability ratios, will be undertaken in the next financial year.
Examine opportunities to raise additional revenue	Council continued to pursue property development and commercial opportunities to raise additional revenue. During 2022/2023 Council completed the Mudgee Valley Park Expansion and commenced development of stage 2 of the Saleyards Lane subdivision.

THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

FINANCIALS

Comply with relevant accounting standards, taxation legislation and other financial reporting obligations

ACTION	COMMENTS
To achieve a high standard of financial management	All Financial Statements requirements were completed by the required due date. Council received a qualified audit statement due to a disagreement of treatment of RFS red fleet assets. This accounting position is in contest across roughly half of NSW Councils and one that is being continuously and actively addressed by staff.
All rating, taxation, statutory, and grant reporting obligations satisfied in an accurate and timely manner	All statutory reporting obligations were completed accurately and in a timely manner this financial year.

STATUTORY
INFORMATION

Strategy 5.3.4 Pursue efficiencies and ongoing business improvement

Provide effective and efficient internal support functions

ACTION	COMMENTS
Conduct quarterly Council Staff Updates across all work sites	Quarterly staff update meetings were held across the year.
Develop a Business Improvement Framework	The Business Improvement program for the 2022/23-2024/25 is being implemented. Updates on the progress of the Framework are routinely provided to the Executive Management Team and ARIC.
Provide effective Workshop services for Council fleet	Council's Workshop continued to maintain Council's fleet with a priority for safety efficiency and continuous improvement. A strategy will be developed to continue the service given lack of trades in the industry. Systems and processes continued to be reviewed to identify areas for improvement, maintaining staffing levels as well as financial, resource and time savings.
Effective capture and management of corporate records	The Records Team continued to process all incoming corporate records and assist Council staff with handling digital and physical corporate documents. The Records Management Policy and Procedure was reviewed adopted in this Council term. To assist with ensuring Council's compliance with the State Records Act, a six-monthly internal Records is scheduled to be completed by end of 2023.
Develop a Procurement and Contract Management Framework to meet best practice requirements and ensure continuous improvement	The Procurement team implemented the best practice Contract Management Framework and are finalising the construction of the Procurement Framework. Full implementation and integration with TechOne is anticipated to be finalised Sept/Oct 2023. The Sustainable Procurement & Contract Management Policy and subsequent Procurement & Contract Management procedure were implemented across Council.
Provide Procurement and Contract Management tools for staff and contractors to ensure decisions are fair and transparent, compliance is maintained and value for money is achieved	Council reviewed all Procurement and Contract Management tools which will be rolled out with the new Procurement Hub in September/October 2023. The tools will continue be reviewed to ensure usability, efficiency and legislative requirements enabling staff to obtain desired, value for money outcomes.

Enhance the information systems that support delivery of Council activities

ACTION	COMMENTS
Ongoing investment in Council's network to increase speed and reliability	Council continued to investigate new and existing network technologies. Upgrades were made to the Microwave radio links for reliable network communication to water and sewer infrastructure. Improvements are being made to the wired and wireless networks of Council by adding additional layers of security. Redundant Fibre internet connections were implemented to improve the availability and of Council systems to both internal and external stakeholders.
Continued investment in existing information systems to delivery productivity enhancements	Council continued to invest in systems and applications to increase productivity and create efficiencies. In accordance with Council's ICT Strategic plan 2020-2023, several corporate applications, including Councils Enterprise Resource Planning (ERP) system were moved to the cloud. A benefit of moving to cloud applications is the ability for Council staff to work more effectively during times of unforeseen local service outages.
Implementation of mobility solutions for integrated asset management	A project team will investigate and deliver mobility solutions. The Water and Sewer team enhanced their mobility with field mapping introduced through OneWater. The Roads team are looking to leverage existing software platform used on highway for defect identification and reporting.

THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

Ensure strategic and asset management plans are underpinned by sound financial strategies

ACTION	COMMENTS
Ongoing improvements to asset data and asset system capabilities	This past financial year Council completed revaluation of all Buildings and Operational Land assets. This involved a desktop data review to provide a list to external valuers. The valuers completed an onsite inspection and provided a value and a condition rating which will be updated in Councils asset register data. The data will be used for review of asset management planning.
Integrate long term asset management considerations into Council decision making process	Council reports include a ratio impact analysis that illustrates the impact of the Council decision to Asset Management outcomes.
Improved integration of Asset Management Plans and Long Term Financial Plan	Financial data within Asset Management Plans (AMPs) were updated in line with asset revaluation data. AMPs are scheduled for review and further work is to be completed linking AMP data into LTFP sensitivity analysis. The LTFP is scheduled for completion in August 2023.
Review depreciation methodology and process	Depreciation methodology is reviewed as a part of the Fair Value process for assets each year. In 2022/23 the revaluation of Buildings assets was completed by external valuers.
Consider the full life cycle costs associated with the investment in new assets, with a focus on capital investment and existing assets	Full life cycle costs of new assets are considered through preparation of a business plan for new Community Plan Proposals, ratio reporting in Council Business Paper reports and Quarterly Business Reviews. Council completed all Capital Expenditure Review Business Cases, as required, and completed Business Case assessments for other material projects.

DELIVERY PROGRAM
PROGRESS

FINANCIALS

STATUTORY
INFORMATION

MANAGING THE MONEY

Mid-Western Regional Council receives money in the form of rates on residential, business, mining and farmland properties; interest on investments; government grants and subsidies; contributions from major industry; annual charges for services like water, sewer and waste; and user charges and fees.

Major cash outflows include construction of new assets and renewal of existing infrastructure; labour; materials and contractor payments; insurances; and contributions to local and regional bodies.

The following information provides a brief summary of Council's 2022/23 financial statements in a format that is readily understood by the community, customers, employees and other stakeholders.

INCOME

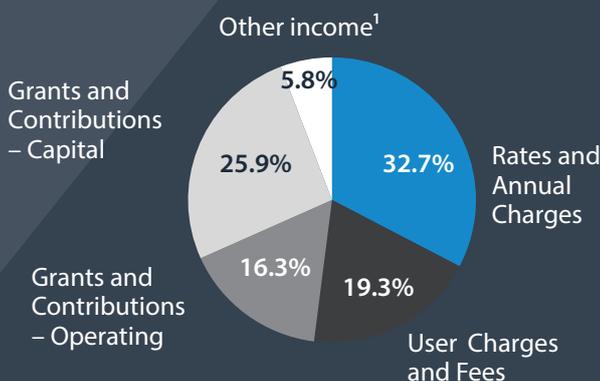
This year, Council's primary source of income was from Rates and Annual Charges of \$45.1 million or 32.7% of total income (2021/22: \$44.7 million or 42.1%).

Council generates a significant portion of revenue from fees and charges associated with the provision of services and facilities such as swimming pools; contract works; planning and building regulation; water consumption; and waste management.

This amounted to \$26.7 million or 19.3% in 2022/23 (2021/22: \$16.5 million or 15.6%).

Grants and contributions from Government and Industry continue to be an important funding source for provision of services to, and maintenance and construction of infrastructure for the community. Council received a total of \$58.1 million or 42.2% in grants and contributions in 2022/23. (2021/22: \$39.5 million or 37.2%).

TOTAL INCOME 2022/23 \$106M

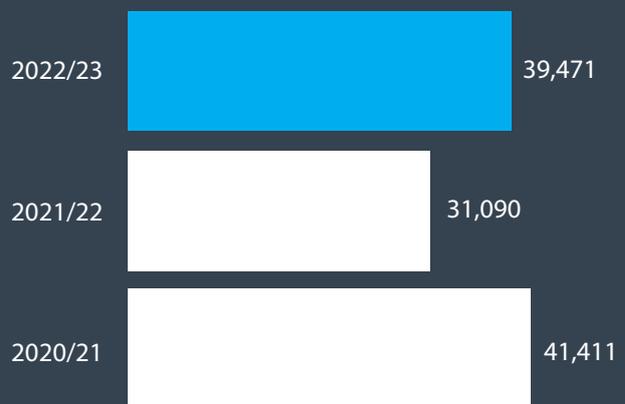


¹ Other income: Interest and investment income, other revenues and other income.

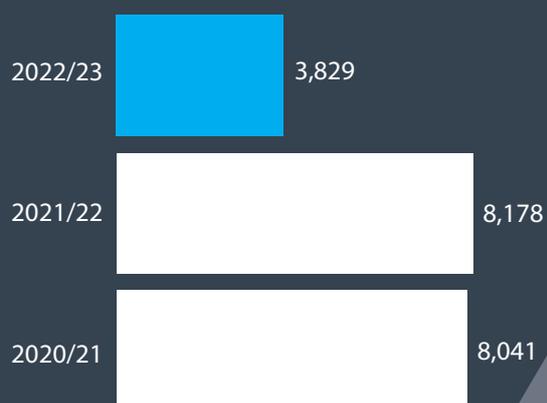
OPERATING RESULT

Council's operating result this year was \$39.5 million, this result is an indirect measure of Council's efficiency and ability to successfully cover its operating expenditure within operating revenue. (2021/22: operating result was \$31.0 million).

OPERATING RESULT (\$000)



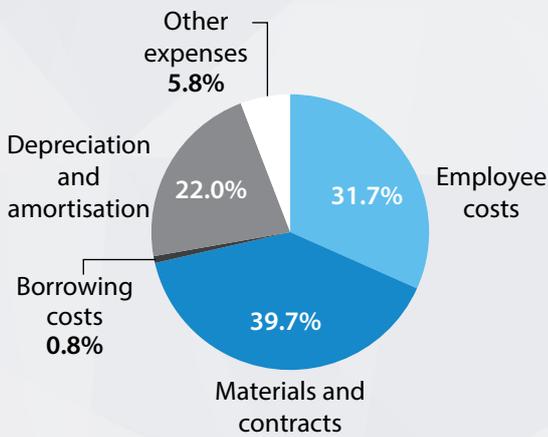
OPERATING RESULT BEFORE CAPITAL (\$000)



Council continues to invest as much money as possible into the renewal of existing infrastructure to ensure it is in a satisfactory and serviceable condition.

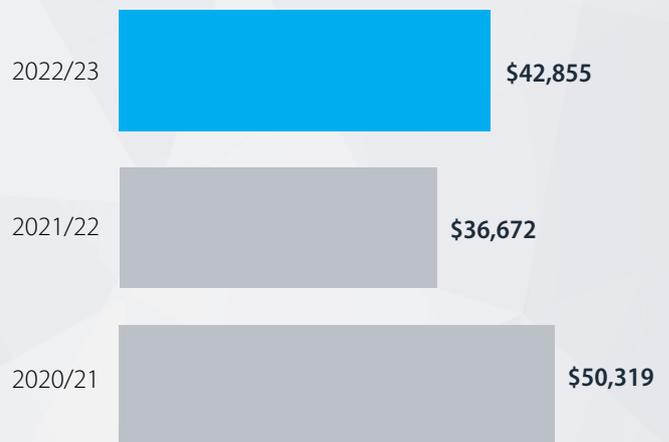
Council also continues to invest in new infrastructure to meet the demands of a growing community. Council delivered \$42.9 million of capital expenditure this year (2021/22: \$36.7 million).

OPERATING EXPENDITURE BEFORE CAPITAL



TOTAL OPERATING EXPENDITURE \$98M

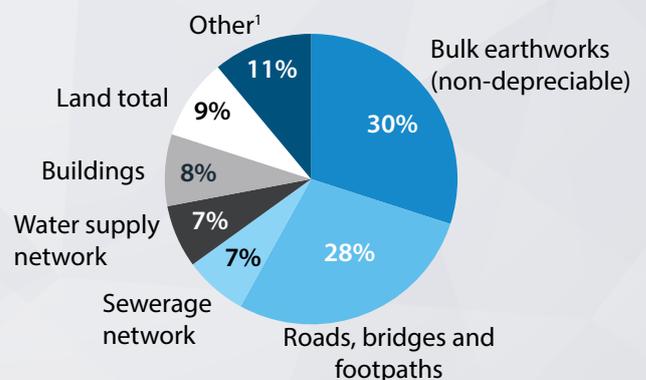
CAPITAL EXPENDITURE (\$000)



ASSET MANAGEMENT

Council owns and maintains over half a billion dollars' worth of infrastructure including roads, parks, buildings, swimming pools, sports grounds, stormwater drainage, water and sewer networks, footpaths, buildings, and waste management facilities. These assets, which are used by the community every day, deteriorate over time, and require ongoing maintenance and renewal or replacement to keep them in a satisfactory condition.

INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT 2022/23



TOTAL WRITTEN DOWN VALUE \$1.2B

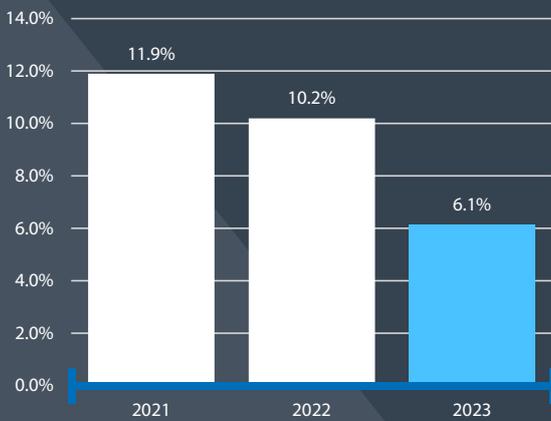
¹ Other: Stormwater drainage, plant and equipment, pools, open space etc

PERFORMANCE MEASURES

OPERATING PERFORMANCE RATIO

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

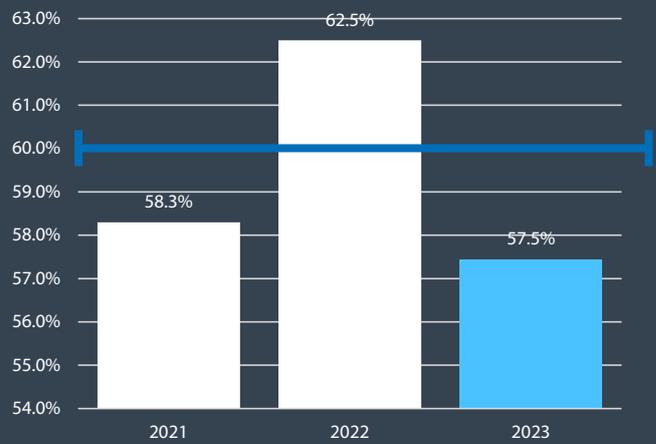
The benchmark is equal to or greater than 0%



OWN SOURCE OPERATING REVENUE

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

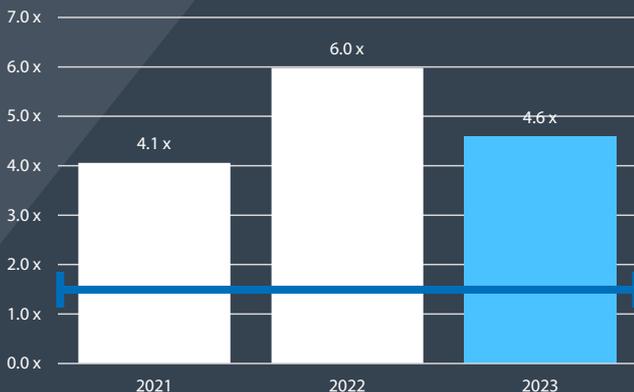
The benchmark is equal to or greater than 60%



UNRESTRICTED CURRENT RATIO

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

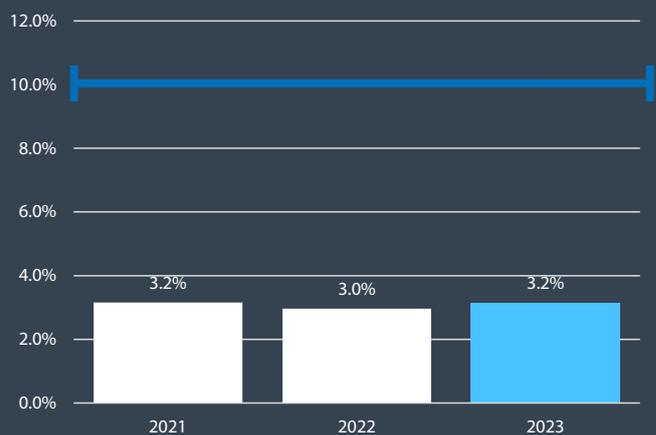
The benchmark is equal to or greater than 1.5x



RATES, ANNUAL CHARGES, INTEREST AND EXTRA CHARGES OUTSTANDING PERCENTAGE

This ratio is designed to assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

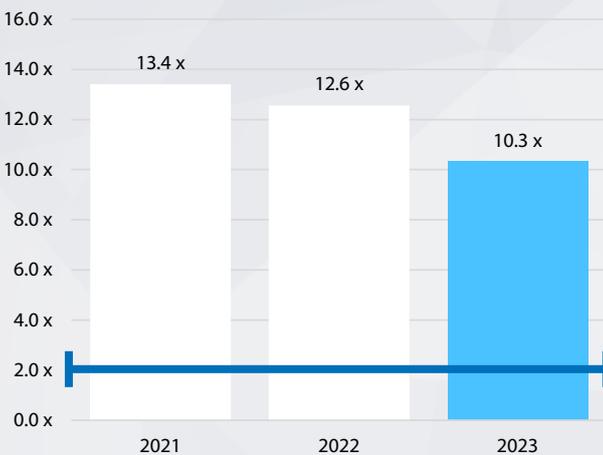
The benchmark is equal to or less than 10%



DEBT SERVICE COVER RATIO

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

The benchmark for this ratio is greater than 2.0x

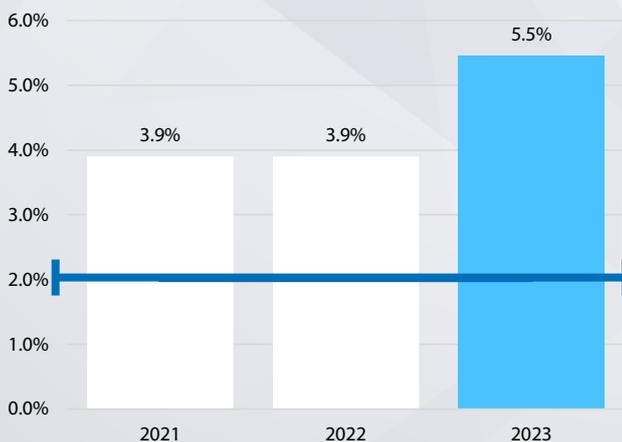


INFRASTRUCTURE BACKLOG RATIO

This ratio shows what proportion the backlog is against the total value of Council's infrastructure.

* Natural disaster damage and delays in maintenance of some assets reduced asset conditions, resulting in a higher cost to bring assets back to the agreed service level. Condition assessment is the main factor that results in changes in this ratio. The backlog amount increase mostly relates to roads, water supply and sewerage assets.

A benchmark of <2% was indicated as part of the Fit for the Future self-assessment tool

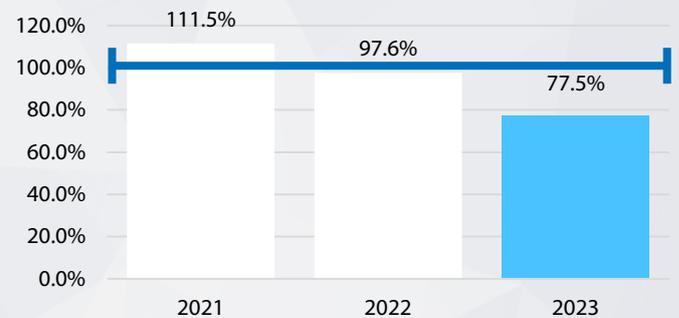


BUILDINGS AND INFRASTRUCTURE ASSET RENEWAL RATIO

This ratio assesses the rate at which assets are being renewed against the rate at which they are depreciating.

* There was a significantly higher proportion of new to renewal assets in 2022/23 than compared to previous years, with construction/purchase of major new infrastructure. As a result of annual asset revaluations, asset depreciation has increased significantly. There are a number of civil infrastructure assets nearing end of life with a poor condition, and these have a planned future replacement. All of these factors have resulted in a significant reduction in the ratio.

The benchmark for this ratio is 100% or greater

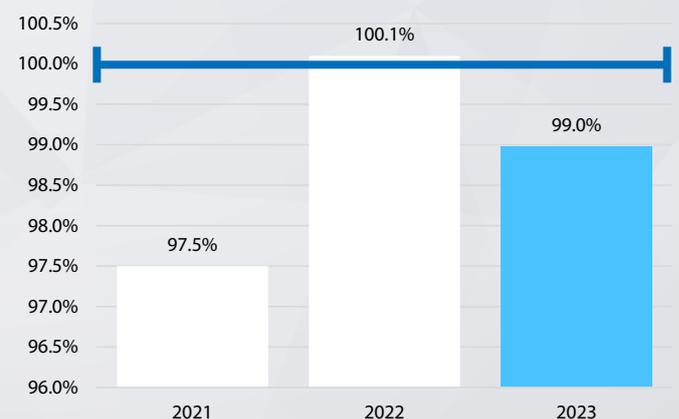


ASSET MAINTENANCE RATIO

This ratio compares actual versus required annual asset maintenance. A ratio above 1.0 indicates that Council is investing enough funds within the year to stop the infrastructure backlog from growing.

* Council's asset maintenance ratio still remains close to the 100% target.

The benchmark for this ratio is 100% or greater



THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

FINANCIALS

STATUTORY
INFORMATION

STATUTORY INFORMATION

Local Government Act 1993 and Local Government (General) Regulation 2021

References to 'section' refer to the Local Government Act 1993, while references to 'clause' refer to the Local Government (General) Regulation 2021.

Council's general reporting requirements are set out in Section 428 of the Local Government Act 1993 and the Local Government (General) Regulation 2021 (Part 9, Division 7). To access copies of the Acts and Regulations visit legislation.nsw.gov.au

AUDITED FINANCIAL REPORTS

Local Government Act 1993 – Local Government (General) Regulation 2021 Section 428 A

A summary of Council's financial performance for the year can be found in the 'Managing the Money' (page 66) and 'Performance Measures' (page 68) sections of this report. A full copy of the Financial Reports are contained in this document. Hard copies of financial statements are available from Council upon request.

RATES AND CHARGES WRITTEN OFF

Local Government Act 1993 - Section 428, Local Government (General) Regulation 2021 Clause 132

During the year Council abandoned \$705,205 in rates and charges (including postponed rates).

Pensioner rebate	Postponed rates	Other rates and charges
\$700,371	\$4,833	NIL

INTERSTATE AND OVERSEAS VISITS

Local Government Act 1993 - Section 428(4)(b), Local Government (General) Regulation 2021 - Clause 217(1)(a)

Council is required to disclose details of any overseas visits undertaken by any Council officers including Councillors and staff. No overseas visits were undertaken by any Council officers including Councillors and staff in 2022/23. The total cost of interstate visits was \$290.

COUNCILLOR TRAINING AND PROFESSIONAL DEVELOPMENT

Local Government Act 1993 - Section 428(4)(b), Local Government (General) Regulation 2021 - Clause 186

The table below shows Councillor training and professional development for 2022/23.

Councillor	Training Course/Module Completed/Conference	Cost
Cr Katie Dicker	Australian Local Government Women's Association (ALGWA) Conference	\$1,294

COUNCILLOR EXPENSES AND PROVISION OF FACILITIES

Local Government Act 1993 – Section 428, Local Government (General) Regulation 2021 – Clause 217(1)(a1)

The Local Government Remuneration Tribunal is constituted under Sections 239 and 241 of the Local Government Act 1993 and is responsible for categorising Councils, County Councils and Mayoral Offices to determine the amounts of fees to be paid to Councillors, members of County Councils and Mayors in each category.

The Mayor and Councillors receive an annual fee established by Council and set within the approved range by the Local Government Remuneration Tribunal.

The Mayor's Fee for 2022/23 was \$46,040 plus a Councillor Fee of \$21,100. Please note that during the 2022/23 financial year there was a period where the Deputy Mayor acted as the Mayor whilst the Mayor was on leave and was accordingly due the Mayoral fee.

