



# Business Papers 2022

MID-WESTERN REGIONAL COUNCIL

**ORDINARY MEETING**  
WEDNESDAY 16 NOVEMBER 2022

**SEPARATELY ATTACHED ATTACHMENTS**

*A prosperous and progressive  
community we proudly call home*



# ATTACHMENTS

Report 7.1	Attachment 1	MWRC Quarterly Report Q1 2022-23 .....	3
Report 9.1	Attachment 1	Financial Statements 2022 .....	24
Report 9.2	Attachment 1	Annual Report 2021/22.....	152
Report 9.4	Attachment 1	Quarterly Budget Review Attachments September 2022 .....	244



2022-23 MRT Quarterly Report  
Q1: July to September 2022

*prepared for*

MID-WESTERN REGIONAL COUNCIL

## PURPOSE

Mudgee Region Tourism (MRT) Acting CEO tables this quarterly operational report to the MRT Board.

## BOARD + EXECUTIVE TEAM

- MRT attended Mudgee Small Farm Field Days 8 + 9 June
- Feel the Love Reconnect, Rediscover, Reimagine campaign launch + in market 11 July
- MWRC Tourism + Visitor Information Services contract and Licence Agreement confirmed
- Probationary Performance Evaluation successfully completed for all Experience Experts
- Quarterly Events Meeting with MWRC, MWA, MFF, Mudgee Business
- Destination Central West DMP Workshop 17 August
- MWRC Q4 Report presented to Councillors 17 August
- NSW Tourism Award Submission completed for Visitor Servicing submitted 24 August
- Industry Magazine + Map Launch at Blue Wren Farm – The Barn 30 August
- Tim Booth appointment to MRT CEO 9 September
- Australia's Top Tourism Awards Canberra 13 September
- Mudgee named Australia's Top Tourism Town second year running
- MRT pop-up VIC stall at Flavours of Mudgee
- September Team Meeting + team introduction to Tim Booth 27 September
- MRT Finalist in the NSW Tourism Awards for Visitor Information Servicing

## GRANTS + FUNDING

- **NSW Bushfire Local Economic Recovery Fund (BLERF) – Stage 2**  
28 January 2021 application made for \$495K Feel the Love in Mudgee Region Campaign  
30 June 2021 application successful  
Project in works
- **Australian Government Building Better Regions Fund (BBRF) – Round Five**  
12 March 2021 application made for \$20K Mudgee Region Industry Development Strategy  
13 October 2021 application successful  
Project in works
- **Australian Government Building Better Regions Fund (BBRF) – Round Five**  
12 March 2021 application made for \$20K Mudgee Region Wellness Sector Strategy  
13 October 2021 application successful  
Project in works
- **Regional Skills Relocation Grant application**  
9 June 2022 application made for \$10K CEO relocation support  
23 August application unsuccessful

## DESTINATION MARKETING

### MARKETING PLAN **Feel the Love – Reconnect | Rediscover | Reimagine**

Feel the Love in the Mudgee Region (FTL) is a destination campaign not only designed to help the local tourism industry recover from the devastating 2019–20 bushfires, but to position the region as Australia's most loved destination.

To do this, MRT are working with key partners to support the tourism operators in our region to shift the highly neutral sentiment of the region represented in media, online and review platforms to positive. We're looking to build on this highly successful and award-winning campaign, maintaining our momentum as a forward-thinking destination + retaining the title of Australia's most loved destination.

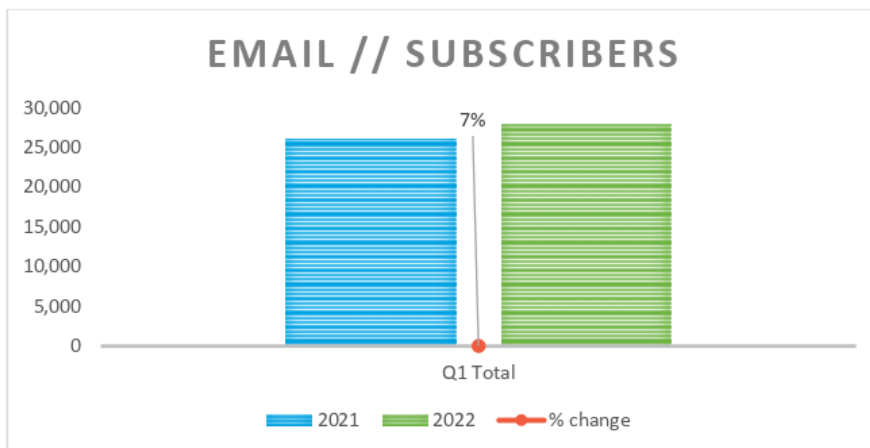
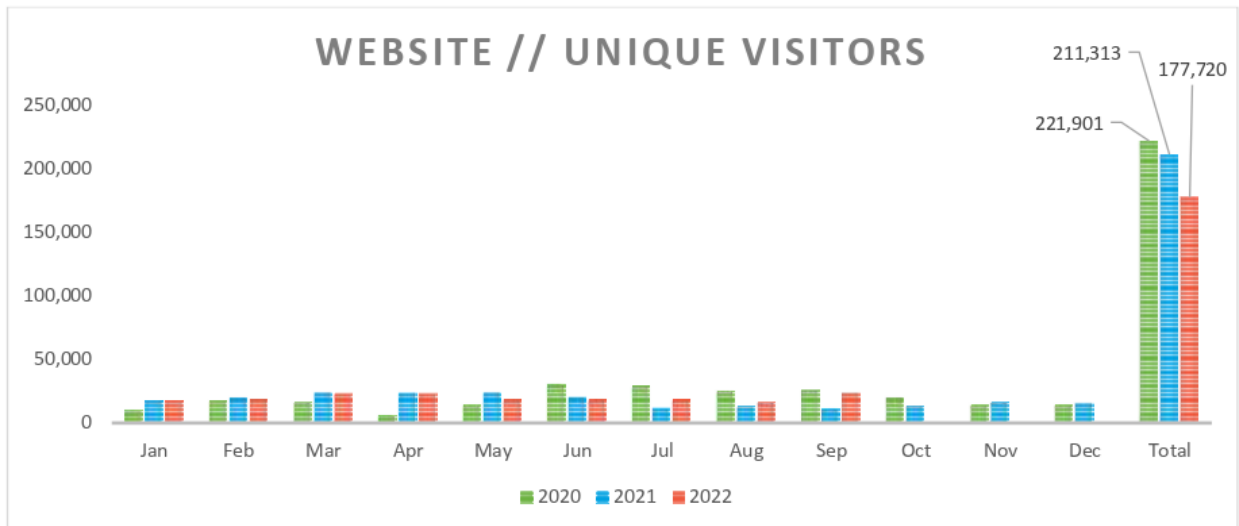
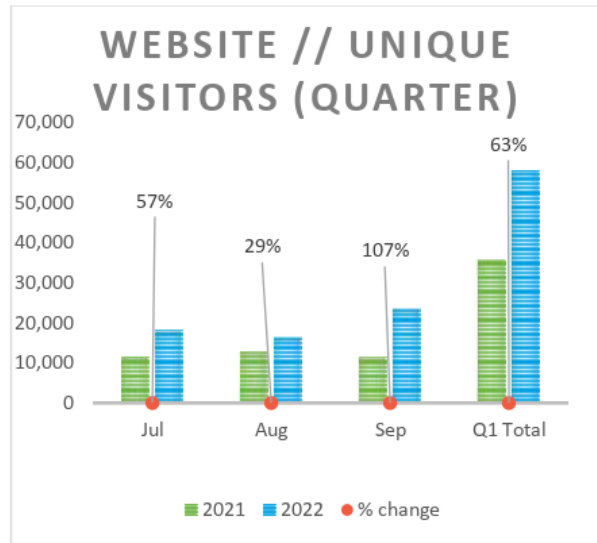
- **Feel the Love – Reconnect | Rediscover | Reimagine** strategy and execution plan [HERE](#)