COUNCILLOR EXPENDITURE 2022/23

Local Government Act 1993 - Section 428, Local Government (General) Regulation 2021 - Clause 217(1)(a1)(i-viii)

(A\$)	General Operations	Cr Cavalier	Cr Karavas	Cr Kennedy	Cr Paine	Cr Shelley	Cr Thompson	Cr Stoddart	Cr Palmer	Cr Dicker	TOTAL	
Councillor Fees	–	21,099.96	21,099.96	21,099.96	21,099.96	21,099.96	21,099.96	21,099.96	21,099.96	21,099.96	189,899.64	THE YEAR IN REVIEW
Mayoral Fees	–	–	–	39,604.93	6,435.07	–	–	–	–	–	46,040.00	
Council meeting expenses ¹	9,221.58	–	–	979.53	–	–	–	–	–	561.31	10,762.42	KEY COMPLETED PROJECTS
Seminar expenses ²	1,573.34	–	–	1,438.24	–	1,441.44	1,560.34	–	–	1,294.20	7,307.56	
Provision of Vehicle	–	–	–	22,127.84	–	–	–	–	–	–	22,127.84	
Memberships/subscriptions	67,436.78	–	–	–	–	–	–	–	–	–	67,436.78	DELIVERY PROGRAM PROGRESS
Misc expenses ³	1,353.84	533.54	720.27	471.15	533.54	1,709.30	533.20	358.44	358.44	358.44	6,930.16	
Superannuation	0.00	1,855.00	–	6,718.30	2,320.97	2,224.24	562.66	2,224.24	2,224.24	2,224.24	20,353.89	FINANCIALS
TOTAL	79,585.54	23,488.50	21,820.23	92,439.95	30,389.54	26,474.94	23,756.16	23,682.64	23,682.64	25,538.15	370,858.29	

¹ Council meeting expenses (accommodation, travel and meals)

² Conferences, seminars and representational/lobbying expenses (accommodation, travel and meals)

³ Miscellaneous expenses (meals, sundries, stationery etc)

No expenses were incurred for the provision of care for a child, or an immediate family member of a Councillor to allow the Councillor to undertake his or her civic functions.

THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

FINANCIALS

STATUTORY
INFORMATION

CONTRACTS AWARDED

Local Government Act 1993 - Section 428, Local Government (General) Regulation 2021 - Clause 217(1)(a2)

In accordance with the Local Government Act 1993 and Council's Procurement Policy, subject to the exclusions below, Council calls for tenders for the supply of goods and services where the estimated spend under that contract exceeds \$250,000. The requirement to tender excludes contracts with entities exempted by the NSW Government (mostly government entities), the purchase or sale of land; purchases at public auction; employment contracts; purchase of goods and services under State Government or Commonwealth procurement contracts; emergency contracts; or where because of extenuating circumstances, Council decides by resolution that a satisfactory result would not be achieved by inviting tenders. Given that actual spend may exceed estimated spend, contracts over \$150,000 are also listed.

The following contracts were awarded during 2022/23:

Contractor	Goods/Services Provided	Amount payable under the contract (inc GST)
A1 Earthworx Mining and Civil Pty Ltd	RFT2022/92 Construction of Landfill Cell 2A	\$5,966,004
ABC Sheds Global	Mudgee Airport Hangar - shed component	\$171,321
Ag-Crete Industries	Training Camp Facility - supply & delivery of L-blocks	\$289,527
AGL Energy	Small Site Electricity Supply 1 July 2023 to 30 June 2024	\$431,399
Aqua Irrigation Holdings Pty Ltd	Glen Willow Sporting Complex - Stormwater Recirculation	\$206,636
Civic Risk Mutual	Insurance	\$1,355,018
Collins And Turner	Architectural Services for Mudgee Administration extension design	\$304,700
Interflow Pty Ltd	Sewer Relining 2022/07	\$446,111
J.A.C Pump Services P/L	Design and Construction of the Mudgee river intake pump station	\$1,009,338
Keane Civil & Construction Pty Ltd	Water Mains Upgrade - Putta Bucca Road	\$555,042
Liebherr Australia Pty Ltd	Excavator	\$488,163
Manly-Warringah Sea Eagles Limited	NRL Game	Confidential
Moduplay Commercial Systems	Playgorunds at Putta Bucca Wetlands, Rylstone Showground	\$400,250
Mudgee Region Tourism Inc	Tourism and Visitor Information Services	\$845,240
North Construction and Building	Training Camp Facility - design & construction	\$9,814,649
NSW Electoral Commission	MWRC Contract for conduct Local Government Election 2024	\$255,944
Phillip Lloyd Fuller	Restoration & renovation of Red Hill	\$306,096
Premise Australia Pty Ltd	Consultancy for Mudgee Sewerage Augmentation project	\$502,827
Shell Energy	Contestable (Large) Site Electricity Supply 1 July 2023 to 30 June 2024	\$1,138,696
Stotts Building Contractors	Cudgegong Waters Park - office, cafe & shopfront	\$327,545
Total Maintenance Worx	Mudgee Valley Caravan Park - bottom boards for new cabins	\$290,646

LEGAL EXPENSES

Local Government Act 1993 - Section 428, Local Government (General) Regulation 2021 - Clause 217(1)(a3)

Council expended \$466,026 on legal costs during 2022/23 related to the cost of obtaining legal advice or opinion in relation to various matters, and also includes the amounts incurred by Council in relation to legal proceedings as listed below.

Matter	Amount (ex GST)	Status
LEC Case 2021/00361625 – Class 1 LEC Application	\$261,318	Proceeding

In addition, Council expended \$172,229 during the period in recovering outstanding rates and charges. These costs are debited as a charge against individual rate assessments. Council recovered \$171,492 of such costs during the period.

STATEMENT OF PROPOSED CHARGES FOR THE CARRYING OUT OF WORK ON PRIVATE LAND

Local Government Act 1993 - Section 428, Local Government (General) Regulation 2021 - Clause 217(1)(a4)

By agreement with owners or occupiers of private land, Council carried out works such as paving and roadmaking, traffic control for private events and water, sewerage and drainage connections.

Council undertook private works in 2022/23 to the value of \$151,953 resulting in a total profit of \$36,170. This represents a profit margin of 23.8%. No subsidies were proposed, and all work was intended to be carried out on a for profit basis in accordance with Council's Private Works Policy.

CONTRIBUTIONS AND DONATIONS

Local Government Act 1993 - Section 356, Local Government (General) Regulation 2021 - Clause 217(1)(a5)

The total amount contributed or otherwise granted by Council under Section 356 of the Local Government Act, 1993 was \$633,000.

Significant contributions are listed below.

Recipient	Amount
Housing Plus	\$300,000
Macquarie Home Stay	\$55,000

DELEGATES TO EXTERNAL COMMITTEES AND OTHER BODIES

Local Government Act 1993 - Section 428, Local Government (General) Regulation 2021 - Clause 217(1)(a6)

During 2022/23 Council resolved the delegates to external committees and other bodies.

These committees provide advice and feedback to Council on key issues that impact on the residents of the Mid-Western Regional Council LGA.

These are:

- Burrendong Wind Farm Community Consultative Committee
- Cudgegong Bushfire Management Committee
- Mudgee Region Tourism Inc
- Ulan Coal Mine Community Committee
- Wilpinjong Coal Community Consultative Committee
- Moolarben Coal Community Consultative Committee
- Charbon Colliery and Inglenook Community Consultative Committee
- Western Joint Regional Planning Panel
- Murray Darling Association
- Arts Out West
- Local Traffic Committee
- Bowdens Silver Project Community Consultative Committee
- Crudine Ridge Wind Farm Consultative Committee
- Public Libraries NSW
- Barneys Reef Wind Farm Community Consultative Committee

MODERN SLAVERY

Local Government Act 1993 Section 428(4)c & d

Council has taken steps to reinforce to Council staff and to suppliers that Council does not purchase goods or services where the production process includes the use of slave labour. Our commitment is included in Council's Sustainable Procurement & Contract Management Policy, and all tendering activities include clauses that communicate the need to meet Modern Slavery requirements. At this time, we have not identified any existing contracts as being of high risk and requiring retrospective assessment. Templates for assessing new contracts have been updated to include improved risk assessment in regard to modern slavery. Next year Council will be expanding on the steps already taken with a focus on ensuring staff understand the system including how to respond when risks are identified.

Council has not received any correspondence from other levels of Government, including the Anti-slavery Commissioner, concerning any suppliers or procedures that Council uses that raises concerns of possible modern slavery risks.

ADVISORY COMMITTEES

Local Government (General) Regulation 2021 - Clause 217(1)(a6)

These committees are established by Council to exercise specific functions. They comprise of local community members and Council representatives. These committees also provide advice and feedback to Council on key issues.

For 2022/23 there were 12 Advisory Committees operating within the region. Further information on these committees, including minutes and terms of reference, can be found on Council's website.

Audit Risk and Improvement Committee (ARIC)

Councillor Representative: Cr Dicker

This committee was created under section 428A of the Local Government Amendment (Governance and

Planning) Act 2016, to review a variety of Council's operations, such as risk management, fraud control and governance etc. It will also provide information to Council to assist with improvement of these functions.

Australia Day Selection Committee

Councillor Representative: Mayor, (Cr Kennedy), Deputy Mayor (Cr Paine), Cr Shelley

The Australia Day Selection Committee selects the recipients of Council's annual Australia Day Awards.

Botobolar Community Committee

Councillor Representative: Cr Kennedy

This committee assists Council in community engagement and events, and maintenance of the grounds for the rural fire shed.

Seniors Week Planning Committee

Councillor Representative: Cr Thompson, Cr Dicker

The Seniors Week Planning Committee assists Council with the planning of events for Seniors Week.

Gulgong Memorial Hall Committee

Councillor Representative: Cr Thompson

The Gulgong Memorial Hall Committee assists Council with the management and promotion of the Gulgong Memorial Hall.

Gulgong Sports Council Sub Committee

Councillor Representative: Cr Thompson

The Gulgong Sports Council Sub Committee assists Council to manage active recreational facilities in Gulgong.

Mid-Western Regional Council Access Committee

Councillor Representative: Cr Karavas, Cr Paine

This committee provides advice to Council on matters relating to accessibility in the Mudgee, Gulgong, Rylstone and Kandos areas.

Rail Committee

Councillor Representative: Cr Shelley

The Rail Committee provides advice and recommendations to Council on strategic and long term issues related to passenger rail services and keeps Council informed on relevant matters related to rail services in the region.

Mid-Western Regional Youth Council

Councillor Representative: Cr Karavas, Cr Paine

The Mid-Western Regional Youth Council provides consultation with and advocacy for youth.

Mudgee Showground Management Committee

Councillor Representative: Cr Karavas, Cr Kennedy

The Mudgee Showground Management Committee assists Council to manage the showground facility.

Mudgee Sports Council Sub Committee

Councillor Representative: Cr Stoddart

The Mudgee Sports Council Sub Committee assists Council to manage active recreational facilities in Mudgee.

Red Hill Reserve Working Party

Councillor Representative: Cr Thompson, Cr Cavalier

The Red Hill Reserve Working Party provides advice to Council on the development of a precinct master plan, and management of the site.

Rylstone and Kandos Sports Council Sub Committee

Councillor Representative: Cr Shelley

The Rylstone and Kandos Sports Council Sub Committee assists Council to manage active recreational facilities in Rylstone and Kandos.

Local Government Act 1993 - Section 428, Local Government (General) Regulation 2021 - Clause 217(1)(a7)

Council does not hold a controlling interest in any company, partnership, trust, joint venture or syndicate.

STATEMENT OF CONTROLLING INTEREST

Statement of Participation – corporations, Partnerships, Co-operatives, Joint Ventures, Syndicates or Other Bodies

Local Government Act 1993 - Section 428, Local Government (General) Regulation 2021 - Clause 217(1)(a8)

Council was a party to the following partnerships, Co-operatives, Joint Ventures and other bodies throughout 2022/23:

- State Cover
- Orana Regional Organisation of Councils
- Orana Joint Organisation
- Mudgee Region Tourism
- Orana Water Utilities Alliance (OWUA)
- Civic Risk Mutual Ltd

Equal Employment Opportunity

Local Government Act 1993 - Section 428, Local Government (General) Regulation 2021 - Clause 217(1)(a9)

Council is committed to the vision of fostering a progressive and prosperous community we proudly call home. We want to ensure that we encourage a culture that is supportive of Equal Employment (EEO) Principles in the workplace as well as having a diverse and inclusive workforce with a collection of skills, experiences and perspectives that is reflective of the community we serve.

As an organisation, Council is committed to the following EEO principles as outlined in the Local Government Act 1993 (section 344):

- To eliminate and ensure the absence of discrimination in employment on the grounds of race, sex, marital or domestic status and disability in councils, and
- To promote equal employment for women, members of racial minorities and persons with disabilities in councils.

We aim to provide an environment where employees and others in the workplace are treated fairly with respect, and are free from unlawful discrimination, harassment, vilification and bullying.

Council aims to ensure that when employment decisions are made, they are based on merit, not on irrelevant attributes or characteristics that an individual may possess. Council also aims to create a work environment which promotes good working relationships.

In order to achieve our objective, Mid-Western Regional Council will:

- Develop and implement an Equal Employment Opportunity (EEO) Management Plan
- Incorporate Council's core values of respect, integrity

and recognition and the principles of diversity, equality and merit into all relevant policies and procedures

- Base all selection decisions on merit and the individual's ability to meet the requirements of the position
- Provide training and development that is consistent with the principles of equity and that supports Council's EEO objectives
- Provide a workplace free from bullying, harassment and discrimination
- Promote EEO and workplace diversity throughout Council to ensure that every employee is aware of and understands Council's policies on EEO related matters
- Provide those who work at Council with the Anti-Discrimination and Equal Employment Opportunity Policy, which provides guidance on what is acceptable behaviour and establishes what may constitute discrimination, vilification, harassment and bullying at work
- Provide effective mechanisms to resolve complaints

The Achievements for 2022–2023

- Positions
 - Reviewed position descriptions for new and vacant positions to ensure that essential and desirable criteria are non-discriminatory
- Communication and Awareness Raising
 - Ensured all staff involved with recruitment and selection processes are trained in merit based selection and new staff complete the online learning module
 - The Anti-Discrimination and Equal Employment Opportunity Policy, Workplace Bullying Policy, Workplace Environment Statement and Code of Conduct are accessible on Council's Intranet and given to new employees
 - An overview of EEO, discrimination and harassment is included in Council's induction program. Wherever possible, all staff attend induction within three months of commencement with Council
 - Refresher training presented to all current Managers, Supervisors and recruiting panel

members on the importance of Equal Employment objectives and Anti-Discrimination policy

- We reviewed training needs to align with Council's capability framework to ensure all staff have access to training opportunities
- Facilitated government funded training program, focusing on digital skills to upskill staff across the workforce
- Recruitment and Selection
 - Successfully recruited and appointed three apprentices and four trainees in the fields of Business Administration and Civil Construction
 - Reviewed and monitored Council's recruitment procedures to ensure compliance with EEO principles and merit based recruitment
 - Ensured all advertisements for vacant positions include Council's commitment to EEO and workplace diversity and use non-discriminatory language
 - Implementation of digital recruitment system to ensure that recruitment processes are adhered to and orientation of new staff completed
- Leadership
 - Training and mentoring provided to all new Supervisors and Managers on workplace bullying, sexual harassment and EEO principles during induction and orientation
 - EEO climate is monitored via grievances and exit interviews
- EEO Target Groups
 - Women: 2022-2023 financial year saw Council increase the level of women joining in comparison to the previous year
 - Carers: Ensured that all employees with carer responsibilities were provided with the provision of flexible working arrangements whilst ensuring operational needs and service delivery is met
 - People with a Disability: Ensured ongoing support and commitment to the recruitment and employment of people with disabilities

Senior Staff

Local Government Act 1993 - Section 428, Local Government (General) Regulation 2021 - Clause 217 (1)(b-c)(i-v)

Council's organisation structure included four Senior Staff positions for 2022/23. Those positions were:

- General Manager
- Director Community
- Director Development
- Director Operations

The remuneration package for the General Manager totalled \$417,606, and included:

Salary component	\$354,915
Bonuses	NIL
Superannuation component	\$37,266
Non-cash benefits	\$12,856
Fringe Benefits Tax on non-cash benefits	\$ 12,569

The combined remuneration packages for all Directors for 2022/23 totalled \$750,237, and included:

Salary component	\$612,225
Bonuses	NIL
Superannuation component	\$64,283
Non-cash benefits	\$39,694
Fringe Benefits Tax on non-cash benefits	\$34,035

Labour Statistics

Local Government Regulation 2021 - cl 217 (1)(d) (i),(ii),(iii),(iv)

Statement of total number of persons who performed paid work on **Wednesday 23 November 2022**, including, in separate statements, total number of:

Persons employed by the council on a permanent full-time, permanent part-time or casual basis or under a fixed-term contract	438
Persons employed by the council as senior staff members	4
Persons engaged by the council, under a contract or other arrangement with the person's employer, wholly or principally for the labour of the person	2
Persons supplied to the council, under a contract or other arrangement with the person's employer, as an apprentice or trainee	5

Stormwater Management

Local Government (General) Regulation 2021 - Clause 217(1)(e)

Council has not levied an annual charge for stormwater management services during the year.

Coastal Protection Services

Local Government (General) Regulation 2021 - Clause 217(1)(e1)

Council has not levied an annual charge for coastal protection services during the year.

CAPITAL WORKS PROJECTS

OLG Capital Expenditure Guidelines

Council has completed a capital expenditure review in accordance with the NSW OLG Capital Expenditure Guidelines for the below projects.

\$000	2022/23 Budget	2022/23 Actuals	Project Status at 30 June 2023
Glen Willow Stage 2	777,155	590,698	<p>Commencing in 2019 this project involves the senior rugby union facilities, multi-purpose playing fields, junior rugby league facilities and new access roads, bridge, pathway and parking. The total project cost is \$17.35 million and 100% funded by grants from State and Federal governments.</p> <p>This project is now completed. This project has significantly increased the capacity of Glen Willow to hold major events and midweek sporting carnivals as well as local community sport. Along with other associated projects such as the Jennie Blackman Dog Park, the Stormwater Recirculation System and the Centre of Excellence Training Facility, Glen Willow now represents the highest quality sporting precinct in Western NSW.</p>
Solar Farm Initiative	1,068,029	625,861	<p>Commencing in 2020, this project involves the construction and ownership of the 5MW solar array to supply all of Council's energy demands with any excess to be used to support local businesses with affordable energy.</p> <p>The total project cost is \$8.93 million funded through \$4.5 million in grants and \$4.43 million in council funds.</p> <p>It is anticipated that the project will be completed by December 2023. The project has been through a detailed design stage, tender packages were prepared for construction works, which began at the end of 2022.</p>
Glen Willow Training Camp	1,238,132	1,792,893	<p>The Mudgee Centre of Excellence training camp project is a major project being delivered to provide an accommodation facility to compliment the Glen Willow Regional Sporting Complex. The training camp is being designed to cater for elite sporting teams as well as schools and junior sports teams and other groups that can make use of the area and the sporting facilities at Glen Willow.</p> <p>In total, the approved budget for the project includes \$1,792,893 for the 2022/23 financial year and \$9,725,487 for the 2023/24 financial year – totalling \$11,518,380.</p> <p>The majority of this early work has been the earthworks and construction of the extensive retaining walls around the accommodation area, as well as significant expenditure in providing potable water to the site through Council's town water supply. These works have now been completed and, along with the completion of the access road to Putta Bucca, the site of the complex is ready for construction.</p> <p>A contract has been signed with North Construction for the building of the main three buildings (two accommodation blocks and the training camp building that will house the dining facilities, kitchen, seminar room and gymnasium).</p> <p>A total of \$8.8 million has been received from the following grant funding:</p> <ul style="list-style-type: none"> ▪ Office of Sport (NSW Government) - \$5,000,000 ▪ Resources for Regions (NSW Government) - \$1,046,288 ▪ Local Roads and Community Infrastructure Program (Australian Government) - \$2,761,864
Mudgee Valley Park Expansion	3,520,156	2,813,998	<p>The Mudgee Valley Park Expansion Project is a major project that has allocated \$7.4M across the 2021/22 and 2022/23 budgets for the installation of 31 cabins and upgrade to internal roads. All of the cabins are now on site and installed and are operational. Electrical infrastructure works have been completed. Internal roads upgrade has commenced, and parking spaces for the cabins will be completed in the new financial year.</p>

REPORTING REQUIREMENTS UNDER THE DISABILITY INCLUSION PLAN

Disability Inclusion Act 2014 - Section 13(1)

Supporting an **inclusive workforce**

ACTION > FACILITATE OPPORTUNITIES FOR PEOPLE WITH DISABILITY TO WORK OR VOLUNTEER WITH COUNCIL

Expected outcome	Key stakeholders	Reporting	2022/23 Progress report
Increased diversity of Council workforce	People with disability	Workforce strategy	<p>Council is a registered NDIS provider and employs people with a disability in a supported environment, providing training to assist in gaining new skills and experience to increase opportunities in employment. Employees are trained in different areas, including recycling and retail. Volunteer opportunities in Council's community services are open to people with a disability.</p> <p>Council continues to recruit and train people with a disability across various departments. Council actively engages with providers to offer work experience across most areas of Council, in a format to suit individual needs, for example, a few hours a day through to blocks of one week, for a shorter or longer duration as requested.</p> <p>Should adjustments be needed for a person with a disability to perform the inherent requirements of a position, modifications are made wherever operationally possible.</p>
Improve employment opportunities for people with disability	People with disability	Annual report	

THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

ACTION > ENGAGE WITH LOCAL DISABILITY SERVICE PROVIDERS TO IDENTIFY STRATEGIES TO ENHANCE EMPLOYMENT OPPORTUNITIES FOR PEOPLE LIVING WITH DISABILITY

Expected outcome	Key stakeholders	Reporting	2022/23 Progress report
Increase knowledge sharing between Council and local disability service providers	People with disability	Annual report	Council works with local disability service providers to continue to provide supported employment opportunities and awareness of Council services.

FINANCIALS

ACTION > CONSIDER DIVERSITY WITHIN A WORKFORCE STRATEGY FRAMEWORK

Expected outcome	Key stakeholders	Reporting	2022/23 Progress report
Council continues to be an inclusive employer, including recruiting, retaining and supporting people with disability	Community	Annual report, Equal Employment Opportunity	Under the EEO Management Plan, Council has delivered diversity strategies including: ensuring that EEO statements are included in all job advertisements; ensuring all staff receive training on EEO, bullying and harassment and the EEO Management Plan; and reviewing Council's recruitment procedures to ensure compliance with EEO principles.

STATUTORY
INFORMATION

Providing **effective and efficient** governance and leadership

ACTION > REVIEW AND AMEND THE ACCESS COMMITTEE'S TERMS OF REFERENCE TO BROADEN ITS FOCUS AND PURPOSE

Expected outcome	Key stakeholders	Reporting	2022/23 Progress report
Access Committee is provided with Terms of Reference that clearly outlines Access Committee's purpose, roles, responsibilities and processes to Council and the community. This will not be exclusive to issues of physical access.	Council/Access Committees	Updated Terms of Reference	Terms of Reference were reviewed at the July 2022 Access Committee meeting. Council continues to work with the Mid-Western Regional Access Committee, including most recently through consultation on Council's new Cycling and Walking Strategy (which replaces the Pedestrian Access Mobility Plan).
Improved collaboration between Advisory Committees for youth, recreation and inclusion so that all Council Advisory Committees have considered disability inclusion.	Council, Advisory Committees, Access Committees	DIAP 2020	Disability inclusion is discussed where appropriate and relevant amongst Council staff responsible for its various consultative committees.

ACTION > SUPPORT BETTER COLLABORATION BETWEEN ADVISORY COMMITTEES

Expected outcome	Key stakeholders	Reporting	2022/23 Progress report
Improved collaboration between Advisory Committees for youth, recreation and inclusion so that all Council Advisory Committees have considered disability inclusion.	Council, Advisory Committees, Access Committees	DIAP 2020	Disability inclusion is discussed where appropriate and relevant amongst Council staff responsible for its various consultative committees.

Supporting the community **to promote and celebrate diversity and inclusion**

ACTION > AS APPROPRIATE, INCORPORATE DISABILITY AWARENESS AND INCLUSION ACROSS KEY COUNCIL ACTIVITIES AND EVENTS

Expected outcome	Key stakeholders	Reporting	2022/23 Progress report
Encourage outreach, awareness and education about disability. Encourage people with disability to interact, showcase their talents and ability alongside people without disability.	Advisory community, people with disability, disability service providers	Annual report	Council promotes inclusion by inviting disability groups to participate in activities, such as the annual Waste to Art Competition and Exhibition and regular accessible screenings of movies at Mudgee Town Hall Cinema.

ACTION > EMBED ACCESSIBILITY AND INCLUSION REQUIREMENTS ACROSS COUNCIL

Expected outcome	Key stakeholders	Reporting	2022/23 Progress report
Cross collaboration and education of Council staff. Increased understanding of accessibility and inclusion in all Council areas.	All of Council community	Annual report	All Council new starters receive training that refers to relevant Council policies and procedures, including the Disability Inclusion Action Plan, Anti-Discrimination and EEO Policy. Council seeks opportunities to share information that increases accessibility and inclusion across Council.

ACTION > DEVELOP AND IMPLEMENT A MARKETING CAMPAIGN TO ENCOURAGE UNDERSTANDING OF PEOPLE LIVING WITH DISABILITY

Expected outcome	Key stakeholders	Reporting	2022/23 Progress report
Encourage outreach, awareness and education about disability.	Council corporate team Council community services team	Annual report	There has been no significant progress in the development of a marketing campaign in 2022/23, however this will be prioritised for 2023/24.

ACTION > PROVIDE DISABILITY AWARENESS TRAINING FOR FRONTLINE COUNCIL STAFF TO PROMOTE ACCESSIBLE COUNCIL SERVICES

Expected outcome	Key stakeholders	Reporting	2022/23 Progress report
Increased understanding of disability.	Council frontline staff	Annual report	In April 2023, Council provided training to Community Transport volunteer drivers in vehicle access and transporting people with a disability. Further training requirements have been identified for frontline Council staff for delivery in 2023/24.

THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

FINANCIALS

STATUTORY
INFORMATION

Council actively promotes meaningful communication and engagement with the community

ACTION > CONTINUE TO PROVIDE COUNCIL INFORMATION IN MULTIPLE FORMATS

Expected outcome	Key stakeholders	Reporting	2022/23 Progress report
Improved access to Council information	Community	Annual report	<p>One of Council's primary communications tool, the Community News monthly newsletter, is distributed in six formats including: printed document, audio recording (for visually impaired residents), video (with audio), email newsletter, and digital e-book (which can be increased in font size). The edition is also promoted on social media platforms.</p> <p>Media releases are distributed to all local media for broadcast, print and digital distribution and published on Council's website. The website has ALT Text, a screen reading tool to describe images to visually impaired residents.</p>

ACTION > INVESTIGATE THE OPPORTUNITY TO PROVIDE A 'ONE-STOP-SHOP' ON COUNCIL'S WEBSITE THAT PROVIDES PEOPLE WITH DISABILITY ACCESS TO ESSENTIAL INFORMATION E.G. ACCESSIBLE AND APPROPRIATE SERVICES AND FACILITIES

Expected outcome	Key stakeholders	Reporting	2022/23 Progress report
Improved processes for engaging with people with a disability.	Council, people with disability	Annual report	<p>There is a range of content on Council's website with respect to support services for people with a disability. All Council's available Community Services including Meals on Wheels, Community Transport and Community Development, are kept together in an easily accessible parent page under the Community tab. Each page has contact details including phone, email and location (all mobile responsive and linked).</p>

Supporting improved physical access in the community

ACTION > CONTINUE TO IMPLEMENT THE PEDESTRIAN ACCESS MOBILITY PLAN (PAMP)

Expected outcome	Key stakeholders	Reporting	2022/23 Progress report
Increase pathway infrastructure to improve physical access of public space.	Community, Council	Pathways inspected every four years and PAMP is updated every two years.	<p>Four PAMP projects were completed:</p> <ul style="list-style-type: none"> ▪ Rodgers Street between the corners of McDonald Street to Dabee Road, approx. 471 metres in length ▪ Extending footpath from the bus shelter on Ilford Road, around the corner of Fitzgerald Street, to the driveway of Rylstone District Hospital ▪ Cudgegong Street from the corner of Louee Street, through the grounds of Rylstone Memorial Hall, to Rylstone Showground Playground. ▪ Footpath along Rouse Street, from Medley Street to Herbert Street intersections.

ACTION > AUDITING PHYSICAL ACCESSIBILITY OF COUNCIL OWNED BUILDINGS TO CONSIDER LEADING PRACTICE PRIORITISATION OF UPGRADES

Expected outcome	Key stakeholders	Reporting	2022/23 Progress report
Physical accessibility of Council owned facilities is reviewed with priority upgrades identified.	Council	DIAP 2022–26	<p>Five accessibility projects were completed in 2022/23:</p> <ul style="list-style-type: none"> ▪ Mudgee Showground <ul style="list-style-type: none"> – Pathway connections from new amenities buildings showground office and new grandstand – Accessible ramp installation from ticket booth on Douro Street into showground ▪ Glen Willow Stadium <ul style="list-style-type: none"> – Construction of an accessible viewing platform on northern end of grandstand area – Construction of new accessible toilet on ground level of main grandstand ▪ Cultural Workshop <ul style="list-style-type: none"> – Installation of level footpaths around the new facility linking up the Sculpture walk through Walker’s Oval and Lawson Park ▪ Red Hill Cottage <ul style="list-style-type: none"> – Installation of accessible ramp into newly renovated cottage – Construction of new carpark which includes an accessible car space ▪ Rylstone Caravan Park <ul style="list-style-type: none"> – Construction of accessible toilet within the new caravan park amenities

THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

ACTION > INCLUSION OBJECTIVES TO BE REFERRED TO AND CONSIDERED WHEN ALLOCATING COMMUNITY GRANTS

Expected outcome	Key stakeholders	Reporting	2022/23 Progress report
Increase consideration of disability and inclusion in awarding Council grants	Community, Council	Annual report	<p>Council’s Community Grants Program closely aligns with its Towards 2040 Community Plan, including strategies on providing equitable access to a range of places and spaces for all in the community, providing infrastructure and services to cater for the current and future needs of our community and maintaining the provision of high quality, accessible community services that meet the needs of our community. The Community Grants Policy will be reviewed in 2023/24 to better include this action.</p>

FINANCIALS

STATUTORY
INFORMATION

REPORTING REQUIREMENTS – INSPECTION OF PRIVATE SWIMMING POOLS

Swimming Pools Act 1992 (SP Act), s224F(2) Swimming Pools Regulation 2018 (SP Reg) cl23



COMPANION ANIMALS

Local Government (General) Regulation 2021 - Clause 217(1)(f), Companion Animals Act 1988 (CA Act), Companion Animals Regulation 2018, and Companion Animals Guidelines (CA Guidelines)

Council undertakes companion animal management functions and activities in accordance with the Companion Animals Act 1998 and the associated Regulations.

Lodgement of data relating to dog attacks with OLG

Data relating to dog attacks is required to be lodged by Council with the Office of Local Government.

During the 2022/23 period, there were 21 separate dog attack incidents reported within the region, the victims of these attacks included humans, livestock and non-registerable pet animals.

Actions taken following dog attacks can include infringement notices, animal seizure, police action, and euthanasia of the attacking dog.

Animal management/activities expenditure

During 2022/23, Council spent \$228,730 on companion

animal management activities. Council employs three full time and one casual Ranger to enforce the provisions of the Companion Animal Legislation. As part of running an animal pound facility, Council utilises additional staff resources to ensure 7 day a week animal care and coverage.

The Office of Local Government provided \$35,569 of revenue to Council in 2022/23 for Animal Management Services.

A further \$63,294 was received from stock impounding fees, animal release fees, fines, animal sales and other related revenue, helping to partially offset the total cost of companion animal management to the community.

Companion Animal and Desexing Community Education Programs

Council strongly encourages residents to have their dogs and cats micro-chipped. Micro-chipping is quick, painless

and easy. It is the easiest way a pet can be returned home, so it should be top priority for every pet owner. Council has a micro-chipping service, and charged \$38 for the service in 2022/23. During 2022/23, 315 companion animals were registered through Council.

Council was able to resume its free microchipping day in the 2022/23 period, after being unable to conduct them during the 2021/22 period due to COVID restrictions. Free microchipping days were conducted in addition to microchipping any companion animals that came into Council's care. It is anticipated the combined effect of these strategies will facilitate responsible ownership as the animal is identified and the animal can in future be returned to its owner.

Strategies to comply with S64(5) - euthanasia alternatives for unclaimed animals

Council works with a number of organisations regarding foster care of impounded animals, including the Hunter Animal Rescue. Council's website links to the Friends of Mudgee Pound Facebook page with the advertising of impounded animals who are lost or looking for a new home.

Across 2022/23, Council compiled Pound Data Collection Returns for the Office of Local Government. 359 animals came into Council's facility. Of those, 80 dogs and 5 cats were able to be released to their owners. Unfortunately due to the low identification rate for cats, returning these animals to their owners is more difficult.

Of all the companion animals seized or surrendered during the 2022/23 period, 171 were rehomed through rehoming organisations or sold directly to the public.

A total of 37 animals were required to be euthanased as they were unsuitable to be rehomed.

Off-Leash Area

Council has four off-leash areas for companion dogs, located at Glen Willow Regional Sports Complex in Mudgee, Peoples Park in Gulgong, Darton Park in Kandos and the Rylstone Showground.

Mudgee has a new off-leash area which is located within the Glen Willow Regional Sports Complex near the suspension bridge. It consists of 3 areas; small dogs, active dogs (all dogs) and large dogs.

Summary of Pound Data	Cats	Dogs	Total
Seized and transferred to Council's facility	2	15	17
Abandoned/stray	69	122	191
Surrendered by owners	74	77	151
Returned to owners	0	24	24
Released to owners	5	80	85
Euthanased	43	24	67
Sold	64	64	128
Released to organisations for re-homing	25	18	43
Died at Council facility	1	0	1
Stolen or escaped from Council facility	2	2	4
Holding pending court action	0	0	0

THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

FINANCIALS

STATUTORY
INFORMATION

REPORTING REQUIREMENTS UNDER THE GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009

Government Information (Public Access) Act 2009 – Section 125(1) Government Information (Public Access) Regulation 2018 – Clause 8, Schedule 2

Under Section 7 of the GIPA Act agencies must review their programs for the release of government information to identify the kinds of information that can be made publicly available. Council's program for the proactive release of information involved providing as much information as possible on Council's website and where proactive making other information available free of charge in accordance with Council's Information Guide.

During the 2022/23 reporting period, Council received a total of 14 formal access applications as detailed in the table below.

Table A: Number of applications by type of applicant and outcome*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with Application	Refuse to Confirm/deny whether information is held	Application withdrawn	Total	% of Total
Media	0	0	0	0	0	0	0	0	0	0%
Members of Parliament	0	0	0	0	0	0	0	0	0	0%
Private sector business	0	1	0	0	0	0	0	0	1	7%
Not for profit organisations or community groups	0	0	0	0	0	0	0	0	0	0%
Members of the public (by legal representative)	1	1	0	0	0	0	0	0	2	14%
Members of the public (other)	3	4	0	0	4	0	0	0	11	79%
Total	4	6	0	0	4	0	0	0	14	
<i>% of Total</i>	<i>29%</i>	<i>43%</i>	<i>0%</i>	<i>0%</i>	<i>29%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>		

* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Table B: Number of applications by type of applicant and outcome*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with Application	Refuse to confirm/deny whether information is held	Application withdrawn	Total	% of Total
Personal information applications*	0	0	0	0	0	0	0	0	0	0%
Access applications (other than personal information applications)	4	3	0	0	4	0	0	0	11	79%
Access applications that are partly personal information applications and partly other	0	3	0	0	0	0	0	0	3	11%
Total	4	6	0	0	4	0	0	14		
<i>% of Total</i>	<i>17%</i>	<i>33%</i>	<i>0%</i>	<i>0%</i>	<i>17%</i>	<i>0%</i>	<i>0%</i>	<i>33%</i>		

* A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Table C: Invalid applications

Reason for invalidity	Number of applications	% of Total
Application does not comply with formal requirements (section 41 of the Act)	7	100%
Application is for excluded information of the agency (section 43 of the Act)	0	0%
Application contravenes restraint order (section 110 of the Act)	0	0%
Total number of invalid applications received	7	100%
Invalid applications that subsequently became valid applications	7	100%

Table D: Conclusive resumption of overriding public interest against disclosure – matters listed in Schedule 1 of the Act

	No. times consideration used*	% of Total
Overriding secrecy laws	0	0%
Cabinet information	0	0%
Executive Council information	0	0%
Contempt	0	0%
Legal professional privilege	0	0%
Excluded information	0	0%
Documents affecting law enforcement and public safety	0	0%
Transport safety	0	0%
Adoption	0	0%
Care and protection of children	0	0%
Ministerial code of conduct	0	0%
Aboriginal and environmental heritage	0	0%
Privilege generally – Sch 1(5A)	0	0%
Information provided to High Risk Offenders Assessment Committee	0	0%
Total	0	

* More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

Table E: Other public interest considerations against disclosure – matters listed in table to Section 14 of the Act

	No. of times consideration used*	% of Total
Responsible and effective government	0	0%
Law enforcement and security	0	0%
Individual rights, judicial processes and natural justice	4	67%
Business interests of agencies and other persons	2	33%
Environment, culture, economy and general matters	0	0%
Secrecy provisions	0	0%
Exempt documents under interstate Freedom of Information legislation	0	0%
Total	6	

Table F: Timeliness

	No. of applications*	% of Total
Decided within the statutory timeframe (20 days plus any extensions)	12	100%
Decided after 35 days (by agreement with the applicant)	0	0%
Not decided within time (deemed refusal)	0	0%
Total	12	

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Total	% of Total
Internal review	0	0	0	0%
Review by Information Commissioner*	0	0	0	0%
Internal review following recommendation under section 93 of Act	0	0	0	0%
Review by NCAT	0	0	0	0%
Total	0	0	0	
<i>% of Total</i>	<i>0%</i>	<i>0%</i>		

* The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

Table H: Applications for review under Part 5 of the Act (by type of applicant)

	No. of Applications for review	% of Total
Applications by access applicants	0	0%
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0	0%
Total	0	

Table I: Applications transferred to other agencies

	No. of Applications transferred	% of Total
Agency-Initiated Transfers	0	0%
Applicant-Initiated Transfers	0	0%
Total	0	

PUBLIC INTEREST DISCLOSURES

Public Interest Disclosures Act 1994 – Section 31 Public Interest Disclosures Regulation 2011, Clause 4

Council received no public interest disclosures during the 2022/23 financial year.

THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

FINANCIALS

STATUTORY
INFORMATION

PLANNING AGREEMENTS

Environmental Planning and Assessment Act 1979 - Section 7.5(5)

Company	Effective	Purpose	Amount	Due Date	Paid
Wilpinjong Coal Pty Ltd and Excel Coal Limited	Mar-06	Lump Sum - Coal Shipment	\$450,000	Payable prior to the first shipment of coal from the land	Yes - completed
		Annual Contribution - Community Infrastructure	\$800,000	\$40,000 per annum for 20 years, with the first instalment due on the anniversary of the first loading and dispatch of coal	16 of 20
		Annual Contribution - Road Maintenance	\$30,000 per annum	\$30,000 per annum for the life of the mining operation, with the first instalment due on the anniversary of the first loading and dispatch of coal	16 of life
		Annual Contribution - Bus Routes	\$60,000	\$20,000 per annum for three years	Yes - completed
Moolarben Coal Mines Pty Ltd, Felix Resources Limited	Apr-08	Lump Sum - Open Cut Coal	\$1,000,000	Payable in three equal annual instalments, with the first payment due within 7 days of first loading and dispatch of coal produced from the open cut operation	Yes - completed
		Lump Sum - Underground Coal	\$300,000	Payable in three equal annual instalments, with the first payment due within 7 days of first loading and dispatch of coal produced from the underground operation	Yes - completed
		Lump Sum - Road Maintenance	\$1,000,000	Payable in three equal annual instalments, with the first payment due within 7 days of the commencement of construction	Yes - completed
	Jan-15	Annual Contribution - Road Maintenance	\$1,250,000	\$62,500 per annum for 20 years, with the first instalment due on the anniversary of the first loading and dispatch of coal	14 of 20
		Annual Contribution - Community Infrastructure	\$1,000,000	\$100,000 per annum for 10 years, with the first instalment due on the anniversary of the first loading and dispatch of coal	Yes - completed
Moolarben Coal Mines Pty Ltd	Jan-15	Community Enhancement	\$515 per annum for each full-time equivalent employee in excess of 320 employees	Payable from commencement of construction until mining operations under this approval cease	7 of life
		Cope Road Maintenance	\$480,000	Payable in 4 instalments of \$120,000 plus CPI, with the first payment to be made on the commencement of mining	Yes - completed

Company	Effective	Purpose	Amount	Due Date	Paid
Ulan Coal Mines Limited	Mar-11	Lump Sum - Community Infrastructure	\$3,475,000	\$2,000,000 to be paid within 30 days of date of agreement. Balance of \$1,475,000 to be paid within a year of the date of the first contribution	Yes - completed
		Annual Contribution - Road Maintenance Cope Road	\$1,050,000	\$50,000 per annum for 21 years, with the first instalment due within 30 days of date of agreement. Subsequent annual payments due on anniversary date of first contribution	13 of 21
Wilpinjong Coal Pty Ltd	Jan-11	Lump Sum - Ulan-Wollar Road	\$50,000	Non cash contribution of \$50,000 of gravel to be used for upgrading of the Ulan-Wollar Road	Yes - completed
		Lump Sum - Ulan-Wollar Road Upgrade	\$600,000	\$600,000 payable by instalments within 14 days of invoices as issued by Council at each stage of the primary road works	Yes - completed
Caerleon Mudjee Pty Limited	Sep-13	Fairydale Lane Contribution	\$500,000	Lump sum payment on connection of Fairydale Lane to the spine road, based on \$500 per lot of registered plans for the subdivision. Thereafter a per lot contribution upon registration	No
		Community Open Space Network	Land for parks, recreation, stormwater and sewer	As stages are released	Yes - for stages released
Crudine Ridge Wind Farm Pty Ltd	Aug-17	Annual Contribution	\$1,250 per annum multiplied by the name plate megawatt capacity of the wind turbine generators multiplied by the number of wind turbine generators installed	Payment to commence on the first anniversary of the operation date	2 of life

THE YEAR
IN REVIEW

KEY COMPLETED
PROJECTS

DELIVERY PROGRAM
PROGRESS

FINANCIALS

STATUTORY
INFORMATION

Company	Effective	Purpose	Amount	Due Date	Paid
Bowdens Silver Mine Pty Ltd	Nov-21	Lump sum Contribution per VPA Schedule 2 (item 1) "Community Infrastructure and Services"	\$500,000	Payment of \$500,000 subject to CPI adjustment (representing a lump sum upfront portion of the 1% of the ICC), which is payable within one calendar month of the Construction Commencement Date	No
		Lump sum Contribution per VPA Schedule 2 (item 2) "Community Infrastructure and Services"	\$500,000	Payment of \$500,000 subject to CPI adjustment (representing a lump sum upfront portion of the 1% of the ICC), which is payable within one calendar month of the Production Commencement Date	No
		Annual Contribution per VPA Schedule 2 (item 3) "Community Infrastructure and Services"	\$94,200 per annum	Balance of the ICC contribution (being \$1,460,000) payable in instalments being \$94,200 per annum (subject to CPI adjustment) for 15 years on each anniversary of the Production Commencement Date and \$47,000 (subject to CPI adjustment) on the date that is 15.5 years after the Production Commencement Date.	No
		Annual Contribution per VPA Schedule 2 (item 4) "Community Infrastructure and Services"	\$34,840 per annum	Payment of \$540,000 (representing 1% of AACE) payable in instalments being \$34,840 per annum (subject to CPI adjustment) for 15 years on each anniversary of the Production Commencement Date and \$17,400 on the date that is 15.5 years after the Production Commencement Date.	No
		Annual Contribution per VPA Schedule 2 (item 5) "Road Maintenance Contribution"	\$110,000 per annum	\$1,705,000 payable in instalments being \$110,000 per annum (subject to CPI adjustment) for 15 years on each anniversary of the Production commencement date and \$55,000 (subject to CPI adjustment) on the date that is 15.5 years after the Production Commencement Date.	No
		Annual Contribution per VPA Schedule 2 (item 6) "Community Infrastructure and Services"	\$94,200 per annum	\$94,200 per annum (subject to CPI adjustment) for each year the Development is carried out beyond the date that is 15.5 years after the Production Commencement Date	No
		Annual Contribution per VPA Schedule 2 (item 7) "Community Infrastructure and Services"	\$34,840 per annum	\$34,840 per annum (subject to CPI adjustment) for each year the Development is carried out beyond the date that is 15.5 years after the Production Commencement Date.	No
		Annual Contribution per VPA Schedule 2 (item 8) "Road Maintenance Contribution"	\$110,000 per annum	\$110,000 per annum (subject to CPI adjustment) for each year the Development is carried out beyond the date that is 15.5 years after the Production Commencement Date.	No

Company	Effective	Purpose	Amount	Due Date	Paid
Wollar Solar Development Pty Ltd	May-21	Contribution per Section 5 "Development Contribution"	\$200,000	Contribution to Local Roads Maintenance as a result of development. \$200,000 due prior to the commencement of construction.	Yes - completed
ACEN Australia Pty Ltd	Nov-3	Construction Contribution - Stubbo Solar	\$100,000	Payment of \$50,000 (inclusive of GST) within 20 Business Days of the Construction Commencement Date; and \$50,000 (inclusive of GST) within 6 months of the Construction Commencement Date.	No
		Annual Development Contribution per Section 6 of the Planning Agreement		Payment of \$300 per final installed capacity in megawatts of the development.	No

DEVELOPER CONTRIBUTIONS EXPENDITURE

Environmental Planning and Assessment Regulation 2021, Division 4 Clause 218A

Developer Contributions Plan s7.11 and s7.12

Project ID	Project name	Public amenity or service	Amount of contributions spent	Percentage of project funded by contributions	Amount borrowed ¹	Value of land used for the project	Value of material ²	Project complete
60378	Urban rehab - Broadhead Road	Transport facilities	\$112,063	50%	\$-	\$-	\$-	Yes
60417	Road safety improvements - Mudgee schools	Transport facilities	\$1,000	100%	\$-	\$-	\$-	No
35729	Putta Bucca wetlands toilet	Recreation and open space	\$77,823	84%	\$-	\$-	\$-	Yes
51050	Art Gallery facility	Community facilities	\$322,659	39%	\$-	\$-	\$-	Yes
50030	Library books	Community facilities	\$11,818	13%	\$-	\$-	\$-	Ongoing
15500	Financial services	Plan administration	\$40,700	4%	\$-	\$-	\$-	Ongoing
50452	Council Recreation Strategy development	Plan administration	\$10,065	100%	\$-	\$-	\$-	No
Total spent during 2022/23			\$576,128.00					

Water and Sewerage Development Servicing s64

Project ID	Project name	Public amenity or service	Amount of contributions spent	Percentage of project funded by contributions	Amount borrowed ¹	Value of land used for the project	Value of material ²	Project complete
40406	Water augmentation - Mudgee headworks	Water headworks	\$111,041	68%	\$-	\$-	\$-	No

Voluntary Planning Agreements s7.4

Project ID	Project name	Public amenity or service	Amount of contributions spent	Percentage of project funded by contributions	Amount borrowed ¹	Value of land used for the project	Value of material ²	Project complete
50937	Playground shading program	Community Infrastructure	\$49,033	49%	\$-	\$-	\$-	No
65532	Airport Ambulance Transfer Bay	Community Infrastructure	\$55,029	55%	\$-	\$-	\$-	Yes
61826	Munghorn Gap realignment and upgrade	Road Maintenance	\$144,501	10%	\$-	\$-	\$-	Yes
50403	Gulgong/ Kandos pool lockers	Community Infrastructure	\$1,879	100%	\$-	\$-	\$-	Yes
50419	Pool shade program	Community Infrastructure	\$43,632	100%	\$-	\$-	\$-	Yes
50935	Gilbey Park fencing	Community Infrastructure	\$9,308	100%	\$-	\$-	\$-	Yes
61510	Cope Road maintenance - VPA	Cope Road Maintenance	\$50,607	100%	\$-	\$-	\$-	Ongoing
Total spent during 2022/23			\$ \$353,989					

¹ Amount expended that has been temporarily borrowed from another purpose or plan

² Value of material public benefit other than money or land



Appendices

FINANCIAL STATEMENTS 2022/23

MID-WESTERN REGIONAL COUNCIL

APPENDIX
A

GENERAL PURPOSE FINANCIAL STATEMENTS



Mid-Western Regional Council

General Purpose Financial Statements

for the year ended 30 June 2023

Contents	Page
Understanding Council's Financial Statements	3
Statement by Councillors and Management	4
Primary Financial Statements:	
Income Statement	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Independent Auditor's Reports:	
On the Financial Statements (Sect 417 [2])	77
On the Financial Statements (Sect 417 [3])	81

Overview

Mid-Western Regional Council is constituted under the Local Government Act 1993 (NSW) and has its principal place of business at:

86 Market Street
Mudgee NSW 2850

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.midwestern.nsw.gov.au

Mid-Western Regional Council

General Purpose Financial Statements

for the year ended 30 June 2023

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2023.