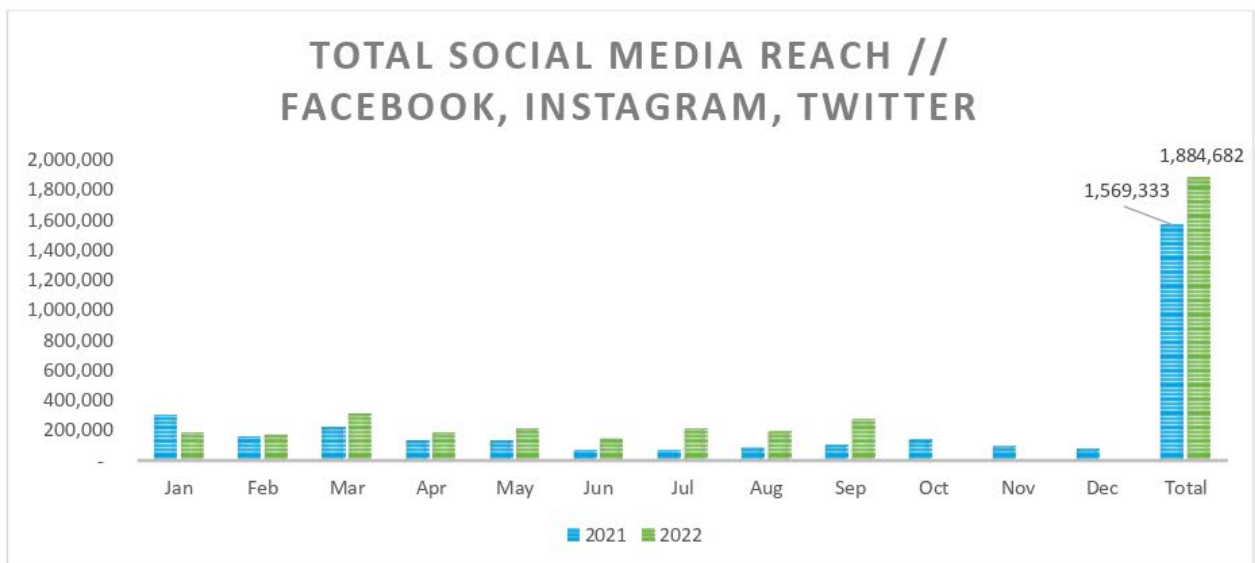
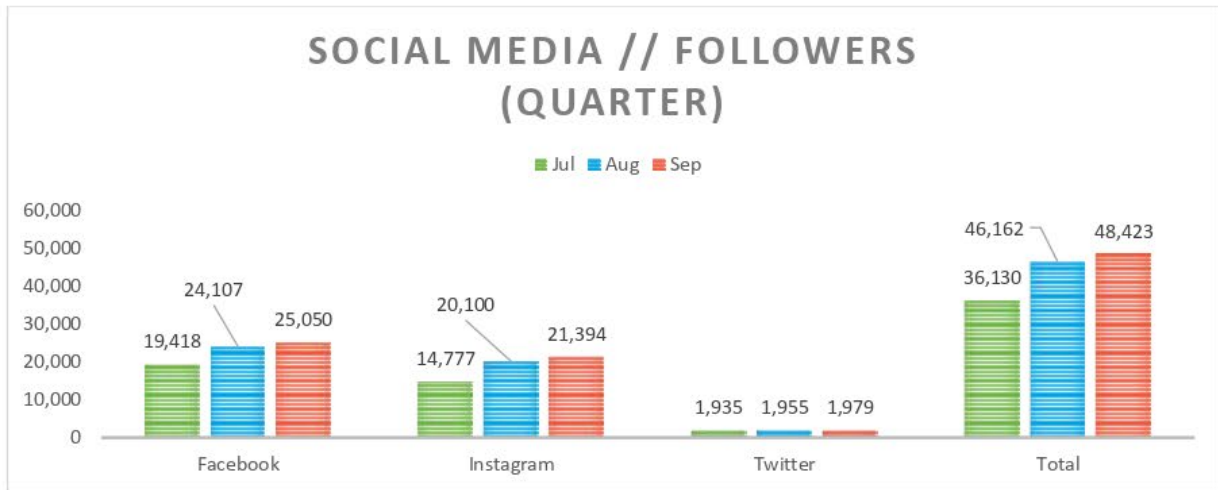
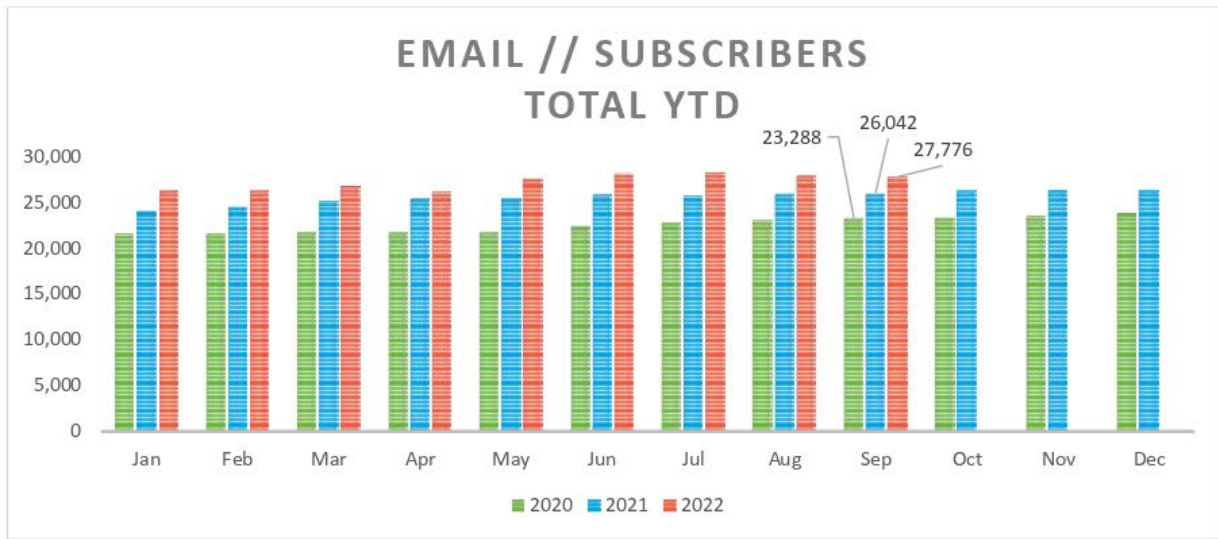
**MARKETING CAMPAIGN RESULTS**

**Feel the Love – Reconnect | Rediscover | Reimagine outcomes and results to date:**

<b>BLERF KPIs</b>			
<b>Goal</b>	<b>Objectives // KPIs (July '22 to June '23)</b>	<b>Baseline</b>	<b>Progress or action(s) taken as at end of September '22</b>
1. Content Audit	Fill the gaps identified in the audit to deliver a well-rounded content library, reflective of all towns + experiences in the Mudgee Region.		Klick X conducted a comprehensive audit of existing content library to identify gaps  22 December 2021 Klick X provided a Content Audit Report
2. Destination Sentiment Index Reports	Increase the current DSS to 50+ by the end of the campaign term (currently 36 per overall sentiment score presented)		Klick X collected data to provide a deep dive into online sentiment for Mudgee Region across Australian media, social media and Tripadvisor  Klick X have provided a two DSI Reports for 2019-20 and 2020-21  2020-21 MRT DSI completed Feb 22. Overall sentiment decreased from 39 to 36, however we retain the highest score and remain the most loved region just ahead of Margaret River on 35. Hunter Valley 28, Orange 25. Reference full report  2022 DSI Report due early in the new year of 2023
3. Delivery industry development program	Secure 30+ attendees at each workshop		Workshops to be scheduled for early in the new year of 2023
4. Secure cooperative campaign partners	40 campaign packages secured	Baseline of 30 from previous campaigns	22 campaign packages
5. Increase destination website visitation	Average 20,000 visitors to the website per month		19,354 average visitors to the website

**WEBSITE + SOCIAL MEDIA DATA**





**Note:** Reach figures recorded for 2020 exclude any paid social media activity

**POPULAR SOCIAL MEDIA POSTS**

The most high-performing FB + Instagram posts for the quarter

**Mudgee Region**  
Published by Jenna Ann Lucinda · July 17

Take a winter road trip to Rylstone and discover the charm + sophistication of this gorgeous town.  
Explore heritage streetscapes, natural beauty, gorgeous boutiques, country pubs and food + wine delights

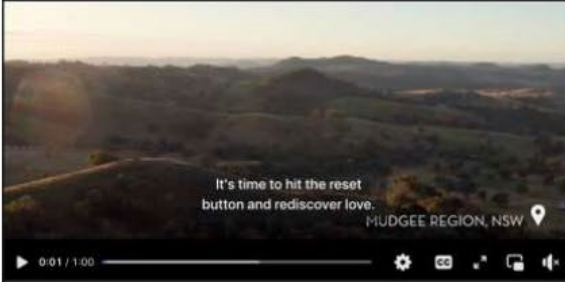


32,095 People reached    709 Engagements    +9.1x higher Distribution score    [Boost post](#)