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

Who uses the Financial Statements?

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

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

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

Mid-Western Regional Council

General Purpose Financial Statements

for the year ended 30 June 2023

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

The attached general purpose financial statements have been prepared in accordance with:

- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- 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 20 September 2023.



Des Kennedy
Mayor
27 September 2023



Sam Paine
Deputy Mayor
27 September 2023



Brad Cam
General Manager
27 September 2023



Neil Bungate
Chief Financial Officer
27 September 2023

Mid-Western Regional Council

Statement of Comprehensive Income

for the year ended 30 June 2023

\$ '000	Notes	2023	2022
Net operating result for the year – from Income Statement		39,471	31,090
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-8	120,305	70,256
Impairment (loss) reversal / (revaluation decrement) relating to infrastructure, property, plant and equipment	C1-8	(53)	–
Total items which will not be reclassified subsequently to the operating result		120,252	70,256
Amounts which will be reclassified subsequently to the operating result when specific conditions are met			
Asset Remediation provision movements		241	1,425
Other movements		(3)	–
Total items which will be reclassified subsequently to the operating result when specific conditions are met		238	1,425
Total other comprehensive income for the year		120,490	71,681
Total comprehensive income for the year attributable to Council		159,961	102,771

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

Mid-Western Regional Council

Statement of Financial Position

as at 30 June 2023

\$ '000	Notes	2023	2022
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	4,651	5,343
Investments	C1-2	101,690	83,427
Receivables	C1-4	8,206	7,792
Inventories	C1-5	1,526	1,640
Contract assets and contract cost assets	C1-6	7,889	3,819
Other	C1-11	797	291
Total current assets		124,759	102,312
Non-current assets			
Investments	C1-2	36,000	39,000
Infrastructure, property, plant and equipment (IPPE)	C1-8	1,273,847	1,123,576
Investment property	C1-9	9,117	8,709
Intangible assets	C1-10	354	339
Right of use assets	C2-1	409	476
Total non-current assets		1,319,727	1,172,100
Total assets		1,444,486	1,274,412
LIABILITIES			
Current liabilities			
Payables	C3-1	10,284	8,962
Contract liabilities	C3-2	23,571	12,826
Lease liabilities	C2-1	78	74
Borrowings	C3-3	1,730	1,940
Employee benefit provisions	C3-4	7,500	7,427
Provisions	C3-5	525	2,467
Total current liabilities		43,688	33,696
Non-current liabilities			
Lease liabilities	C2-1	382	430
Borrowings	C3-3	12,605	14,333
Employee benefit provisions	C3-4	604	565
Provisions	C3-5	2,988	1,130
Total non-current liabilities		16,579	16,458
Total liabilities		60,267	50,154
Net assets		1,384,219	1,224,258
EQUITY			
Accumulated surplus	C4-1	588,354	546,897
IPPE revaluation reserve	C4-1	795,865	677,361
Total equity		1,384,219	1,224,258

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

Mid-Western Regional Council

Statement of Changes in Equity

for the year ended 30 June 2023

\$ '000	Notes	2023			2022		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus ¹	IPPE revaluation reserve	Total equity
Opening balance at 1 July		546,897	677,361	1,224,258	513,803	607,684	1,121,487
Net operating result for the year		39,471	–	39,471	31,090	–	31,090
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-8	–	120,305	120,305	–	70,256	70,256
Impairment (loss) reversal relating to IPP&E	C1-8	–	(53)	(53)	–	–	–
– Other reserves movements (rounding)		(1)	(2)	(3)	–	–	–
Other movements (Asset remediation provision movement)		–	241	241	–	1,425	1,425
Other comprehensive income		(1)	120,491	120,490	–	71,681	71,681
Total comprehensive income		39,470	120,491	159,961	31,090	71,681	102,771
Transfers between equity items		1,987	(1,987)	–	2,004	(2,004)	–
Closing balance at 30 June		588,354	795,865	1,384,219	546,897	677,361	1,224,258

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

Mid-Western Regional Council

Statement of Cash Flows

for the year ended 30 June 2023

Original unaudited budget 2023	\$ '000	Notes	Actual 2023	Actual 2022
Cash flows from operating activities				
<i>Receipts:</i>				
44,373	Rates and annual charges		45,164	45,000
16,816	User charges and fees		24,656	15,112
1,520	Interest received		2,278	725
50,212	Grants and contributions		52,251	42,907
–	Bonds, deposits and retentions received		–	136
3,118	Other		12,806	10,662
<i>Payments:</i>				
(31,175)	Payments to employees		(31,074)	(29,268)
(29,409)	Payments for materials and services		(45,041)	(29,443)
(518)	Borrowing costs		(785)	(949)
–	Bonds, deposits and retentions refunded		(313)	–
(1,355)	Other		(2,401)	(2,745)
53,582	Net cash flows from operating activities	G1-1	57,541	52,137
Cash flows from investing activities				
<i>Receipts:</i>				
19,316	Redemption of term deposits		69,414	61,100
3,888	Proceeds from sale of IPPE		587	3,045
<i>Payments:</i>				
–	Purchase of investments		201	138
–	Acquisition of term deposits		(84,000)	(87,300)
(87,108)	Payments for IPPE		(42,333)	(36,289)
–	Purchase of intangible assets		(108)	(58)
(63,904)	Net cash flows from investing activities		(56,239)	(59,364)
Cash flows from financing activities				
<i>Receipts:</i>				
9,672	Proceeds from borrowings		–	7,400
<i>Payments:</i>				
(1,844)	Repayment of borrowings		(1,938)	(1,568)
–	Principal component of lease payments		(56)	(69)
7,828	Net cash flows from financing activities		(1,994)	5,763
(2,494)	Net change in cash and cash equivalents		(692)	(1,464)
10,482	Cash and cash equivalents at beginning of year		5,343	6,807
7,988	Cash and cash equivalents at end of year	C1-1	4,651	5,343

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

Mid-Western Regional Council

Contents for the notes to the Financial Statements for the year ended 30 June 2023

A About Council and these financial statements	12
A1-1 Basis of preparation	12
B Financial Performance	14
B1 Functions or activities	14
B1-1 Functions or activities – income, expenses and assets	14
B1-2 Components of functions or activities	15
B2 Sources of income	16
B2-1 Rates and annual charges	16
B2-2 User charges and fees	17
B2-3 Other revenues	18
B2-4 Grants and contributions	19
B2-5 Interest and investment income	22
B2-6 Other income	23
B3 Costs of providing services	24
B3-1 Employee benefits and on-costs	24
B3-2 Materials and services	25
B3-3 Borrowing costs	26
B3-4 Depreciation, amortisation and impairment of non-financial assets	27
B3-5 Other expenses	28
B4 Gains or losses	28
B4-1 Gain or loss from the disposal, replacement and de-recognition of assets	28
B5 Performance against budget	29
B5-1 Material budget variations	29
C Financial position	31
C1 Assets we manage	31
C1-1 Cash and cash equivalents	31
C1-2 Financial investments	32
C1-3 Restricted and allocated cash, cash equivalents and investments	33
C1-4 Receivables	34
C1-5 Inventories	35
C1-6 Contract assets and Contract cost assets	35
C1-7 Non-current assets classified as held for sale	36
C1-8 Infrastructure, property, plant and equipment	37
C1-9 Investment properties	41
C1-10 Intangible assets	42
C1-11 Other	43
C2 Leasing activities	44
C2-1 Council as a lessee	44
C2-2 Council as a lessor	47
C3 Liabilities of Council	48
C3-1 Payables	48
C3-2 Contract Liabilities	49

Mid-Western Regional Council

Contents for the notes to the Financial Statements for the year ended 30 June 2023

C3-3 Borrowings	50
C3-4 Employee benefit provisions	52
C3-5 Provisions	53
C4 Reserves	54
C4-1 Nature and purpose of reserves	54
D Council structure	54
D1 Results by fund	54
D1-1 Income Statement by fund	54
D1-2 Statement of Financial Position by fund	55
D2 Interests in other entities	56
D2-1 Interests in joint arrangements	56
E Risks and accounting uncertainties	57
E2-1 Fair value measurement	59
E3-1 Contingencies	63
F People and relationships	65
F1 Related party disclosures	65
F1-1 Key management personnel (KMP)	65
F1-2 Councillor and Mayoral fees and associated expenses	66
F2 Other relationships	66
F2-1 Audit fees	66
G Other matters	67
G1-1 Statement of Cash Flows information	67
G2-1 Commitments	68
G3-1 Events occurring after the reporting date	68
G4 Statement of developer contributions as at 30 June 2023	69
G4-1 Summary of developer contributions	69
G4-2 Developer contributions by plan	70
G5 Statement of performance measures	71
G5-1 Statement of performance measures – consolidated results	71
G5-2 Statement of performance measures by fund	72
H Additional Council disclosures	73
H1-1 Statement of performance measures – consolidated results (graphs)	73
H1-2 Financial review (unaudited)	75
H1-3 Council information and contact details	76

A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 20 September 2023. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The principal accounting policies adopted in the preparation of these 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 infrastructure, property, plant and equipment and investment property. Non-current assets classified as held for sale are measured at the lower of its carrying amount and fair value less costs to sell.

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 investment property – refer Note C1-9
- ii. estimated fair values of infrastructure, property, plant and equipment – refer Note C1-8
- iii. estimated tip remediation provisions – refer Note C3-5
- iv. employee benefit provisions – refer Note C3-4.

Significant judgements in applying the Council's accounting policies

- i. Impairment of receivables – refer Note C1-4.
- ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.
- iii. Determination of the lease term, discount rate (when not implicit in the lease) and whether an arrangement contains a lease – refer to Note C2-1.

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*, 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.

The Consolidated Fund has been included in the financial statements of the Council.

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

A1-1 Basis of preparation (continued)

- General purpose operations
- Water service
- Sewerage service
- Waste management

The Trust Fund

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

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

A separate statement of monies held in the Trust Fund is available for inspection at the council office by any person free of charge

Goods and Services Tax (GST)

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

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

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

Volunteer services

Council makes use of volunteers for the Community Transport program, and Meals on Wheels program. The value of these services has been included in the financial statements estimated at \$184,000 based on an average salary and on costs council would be required to pay if the services were not donated.

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 (i.e. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2023 reporting period.

Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2022.

As at the date of authorisation of these financial statements, Council does not consider that any of these new, and still to be applied standards and interpretations, are likely to have a material impact on the Council's financial statements, financial position, financial performance or cash flows.

New accounting standards adopted during the year

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2023. None of these standards had a significant impact on reported position or performance.

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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Functions or activities										
Looking after our community	9,277	9,653	19,248	16,510	(9,971)	(6,857)	8,157	8,454	162,764	127,037
Protecting our natural environment	33,056	21,289	24,846	19,817	8,210	1,472	10,721	1,719	241,491	212,808
Building a strong local economy	5,432	3,484	4,667	1,725	765	1,759	1,420	818	40,145	28,564
Connecting the region	38,125	21,868	34,184	21,910	3,941	(42)	25,564	18,079	789,534	713,270
Good government	51,900	49,941	15,374	15,183	36,526	34,758	10,994	10,490	210,552	192,889
Other	-	-	-	-	-	-	1,227	(50)	-	(156)
Total functions and activities	137,790	106,235	98,319	75,145	39,471	31,090	58,083	39,510	1,444,486	1,274,412

B1-2 Components of functions or activities

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

Looking after our community

Animal control, public order & safety, emergency services levy, food control, health, community services, family day care, childcare, youth services, aged & disabled services, housing, town planning, public cemeteries, public toilets, libraries, art galleries, museums, community centres, public halls, swimming pools, sporting grounds, parks & gardens, building control, and urban streetscaping.

Protecting our natural environment

Noxious plants, domestic waste management, other solid waste management, street cleaning, stormwater drainage, environmental protection, water supply, sewerage services.

Building a strong local economy

Caravan parks, tourism & area promotions, industrial development, saleyards, real estate development.

Connecting the region

Urban roads local, urban roads regional, sealed rural roads local, sealed rural roads regional, unsealed rural roads local, unsealed rural roads regional, bridges, footpaths & cycleways, aerodromes, car parking areas, state roads, street lighting.

Good government

Corporate support, operations administration, infrastructure planning, asset management, plant operations, private works, general purpose revenue, developer contributions and governance. Governance includes costs relating to Council's role as a component of democratic government, including elections, members' fees and expenses, subscriptions to local authority associations, meetings of Council and policymaking committees, public disclosure (e.g. GIPA) and legislative compliance.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2023	2022
Ordinary rates		
Residential	11,699	11,440
Farmland	5,014	4,964
Mining	11,561	12,400
Business	1,561	1,547
Less: pensioner rebates (mandatory)	(314)	(323)
Rates levied to ratepayers	29,521	30,028
Pensioner rate subsidies received	171	179
Total ordinary rates	29,692	30,207
Special rates		
Hunter Valley catchment special rate	68	67
Rates levied to ratepayers	68	67
Total special rates	68	67
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	2,624	2,470
Water supply services	1,737	1,654
Sewerage services	7,460	7,048
Waste management services (non-domestic)	3,662	3,431
Less: pensioner rebates (mandatory)	(387)	(386)
Annual charges levied	15,096	14,217
Pensioner annual charges subsidies received:		
– Water	65	61
– Sewerage	59	66
– Domestic waste management	88	89
Total annual charges	15,308	14,433
Total rates and annual charges	45,068	44,707

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

Accounting policy

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

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

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

B2-2 User charges and fees

\$ '000	Timing	2023	2022
Specific user charges (per s502 - specific 'actual use' charges)			
Water supply services	1	5,858	5,106
Sewerage services	1	840	647
Total specific user charges		6,698	5,753
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s608)			
Planning and building regulation	2	1,080	1,190
Private works – section 67	2	142	168
Total fees and charges – statutory/regulatory		1,222	1,358
(ii) Fees and charges – other (incl. general user charges (per s608))			
Aerodrome	2	151	65
Aged care	2	137	107
Caravan park	2	2,494	984
Cemeteries	2	275	293
Community facility hire	2	121	171
Library and art gallery	2	–	2
Transport for NSW works (state roads not controlled by Council)	1	12,493	4,861
Saleyards	2	311	264
Swimming centres	2	253	201
Water connection fees	2	174	225
Children services	2	96	107
Parks and sports grounds	2	241	216
Waste depot	2	1,906	1,905
Waste water services	2	86	87
Total fees and charges – other		18,738	9,488
Total other user charges and fees		19,960	10,846
Total user charges and fees		26,658	16,599
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		19,270	10,614
User charges and fees recognised at a point in time (2)		7,388	5,985
Total user charges and fees		26,658	16,599

Accounting policy

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

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

In the case of Private Works where a fee is charged in advance, the revenue is not recognised until the works are completed.

B2-3 Other revenues

\$ '000	Timing	2023	2022
Fines	2	96	100
Legal fees recovery – rates and charges (extra charges)	2	171	213
Commissions and agency fees	2	41	40
Diesel rebate	2	162	168
Insurance claims recoveries	2	231	150
Recycling income (non-domestic)	2	492	430
Sales – events	2	475	360
Sales – ironed out	2	23	20
Sales – mudgee town hall cinema	2	44	25
Sales - library	2	20	16
Volunteer services income (Community Transport & Meals on Wheels)	2	184	198
Other	2	208	620
<u>Total other revenue</u>		<u>2,147</u>	<u>2,340</u>
Timing of revenue recognition for other revenue			
Other revenue recognised over time (1)		–	–
Other revenue recognised at a point in time (2)		2,147	2,340
<u>Total other revenue</u>		<u>2,147</u>	<u>2,340</u>

Accounting policy for other revenue

Where the revenue is earned by 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 2023	Operating 2022	Capital 2023	Capital 2022
General purpose grants and non-developer contributions (untied)					
Current year allocation					
Financial assistance – general component	2	1,344	2,309	–	–
Financial assistance – local roads component	2	813	1,342	–	–
Payment in advance - future year allocation					
Financial assistance – general component ¹	2	5,228	3,546	–	–
Financial assistance – local roads component ¹	2	3,085	2,070	–	–
Amount recognised as income during current year		10,470	9,267	–	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Water supplies	1	–	–	53	272
Sewerage services	1	138	(43)	45	37
Aged care	2	1,111	996	–	–
Employment and training programs	2	85	44	–	–
Heritage and cultural	2	10	12	–	–
Library	2	112	150	–	–
Library – special projects	1	–	–	–	1
LIRS subsidy	2	6	28	–	–
Natural disaster recovery	2	3,506	378	422	–
Noxious weeds	2	192	190	–	–
Recreation and culture	1	41	17	3,685	5,736
Aerodromes	2	(2)	–	45	–
Transport (other roads and bridges funding)	1	–	–	7,742	7,289
Children's services	2	477	517	–	–
Environmental programs	1	339	5	195	220
Youth services	2	30	195	–	–
Street lighting	2	58	343	–	–
Strategic planning	2	68	–	–	–
Transport (roads to recovery)	1	1,201	1,764	–	–
Other specific grants	1	638	752	1,422	1,266
Community services	2	–	–	1	–
Recreation and culture	1	6	–	–	–
Occupational health and safety	2	97	97	–	–
Roads and bridges	1	961	306	2,476	368
Transport for NSW contributions (regional roads, block grant)	1	2,612	1,322	2,714	2,917
Other contributions	1	217	174	–	–
Non-cash contributions					
Dedications – subdivisions (other than by s7.4 and s7.11 – EP&A Act, s64 of the LGA)	2	–	–	10,058	550
Other	2	68	84	2,876	–
Total special purpose grants and non-developer contributions (tied)		11,971	7,331	31,734	18,656
Total grants and non-developer contributions		22,441	16,598	31,734	18,656
Comprising:					
– Commonwealth funding		11,992	12,016	3,251	7,024
– State funding		7,397	4,155	8,260	8,341
– Other funding		3,052	427	20,223	3,291
		22,441	16,598	31,734	18,656

B2-4 Grants and contributions (continued)

(1) \$8.313m of the 2023 - 2024 Financial Assistance Grant from Commonwealth Government was received by Council in June 2023 and hence is reported as 2022 - 2023 income although it relates to 2023 - 2024 financial year.

Developer contributions

\$ '000	Notes	Timing	Operating 2023	Operating 2022	Capital 2023	Capital 2022
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):	G4					
S 7.4 – contributions using planning agreements		2	–	–	1,169	1,352
S 7.11 – contributions towards amenities/services		2	–	–	585	786
S 7.12 – fixed development consent levies		2	–	–	46	72
S 64 – water supply contributions		2	–	–	1,423	1,418
S 64 – sewerage service contributions		2	–	–	685	628
Total developer contributions			–	–	3,908	4,256
Total grants and contributions			22,441	16,598	35,642	22,912
Timing of revenue recognition						
Grants and contributions recognised over time (1)			10,417	4,349	13,231	18,106
Grants and contributions recognised at a point in time (2)			12,024	12,249	22,411	4,806
Total grants and contributions			22,441	16,598	35,642	22,912

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 2023	Operating 2022	Capital 2023	Capital 2022
Unspent grants and contributions				
Unspent funds at 1 July	7,272	1,165	11,370	12,588
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	88	5,724	202	176
Add: Funds received and not recognised as revenue in the current year	639	1,110	19,088	8,026
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(5,683)	(440)	(176)	(261)
Less: Funds received in prior year but revenue recognised and funds spent in current year	(1,074)	(287)	(9,211)	(9,159)
Unspent funds at 30 June	1,242	7,272	21,273	11,370
Contributions				
Unspent funds at 1 July	22,675	18,447	-	-
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	6,090	4,541	-	-
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	(1,132)	(313)	-	-
Unspent contributions at 30 June	27,633	22,675	-	-

Accounting policy

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

The performance obligations vary according to the agreement but include milestone events, percentage of completion or delivery of an outcome. 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.

B2-4 Grants and contributions (continued)

Developer contributions

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.4, 7.11 and 7.12 of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

While Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon receipt by Council, due to the possibility that individual development consents may not be acted upon by the applicant and, accordingly, would not be payable to Council.

Developer contributions may only be expended for the purposes for which the contributions were required, but Council may apply contributions according to the priorities established in work schedules for the contribution plan.

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	2023	2022
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	97	90
– Cash and investments	3,317	746
<u>Total interest and investment income</u>	<u>3,414</u>	<u>836</u>

Accounting policy

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

B2-6 Other income

\$ '000	Notes	2023	2022
Fair value increment on investment properties			
Fair value increment on investment properties		408	775
Total fair value increment on investment properties	C1-9	408	775
Rental income			
Investment properties			
Lease income (excluding variable lease payments not dependent on an index or rate)		–	535
Total Investment properties		–	535
Other lease income			
Buildings and other structures lease income		998	462
Leaseback fees - council vehicles		76	56
Total other lease income		1,074	518
Total rental income	C2-2	1,074	1,053
Fair value increment on investments			
Fair value increment on investments through profit and loss		676	–
Movements in fair value of interest in insurance mutual		202	140
Total Fair value increment on investments		878	140
Other			
Other		–	275
Reversal of prior year impairment to P&L		60	–
Total other		60	275
Total other income		2,420	2,243

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2023	2022
Salaries and wages	24,778	24,521
Employee termination costs	18	8
Employee leave entitlements (ELE)	5,444	4,527
Superannuation – defined contribution plans	2,853	2,656
Superannuation – defined benefit plans	191	238
Workers' compensation insurance	739	854
Fringe benefit tax (FBT)	300	207
Payroll tax	122	107
Protective clothing	144	158
Other	55	20
Total employee costs	34,644	33,296
Less: capitalised costs	(3,474)	(3,817)
Total employee costs expensed	31,170	29,479

Accounting policy

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

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

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

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

B3-2 Materials and services

\$ '000	Notes	2023	2022
Raw materials and consumables		7,804	5,579
Contractor costs		16,602	7,695
Labour contracts		509	396
Plant hire wet		3,747	1,944
Road sealing contract		713	409
Tourism contract		768	625
Consultancy		682	131
Audit Fees	F2-1	83	86
Councillor and Mayoral fees and associated expenses	F1-2	371	323
Advertising		108	92
Bank charges		128	129
Computer software charges		1,711	1,369
Electricity and heating		1,504	1,397
Insurance		1,244	1,067
Postage		133	130
Printing and stationery		143	165
Street lighting		232	220
Subscriptions and publications		135	105
Telephone and communications		383	405
Other expenses		15	–
Family day care centre		397	431
Recruitment costs		42	42
Travel expenses (employee)		18	9
Training expenses (employee)		432	425
Volunteer services expenses (Community Transport & Meals on Wheels)		184	198
Legal expenses:			
– Legal expenses: planning and development		300	120
– Legal expenses: debt recovery		172	145
– Legal expenses: other		131	133
Expenses from leases of low value assets		324	313
Total materials and services		39,015	24,083
Total materials and services		39,015	24,083

Accounting policy

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

B3-3 Borrowing costs

\$ '000	Notes	2023	2022
(i) Interest bearing liability costs			
Interest on leases		20	24
Interest on loans		607	420
Total interest bearing liability costs		627	444
Total interest bearing liability costs expensed		627	444
(ii) Other borrowing costs			
Amortisation of discounts and premiums			
– Remediation liabilities	C3-5	156	89
Total other borrowing costs		156	89
Total borrowing costs expensed		783	533

Accounting policy

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

B3-4 Depreciation, amortisation and impairment of non-financial assets

\$ '000	Notes	2023	2022
Depreciation and amortisation			
Right of use assets	C2-1	79	90
Infrastructure, Property, Plant and Equipment	C1-8	21,498	18,098
Intangible assets	C1-10	93	132
Total depreciation and amortisation costs		21,670	18,320
Impairment / revaluation decrement of IPPE			
Plant, equipment, furniture and fittings		-	60
Total impairment costs charged to Income Statement (IPPE)		-	60
<u>Total depreciation, amortisation and impairment for non-financial assets</u>		21,670	18,380

Accounting policy

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 not tested for impairment since 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.

Intangible assets not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

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).