204    14 Comments 17 Shares

**Mudgee Region**  
Published by Jenna Ann Lucinda · July 11

It's time to hit the reset button  
For the love of self, family, and friends – traveling here will leave you feeling balanced, reconnected.  
From reconnecting with a stunning country landscape + wellness moments, to rediscovering vibrant art and culture, to reimagining wine and foodie delights ... See more



0:01 / 1:00

VISITMUDGEEREGION.COM.AU  
Reconnect + Rediscover + Reimagine - Mudgee Region    [Learn more](#)

32,226 People reached    1,484 Engagements    [Boost again](#)

**Video insights**

<b>Impressions</b>	<b>8,886</b>
From Home	5,165
From Other	3,112
From Profile	596
From Hashtags	9



**mudgeeregion**  
Mudgee Region

mudgeeregion From stunning natural scenery, delicious local produce + award-winning wines, here's how the @mudgeeregion made you feel the love this week

Share your snaps with us! Tag @mudgeeregion + #mudgeeregion to be featured

Photo: @jessyoursman #mudgee #winesouthwest #mudgeeregion #mudgee #mudgeeregion

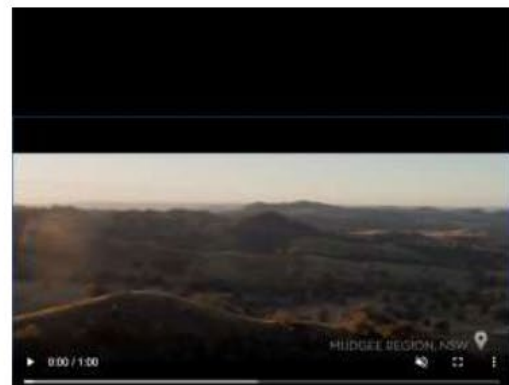
12 · 10k · 10k

petitfarm Happy to call it out home! 🍷🍷

12 · 10k · 10k

stuartweeds There's no better view than the one from @mudgeeregion!

12 · 10k · 10k



**Video insights**  
July 11 · duration: 1:01

2772    210    24    97    23

**Overview**

Accounts reached 7,904  
Content interactions 354  
Profile activity 42

**Reach**

7,904 Accounts reached

5,400 Followers    2,504 Fan-Followers

**Post Insights**

506    11    16    13

**Interactions**

26 Actions taken from this post

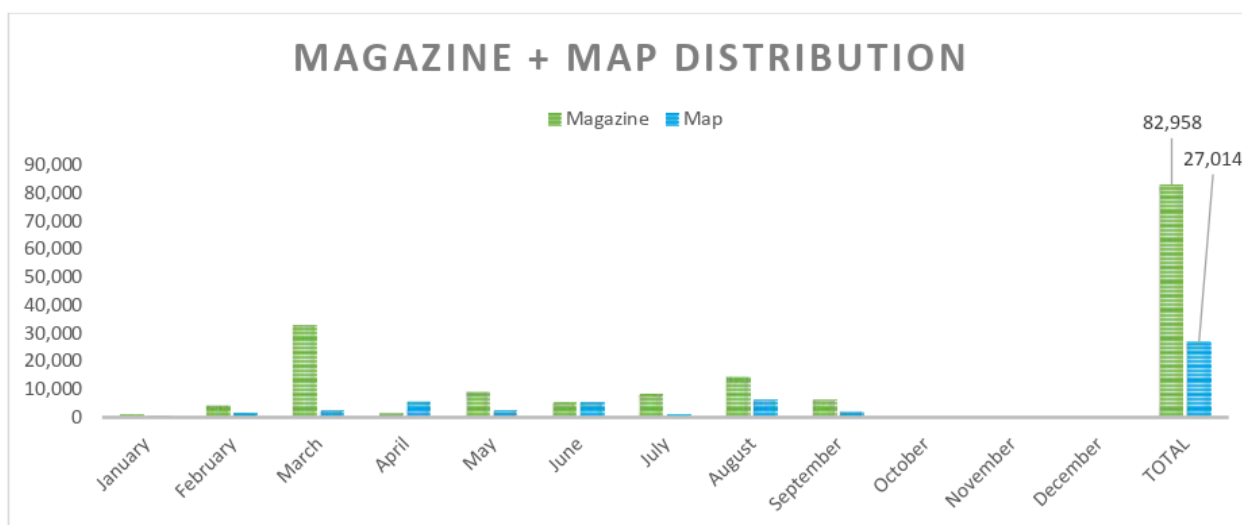
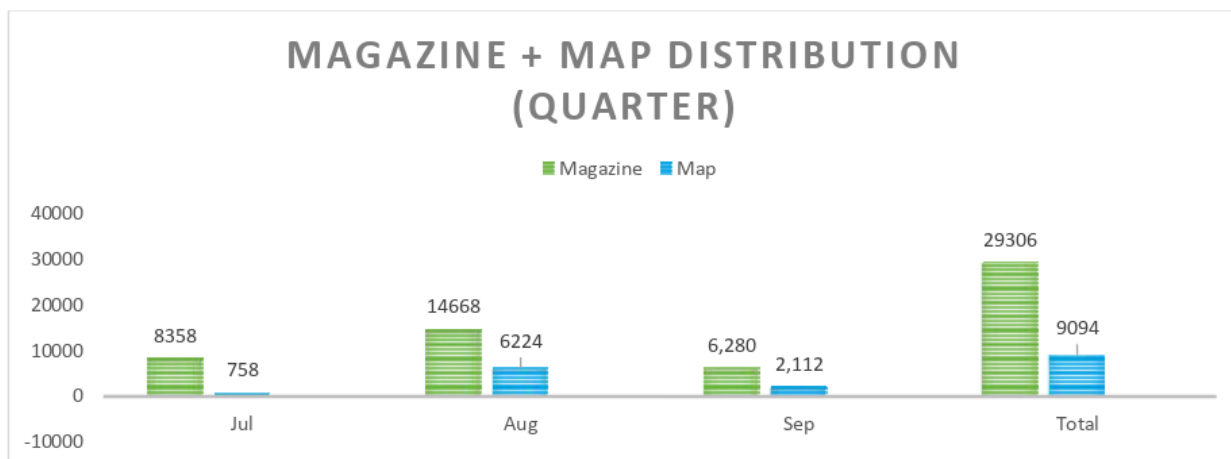
Profile Visits 26

**Discovery**

6,047 Accounts reached  
10% weren't following mudgeeregion

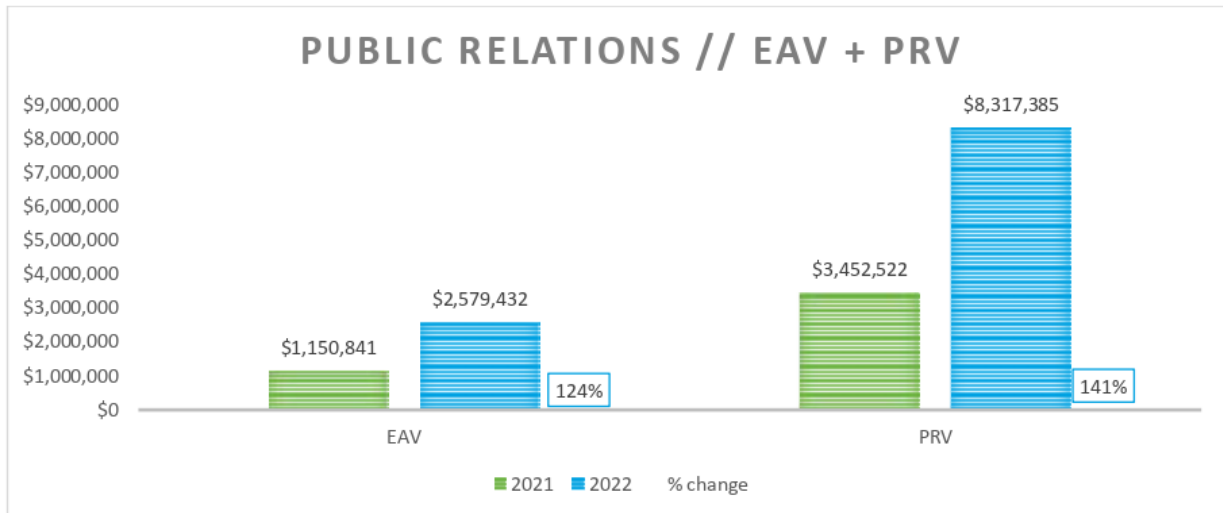
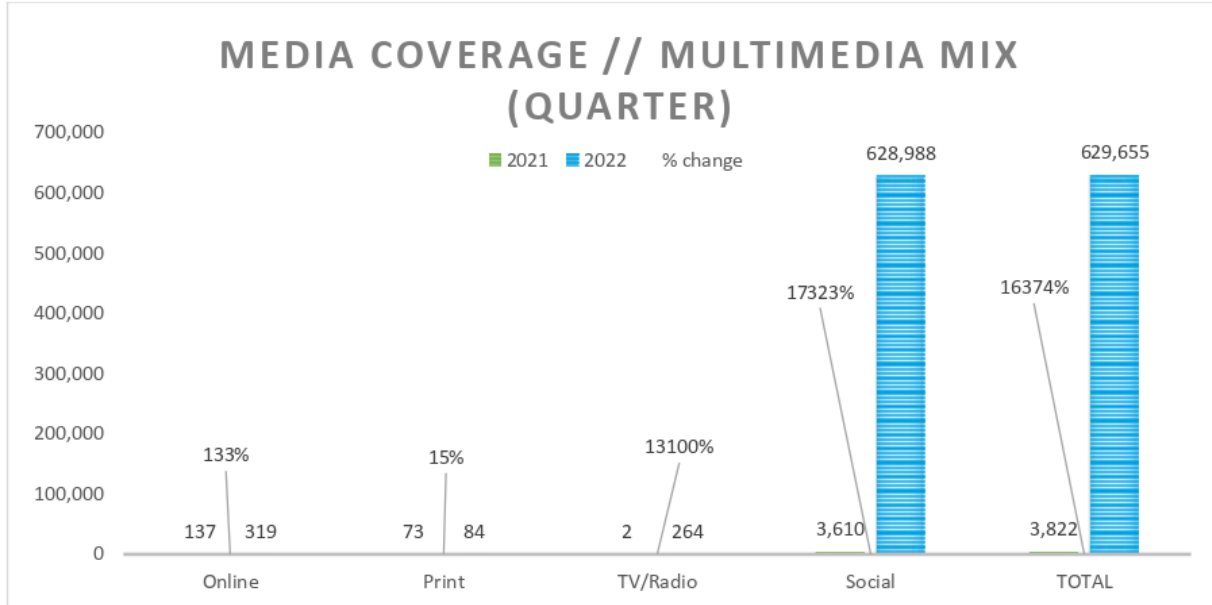
Impressions	7,150
From Home	6,203
From Profile	535
From Hashtags	295
From Other	82
Follows	0