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	Notes	2023	2022
Impairment of receivables	C1-4	17	180
Fair value decrement on investments through profit and loss		–	601
Contributions/levies to other levels of government			
– State Emergency Service levy		68	37
– NSW fire brigade levy		72	63
– NSW rural fire service levy		964	722
– Other contributions/levies		225	213
Donations, contributions and assistance		278	206
– FlyPelican air service		79	84
– Housing plus crisis accommodation		300	85
– Mudgee Golf Club - raw water		–	106
– GP Respiratory and Vaccine Clinics - In-kind facility hire		–	83
- Macquarie Home Stay		55	–
Total other expenses		2,058	2,380

Accounting policy

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

Impairment expenses are recognised when identified.

B4 Gains or losses

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

\$ '000	Notes	2023	2022
Gain (or loss) on disposal of infrastructure, property, plant and equipment	C1-8		
Proceeds from disposal		587	1,049
Less: carrying amount of assets sold/written off		(4,210)	(2,682)
Gain (or loss) on disposal		(3,623)	(1,633)
Gain (or loss) on disposal of term deposits	C1-2		
Proceeds from disposal/redemptions/maturities – term deposits		69,414	61,100
Less: carrying amount of term deposits sold/redeemed/matured		(69,414)	(61,100)
Gain (or loss) on disposal		–	–
Gain (or loss) on disposal of non-current assets classified as 'held for sale'	C1-7		
Proceeds from disposal – non-current assets 'held for sale'		–	1,996
Less: carrying amount of 'held for sale' assets sold/written off		–	(653)
Gain (or loss) on disposal		–	1,343
Net gain (or loss) from disposal of assets		(3,623)	(290)

Accounting policy

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

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 15 June 2022 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	2023 Budget	2023 Actual	2023 ----- Variance -----		
Revenues					
Rates and annual charges	44,657	45,068	411	1%	F
User charges and fees	16,740	26,658	9,918	59%	F
Council has higher than expected income in the following areas:					
<ul style="list-style-type: none"> • \$8,240,000 State Highway works, mostly due to Heavy patching works required following wet weather events • \$765,000 waste tipping fees due to increased fees charges and volume of waste • \$342,000 business and bulk water usage charges 					
Other revenues	2,039	2,147	108	5%	F
Operating grants and contributions	9,928	22,441	12,513	126%	F
Council has materially higher than expected income in the following areas:					
<ul style="list-style-type: none"> • \$8,313,000 Financial Assistance Grant received in advance • \$2,967,000 Flood repairs related to AGRN1034 natural disaster event NSW Flooding from 14 September 2022 onwards. This flood caused major road failures. Work completed to date is claimable under NSW Natural Disaster Essential Public Asset Restoration • \$511,000 claim for work complete to date under NSW Fixing Local Roads Pothole Repair funding received due to severe weather and flooding in the LGA during 2022 					
Capital grants and contributions	39,299	35,642	(3,657)	(9)%	U
Council has materially lower than expected income in the following areas:					
<ul style="list-style-type: none"> • \$8,500,000 Cudgegong District RFS HQ project was removed to be undertaken by Public Works • \$6,300,000 Dixons Long Point Bridge project was cancelled due to shortfall in grant funding • \$2,000,000 Glen Willow training camp grant and project reallocated across multiple years • The above is offset by \$12,934,000 Developer Contributed Assets recognised this year 					
Interest and investment revenue	754	3,414	2,660	353%	F
A continued increase in interest rates generated higher than expected earnings on Council's cash investments,					
Other income	1,727	2,420	693	40%	F
The main reason for variance is due to:					
<ul style="list-style-type: none"> • \$408,000 Gain of investment property revaluation due to increase in property market values • \$202,000 increase in Insurance Mutual asset. The mutual had a strong result due to low claims, high investment earnings, and competitive insurance pricing. 					

B5-1 Material budget variations (continued)

\$ '000	2023 Budget	2023 Actual	2023 ----- Variance -----	
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Expenses

Employee benefits and on-costs	31,891	31,170	721	2%	F
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Materials and services	26,152	39,015	(12,863)	(49)%	U
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Council has materially higher than expected material and service expenditure in the following areas:

- \$3,289,000 additional State Highway contract work expenditure due to additional contract work to repair roads following severe wet weather and flooding
- \$3,059,000 additional road maintenance expenditure due to wet weather
- \$2,632,000 unplanned natural disaster recovery road projects because of severe wet weather and flooding in September 2022
- New grant funded operating projects accepted during the year \$648,000

Borrowing costs	651	783	(132)	(20)%	U
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The main variance is \$133,000 additional expense relating to accounting for the provision of Tip and Quarry remediation. Interest rates were higher than anticipated.

Depreciation, amortisation and impairment of non-financial assets	19,502	21,670	(2,168)	(11)%	U
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In the financial year ended 30 June 2022 Council revalued Water Supply and Sewerage Network assets. This resulted in increase of those assets values and therefore a higher depreciation calculation in future years. The revaluation increases were not known when preparing the budget estimates.

Other expenses	1,537	2,058	(521)	(34)%	U
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Council has higher than expected Other expenses in the following areas:

- \$224,000 NSW RFS Levy increase by NSW State Government
- \$203,000 additional funds to Housing Plus to support the provision of domestic violence accommodation
- \$111,000 net additional donations including Macquarie Home Stay \$55,000 (as resolved by Council to support expansion of the facility that Mid-Western Regional Council residents use for patient accommodation support at Dubbo Hospital) and \$62,000 Bushfire recovery (grant funded)

Net loss from disposal of assets	(637)	3,623	(4,260)	669%	U
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The original budget anticipated that property development at Saleyards Lane would be completed and property assets sold totalling \$4,000,000. The development project is continuing and no land sales were made during the year.

Statement of cash flows

Cash flows from operating activities	53,582	57,541	3,959	7%	F
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Cash flows from investing activities	(63,904)	(56,239)	7,665	(12)%	F
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- Cash payments for infrastructure, property, plant and equipment were less than budget by \$44.7M due to some projects being deferred or works are being carried out over multiple years. Also some large projects were removed from the budget such as \$8,500,000 Cudgegong District RFS HQ project was removed to be undertaken by Public Works, and \$6,300,000 Dixons Long Point Bridge project was cancelled due to shortfall in grant funding.
- Cash payments for investing were higher than budget by \$33.9M due to lower than expected cash outflows and grant received in advance.
- The original budget anticipated that property development at Saleyards Lane would be completed and property assets sold totalling \$4,000,000. The development project is continuing and no land sales were made during the year.

Cash flows from financing activities	7,828	(1,994)	(9,822)	(125)%	U
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Council's original budget forecasted new borrowings of \$9.67M. No loans were required as:

- \$4M Solar Farm construction has been delayed to 23/24
- \$3.27M Tip expansion, majority of the project was delayed to 23/24
- \$2.4M Mudgee Valley Park, the full amount of the loan was drawn down in prior year 21/22 rather than split over multiple years.

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2023	2022
Cash assets		
Cash on hand and at bank	9	260
Cash equivalent assets		
– Deposits at call	4,642	5,083
<u>Total cash and cash equivalents</u>	<u>4,651</u>	<u>5,343</u>

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	4,651	5,343
<u>Balance as per the Statement of Cash Flows</u>	<u>4,651</u>	<u>5,343</u>

Accounting policy

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

C1-2 Financial investments

\$ '000	2023	2023	2022	2022
	Current	Non-current	Current	Non-current
Financial assets at fair value through the profit or loss				
Managed funds	10,690	–	10,013	–
Total	10,690	–	10,013	–
Debt securities at amortised cost				
Long term deposits	91,000	36,000	73,414	39,000
Total	91,000	36,000	73,414	39,000
Total financial investments	101,690	36,000	83,427	39,000
Total cash assets, cash equivalents and investments	106,341	36,000	88,770	39,000

Accounting policy

Financial instruments are recognised initially on the date that the Council becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, Council classifies its financial assets into the following categories – those measured at:

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income – equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Council's financial assets measured at amortised cost comprise trade and other receivables, term deposits and cash and cash equivalents in the Statement of Financial Position. Term deposits with an initial term of more than 3 months are classified as investments rather than cash and cash equivalents.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Council's financial assets measured at fair value through profit or loss comprise investments in Managed Funds.

C1-3 Restricted and allocated cash, cash equivalents and investments

\$ '000	2023	2022
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	142,341	127,770
Less: Externally restricted cash, cash equivalents and investments	<u>(88,348)</u>	<u>(69,251)</u>
Cash, cash equivalents and investments not subject to external restrictions	53,993	58,519

External restrictions

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

Trust deposits	651	713
Specific purpose unexpended grants – general fund	21,801	12,379
Developer contributions – general	10,911	9,802
Developer contributions – water fund	9,612	8,096
Developer contributions – sewer fund	5,163	4,369
Specific purpose unexpended grants – general fund	693	646
Specific purpose unexpended grants – water fund	1	1
Water fund	11,280	10,321
Sewer fund	17,488	14,377
Domestic waste management	8,407	6,230
Bequest – Simpkins park	101	101
Community services	505	440
Community tenancy scheme	289	251
Family day care	137	176
Other contributions	184	224
Public Road Closure Compensation	1,080	1,080
Other	45	45
Total external restrictions	88,348	69,251

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	2023	2022
(b) Internal allocations		
Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
Plant and vehicle replacement	8,152	9,502
Employees leave entitlement	3,297	3,195
Asset replacement	4,762	4,206
Capital program	6,108	6,074
Community plan	416	428
Council elections	190	110
Future fund	1,470	1,120
Land development	3,244	3,565
Saleyards	34	34
State roads warranty	388	388
Seal Extension Program	1,908	2,526
Financial Assistance Grant Received in Advance	8,313	5,616
Unspent loan	706	3,520
Total internal allocations	38,988	40,284

Cash, cash equivalents and investments not subject to external restrictions may be internally allocated by resolution or

C1-3 Restricted and allocated cash, cash equivalents and investments (continued)

policy of the elected Council.

C1-4 Receivables

\$ '000	2023		2022	
	Current	Non-current	Current	Non-current
Rates and annual charges	1,274	–	1,205	–
Interest and extra charges	227	–	196	–
User charges and fees	4,277	–	5,101	–
Accrued revenues				
– Interest on investments	1,504	–	399	–
Government grants and subsidies	–	–	218	–
Net GST receivable	853	–	627	–
Other debtors	246	–	224	–
Total	8,381	–	7,970	–
Less: provision for impairment				
Rates and annual charges	(32)	–	(28)	–
User charges and fees	(143)	–	(150)	–
Total	(175)	–	(178)	–
Net receivables	8,206	–	7,792	–

Accounting policy

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

Impairment

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

When estimating ECL, 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.

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

When considering the ECL for rates and annual charges 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.

Credit losses are measured at 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.

Council writes off a 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 proceedings for the recovery of the debt have been unsuccessful.

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

Where 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.

C1-5 Inventories

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
(i) Inventories at cost				
Stores and materials	998	–	907	–
Gravel stockpile	528	–	733	–
Total inventories at cost	1,526	–	1,640	–
Total inventories	1,526	–	1,640	–

Accounting policy

Raw materials and stores, work in progress and finished goods

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

C1-6 Contract assets and Contract cost assets

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Contract assets	7,889	–	3,819	–
Total contract assets and contract cost assets	7,889	–	3,819	–

Contract assets

Transport for NSW contract works	630	–	–	–
Grants and Contributions	7,259	–	3,819	–
Total contract assets	7,889	–	3,819	–

Significant changes in contract assets

Council has a received payment for completed Glen Willow Stage 2 project where \$2.2 million was in progress at the end of the prior year.

As at 30 June 2023 the largest contract asset balances are for:

- Natural Disaster Essential Asset Restoration works carried out \$2.66 million;
- Fixing Local Roads projects work in progress \$1 million; and
- Other Roads projects that were in progress or completed and claims in progress \$1.2 million.

Accounting policy

Contract assets

Contract assets represent Councils right to payment in exchange for goods or services the Council has transferred to a customer when that right is conditional on something other than the passage of time.

Contract assets arise when the amounts billed to customers are based on the achievement of various milestones established in the contract and therefore the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer. Once an invoice or payment claim is raised or the relevant milestone is reached, Council recognises a receivable.

Impairment of contract assets is assessed using the simplified expected credit loss model where lifetime credit losses are recognised on initial recognition.

C1-7 Non-current assets classified as held for sale

\$ '000	2023 Assets 'held for sale'	2022 Assets 'held for sale'
Opening balance	-	653
Less: carrying value of assets/operations sold	-	(653)
Closing balance of held for sale non-current assets and operations	-	-

Accounting policy

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use and are measured at the lower of their carrying amount and fair value less costs to sell.

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

C1-8 Infrastructure, property, plant and equipment

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	Carrying value of disposals	Depreciation expense	Impairment reversal / prior period revaluation decrements (via P&L)	Impairment loss / revaluation decrements (recognised in equity)	Impairment reversal (recognised in equity)	WIP transfers	Adjustments and transfers ²	Revaluation increments (decrements)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	16,522	2	16,524	4,630	15,105	(1,497)	-	-	-	-	(8,150)	(53)	-	26,559	-	26,559
Equipment, furniture and fittings	35,512	(16,038)	19,474	5,060	1,436	(421)	(3,300)	60	-	-	271	-	-	40,605	(18,025)	22,580
Land:																
- Operational land	49,633	-	49,633	-	845	(11)	-	-	-	-	-	-	21,892	72,359	-	72,359
- Community land	7,592	-	7,592	1	236	(3)	-	-	-	-	-	-	3,510	11,336	-	11,336
- Crown land	11,607	-	11,607	-	-	(119)	-	-	-	-	-	-	8,085	19,573	-	19,573
- Land under roads (post 30/6/08)	2,963	-	2,963	-	-	-	-	-	-	-	-	-	744	3,707	-	3,707
Land improvements	8,609	(364)	8,245	-	22	-	(121)	-	-	-	4	-	673	9,337	(514)	8,823
Infrastructure:																
- Buildings and other structures	120,580	(30,227)	90,353	814	5,484	(84)	(1,872)	-	-	16	2,878	-	8,933	150,464	(43,942)	106,522
- Roads, bridges and footpaths	511,052	(181,198)	329,854	7,517	3,678	(1,678)	(8,277)	-	(110)	20	2,727	(1,121)	26,284	561,122	(202,228)	358,894
- Other road assets (including bulk earthworks)	367,051	(15,173)	351,878	177	542	-	(502)	-	-	-	758	1,121	28,319	399,339	(17,046)	382,293
- Open space / recreational assets	37,120	(11,740)	25,380	944	369	(56)	(872)	-	-	-	290	-	2,009	41,590	(13,526)	28,064
- Stormwater drainage	37,765	(10,544)	27,221	6	2,769	(172)	(311)	-	-	-	60	44	6,304	49,396	(13,475)	35,921
- Water supply network	142,388	(62,954)	79,434	104	1,589	-	(2,648)	-	(60)	81	628	(44)	5,884	155,380	(70,412)	84,968
- Sewerage network	139,109	(55,088)	84,021	350	2,634	(96)	(2,552)	-	-	-	8	375	6,357	153,210	(62,113)	91,097
- Other infrastructure assets	25,734	(8,589)	17,145	42	1,295	(73)	(683)	-	-	-	472	(375)	1,355	28,939	(9,761)	19,178
Other assets:																
- Other	2,079	(881)	1,198	-	71	-	(140)	-	-	-	54	-	-	2,204	(1,021)	1,183
Tip and quarry assets	3,598	(2,544)	1,054	-	-	-	(220)	-	-	-	-	-	(44)	3,513	(2,723)	790
Total infrastructure, property, plant and equipment	1,518,914	(395,338)	1,123,576	19,645	36,075	(4,210)	(21,498)	60	(170)	117	-	(53)	120,305	1,728,633	(454,786)	1,273,847

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

(2) Adjustments and Transfers reflects changes between asset classes. -\$53,000 is Work in Progress transferred to Intangible Assets.

C1-8 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	At 1 July 2021			Asset movements during the reporting period									At 30 June 2022		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in P/L)	WIP transfers	Adjustments and transfers ²	Revaluation decrements to equity (ARR)/Impairment Loss ³	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000															
Capital work in progress	19,900	–	19,900	5,705	6,367	–	–	–	(15,385)	(65)	–	–	16,522	2	16,524
Equipment, furniture and fittings	34,607	(14,527)	20,080	2,282	732	(803)	(2,954)	(60)	205	(8)	–	–	35,512	(16,038)	19,474
Land:															
– Operational land	45,440	–	45,440	–	–	–	–	–	2	(35)	–	4,226	49,633	–	49,633
– Community land	6,747	–	6,747	–	–	–	–	–	–	(1)	–	846	7,592	–	7,592
– Crown land	10,355	–	10,355	–	–	(52)	–	–	–	–	–	1,304	11,607	–	11,607
– Land under roads (post 30/6/08)	2,655	–	2,655	–	–	–	–	–	–	–	–	308	2,963	–	2,963
Land improvements	2,691	(312)	2,379	–	2,023	–	(30)	–	3,760	(21)	–	134	8,609	(364)	8,245
Infrastructure:															
– Buildings Council as Lessor	6,357	(2,428)	3,929	15	–	–	(96)	–	–	(4,327)	–	479	–	–	–
– Buildings and other structures	97,921	(26,257)	71,664	565	3,049	–	(1,434)	–	2,711	4,366	(16)	9,448	120,580	(30,227)	90,353
– Roads, bridges and footpaths	480,223	(175,718)	304,505	8,062	1,808	(1,391)	(8,425)	–	1,083	1	–	24,211	511,052	(181,198)	329,854
– Other road assets (including bulk earthworks)	338,885	(14,714)	324,171	1,444	372	(192)	(461)	–	623	3	–	25,918	367,051	(15,173)	351,878
– Stormwater drainage	33,698	(9,451)	24,247	543	147	(38)	(278)	–	314	470	–	1,816	37,765	(10,544)	27,221
– Water supply network	122,004	(47,000)	75,004	435	353	(50)	(1,523)	–	801	(472)	(81)	4,967	142,388	(62,954)	79,434
– Sewerage network	119,601	(32,179)	87,422	311	267	(131)	(1,206)	–	1,109	74	(3,825)	–	139,109	(55,088)	84,021
– Open space / recreational assets	32,508	(10,997)	21,511	95	1,310	–	(767)	–	2,054	25	–	1,152	37,120	(11,740)	25,380
– Other infrastructure	20,491	(8,006)	12,485	258	1,573	(2)	(567)	–	2,708	(35)	–	725	25,734	(8,589)	17,145
– Other	2,006	(838)	1,168	–	57	–	(131)	–	15	89	–	–	2,079	(881)	1,198
Tip and quarry assets	5,848	(3,207)	2,641	18	–	(23)	(226)	–	–	–	(1,356)	–	3,598	(2,544)	1,054
Total infrastructure, property, plant and equipment	1,381,937	(345,634)	1,036,303	19,733	18,058	(2,682)	(18,098)	(60)	–	64	(5,278)	75,534	1,518,914	(395,338)	1,123,576

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

(2) Adjustments and Transfers mostly reflect changes in the asset class of assets. The total does not net off to zero due to previously unrecognised assets being brought on during the revaluation process \$75,000, Work in Progress transferred to Operating Expenses -\$10,000.

(3) Impairment Loss totalled -\$368,000 and related to water & sewer and building assets

C1-8 Infrastructure, property, plant and equipment (continued)

Accounting policy

Initial recognition of infrastructure, property, plant and equipment (IPPE)

IPPE is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and taxes).

When infrastructure, property, plant and equipment is acquired by Council at significantly below fair value, the assets are initially recognised at their fair value at acquisition date.

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.

Useful lives of IPPE

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:

Asset Class	Years	Asset Class	Years
Equipment, furniture and fittings		Buildings	18 to 280
Office equipment	5 to 20		
Office furniture	5 to 20	Stormwater assets	
Computer equipment	5 to 10	Drains	120
Vehicles	3 to 10	Culverts	120
Heavy plant/road making equipment	8 to 12		
Other plant and equipment	5 to 15		
Water network assets		Wastewater network assets	
Dams and reservoirs	20 to 200	Pump stations	10 to 70
Bores	10 to 50	Reticulation mains	40 to 300
Reticulation pipes and mains delivery	80	Rising mains	40 to 300
Treatment plants	5 to 100	Treatment plants	5 to 100
Pumps and telemetry	20 to 80		
Transportation assets		Other infrastructure assets	
Sealed roads: surface	10 to 25	Bulk earthworks	infinite
Sealed roads: structure	60 to 250	Open space/recreational assets	7 to 100
Unsealed roads	9 to 25		
Bridge: concrete	80 to 100	Other assets	4 to 150
Bridge: other	80 to 100		
Kerb, gutter and footpaths	30 to 75		

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

Revaluation model

Infrastructure, property, plant and equipment are held at fair value. Comprehensive valuations are performed at least every five years, however the carrying amount of assets is assessed by Council 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 – Water.

Increases in the carrying amounts arising on revaluation are credited to the IPPE 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 IPPE revaluation reserve to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

C1-8 Infrastructure, property, plant and equipment (continued)

Capitalisation thresholds

Items of infrastructure, property, plant and equipment are not capitalised unless their cost of acquisition exceeds the relevant threshold shown below, provided that the estimated useful life is longer than one year. An exception to this is where an item forms part of a larger asset.

Equipment, furniture and fittings		Land	
Office equipment	\$5,000	Council land and land under road	\$1
Office furniture	\$5,000		
Computer equipment	\$5,000	Buildings	
Other plant and equipment	\$2,000	Construction	\$5,000
		Renovations	\$5,000
Water and wastewater network assets	\$10,000		
		Other infrastructure assets	
Transportation assets	\$10,000	Open space/recreational assets	\$5,000
		Other	\$5,000
Stormwater assets	\$10,000		

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 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.

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".

Council has assessed during 2022/23 that it does not have control over Rural Fire Service fleet assets, and as such we have not recognised them in the financial statements.

Council does have a level of control over Rural Fire Service land and buildings and continues to recognise these in the financial statements.

C1-9 Investment properties

\$ '000	2023	2022
Owned investment property		
Investment Property - Building	4,047	4,042
Investment Property - Land	5,070	4,667
Total owned investment property	9,117	8,709
At fair value		
Opening balance at 1 July	8,709	7,934
– Net gain/(loss) from fair value adjustments	408	775
Closing balance at 30 June	9,117	8,709

Accounting policy

Investment property recognised is principally comprising commercial and residential property that is held for long-term rental yields and is not occupied by the Council. Changes in fair values are recorded in the Income Statement as part of other income.

C1-10 Intangible assets

\$ '000	2023	2022
Software		
Opening values at 1 July		
Gross book value	1,135	1,077
Accumulated amortisation	(896)	(764)
Net book value – opening balance	239	313
Movements for the year		
Purchases	107	60
Amortisation charges	(93)	(132)
Other movements	1	(2)
Closing values at 30 June		
Gross book value	1,242	1,135
Accumulated amortisation	(988)	(896)
Total software – net book value	254	239
Water Access Licences		
Opening values at 1 July		
Gross book value	100	100
Net book value – opening balance	100	100
Movements for the year		
Other movements	100	–
Closing values at 30 June		
Gross book value	100	100
Total Water Access Licences – net book value	100	100
Total intangible assets – net book value	354	339

Accounting policy

Intangible assets are measured initially at cost.

IT development and software

Software development costs include only those costs directly attributable to the development phase (including external direct costs of materials and services, direct payroll, and payroll-related costs of employees' time spent on the project) and are only recognised following completion of technical feasibility, and where the Council has an intention and ability to use the asset. Amortisation is calculated on a straight-line basis over periods generally ranging from three to five years.

Water Access Licences

Water access licences were purchased with 2020/21 property acquisitions. Water access licences entitle licence holders to obtain water from a water source (for example, a river or bore).

C1-11 Other

Other assets

\$ '000	2023		2022	
	Current	Non-current	Current	Non-current
Prepayments	488	–	184	–
Interest in insurance mutual – CivicRisk Mutual Ltd ¹	309	–	107	–
Total other assets	797	–	291	–

(1) Council is member of CivicRisk Mutual Ltd (CRM Ltd) which is a company limited by guarantee owned and operated by its member Councils in NSW. CRM Ltd provides members protection which includes mutual self-insurance, group insurance arrangements and risk management support for general insurance lines of cover (excluding workers compensation). The member designed Constitution and Membership Rules ensures members are provided with a right to the surplus or deficit in protection years in which they were members. The interest in CRM is accounted for as a financial asset in accordance with AASB 9 and held at fair value. Council's interest in its share of the surplus is calculated by CRM Ltd's Actuary, and changes in fair value recognised as an increase or decrease through its income statement at each reporting period. Fair value is calculated using the income approach whereby expected future cash flows are discounted to present value. Expected cash flows include investment income.

C2 Leasing activities

C2-1 Council as a lessee

Council has leases over a range of assets including Buildings and IT equipment. Information relating to the leases in place and associated balances and transactions is provided below.

Buildings

Council leases buildings for some of their corporate offices and other buildings; the leases are generally between 1 and 3 years and some of them include a renewal option to allow Council to renew for the non-cancellable lease term at their discretion.

The building leases contains an annual pricing mechanism based on either fixed increases or CPI movements at each anniversary of the lease inception.

Office and IT equipment

Leases for office and IT equipment are generally for low value assets. The leases are for between 1 and 3 years with no renewal option, the payments are fixed.

Extension options

Council includes options in the building leases to provide flexibility and certainty to Council operations and reduce costs of moving premises; and the extension options are at Council's discretion.

At commencement date and each subsequent reporting date, Council assesses where it is reasonably certain that the extension options will be exercised.

(a) Right of use assets

\$ '000	Land & Buildings	Total
2023		
Opening balance at 1 July	476	476
Adjustments due to re-measurement of lease liability	12	12
Depreciation charge	(79)	(79)
Balance at 30 June	409	409
2022		
Opening balance at 1 July	594	594
Adjustments due to re-measurement of lease liability	(28)	(28)
Depreciation charge	(90)	(90)
Balance at 30 June	476	476

(b) Lease liabilities

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Lease liabilities	78	382	74	430
Total lease liabilities	78	382	74	430

C2-1 Council as a lessee (continued)

(c) (i) The maturity analysis

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2023					
Cash flows	94	353	44	491	460
2022					
Cash flows	50	371	85	506	504

(d) Income Statement

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

\$ '000	2023	2022
Interest on lease liabilities	20	24
Depreciation of right of use assets	79	90
Expenses relating to low-value leases	324	313
	423	427

(e) Statement of Cash Flows

Total cash outflow for leases	423	427
	423	427

(f) 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:

- visitor centre
- preschools
- community centres
- recreational reserves & facilities

The leases are generally between 1 and 5 years and require payments of a maximum amount of \$1,000 per year. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

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

Accounting policy

At inception of a contract, Council assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration?

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

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

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-

C2-1 Council as a lessee (continued)

of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

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

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

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

Exceptions to lease accounting

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

Leases at significantly below market value / Concessionary leases

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

C2-2 Council as a lessor

Operating leases

Council leases out a number of residential and commercial properties and plant and equipment; these leases have been classified as operating leases for financial reporting purposes and the assets are included in the Statement of Financial Position as:

- investment property – where the asset is held predominantly for rental or capital growth purposes (refer note C1-9)
- property, plant and equipment – where the rental is incidental, or the asset is held to meet Councils service delivery objective (refer note C1-8).

\$ '000	2023	2022
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(i) Assets held as investment property

Investment property operating leases relate predominantly to the lease of retail commercial premises and includes one residential house.

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

Lease income (excluding variable lease payments not dependent on an index or rate)	499	535
Total income relating to operating leases for investment property assets	499	535

Operating lease expenses

Investment properties

Direct operating expenses that did not generate rental income	52	5
Total expenses relating to operating leases for investment property assets	52	5

(ii) Assets held as property, plant and equipment

Council provides operating leases on Council buildings for the purpose of childcare, community housing, caravan park operations and private use of plant and equipment. The table below relates to operating leases on assets disclosed in C1-8.

Lease income (excluding variable lease payments not dependent on an index or rate)	575	518
Total income relating to operating leases for Council assets	575	518

Amount of IPPE leased out by Council under operating leases

Buildings	4,086	4
Total amount of IPPE leased out by Council under operating leases	4,086	4

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

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

< 1 year	354	690
1–2 years	351	446
2–3 years	351	158
3–4 years	349	139
4–5 years	304	85
> 5 years	574	174
Total undiscounted lease payments to be received	2,283	1,692

C2-2 Council as a lessor (continued)

Accounting policy

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

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

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

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

C3 Liabilities of Council

C3-1 Payables

\$ '000	2023	2023	2022	2022
	Current	Non-current	Current	Non-current
Goods and services – operating expenditure	3,655	–	2,547	–
Goods and services – capital expenditure	3,032	–	2,640	–
Accrued expenses:				
– Borrowings	47	–	60	–
– Salaries and wages	1,119	–	1,135	–
Prepaid rates	1,774	–	1,613	–
Security bonds, deposits and retentions	651	–	964	–
Other	6	–	3	–
Total payables	10,284	–	8,962	–

Accounting policy

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

Payables

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

C3-2 Contract Liabilities

\$ '000	Notes	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	22,554	-	11,117	-
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	847	-	1,262	-
Total grants received in advance		23,401	-	12,379	-
User fees and charges received in advance:					
Other	(iii)	170	-	447	-
Total user fees and charges received in advance		170	-	447	-
Total contract liabilities		23,571	-	12,826	-

Notes

(i) Council has received funding to construct assets including roads, footpaths, sporting and recreational facilities 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.

(iii) Upfront facility hire fees do not meet the definition of a performance obligation and therefore the funds received are recorded as a contract liability on receipt and recognised as revenue over the expected average membership life.

Accounting policy

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

C3-3 Borrowings

\$ '000	2023	2023	2022	2022
	Current	Non-current	Current	Non-current
Loans – secured ¹	1,730	12,605	1,940	14,333
Total borrowings	1,730	12,605	1,940	14,333

(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 E.

(a) Changes in liabilities arising from financing activities

\$ '000	2022		2023
	Opening Balance	Cash flows	Closing balance
Loans – secured	16,273	(1,938)	14,335
Lease liability (Note C2-1b)	504	(44)	460
Total liabilities from financing activities	16,777	(1,982)	14,795

\$ '000	2021		Non-cash movements		2022
	Opening Balance	Cash flows	Acquisition	Other non-cash movement	Closing balance
Loans – secured	10,441	5,832	–	–	16,273
Lease liability (Note C2-1b)	601	(93)	(28)	24	504
Total liabilities from financing activities	11,042	5,739	(28)	24	16,777

(b) Financing arrangements

\$ '000	2023	2022
Total facilities		
Bank overdraft facilities ¹	700	700
Credit cards/purchase cards	200	200
Total financing arrangements	900	900
Drawn facilities		
– Credit cards/purchase cards	60	66
Total drawn financing arrangements	60	66
Undrawn facilities		
– Bank overdraft facilities	700	700
– Credit cards/purchase cards	140	134
Total undrawn financing arrangements	840	834

Additional financing arrangements information

Breaches and defaults

Council's loan agreement with NSW Treasury Corporation includes investment undertakings whereby Council is required to comply with conditions of investment of surplus funds. During the year due to inconsistency between Council's investment policy and NSW TCorp's investment undertaking requirements the loan condition was breached. This was acknowledged and rectified by Council and TCorp agreed to waive the breach.

(1) The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.

C3-3 Borrowings (continued)

Accounting policy

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

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

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

C3-4 Employee benefit provisions

\$ '000	2023	2023	2022	2022
	Current	Non-current	Current	Non-current
Annual leave	2,107	–	2,118	–
Sick leave	897	–	1,086	–
Long service leave	4,429	604	4,155	565
Other leave (LIL)	67	–	68	–
Total employee benefit provisions	7,500	604	7,427	565

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

\$ '000	2023	2022
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	4,384	4,684
	4,384	4,684

Accounting policy

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

Short-term obligations

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

Other long-term employee benefit obligations

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

On-costs

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

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

C3-5 Provisions

\$ '000	2023	2023	2022	2022
	Current	Non-Current	Current	Non-Current
Asset remediation/restoration (future works)	525	2,988	2,467	1,130
Total provisions	525	2,988	2,467	1,130

Movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
At beginning of year	3,597	3,597
Changes to provision:		
– Revised discount rate	(145)	(145)
Unwinding of discount	156	156
Other	(95)	(95)
Total	3,513	3,513

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 and quarry as a result of past operations.

Accounting policy

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

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

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

Asset remediation – tips and quarries

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 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 infrastructure, 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 2023	Water 2023	Sewer 2023
Income from continuing operations			
Rates and annual charges	35,833	1,793	7,442
User charges and fees	19,418	6,445	795
Interest and investment revenue	2,160	608	646
Other revenues	2,105	–	42
Grants and contributions provided for operating purposes	22,287	8	146
Grants and contributions provided for capital purposes	29,091	2,989	3,562
Other income	2,420	–	–
Total income from continuing operations	113,314	11,843	12,633
Expenses from continuing operations			
Employee benefits and on-costs	27,552	2,010	1,608
Materials and services	31,715	4,137	3,163
Borrowing costs	559	43	181
Depreciation, amortisation and impairment of non-financial assets	16,488	2,638	2,544
Other expenses	2,058	–	–
Net losses from the disposal of assets	3,524	–	99
Total expenses from continuing operations	81,896	8,828	7,595
Operating result from continuing operations	31,418	3,015	5,038
Net operating result for the year	31,418	3,015	5,038
Net operating result attributable to each council fund	31,418	3,015	5,038
Net operating result for the year before grants and contributions provided for capital purposes	2,327	26	1,476

D1-2 Statement of Financial Position by fund

\$ '000	General 2023	Water 2023	Sewer 2023
ASSETS			
Current assets			
Cash and cash equivalents	3,109	729	813
Investments	70,670	14,892	16,128
Receivables	6,146	1,790	270
Inventories	1,320	172	34
Contract assets and contract cost assets	7,844	44	1
Other	745	26	26
Total current assets	89,834	17,653	17,272
Non-current assets			
Investments	25,018	5,272	5,710
Infrastructure, property, plant and equipment	1,085,752	92,416	95,679
Investment property	9,117	–	–
Intangible assets	354	–	–
Right of use assets	409	–	–
Total non-current assets	1,120,650	97,688	101,389
Total assets	1,210,484	115,341	118,661
LIABILITIES			
Current liabilities			
Payables	9,375	567	342
Contract liabilities	23,556	–	15
Lease liabilities	78	–	–
Borrowings	714	380	636
Employee benefit provision	7,500	–	–
Provisions	525	–	–
Total current liabilities	41,748	947	993
Non-current liabilities			
Lease liabilities	382	–	–
Borrowings	6,774	74	5,757
Employee benefit provision	604	–	–
Provisions	2,988	–	–
Total non-current liabilities	10,748	74	5,757
Total liabilities	52,496	1,021	6,750
Net assets	1,157,988	114,320	111,911
EQUITY			
Accumulated surplus	457,397	67,753	63,204
Revaluation reserves	700,591	46,567	48,707
Council equity interest	1,157,988	114,320	111,911
Total equity	1,157,988	114,320	111,911

D2 Interests in other entities

D2-1 Interests in joint arrangements

Summarised financial information for individually immaterial joint ventures

Mid-Western Regional Council has an interest in the Orana Water Utilities Alliance, which is considered individually immaterial. The table below summarises the financial information of this immaterial joint venture.

\$ '000	2023	2022
Individually immaterial joint ventures		
Aggregate amounts of Council's share of individually immaterial:		
Profit/(loss) from continuing operations	(2)	–
Total comprehensive income – individually immaterial joint ventures	(2)	–

Unrecognised share of losses

The unrecognised share of losses of joint ventures due to council's interest being reduced to zero under the equity methods are \$0 for the reporting period, and \$0 on a cumulative basis.

Accounting policy

Council has determined that it has only joint ventures.

Joint ventures

Interests in joint ventures are accounted for using the equity method where the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise Council's share of the profit or loss and other comprehensive income of the joint venture after the date of acquisition.

If Council's share of losses of a joint venture equals or exceeds its interest in the joint venture, Council discontinues recognising its share of further losses.

Council's share in the joint venture's gains or losses arising from transactions between itself and its joint venture are eliminated.

Adjustments are made to the joint venture's accounting policies where they are different from those of the Council for the purposes of the consolidated financial statements.

E Risks and accounting uncertainties

E1 E1-1 Risks relating to financial instruments held

(a) Market risk – interest rate and price risk

\$ '000	2023	2022
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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.

Impact of a 1% movement in interest rates

– Equity / Income Statement	1,270	1,146
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Impact of a 10% movement in price of investments

– Equity / Income Statement	1,069	1,001
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(b) Credit risk

Council's major receivables comprise rates, annual charges, user charges and fees.

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures.

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 Council activities.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance. The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable in the financial statements.

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	
2023				
Gross carrying amount	–	1,272	2	1,274
2022				
Gross carrying amount	2	1,193	10	1,205

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

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	
2023						
Gross carrying amount (\$'000)	13,594	328	364	155	555	14,996
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	29.70%	1.10%
ECL provision (\$'000)	–	–	–	–	165	165
2022						
Gross carrying amount (\$'000)	8,737	1,054	73	216	504	10,584
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	29.70%	1.41%
ECL provision (\$'000)	–	–	–	–	150	150

(c) Liquidity risk

Payables and borrowings are both subject to liquidity risk – 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 maintaining an adequate cash buffer. Payment terms can (in extenuating circumstances) also be extended and overdraft facilities utilised as required.

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. 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 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	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractu al cash flows	Carrying values
Payables	0.00%	651	9,633	–	–	10,284	10,284
Borrowings	4.44%	–	2,268	7,538	6,535	16,341	14,335
Total financial liabilities		651	11,901	7,538	6,535	26,625	24,619
2022							
Payables	0.00%	964	7,997	–	–	8,961	8,962
Borrowings	4.62%	–	2,556	7,940	8,233	18,729	16,273
Total financial liabilities		964	10,553	7,940	8,233	27,690	25,235

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
- Investment property
- Financial assets and liabilities

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition and measurement requirements or for disclosure purposes. AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a 'level' in the fair value hierarchy as follows:

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

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

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

The table below shows the assigned level for each asset and liability held at fair value by Council:

\$ '000	Notes	Fair value measurement hierarchy				Total	
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		2023	2022
		2023	2022	2023	2022	2023	2022
Recurring fair value measurements							
Financial assets							
		10,690	10,013	–	–	10,690	10,013
		10,690	10,013	–	–	10,690	10,013
Investment property							
	C1-9	4,047	4,026	–	–	4,047	4,026
		5,070	4,667	–	–	5,070	4,667
		9,117	8,693	–	–	9,117	8,693
Infrastructure, property, plant and equipment							
	C1-8	–	–	26,559	16,522	26,559	16,522
		–	–	22,580	19,474	22,580	19,474
		72,359	49,633	–	–	72,359	49,633
		–	–	30,909	19,199	30,909	19,199
		–	–	3,707	2,963	3,707	2,963
		–	–	8,823	8,245	8,823	8,245
		–	–	106,522	90,353	106,522	90,353
		–	–	358,894	329,854	358,894	329,854
		–	–	382,293	351,878	382,293	351,878
		–	–	28,064	25,380	28,064	25,380
		–	–	35,921	27,221	35,921	27,221
		–	–	176,065	163,455	176,065	163,455
		–	–	19,178	17,145	19,178	17,145
		–	–	1,183	1,198	1,183	1,198
		–	–	790	1,054	790	1,054
		72,359	49,633	1,201,488	1,073,941	1,273,847	1,123,574

E2-1 Fair value measurement (continued)

Valuation techniques

Where Council is unable to derive fair valuations using quoted market prices of identical assets (i.e. 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:

Financial assets

Managed Funds – Fair value through profit and loss (FVTPL)

Valuation technique: The unit price of each fund is equal to the total fair value of the net assets held by the fund divided by the total number of units on issue for that fund. Unit prices are calculated and published daily.

Inputs Used (Level 2): Prices are observable, however, no active market exists for these funds as they are only accessible to government agencies.

Investment property

Investment Property Land – Level 2

Valuation Techniques - Market Value. This method involves the analysis of sales evidence of other properties within the region and adjustment for differences between key attributes of the properties.

APV Valuers and Asset Management revalued investment properties in 2023.

Observable inputs - Sales evidence of price per square metre of land.

Investment Property Buildings – Level 2

Valuation Techniques - Market Value. This method involves the analysis of sales evidence and comparison with the subject taking into account matters such as method of construction, size, condition, age, land area and location.

APV Valuers and Asset Management revalued investment properties in 2023.

Unobservable inputs - current replacement cost of modern equivalent asset using componentisation, asset condition, remaining life and residual value.

Infrastructure, property, plant and equipment (IPPE)

Equipment, furniture and fittings – Level 3

Valuation Techniques - Cost approach. The nature and value of equipment, furniture and fittings recognises that depreciated historic cost is a representation of fair value.

Unobservable inputs - Current replacement cost of modern equivalent asset, asset condition, useful life and residual value.

Community land and land under roads – Level 3

Valuation Techniques - Market approach. Land values obtained from NSW Valuer General.

Council completed a comprehensive valuation of these assets at 30 June 2023 based on the latest Valuer General NSW valuation report as at 30 June 2022.

Operational land – Level 2

Valuation Techniques - Market approach.

This method involves the analysis of sales evidence of other properties within the region and adjustment for differences between key attributes of the properties.

APV Valuers and Asset Management revalued operational land at 30 June 2023.

Unobservable inputs - price per square metre.

Land improvements - Level 3

Valuation Techniques - Cost approach.

Council completed a comprehensive valuation of these assets in 2021.

Buildings market value/income approach – Level 2

Valuation Techniques - Market approach. This method involves the analysis of sales evidence and comparison with the subject, taking into account matters such as method of construction, size, condition, age, land area and location.

APV Valuers and Asset Management revalued investment property buildings at 30 June 2023.

Buildings replacement costs – Level 3

Valuation Techniques - Cost approach.

Due to the specialised nature of Local Government Assets, observable market inputs are often unavailable. The cost approach has been adopted for those buildings and deemed level 3.

APV Valuers and Asset Management revalued buildings at 30 June 2023.

E2-1 Fair value measurement (continued)

Unobservable inputs - Current replacement cost of modern equivalent asset using componentisation, asset condition, remaining useful lives and residual value.

Other structures, open space/recreational assets – Level 3

Valuation Techniques - Cost approach.

Due to the specialised nature of Local Government Assets observable market inputs are often unavailable. The cost approach has been adopted for other structures and deemed level 3.

Council completed a comprehensive valuation of these assets at 30 June 2021.

Unobservable inputs - Current replacement cost of modern equivalent asset, asset condition, remaining useful lives and residual value.

Roads, bridges, footpaths, bulk earthworks, stormwater – Level 3

Valuation Techniques - Depreciated replacement cost approach.

Due to the specialised nature of Local Government Assets observable market inputs are often unavailable. The cost approach has been adopted for these assets and deemed level 3.

Council completed a comprehensive valuation of these assets at 30 June 2020.

Unobservable inputs - Asset condition, remaining useful lives using componentisation.

Water supply network and sewage network – Level 3

Valuation Techniques - Cost approach.

Due to the specialised nature of Local Government Assets observable market inputs are often unavailable. This involved Council engaging APV Valuers and Asset Management to revalue water & sewer assets in 2022.

Unobservable inputs - Asset condition, remaining useful lives using componentisation.

Other assets – Level 3

Valuation Techniques - Cost approach.

Council completed a comprehensive valuation of these assets at 30 June 2021.

Unobservable inputs - Asset condition, remaining useful lives using componentisation.

Tip and quarry assets – reinstatement, rehabilitation and restoration

Valuation Techniques - Cost approach.

Unobservable inputs - Environmental legislation, timing of expected cash outflows, asset condition.

Fair value measurements using significant unobservable inputs (level 3)

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

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

	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment		
Plant, equipment, furniture and fittings	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value
Community land	Market approach - Land values obtained from the NSW Valuer General	Land value, land area, level of restriction
Land under roads	Market approach - Land values obtained from the NSW Valuer General	Extent and impact of use, market cost of land per square metre, restrictions. The market value of land varies significantly depending on the location of the land and current market conditions.
Land improvements – non depreciable	Cost approach	Asset condition
Land improvements – depreciable	Cost approach	Asset condition and remaining lives using componentisation
Buildings – replacement cost	Cost approach	Current replacement cost of modern equivalent asset using componentisation, asset condition, remaining lives, residual value
Other structures	Cost approach	Current replacement cost of modern equivalent asset, asset condition, remaining lives, residual value

E2-1 Fair value measurement (continued)

	Valuation technique/s	Unobservable inputs
Roads, bridges and footpaths	Cost approach	Asset condition, remaining lives using componentisation. Unit rates per m2.
Bulk earthworks	Cost approach	Asset condition. Unit rates per m2.
Stormwater drainage	Cost approach	Asset condition, remaining lives. Unit rates per m2 or length.
Water and sewage networks	Cost approach	Asset condition, remaining lives using componentisation. Unit rates per length.
Open space/recreational assets	Cost approach	Asset condition and remaining lives using componentisation
Other assets	Cost approach	Current replacement cost of modern equivalent asset, asset condition, remaining lives, residual value
Tip and quarry reinstatement assets	Cost approach	Environmental legislation, timing of expected cash outflows, asset condition

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

\$ '000	Total	
	2023	2022
Balance at 1 July	1,073,941	990,863
Total gains or losses for the period		
Recognised in other comprehensive income – revaluation surplus	98,413	66,398
Other movements		
Other movements	(53)	97
Purchases (GBV)	54,875	37,791
Disposals (WDV)	(4,199)	(2,682)
Depreciation and impairment	(21,491)	(18,526)
Other movement (rounding)	2	–
Balance at 30 June	1,201,488	1,073,941

Highest and best use

All assets valued at fair value are 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 a 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, including the method used to determine the entity's rate of contributions and any minimum funding requirements

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 8.0% of salaries for the year ending 30 June 2023 (increasing to 8.5% 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 million per annum from 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2022. 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 entities' 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 past service contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the Council.

Description of any agreed allocation of a deficit or surplus on:

E3-1 Contingencies (continued)

(i) wind-up of the plan

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

(ii) the entity's withdrawal from the plan

There is no provision for allocation of any surplus which may be present at the date of withdrawal of an employer

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 2023 was \$132,430.55. The last valuation of the Scheme was performed by Richard Boyfield on 30 June 2022.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2023 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	2,290.9	
Past Service Liabilities	2,236.1	102.4%
Vested Benefits	2,253.6	101.7%

* excluding other accumulation accounts and reserves in both assets and liabilities.

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	6.0% for FY 22/23 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.

Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review will be completed by December 2023.

(ii) CivicRisk Mutual Limited

Council is a member of CivicRisk Mutual Ltd, a mutual self-insurance scheme providing general insurance to local government.

CivicRisk Mutual Ltd membership includes the potential to share in either the net surplus or deficit of protection years depending on its past performance. Council's share of the net surplus or deficit 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 30/6 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

(ii) 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.

(iii) 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.

ASSETS NOT RECOGNISED

Bank Guarantees

Council holds a number of bank guarantees to the value of \$5,052,343. Some of these guarantees are provided by various developers across the Mid-Western Region to secure performance of conditions of consent in relation to approved Developer Applications.

The guarantees will be returned once the associated conditions of consent have been satisfied.

Other guarantees relate to work performed for Council by contractors, such as construction works. The guarantees will be returned once the conditions of the contract have been satisfied.

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

\$ '000	2023	2022
Compensation:		
Short-term benefits	1,733	1,556
Other long-term benefits	26	20
Termination benefits	-	212
Total	1,759	1,788

Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of Council delivering a public service objective (e.g. access to library or Council swimming pool by KMP) will not be disclosed.

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2023	2022
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	46	45
Councillors' fees	190	186
Other Councillors' expenses (including Mayor)	135	92
Total	371	323

F2 Other relationships

F2-1 Audit fees

\$ '000	2023	2022
Auditors of the Council - NSW Auditor-General:		
Audit of financial statements	76	72
Other assurance services	-	5
Total fees paid or payable to the Auditor-General	76	77

G Other matters

G1-1 Statement of Cash Flows information

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

\$ '000	2023	2022
Operating result	39,471	31,090
Add / (less) non-cash items:		
Depreciation and amortisation	21,670	18,320
(Gain) / loss on disposal of assets	3,623	290
Non-cash capital grants and contributions	(13,002)	(634)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
Investments classified as 'at fair value' or 'held for trading'	(878)	461
Investment property	(408)	(775)
Revaluation decrements / impairments of IPP&E direct to P&L	-	60
Other movements in reverses - IPPE adjustment and transfer	238	(273)
Unwinding of discount rates on reinstatement provisions	11	(367)
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(411)	(231)
Increase / (decrease) in provision for impairment of receivables	(3)	95
(Increase) / decrease of inventories	114	277
(Increase) / decrease of other current assets	(506)	(197)
(Increase) / decrease of contract asset	(4,070)	4,462
Increase / (decrease) in payables	1,108	(2)
Increase / (decrease) in accrued interest payable	(13)	(49)
Increase / (decrease) in other accrued expenses payable	(16)	1,128
Increase / (decrease) in other liabilities	(149)	364
Increase / (decrease) in contract liabilities	10,745	(15)
Increase / (decrease) in employee benefit provision	112	(917)
Increase / (decrease) in other provisions	(95)	(950)
Net cash flows from operating activities	57,541	52,137

(b) Non-cash investing and financing activities

Other dedications	12,965	550
Total non-cash investing and financing activities	12,965	550

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2023	2022
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Buildings	9,716	3,848
Plant and equipment	2,884	5,055
Drainage	–	121
Other assets	824	439
Recreational facilities	17	51
Roads and transport	1,457	2,503
Sewerage network	97	46
Water supply network	838	178
Total	15,833	12,241

Details of capital commitments

Capital commitments include:

- Plant & Heavy Equipment are items ordered but not yet delivered;
- Council has committed to construct the Glen Willow Training Camp building, with the remaining contract commitment of \$8.1m
- Council has committed to construct the Country University Centre building, with the remaining contract commitment of \$928,500
- Other construction works (drainage, roads, buildings and other structures); and
- Water supply works, including to design and construct a river pump station.