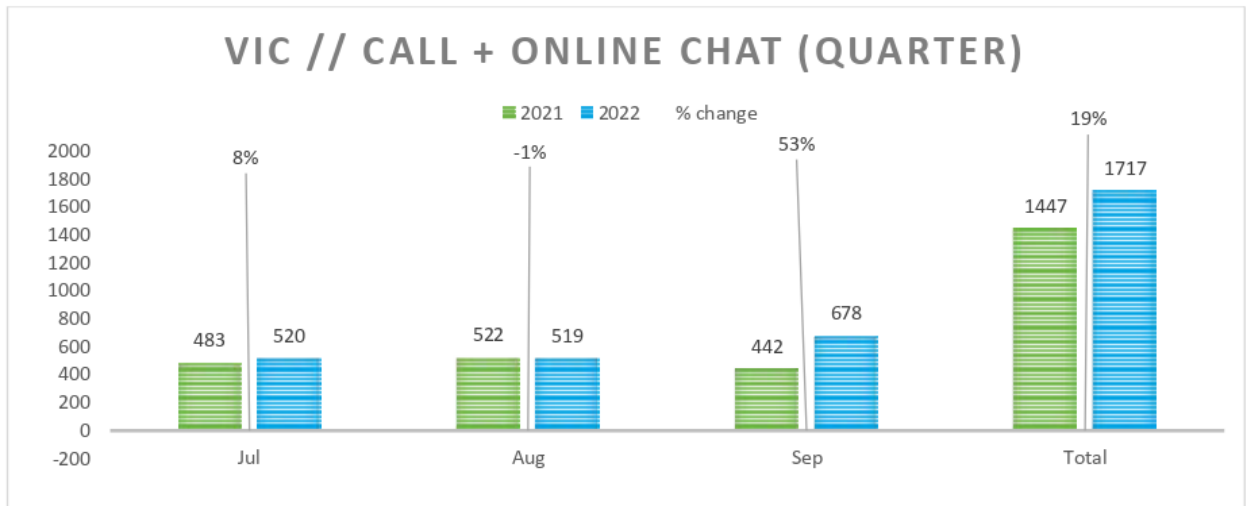
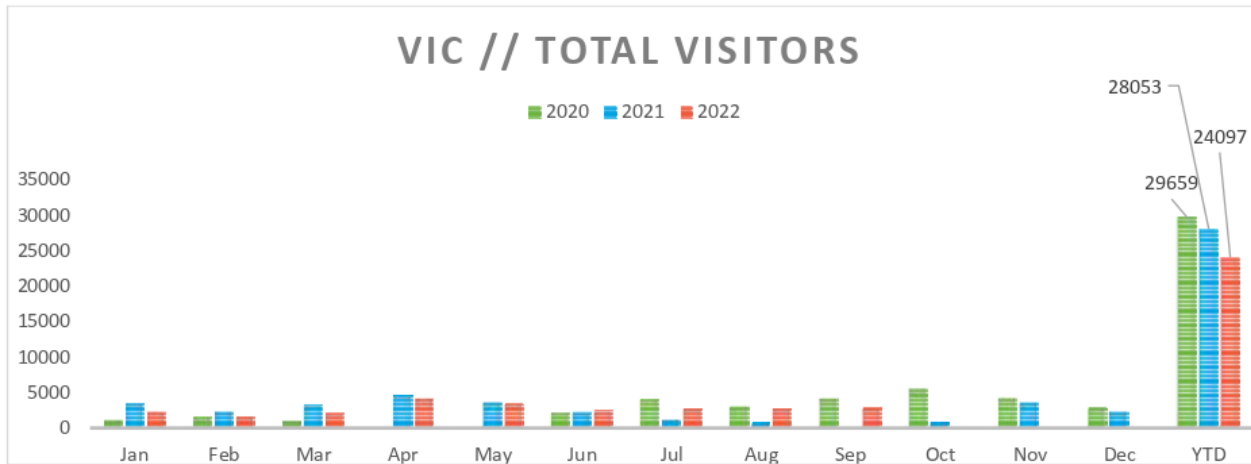
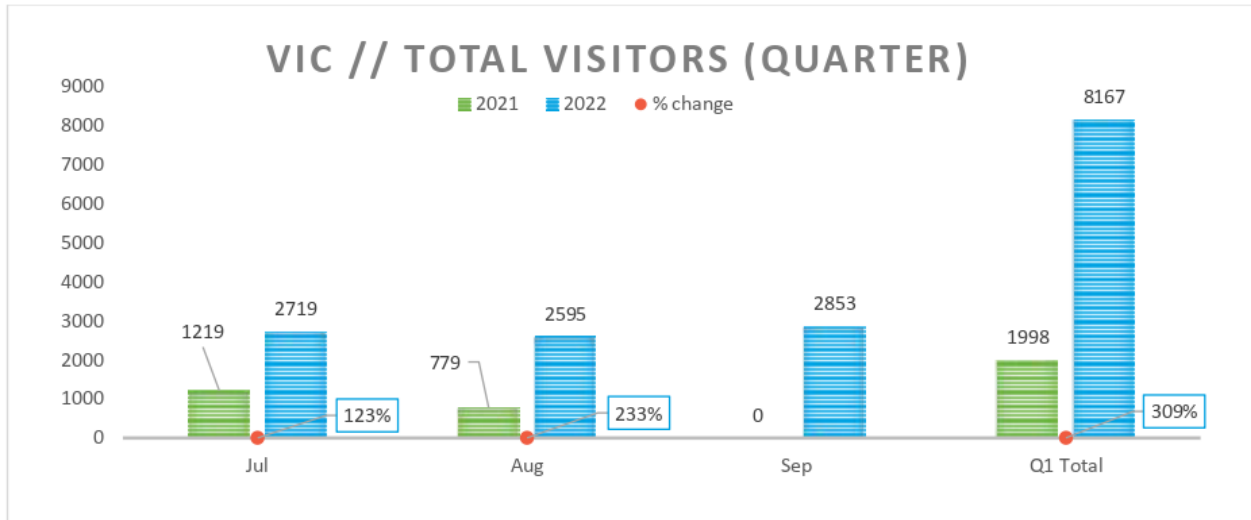
- Unique website visitation was up 63% on Q1 previous year
- 17,702 external websites click-throughs for the quarter
- 183 Partner enquiry forms sent directly to partners
- Top 3 referral sites:
  - July: Department of Education + Training, [australiantraveller.com](http://australiantraveller.com), Exclusively Mudgee
  - August: MRT Facebook, Depart of Education + Training, [visitnsw.com](http://visitnsw.com)
  - September: MRT Facebook, [visitnsw.com](http://visitnsw.com), [australiantraveller.com](http://australiantraveller.com)
- Top 3 landing pages:
  - July: Mudgee Region homepage, Festivals + Events, Rest Your Head
  - August: Mudgee Region homepage, What's On, Eat + Treat
  - September: Mudgee Region homepage, What's On, Rest Your Head
- Email subscribers up 7% on Q1 last year
- Social Media followers was up 5% on Q1 last year
- Organic reach for the Q1
  - Facebook @ 593,778
  - Instagram @ 54,234
  - Twitter @ 1,058
- Most popular posts were partner posts: Rylstone Road Trip Campaign (Reach 32,073), Feel the Love Campaign video (Reach 30,671) + Lowe Family Wine Co Platinum Partner post (11,106)
- Magazine distribution was up 81% and Map distribution was up 207% on Q1 last year due 2021 Covid19 second lockdown