G3-1 Events occurring after the reporting date

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

G4 Statement of developer contributions as at 30 June 2023

G4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2022	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2023	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Drainage	194	20	–	–	5	–	–	219	–
Open space	2,160	181	–	–	52	(78)	–	2,315	–
Community facilities	784	48	–	–	12	(334)	–	510	–
Transport facilities	1,287	264	–	–	33	(113)	–	1,471	–
Car parking	261	–	–	–	6	–	–	267	–
Administration	494	71	–	–	12	(51)	–	526	–
Civic improvements	21	1	–	–	1	–	–	23	–
S7.11 contributions – under a plan	5,201	585	–	–	121	(576)	–	5,331	–
S7.12 levies – under a plan	421	46	–	–	11	–	–	478	–
Total S7.11 and S7.12 revenue under plans	5,622	631	–	–	132	(576)	–	5,809	–
S7.4 planning agreements	4,180	1,169	–	–	106	(354)	–	5,101	–
S64 contributions	12,465	2,108	–	–	314	(111)	–	14,776	–
Total contributions	22,267	3,908	–	–	552	(1,041)	–	25,686	–

Under the *Environmental Planning and Assessment Act 1979*, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas. It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

G4-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2022	Contributions received during the year				Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2023	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
CONTRIBUTION PLAN: MID-WESTERN REGIONAL 2005 - 2021										
Drainage	194	20	-	-	5	-	-	219	-	
Open space	2,160	181	-	-	52	(78)	-	2,315	-	
Community facilities	784	48	-	-	12	(334)	-	510	-	
Transport management	1,287	264	-	-	33	(113)	-	1,471	-	
Car parking	261	-	-	-	6	-	-	267	-	
Administration	494	71	-	-	12	(51)	-	526	-	
Civic improvements	21	1	-	-	1	-	-	23	-	
Total	5,201	585	-	-	121	(576)	-	5,331	-	

S7.12 Levies – under a plan

CONTRIBUTION PLAN: MID-WESTERN REGIONAL 2005 - 2021

94A	421	46	-	-	11	-	-	478	-
Total	421	46	-	-	11	-	-	478	-

G5 Statement of performance measures

G5-1 Statement of performance measures – consolidated results

\$ '000	Amounts	Indicator	Indicators		Benchmark
	2023	2023	2022	2021	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	6,183	6.13%	10.19%	11.90%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	100,862				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	78,421	57.45%	62.49%	58.32%	> 60.00%
Total continuing operating revenue inclusive of all grants and contributions ¹	136,504				
3. Unrestricted current ratio					
Current assets less all external restrictions	63,839	4.59x	5.98x	4.06x	> 1.50x
Current liabilities less specific purpose liabilities	13,894				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	28,636	10.31x	12.56x	13.41x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	2,777				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	1,469	3.15%	2.96%	3.16%	< 10.00%
Rates and annual charges collectable	46,709				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus term deposits	131,651	19.36	22.06	18.23	> 3.00
Payments from cash flow of operating and financing activities	6,801	months	months	months	months

(1) Excludes fair value increments on investment properties, reversal of revaluation decrements, reversal of impairment losses on receivables, net gain on sale of assets and net share of interests in joint ventures and associates using the equity method and includes pensioner rate subsidies

(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, impairment losses on receivables, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

G5-2 Statement of performance measures by fund

\$ '000	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2023	2022	2023	2022	2023	2022	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	5.63%	9.37%	0.29%	2.33%	16.37%	24.73%	> 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	54.14%	57.71%	74.69%	81.33%	70.65%	90.62%	> 60.00%
Total continuing operating revenue inclusive of all grants and contributions ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	4.59x	5.98x	18.59x	13.14x	17.39x	16.22x	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	13.77x	22.04x	6.78x	4.41x	5.26x	4.45x	> 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	3.03%	2.89%	3.90%	3.25%	3.51%	3.22%	< 10.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus term deposits	15.78	17.87	36.22	51.69	43.97	48.95	> 3.00
Payments from cash flow of operating and financing activities	months	months	months	months	months	months	months

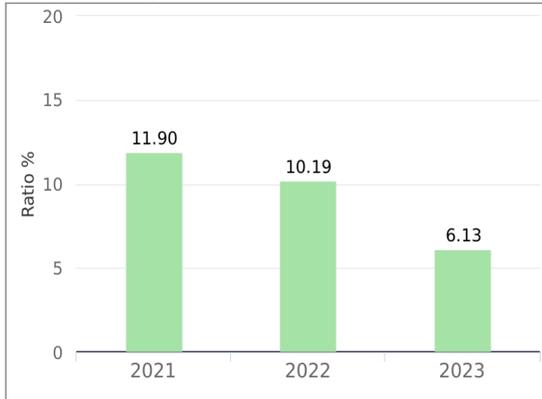
(1) Excludes fair value increments on investment properties, reversal of revaluation decrements, reversal of impairment losses on receivables, net gain on sale of assets and net share of interests in joint ventures and associates using the equity method and includes pensioner rate subsidies

(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, impairment losses on receivables, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

(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

1. Operating performance ratio



Purpose of operating performance ratio

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

Commentary on 2022/23 result	
2022/23 ratio	6.13%

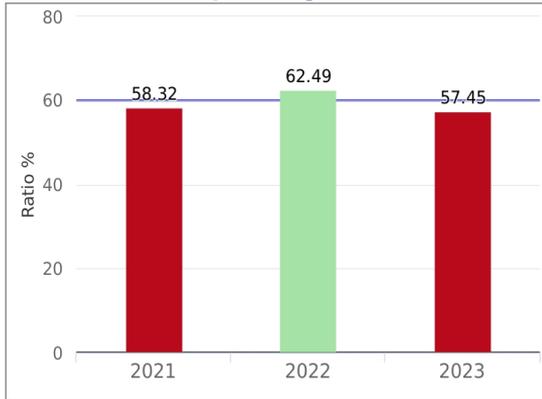
Benchmark: — > 0.00%

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 2022/23 result	
2022/23 ratio	57.45%

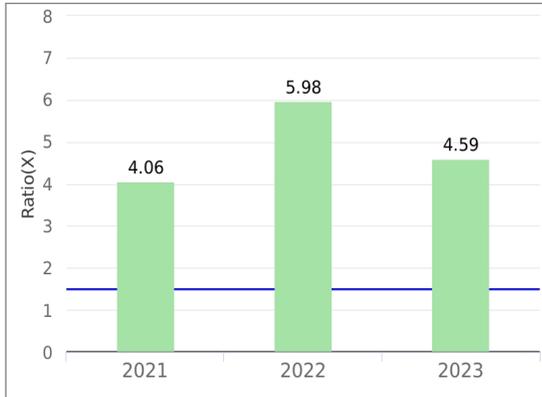
Benchmark: — > 60.00%

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 2022/23 result	
2022/23 ratio	4.59x

Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting

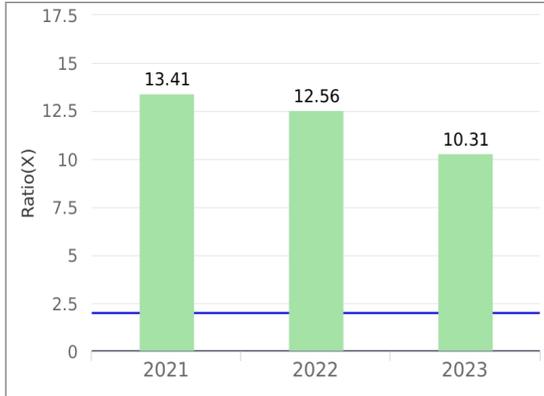
Ratio achieves benchmark

Ratio is outside benchmark

H Additional Council disclosures

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 2022/23 result	
2022/23 ratio	10.31x

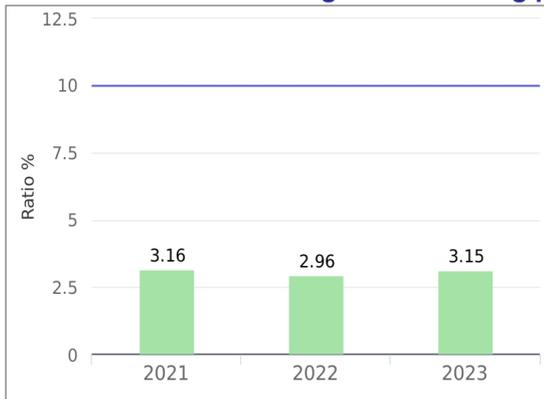
Benchmark: — > 2.00x

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 2022/23 result	
2022/23 ratio	3.15%

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 2022/23 result	
2022/23 ratio	19.36 months

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

H1-2 Financial review (unaudited)

Key financial figures of Council over the past 5 years

\$ '000	2023	2022	2021	2020	2019
Inflows:					
Rates and annual charges revenue	45,068	44,707	43,720	39,281	31,043
User charges revenue	26,658	16,599	19,108	16,919	15,018
Interest and investment revenue (losses)	3,414	836	974	1,650	2,373
Grants income – operating and capital	54,175	35,254	44,341	37,253	19,937
Total income from continuing operations	137,790	106,235	115,662	102,168	84,178
Sale proceeds from IPPE	587	3,045	3,087	543	2,054
New loan borrowings and advances	–	7,400	–	1,000	–
Outflows:					
Employee benefits and on-cost expenses	31,170	29,479	26,524	25,321	23,759
Borrowing costs	783	533	691	832	926
Materials and contracts expenses	39,015	24,083	22,945	23,221	12,723
Total expenses from continuing operations	98,319	75,145	74,251	77,207	65,199
Total cash purchases of IPPE	42,333	36,289	49,529	36,392	24,768
Total loan repayments (incl. finance leases)	2,017	1,637	1,535	2,093	1,689
Operating surplus/(deficit) (excl. capital income)	3,829	8,178	8,041	5,328	1,143
Financial position figures					
Current assets	124,759	102,312	97,120	92,587	82,914
Current liabilities	43,688	33,696	31,149	24,844	16,234
Net current assets	81,071	68,616	65,971	67,743	66,680
Available working capital (Unrestricted net current assets)	14,865	18,146	12,400	11,463	12,883
Cash and investments – unrestricted	15,005	18,235	13,177	14,344	9,565
Cash and investments – internal restrictions	38,988	40,284	28,056	20,426	16,628
Cash and investments – total	142,341	127,770	103,633	86,979	77,848
Total borrowings outstanding (loans, advances and finance leases)	14,335	16,273	10,441	11,923	12,980
Total value of IPPE (excl. land and earthworks)	1,641,231	1,458,726	1,327,095	1,283,824	954,016
Total accumulated depreciation	454,786	395,338	345,634	334,411	340,353
Indicative remaining useful life (as a % of GBV)	72%	73%	74%	74%	64%

Source: published audited financial statements of Council (current year and prior year)

H1-3 Council information and contact details

Principal place of business:

86 Market Street
Mudgee NSW 2850

Contact details

Mailing Address:

PO Box 156
Mudgee NSW 2850

Telephone: 02 6378 2850

Facsimile: 02 6378 2815

Opening hours:

8:00am - 4:30pm
Monday to Friday

Internet: www.midwestern.nsw.gov.au

Email: council@midwestern.nsw.gov.au

Officers

General Manager

Brad Cam

Responsible Accounting Officer

Neil Bungate

Public Officer

Richard Cushway

Auditors

NSW Auditor General
Level 15, 1 Margaret Street
Sydney NSW 2000

Elected members

Mayor

Des Kennedy

Councillors

Clr Paul Cavalier
Clr Katie Dicker
Clr Peter Shelley
Clr Percy Thompson
Clr Sam Paine
Clr Phil Stoddart
Clr Robbie Palmer
Clr Alex Karavas

Other information

ABN: 96 149 391 332



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Mid-Western Regional Council

To the Councillors of Mid-Western Regional Council

Qualified Opinion

I have audited the accompanying financial statements of Mid-Western Regional 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 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effects of the matter described in the 'Basis for Qualified Opinion' section of my report:

- 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 2023, 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 qualified opinion should be read in conjunction with the rest of this report.

Basis for Qualified Opinion

Non recognition of rural fire-fighting equipment

As disclosed in Note C1-8 'Infrastructure, property, plant and equipment' to the financial statements, the Council has not recognised rural fire-fighting equipment as assets in the Statement of Financial Position at 30 June 2023. In my opinion, these assets are controlled by the Council and should be recognised as assets in accordance with AASB 116 'Property, Plant and Equipment'.

Australian Accounting Standards refer to control of an asset as being the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset.

Rural fire-fighting equipment is controlled by the Council as:

- these assets are vested in the Council under section 119(2) of the *Rural Fires Act 1997* (Rural Fires Act), giving the Council legal ownership
- the Council has the ability, outside of emergency events as defined in section 44 of the Rural Fires Act, to prevent the NSW Rural Fire Service from directing the use of the rural fire-fighting equipment by either not entering into a service agreement, or cancelling the existing service agreement that was signed on 1 July 2011
- the Council has specific responsibilities for fire mitigation and safety works and bush fire hazard reduction under Part 4 of the Rural Fires Act. The Council obtains economic benefits from the rural fire-fighting equipment as these assets are used to fulfil Council's responsibilities
- in the event of the loss of an asset, the insurance proceeds must be paid into the New South Wales Rural Fire Fighting Fund (section 119(4) of the Rural Fires Act) and be used to reacquire or build a similar asset, which is again vested in the Council as an asset provided free of charge.

The Council has not undertaken sufficient procedures to confirm the completeness, accuracy, existence or condition of these assets. Nor has the Council performed sufficient procedures to identify the value of assets vested in it during the year. When these assets are vested, no financial consideration is required from the Council and as such the assets are provided to the Council free-of-charge.

This is a limitation on the scope of my audit as I was unable to obtain sufficient appropriate audit evidence to:

- support the carrying values of rural fire-fighting equipment assets that should be recorded in the Statement of Financial Position and related notes as at 30 June 2023
- determine the impact on the 'Accumulated surplus' in the Statement of Changes in Equity and Statement of Financial Position
- determine the amount of 'Grants and contributions provided for capital purposes' income from any rural fire-fighting equipment assets vested as an asset received free of charge during the year and/or 'Depreciation, amortisation and impairment of non-financial assets' expense that should be recognised in the Income Statement for the year ended 30 June 2023
- determine the impact on the 'Operating performance' and 'Own source operating revenue' ratios in Note G5-1 'Statement of performance measures – consolidated results' and Note G5-2 'Statement of performance measures by fund'.

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 qualified audit opinion.

Other Information

The Council's annual report for the year ended 30 June 2023 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.



Cassie Malone
Delegate of the Auditor-General for New South Wales

31 October 2023
SYDNEY



Clr Des Kennedy
Mayor
Mid-Western Regional Council
PO BOX 156
MUDGEES NSW 2850

Contact: Cassie Malone
Phone no: 02 9275 7388
Our ref: R008-16585809-47005

31 October 2023

Dear Mayor

Report on the Conduct of the Audit for the year ended 30 June 2023 Mid-Western Regional Council

I have audited the general purpose financial statements (GPFS) of Mid-Western Regional Council (the Council) for the year ended 30 June 2023 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed a modified 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 2023 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.

SIGNIFICANT AUDIT ISSUES AND OBSERVATIONS

I identified the following significant audit issues and observations during my audit of the Council's financial statements. These issues and observations were addressed as part of my audit.

Modification to the opinion in the Independent Auditor's Report

Non-recognition of rural fire-fighting equipment

The Council has not recognised rural fire-fighting equipment as assets within 'Infrastructure, property, plant and equipment' in the Statement of Financial Position at 30 June 2023. In my opinion, these assets are controlled by the Council and should be recognised as assets in accordance with AASB 116 'Property, Plant and Equipment'.

Australian Accounting Standards refer to control of an asset as being the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset.

Rural fire-fighting equipment is controlled by the Council as:

- these assets are vested in the Council under section 119(2) of the *Rural Fires Act 1997* (Rural Fires Act), giving the Council legal ownership
- the Council has the ability, outside of emergency events as defined in section 44 of the Rural Fires Act, to prevent the NSW Rural Fire Service from directing the use of the rural fire-fighting

equipment by either not entering into a service agreement, or cancelling the existing service agreement that was signed on 1 July 2011

- the Council has specific responsibilities for fire mitigation and safety works and bush fire hazard reduction under Part 4 of the Rural Fires Act. The Council obtains economic benefits from the rural fire-fighting equipment as these assets are used to fulfil Council's responsibilities
- in the event of the loss of an asset, the insurance proceeds must be paid into the New South Wales Rural Fire Fighting Fund (section 119(4) of the Rural Fires Act) and be used to reacquire or build a similar asset, which is again vested in the Council as an asset provided free of charge.

The Council has not undertaken sufficient procedures to confirm the completeness, accuracy, existence or condition of these assets. Nor has the Council performed sufficient procedures to identify the value of assets vested in it during the year. When these assets are vested, no financial consideration is required from the Council and as such the assets are provided to the Council free of charge.

Consequently, we were unable to determine the carrying values of rural firefighting equipment assets and related amounts that should be recorded and recognised in the council's 30 June 2023 financial statements.

This has resulted in the audit opinion on the Council's 30 June 2023 general purpose financial statements (GPFS) to be modified.

Refer to the Independent Auditor's Report on the GPFS.

INCOME STATEMENT

Operating result

	2023	2022	Variance
	\$m	\$m	%
Rates and annual charges revenue	45.1	44.7	0.8
Grants and contributions revenue	58.1	39.5	47.0
Operating result from continuing operations	39.5	31.1	27.0
Net operating result before capital grants and contributions	3.8	8.2	53.2

The Council's operating result from continuing operations of \$39.5 million (including depreciation and amortisation costs of \$21.7 million) was \$8.4 million higher than the 2021–22 result.

Total income from continuing operations in the current year increased by \$31.6 million to \$137.8 million, reflecting increases in grant revenue of \$18.6 million and user charges and fees of \$10.1 million.

Total expenditure in the current year increased by \$23.2 million to \$98.3 million, primarily due to increases in materials and services of \$14.9 million, depreciation and amortisation costs of \$3.3 million and losses on disposal of assets of \$3.3 million.

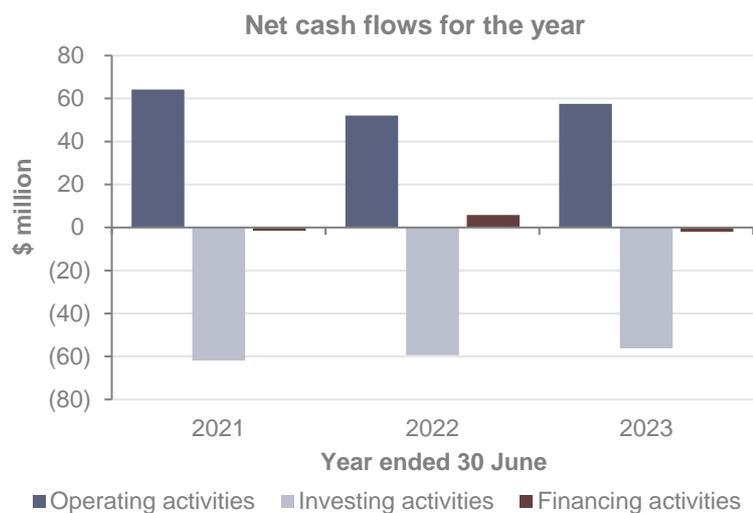
Rates and annual charges revenue increased by \$0.4 million in 2022–23, mainly due to the rate peg.

STATEMENT OF CASH FLOWS

Cash inflows from operating activities increased due to increase in user charges and fees received during the year as well as an increase in grants and contributions.

Cash outflows from investing activities did not change significantly compared to 2021–22.

Cash from financing activities decreased due to a reduction in proceeds from borrowings during the year.



FINANCIAL POSITION

Cash and investments

Cash and investments	2023	2022	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	142.3	127.8	External restrictions include unspent specific purpose grants, developer contributions, water funds, sewer funds and domestic waste management charges. The increase in external restrictions of \$19.1 million compared to 2021–22 is mainly due to increases in unspent specific purpose grants and sewer funds.
Restricted and allocated cash, cash equivalents and investments:			
• External restrictions	88.3	69.3	
• Internal allocations	39.0	40.3	Balances are internally allocated due to Council policy or decisions for forward plans including the works program. The decrease in internal allocations mainly reflects less funds being set aside for plant and vehicle replacements.

PERFORMANCE

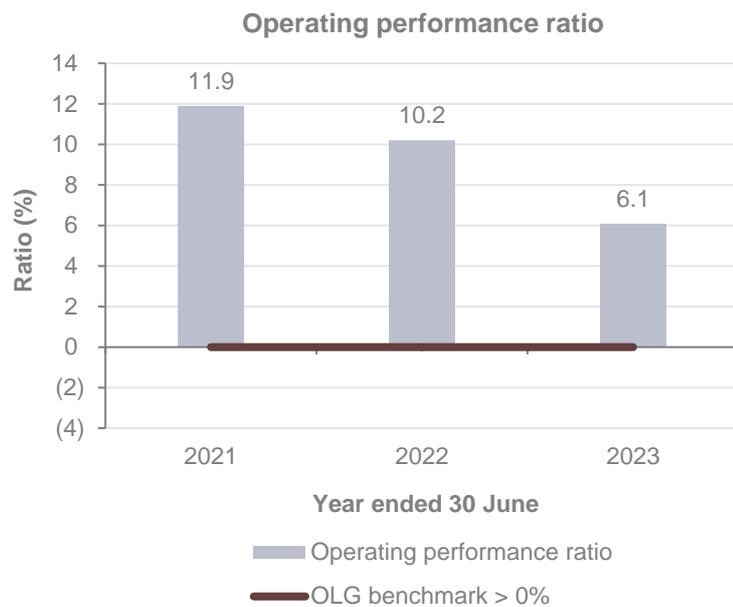
Performance measures

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

Operating performance ratio

The Council met the benchmark for the current reporting period.

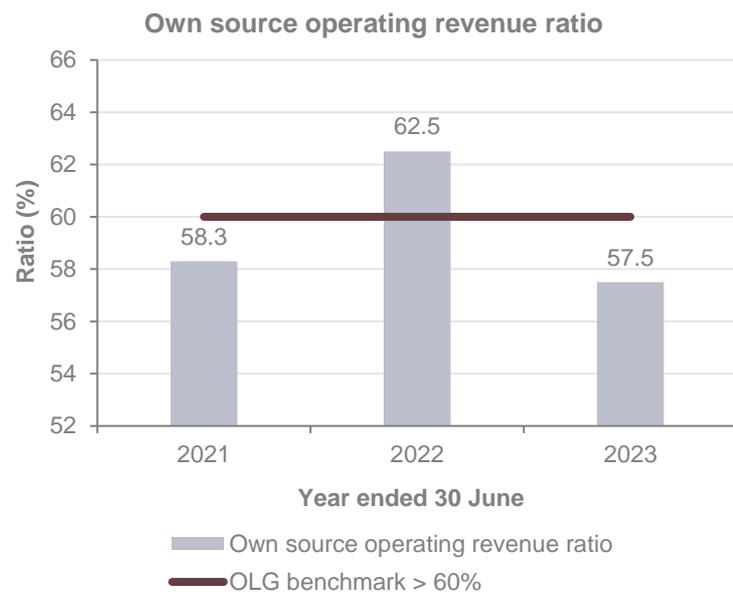
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



Own source operating revenue ratio

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

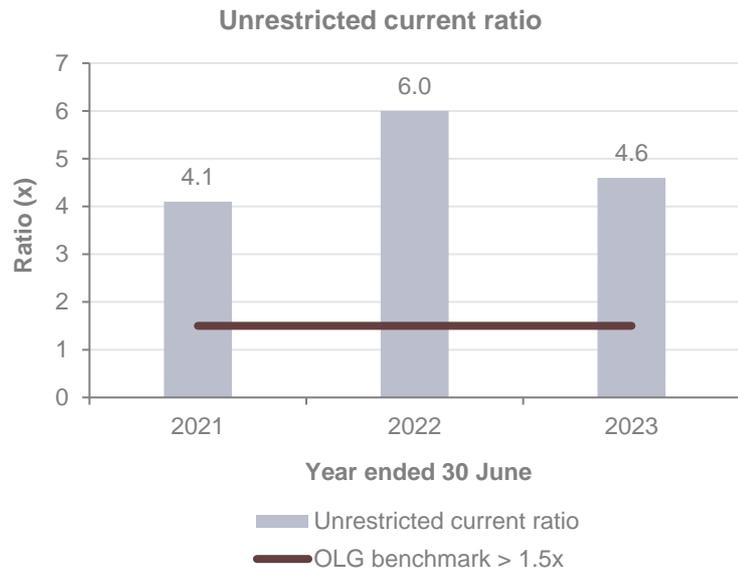
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

The Council met the benchmark for the current reporting period.

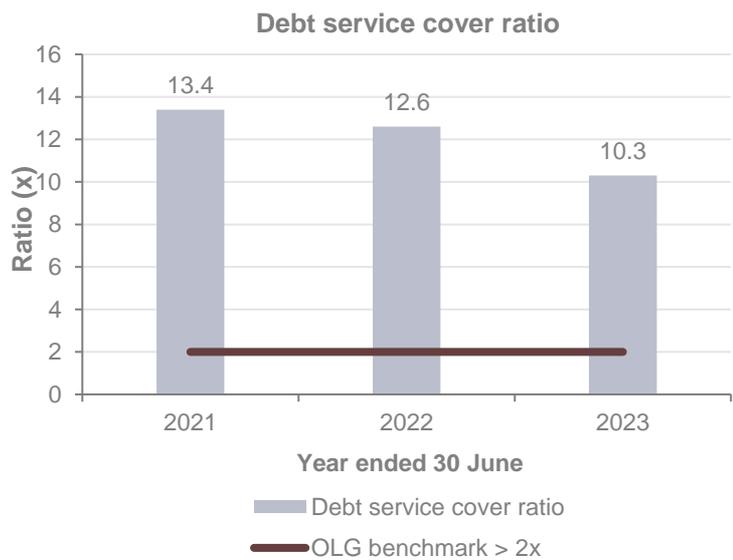
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

The Council met the benchmark for the current reporting period.

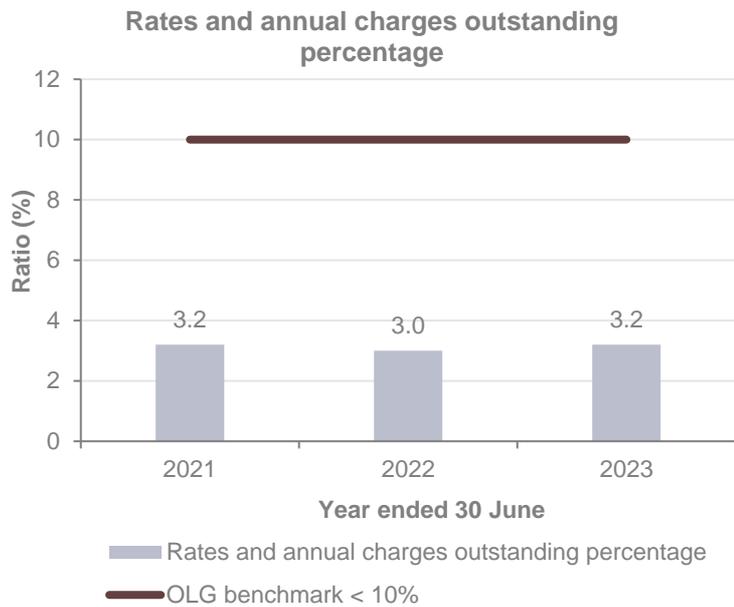
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding percentage

The Council met the benchmark for the current reporting period.

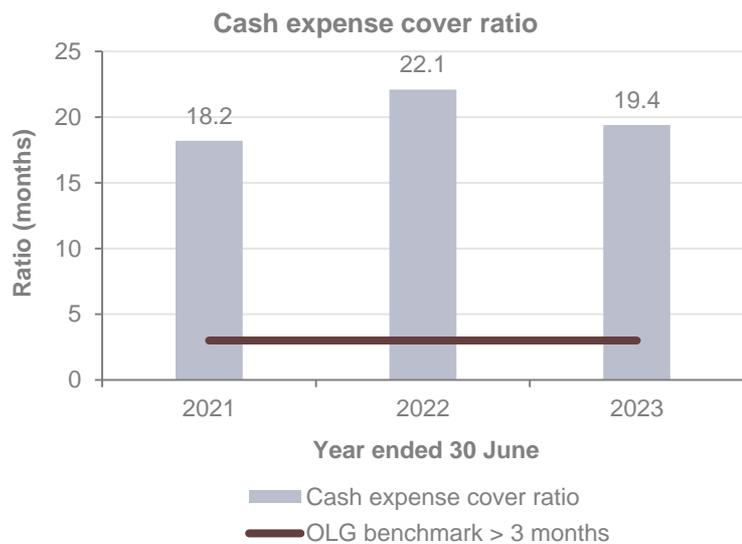
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.



Cash expense cover ratio

The Council met 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 \$19.7 million of infrastructure, property, plant and equipment during the 2022-23 financial year. This was mainly spent on roads, bridges and footpaths, and equipment, furniture and fittings. A further \$36.1 million was spent on new assets across most asset classes.

OTHER MATTERS

Legislative compliance

My audit procedures identified a material deficiency in the Council's financial statements due to the non-recognition of rural fire-fighting equipment which will be reported in the Management Letter.

Except for the matter outlined above, the Council's:

- accounting records were maintained in a manner and form that facilitated the preparation and the effective audit of the GPFS
- staff provided all accounting records and information relevant to the audit.



Cassie Malone
Delegate of the Auditor-General for New South Wales

FINANCIAL STATEMENTS 2022/23

MID-WESTERN REGIONAL COUNCIL

APPENDIX
B

SPECIAL PURPOSE FINANCIAL STATEMENTS



Mid-Western Regional Council

Special Purpose Financial Statements

for the year ended 30 June 2023

Contents	Page
Statement by Councillors and Management	2
Special Purpose Financial Statements:	
Income Statement of water supply business activity	3
Income Statement of sewerage business activity	4
Statement of Financial Position of water supply business activity	5
Statement of Financial Position of sewerage business activity	6
Note – Significant Accounting Policies	7
Auditor's Report on Special Purpose Financial Statements	10

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).

Mid-Western Regional Council

Special Purpose Financial Statements

for the year ended 30 June 2023

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:

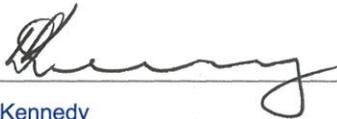
- NSW Government Policy Statement, *Application of National Competition Policy to Local Government*
- Division of Local Government Guidelines, *Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality*
- The Local Government Code of Accounting Practice and Financial Reporting
- Sections 3 and 4 of the NSW Department of Planning and Environment, *Water's Regulatory and assurance framework for local water utilities*.

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 20 September 2023.



Des Kennedy
Mayor
27 September 2023



Sam Paine
Deputy Mayor
27 September 2023



Brad Cam
General Manager
27 September 2023



Neil Bungate
Chief Financial Officer
27 September 2023

Mid-Western Regional Council

Income Statement of water supply business activity

for the year ended 30 June 2023

\$ '000	2023	2022
Access charges	1,793	1,707
User charges	6,445	5,691
Interest and investment income	608	96
Grants and contributions provided for operating purposes	8	19
Other income	–	(1)
Total income from continuing operations	8,854	7,512
Employee benefits and on-costs	2,010	1,957
Borrowing costs	43	64
Materials and services	4,137	3,685
Depreciation, amortisation and impairment	2,638	1,515
Net loss from the disposal of assets	–	50
Other expenses	–	116
Total expenses from continuing operations	8,828	7,387
Surplus (deficit) from continuing operations before capital amounts	26	125
Grants and contributions provided for capital purposes	2,989	1,701
Surplus (deficit) from continuing operations after capital amounts	3,015	1,826
Surplus (deficit) from all operations before tax	3,015	1,826
Less: corporate taxation equivalent (25%) [based on result before capital]	(7)	(31)
Surplus (deficit) after tax	3,008	1,795
Plus accumulated surplus	64,741	62,941
Plus/less: prior period error	(3)	(40)
Plus/less: Transfer to retained earnings for asset disposals	–	14
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	7	31
Return on capital %	0.1%	0.2%
Subsidy from Council	3,646	2,966
Calculation of dividend payable:		
Surplus (deficit) after tax	3,009	1,795
Less: capital grants and contributions (excluding developer contributions)	(2,989)	(1,701)
Surplus for dividend calculation purposes	20	94
Potential dividend calculated from surplus	10	47

Mid-Western Regional Council

Income Statement of sewerage business activity

for the year ended 30 June 2023

\$ '000	2023	2022
Access charges	7,442	7,031
User charges	795	615
Interest and investment income	646	94
Grants and contributions provided for operating purposes	146	(26)
Other income	42	114
Total income from continuing operations	9,071	7,828
Employee benefits and on-costs	1,608	1,484
Borrowing costs	181	292
Materials and services	3,163	2,886
Depreciation, amortisation and impairment	2,544	1,206
Net loss from the disposal of assets	99	131
Other expenses	–	24
Total expenses from continuing operations	7,595	6,023
Surplus (deficit) from continuing operations before capital amounts	1,476	1,805
Grants and contributions provided for capital purposes	3,562	839
Surplus (deficit) from continuing operations after capital amounts	5,038	2,644
Surplus (deficit) from all operations before tax	5,038	2,644
Less: corporate taxation equivalent (25%) [based on result before capital]	(369)	(451)
Surplus (deficit) after tax	4,669	2,193
Plus accumulated surplus	58,058	55,329
Plus/less: Transfer to retained earnings for asset disposals	108	85
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	369	451
Return on capital %	1.7%	2.4%
Subsidy from Council	2,189	1,115
Calculation of dividend payable:		
Surplus (deficit) after tax	4,669	2,193
Less: capital grants and contributions (excluding developer contributions)	(3,562)	(839)
Surplus for dividend calculation purposes	1,107	1,354
Potential dividend calculated from surplus	554	677

Mid-Western Regional Council

Statement of Financial Position of water supply business activity

as at 30 June 2023

\$ '000	2023	2022
ASSETS		
Current assets		
Contract assets and contract cost assets	44	38
Cash and cash equivalents	729	1,254
Investments	14,892	11,696
Receivables	1,790	1,220
Inventories	172	200
Other	26	–
Total current assets	17,653	14,408
Non-current assets		
Investments	5,272	5,468
Infrastructure, property, plant and equipment	92,416	86,202
Total non-current assets	97,688	91,670
Total assets	115,341	106,078
LIABILITIES		
Current liabilities		
Payables	567	738
Borrowings	380	356
Total current liabilities	947	1,094
Non-current liabilities		
Borrowings	74	453
Total non-current liabilities	74	453
Total liabilities	1,021	1,547
Net assets	114,320	104,531
EQUITY		
Accumulated surplus	67,753	64,741
Revaluation reserves	46,567	39,790
Total equity	114,320	104,531

Mid-Western Regional Council

Statement of Financial Position of sewerage business activity

as at 30 June 2023

\$ '000	2023	2022
ASSETS		
Current assets		
Contract assets and contract cost assets	1	10
Cash and cash equivalents	813	746
Investments	16,128	12,266
Receivables	270	438
Inventories	34	32
Other	26	–
Total current assets	17,272	13,492
Non-current assets		
Investments	5,710	5,734
Infrastructure, property, plant and equipment	95,679	87,767
Total non-current assets	101,389	93,501
Total assets	118,661	106,993
LIABILITIES		
Current liabilities		
Contract liabilities	15	–
Payables	342	211
Borrowings	636	620
Total current liabilities	993	831
Non-current liabilities		
Borrowings	5,757	6,393
Total non-current liabilities	5,757	6,393
Total liabilities	6,750	7,224
Net assets	111,911	99,769
EQUITY		
Accumulated surplus	63,204	58,058
Revaluation reserves	48,707	41,711
Total equity	111,911	99,769

Note – Significant Accounting Policies

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

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

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

The disclosures in these special purpose financial statements have been prepared in accordance with the *Local Government Act 1993 (Act)*, the *Local Government (General) Regulation 2021 (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)

a. Mid-Western Regional Council Water Supply

Comprising the activities and net assets of the water supply operations servicing the towns of Mudgee, Gulgong, Rylstone, and Kandos.

b. Mid-Western Regional Council Waste Water Services

Comprising the activities and net assets of the sewerage reticulation and treatment operations servicing the towns of Mudgee, Gulgong, Rylstone, and Kandos.

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):

Notional rate applied (%)

Corporate income tax rate – 25% (21/22 25%)

Note – Significant Accounting Policies (continued)

Land tax – the first \$969,000 of combined land values attracts **0%**. For the combined land values in excess of \$969,000 up to \$5,925,000 the rate is **\$100 + 1.6%**. For the remaining combined land value that exceeds \$5,925,000 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 the Department of Planning, Industry & Environment – Water guidelines, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the Best Practice Management of Water Supply and Sewer Guidelines as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the Act.

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

Income tax

An income tax equivalent has been applied on the profits of the business activities. Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-tax level – gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 25% (21/22 25%).

Income tax is only applied where a gain from ordinary activities before capital amounts has been achieved. Since the taxation equivalent is notional – that is, it is payable to the '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'.

Funds are subsequently available for meeting commitments or financing future investment strategies. The rate of return is disclosed for each of Council's business activities on the Income Statement.

The rate of return is calculated as follows:

Operating result before capital income + interest expense

Written down value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 4.02% at 30/6/23.

Note – Significant Accounting Policies (continued)

(iii) Dividends

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

A local government water supply and sewerage business is permitted to pay annual dividends from their water supply or sewerage business surpluses. Each dividend must be calculated and approved in accordance with section 4 of DPE – Water's regulatory and assurance framework and must not exceed 50% of the relevant surplus in any one year, or the number of water supply or sewerage assessments at 30 June 2023 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with section 4 of DPE – Water's regulatory and assurance framework, statement of compliance and statement of dividend payment, dividend payment form and unqualified independent financial audit report are submitted to DPE – Water.



INDEPENDENT AUDITOR'S REPORT
Report on the special purpose financial statements
Mid-Western Regional Council

To the Councillors of Mid-Western Regional Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Mid-Western Regional 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 2023, the Statement of Financial Position of each Declared Business Activity as at 30 June 2023 and Significant accounting policies note.

The Declared Business Activities of the Council are:

- Water Supply Business Activity
- Sewerage Business Activity.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared Business Activities as at 30 June 2023, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in the Significant accounting policies note and the Local Government Code of Accounting Practice and Financial Reporting 2022–23 (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 Significant accounting policies note to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

Other Information

The Council's annual report for the year ended 30 June 2023 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. 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.



Cassie Malone
Delegate of the Auditor-General for New South Wales

31 October 2023
SYDNEY

FINANCIAL STATEMENTS 2022/23

MID-WESTERN REGIONAL COUNCIL

APPENDIX

C

SPECIAL SCHEDULES



Mid-Western Regional Council

Special Schedules

for the year ended 30 June 2023

Contents

Page

Special Schedules:

Permissible income for general rates 2

Report on infrastructure assets as at 30 June 2023 5

Mid-Western Regional Council

Permissible income for general rates

\$ '000	Notes	Calculation 2022/23	Calculation 2023/24
Notional general income calculation ¹			
Last year notional general income yield	a	30,265	29,741
Plus or minus adjustments ²	b	219	158
Notional general income	c = a + b	30,484	29,899
Permissible income calculation			
Or rate peg percentage	e	0.70%	4.00%
Or plus rate peg amount	i = e x (c + g)	213	1,196
Sub-total	k = (c + g + h + i + j)	30,697	31,095
Plus (or minus) last year's carry forward total	l	–	27
Less valuation objections claimed in the previous year	m	(935)	(6)
Sub-total	n = (l + m)	(935)	21
Total permissible income	o = k + n	29,762	31,116
Less notional general income yield	p	29,741	31,116
Catch-up or (excess) result	q = o – p	21	–
Plus income lost due to valuation objections claimed ⁴	r	6	–
Carry forward to next year ⁶	t = q + r + s	27	–

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)*.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (6) Carry-forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the Act. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Mid-Western Regional Council

To the Councillors of Mid-Western Regional Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Mid-Western Regional Council (the Council) for the year ending 30 June 2024.

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 2022–23 (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 2023 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 2023'.

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.



Cassie Malone
Delegate of the Auditor-General for New South Wales

31 October 2023
SYDNEY

Mid-Western Regional Council

Report on infrastructure assets as at 30 June 2023

Asset Class	Asset Category	Estimated cost		2022/23 Required maintenance ^a	2022/23 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
Buildings and other structures	Buildings and other structures	1,512	1,512	2,929	2,688	106,522	150,464	18.0%	2.1%	76.7%	3.1%	0.1%
	Sub-total	1,512	1,512	2,929	2,688	106,522	150,464	18.0%	2.1%	76.7%	3.1%	0.1%
Roads	Roads	9,126	9,126	6,310	6,636	276,160	412,140	24.4%	48.6%	16.4%	8.0%	2.6%
	Bridges	5,125	5,125	170	19	72,184	132,105	8.8%	35.2%	41.2%	8.3%	6.5%
	Footpaths and Cycleways	168	168	64	41	10,550	16,877	41.0%	36.2%	18.5%	3.0%	1.3%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Other road assets (incl. earthworks)	15,299	15,299	40	28	382,293	399,339	9.3%	37.5%	38.9%	7.5%	6.8%
	Sub-total	29,718	29,718	6,584	6,724	741,187	960,461	16.3%	41.9%	29.2%	7.7%	4.9%
Water supply network	Other	10,145	10,145	2,751	2,846	84,968	155,380	20.6%	25.8%	36.4%	10.3%	6.9%
	Sub-total	10,145	10,145	2,751	2,846	84,968	155,380	20.6%	25.8%	36.4%	10.3%	6.9%
Sewerage network	Sewerage network	18,854	18,854	2,181	2,074	91,097	153,210	28.3%	30.6%	8.5%	20.3%	12.3%
	Sub-total	18,854	18,854	2,181	2,074	91,097	153,210	28.3%	30.6%	8.5%	20.3%	12.3%
Stormwater drainage	Stormwater drainage	617	617	2,066	1,877	35,921	49,396	27.5%	5.3%	63.3%	3.4%	0.5%
	Sub-total	617	617	2,066	1,877	35,921	49,396	27.5%	5.3%	63.3%	3.4%	0.5%
Open space / recreational assets	Swimming pools	32	32	1,274	1,400	6,326	12,333	30.1%	22.9%	46.3%	0.6%	0.1%
	Other Recreational/Open Space	598	598	3,770	3,762	21,738	29,257	55.2%	22.9%	15.5%	6.4%	0.0%
	Sub-total	630	630	5,044	5,162	28,064	41,590	47.8%	22.9%	24.6%	4.7%	0.0%
Other infrastructure assets	Other infrastructure assets	352	352	1,326	1,276	19,178	28,939	38.0%	28.2%	30.1%	2.4%	1.3%
	Sub-total	352	352	1,326	1,276	19,178	28,939	38.0%	28.2%	30.1%	2.4%	1.3%
	Total – all assets	61,828	61,828	22,881	22,647	1,106,937	1,539,440	19.7%	33.3%	33.5%	8.5%	5.0%

(a) Required maintenance is the amount identified in Council's asset management plans.

Mid-Western Regional Council

Report on infrastructure assets as at 30 June 2023 (continued)

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

Mid-Western Regional Council

Report on infrastructure assets as at 30 June 2023 (voluntary)

as at 30 June 2023

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2023	Indicator 2023	Indicators		Benchmark
			2022	2021	
Buildings and infrastructure renewals ratio					
Asset renewals ¹	13,854	77.45%	97.60%	111.51%	> 100.00%
Depreciation, amortisation and impairment	17,887				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	61,828	5.45%	3.94%	3.87%	< 2.00%
Net carrying amount of infrastructure assets	1,133,496				
Asset maintenance ratio					
Actual asset maintenance	22,647	98.98%	100.12%	97.47%	> 100.00%
Required asset maintenance	22,881				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	61,828	4.02%	2.92%	2.92%	
Gross replacement cost	1,539,440				

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

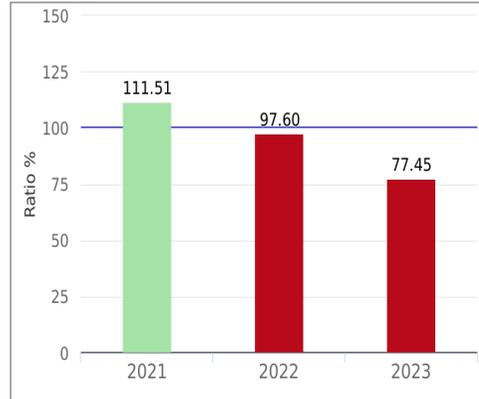
(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Mid-Western Regional Council

Report on infrastructure assets as at 30 June 2023 (voluntary)

as at 30 June 2023

Buildings and infrastructure renewals ratio



Buildings and infrastructure renewals ratio

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

Commentary on result	
22/23 ratio	77.45%

Benchmark: — > 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Asset maintenance ratio



Asset maintenance ratio

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

Commentary on result	
22/23 ratio	98.98%

Council's asset maintenance ratio still remains close to the 100% target.

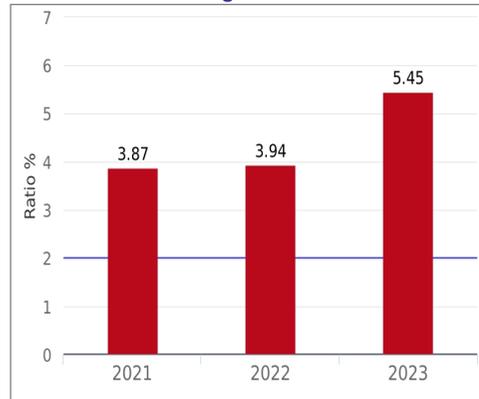
Benchmark: — > 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Infrastructure backlog ratio



Infrastructure backlog ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

Commentary on result	
22/23 ratio	5.45%

Natural disaster damage and delays in maintenance of some assets reduced asset conditions, resulting in a higher cost to bring assets back to the agreed service level.

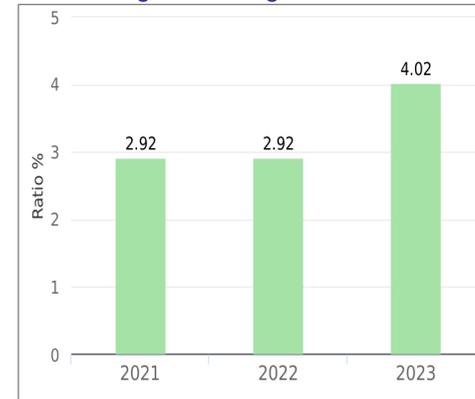
Benchmark: — < 2.00%

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



Cost to bring assets to agreed service level

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

Commentary on result	
22/23 ratio	4.02%

This ratio has remained low, as Council continues to renew most of its existing assets. Natural disaster damage and delays in maintenance of some assets reduced asset conditions, resulting in a higher cost to bring assets back to the agreed service level.

Mid-Western Regional Council

Report on infrastructure assets as at 30 June 2023 (voluntary)

as at 30 June 2023

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2023	2022	2023	2022	2023	2022	
Buildings and infrastructure renewals ratio							
Asset renewals ¹							
Depreciation, amortisation and impairment	105.45%	113.54%	3.96%	28.56%	13.71%	25.79%	> 100.00%
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	3.44%	2.99%	11.81%	9.84%	20.32%	8.09%	< 2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	98.76%	100.34%	103.45%	95.21%	95.09%	105.72%	> 100.00%
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	2.67%	2.33%	6.53%	5.49%	12.31%	4.89%	

(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.

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