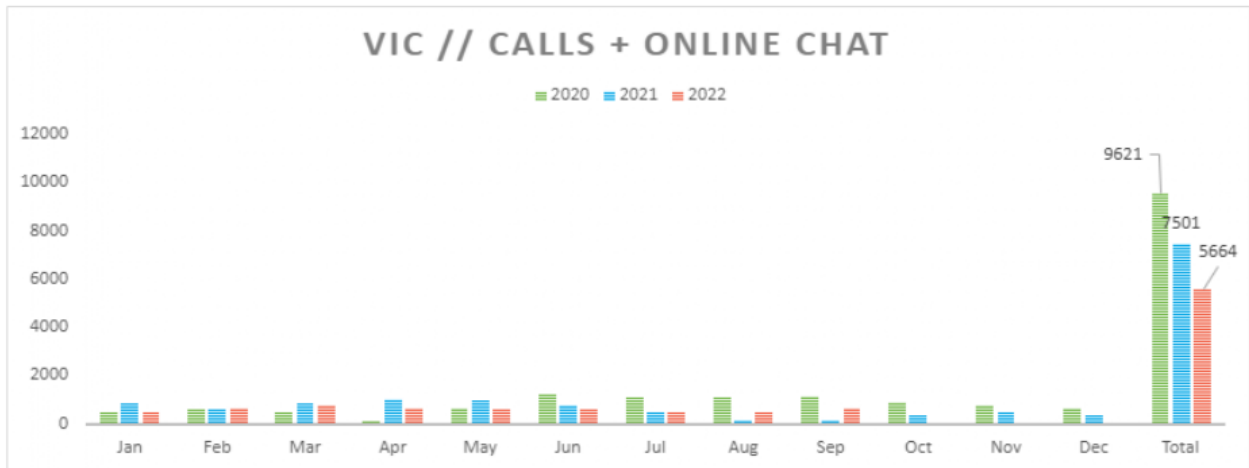
**PUBLIC RELATIONS + MEDIA COVERAGE**



- For media coverage/articles, click [here](#) to access our digital press room.
- Estimated Advertising Value (EAV) was up 124% on Q1 the previous year and Public Relations Value (PRV) was up 141%
- Media coverage increased due to Feel the Love Reconnect, Rediscover, Reimage campaign activity and Australia’s Top Tourism Town announcement.

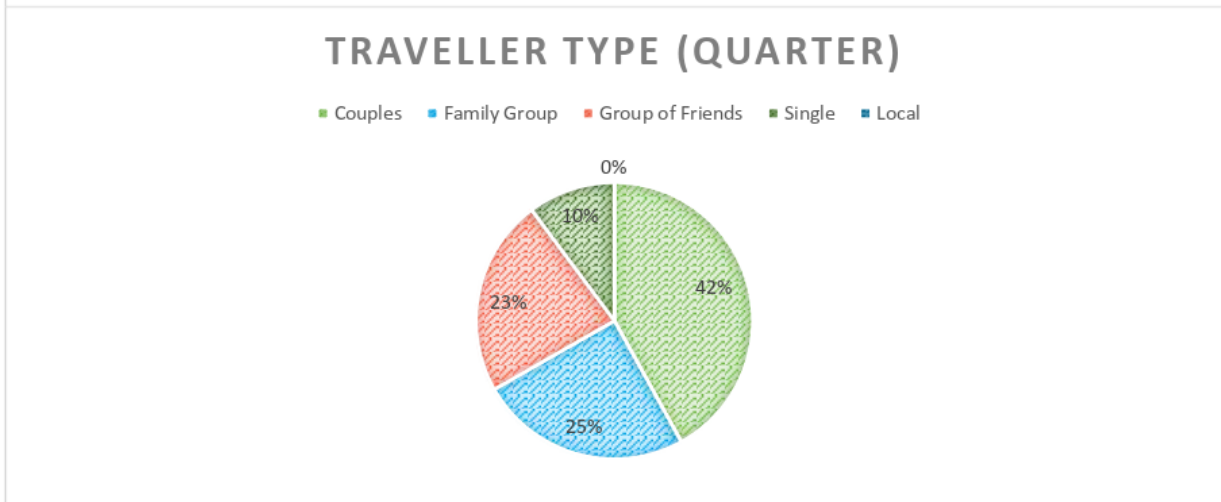
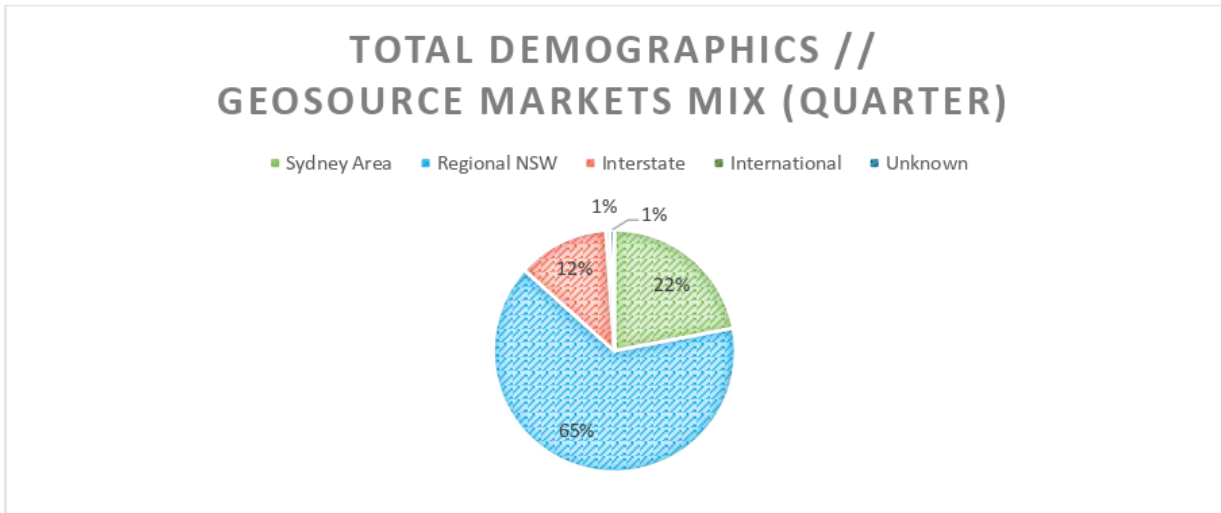
**VISITOR INFORMATION CENTRES (VIC)**





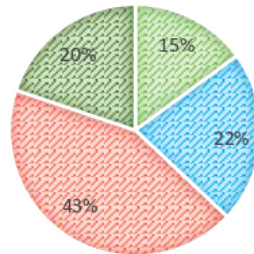
- VIC visitation was up 309% on Q1 last year due to COVID-19 second lockdown
- Calls + online chat was up 19%

**VISITOR DEMOGRAPHICS + GEOGRAPHICAL DATA**

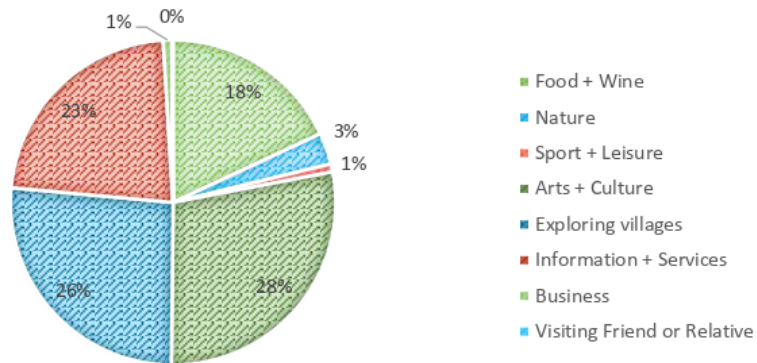


### AGE GROUP (QUARTER)

■ 18-34 years ■ 35-44 years ■ 45-64 years ■ 65+ years

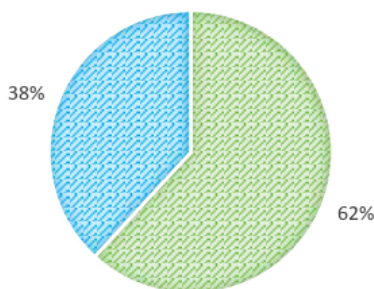


### VISITOR INTERESTS (QUARTER)



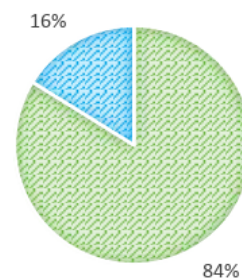
### REPEAT VISITORS (QUARTER)

■ Yes ■ No

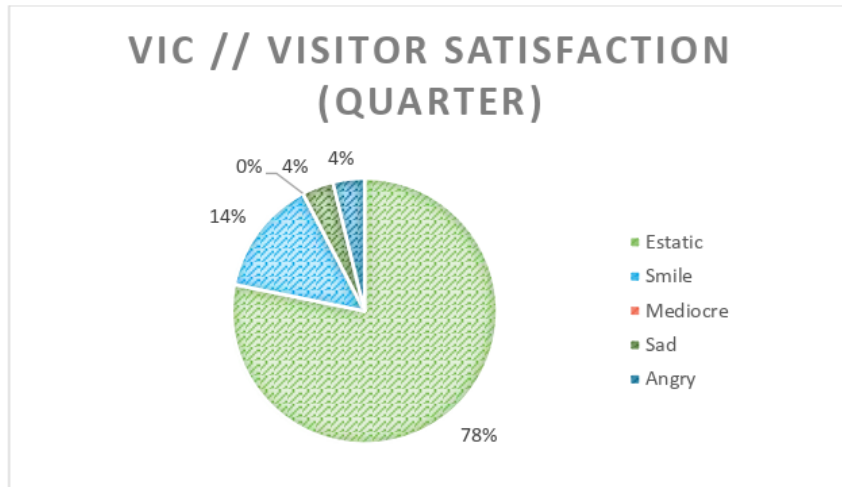


### FORECAST REPEAT VISITORS <12 MONTHS (QUARTER)

■ Yes ■ No

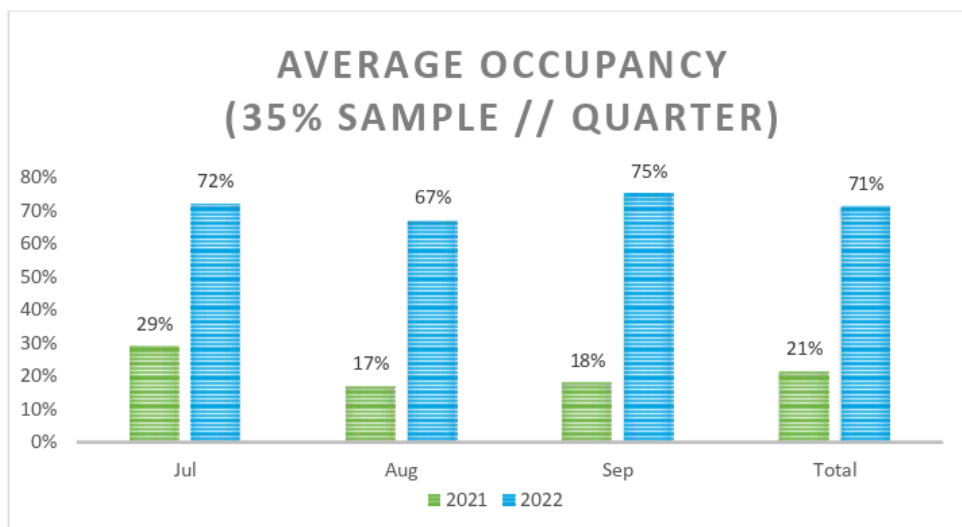
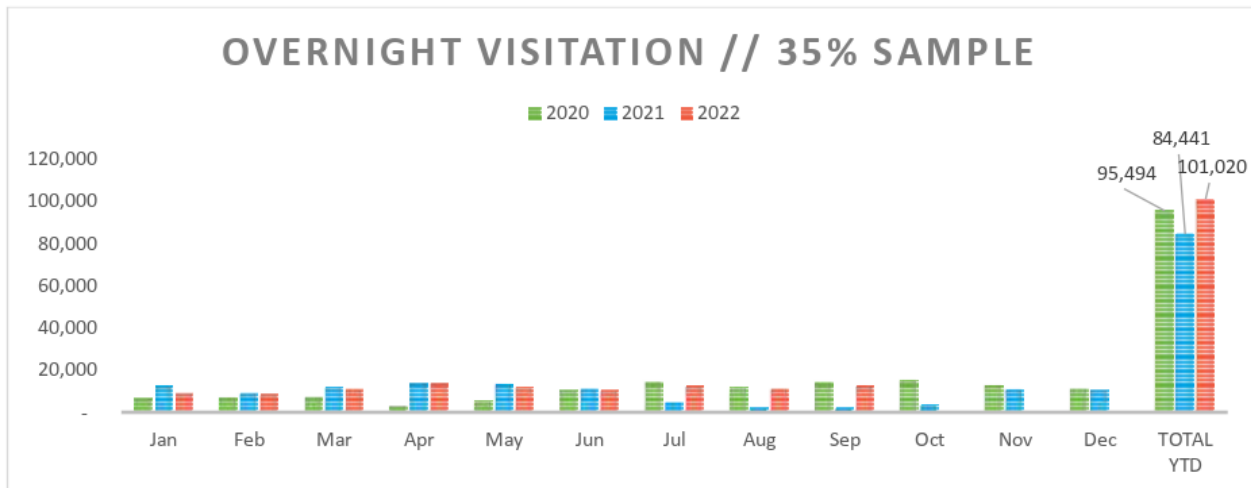
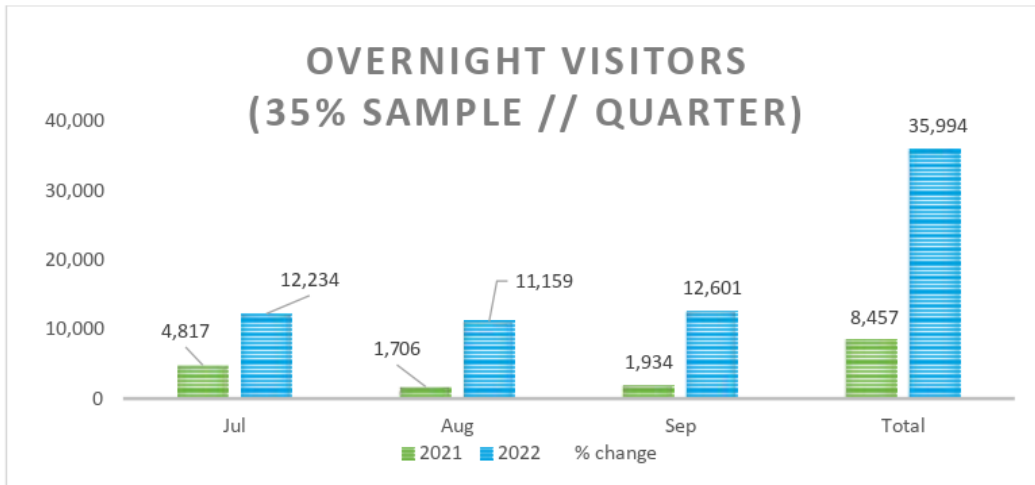


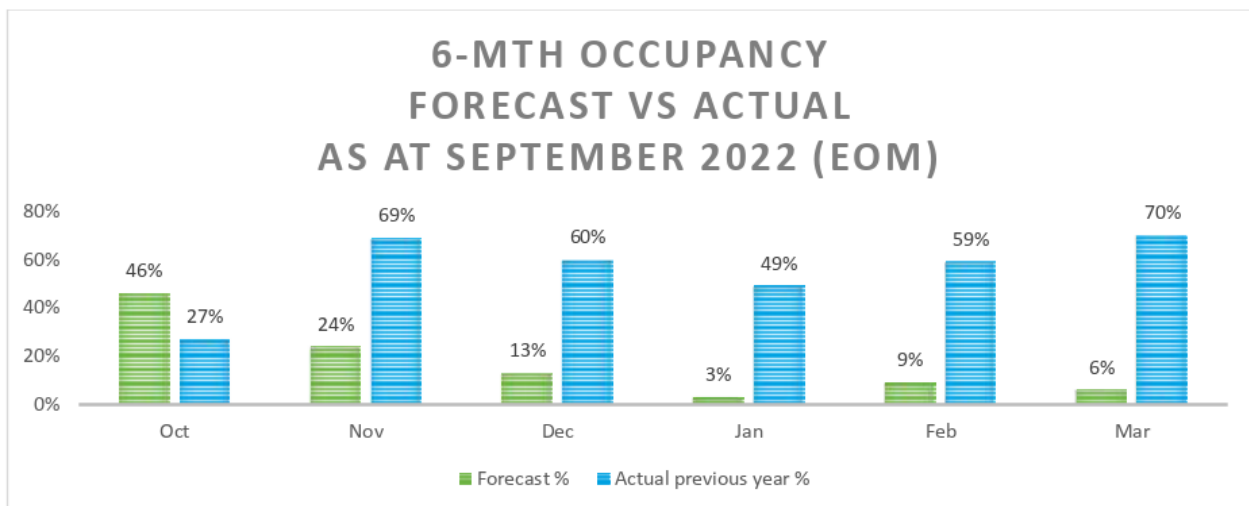
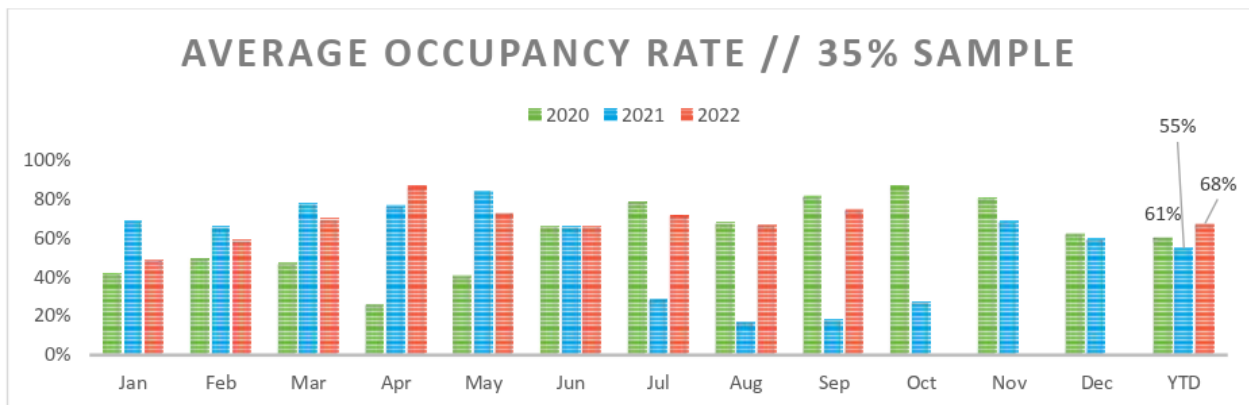
- Regional NSW strongest geographic source market, 65% – includes 2850 postcode, followed by Sydney Region 22%
- Demographics: primarily couples, 45–65-year old's, purpose of visit for majority of visitors to VIC is for Arts + Culture
- 62% repeat visitors, 84% to return within 12 months

**VISITOR SATISFACTION****Mudgee Visitor Centre Survey Comments:**

- All good
- Be happy
- Nice gift packs \$50 and below
- You guys have always been a great help each and every visit to Mudgee
- No tips at this time
- Staff are excellent; keep up the good work
- Nothing. Everything you are doing is great
- Happy way things are
- Great staff
- Fantastic art exhibition wow!! Continue what you're doing and showing the amazing artists I'm the central west region ❤️
- Keep up the great work. Your information centre is just wonderful
- More caravan parking area
- Places open to eat on Mondays
- Same artwork

**OVERNIGHT VISITATION**

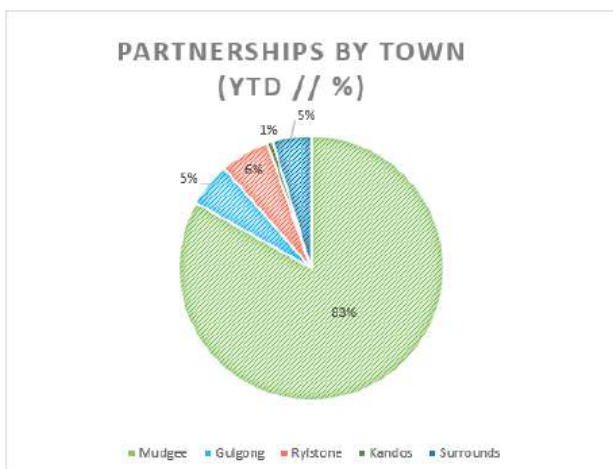
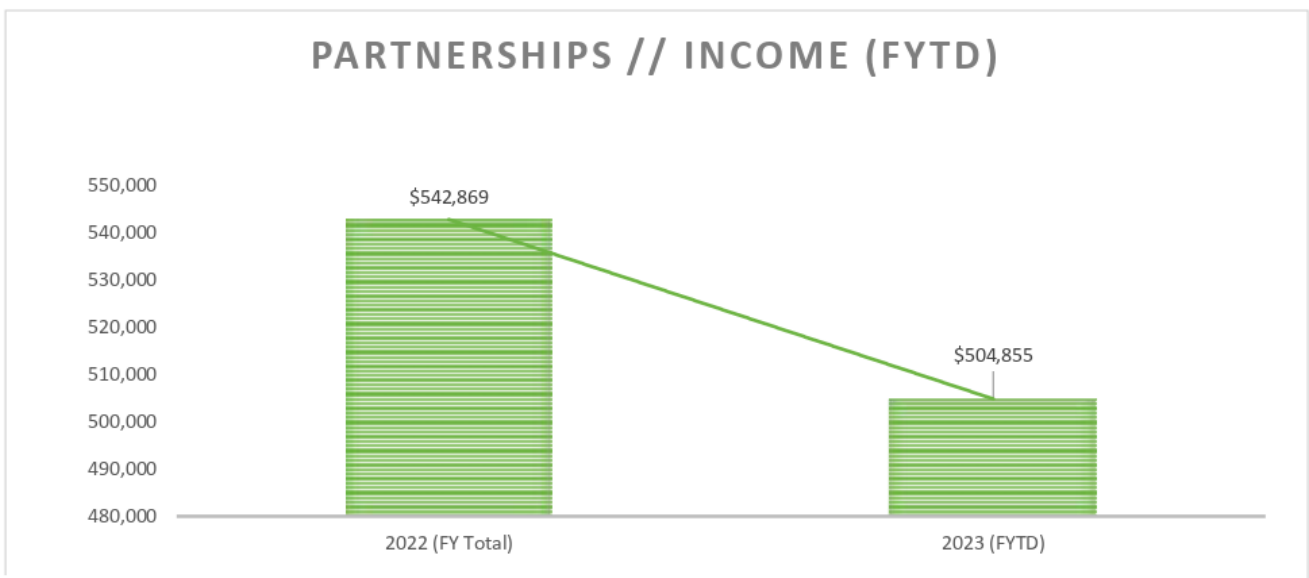
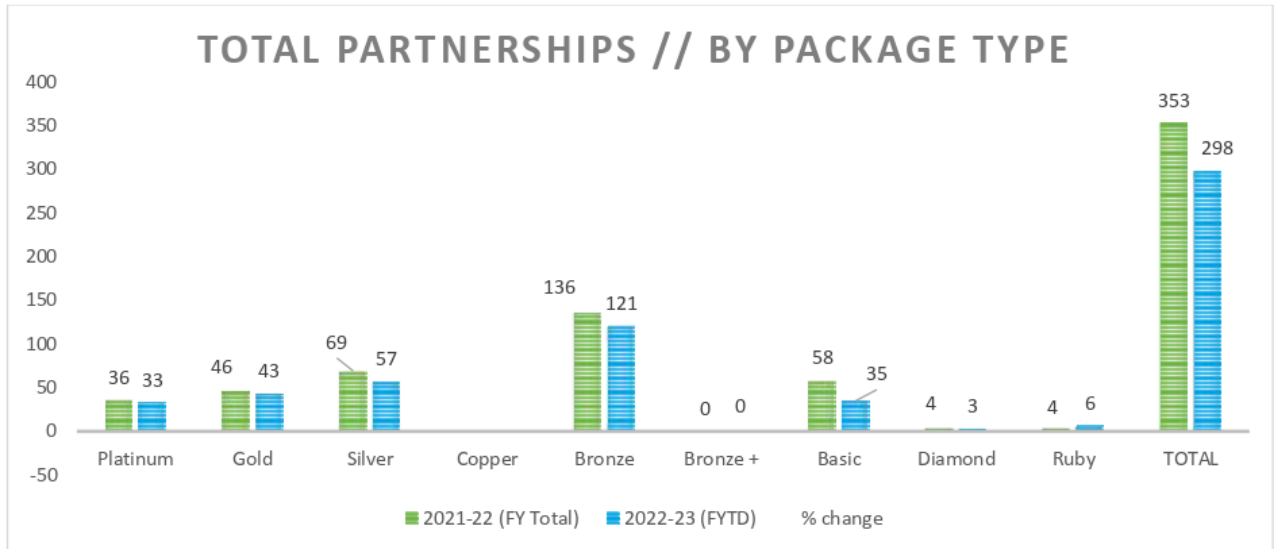




- Overnight visitors up (326%) for Q1 from accommodation sample size of 35% of MRT accommodation partnership. This is due to COVID-19 second lockdown during Q1 last year, primarily essential workers travelling
- Average occupancy for Q1 at 71%, was significantly up the same period in the previous year (21%)
- Six-month occupancy forecast sourced from sample size of 35% to demonstrate future accommodation demand and actual occupancy rates from the previous year.



**PARTNERSHIPS**



- Total partnership packages tracking behind last year result 16%
- Total partnership income FYTD behind last year result 7.5%
- 83% of partnership is in Mudgee, 5% Gulgong, 6% Rylstone and 5% Kandos

**TOURISM OPPORTUNITIES NEW! working progress with MWRC**

Identify potential tourism infrastructure or opportunities that would secure a stronger tourism economy. Work with Council on identifying new opportunities or gaps that would improve tourism offering on the region. Provide a quarterly report with findings. Include number of new tourism businesses opened and those closed in the region in the quarter

New Tourism Business open in Q1	Tourism Business Closed in Q2

\*Data to be provided by MWRC

Visitation Spend Q1	Origin

\*Data to be provided by MWRC (Spendmap by Geografia)

Potential Tourism Infrastructure	Weakness or Gap	Opportunity
<b>Accommodation</b>	Limited commercial accommodation options and range or types of accommodation, especially outside of Mudgee township. High occupancy rates during peak periods is also a challenge for growing the visitor economy.	Encourage further investment in accommodation on vineyards or within wineries to enhance the range of small-scale and boutique accommodation on offer, reinforcing the more intimate setting of the region (Hero).
<b>Dining</b>	Demand for hospitality can exceed availability and often leads to visitors or guests being disappointed. Encouraging pre-booking of hospitality, especially restaurants as well as seven-day week trading would help to alleviate this problem.	Encourage the development of more on-vineyard dining experiences. This could include investment in a significant new wine and food experience space or centre, which integrates the landscape, produce and culture of the Mudgee Region through high-quality design (Hero).
<b>Health + Wellness</b>	Increasing interest in health and well-being provides an opportunity to enhance and promote the wellness offering of the region, including accommodation, activities and packages that take advantage of the quality local produce and rural and nature-based settings of the region.	Develop and promote wellness tourism experiences, including encouraging investment in wellness retreats or centres. This should leverage the region's outstanding local produce, arts, music and creativity (Hero). Council to support (where appropriate) initiatives to leverage the interest in leisure cycling, mountain biking, the existing mountain biking trail network and events (Supporting).
<b>Transport</b>	Transport within the Mudgee Region is largely perceived as a barrier to tourism, especially after hours and to support wine tourism and visitor disbursement to towns and villages	Increasing connectivity between the towns of the Mudgee Region would significantly enhance the appeal of attending live music, sporting events or art exhibitions etc. It would also enable visitors to plan an extended stay, especially for those who arrive by air.
<b>Directional and welcome signage</b>	Poor signage including limited signage for Mudgee VIC	Investigate opportunities to improve signage for the region and Mudgee VIC.

- MRT CEO, BDM + MWRC Manger of Economic Development (Michele Mini) + Business Support Officer (Adrian Cooney) to meet quarterly and discuss Visitor Economy. First meeting held 12 October to establish reporting requirements of visitation data (ie MWRC Spendmap, MRT Accommodation + VIC data), potential tourism infrastructure, new tourism businesses opened and those closed in the region and risks to tourism economy.
- Final reporting to be established at next quarterly meeting 15 February 2023

**PROGRESS // 2020–25 DESTINATION MANAGEMENT PLAN GOALS + ACTIVITY**

Goal	Measurable Objectives (KPIs) (over the period 2020 to 2025)	Progress or action taken, as of September 2022
<p><b>A.</b> Leverage existing visitor markets to encourage increased length of stay and yield</p>	<p>Increase the visitor economy spend by 20% or 200,000 visitor nights.</p>	<p>306% increase in overnight visitation FYTD on previous year.</p> <p>At the start of FY22, overnight visitation down due to state-wide COVID19 lockdowns, travel restrictions, phased approached to re-opening + lack of consumer confidence.</p>
<p><b>B.</b> Encourage greater regional dispersal to share the benefits of tourism across the entire Mudgee Region</p>	<p>Increase in participation in events and tickets sales at museums and attractions by 10% in centres such as Gulgong, Kandos and Rylstone.</p>	<p>Ticket sales back on a rise now COVID restrictions have relaxed. Gross event ticket sales up on same period last year 6500%.</p>
<p><b>C.</b> Strengthen the appeal of the region year-round to contribute to the viability of local businesses and to support vibrant communities</p>	<p>Increase in positive sentiment achieved as measured by an analysis of social media and online media sentiment.</p> <p>Increase in digital content delivered for multichannel distribution relating to low and shoulder seasons.</p>	<p>MRT are aiming for an increase in positive sentiment from 2019 baseline NPS (Net Promoter Score) of 50.</p> <p>2020-21 MRT Media Sentiment Report completed Feb 22. Overall sentiment decreased from 39 to 36, however we retain the highest score and remain the most loved region just ahead of Margaret River on 35. Hunter Valley 28, Orange 25. Reference full report.</p> <p>Feel the Love Reconnect, Rediscover and Reimagine campaign in market from July 2022.</p> <p>Announced Australia's Top Tourism Town second year in a row.</p> <p>MRT to attend Lane Cove Food + Wine by the River on Sunday 6 Nov.</p>
<p><b>D.</b> Focus on higher-yield markets by enriching the experience offer</p>	<p>Increase in the number of higher-yield products, tours and experiences listed on the Australian Tourism Data Warehouse (ATDW) and on online booking platforms.</p>	<p>New website with ATDW integration. This project increased ATDW listings significantly (180% - baseline 80). MRT will continue to work with local industry to increase our region's digital presence.</p> <p>MRT Crew pro-active outreach to partners who are yet to complete their ATDW listing.</p>
<p><b>E.</b> Enhance collaboration and partnerships to support the visitor economy</p>	<p>Increase partnership engagement and resulting financial contribution to MRT by 10%.</p>	<p>Total partnership packages tracking behind last year result by 16% respectively income is behind 7.5%.</p> <p>Funding secured to develop a Mudgee Region Tourism Industry Engagement Strategy to support a changing tourism environment, support local business partners and guide the future growth of Mudgee Region Tourism to directly impact and support a vibrant visitor economy.</p> <p>Partner workshops scheduled for October, strategy to be in place for 2023-24 Partnership Drive.</p>

## FINANCIAL PERFORMANCE

1. **Nature of Report**
  - a. This is the financial report for the first quarter of the MRTI 2022–23 financial year, given to Mid-Western Regional Council (MWRC) under the reporting format as agreed under the contract executed between MWRC and MRTI.
  - b. The report demonstrates the preliminary trading result for the financial quarter ended 30 Sep 2022.
2. **Accounting Conventions**
  - a. The attached P&L and Balance Sheet have been prepared from the Xero General Ledger with no external intervention other than formatting.
  - b. Accrual accounting is used under GAAP.

**Overall Result**  
Operating Profit/Net Income at end of Q1 \$337K, \$83K ahead of budget.
3. **Trading Income**  
Retail trading income at end Q1 \$46K, \$8K behind budget.
4. **Total Income**  
Overall revenue \$12K ahead of budget.  
  
Gross Profit \$16K ahead of budget.
5. **Total Expenses**  
Total expenses under budget \$67K.
  - a. The organisation continues to be under financial control.
6. **Cash Funds**  
At the end of Q1 of the 2022–23 Financial Year, Cash-on-Hand is the primary current asset \$478K (primarily due to BLERF first instalment payment)
7. **Balance Sheet**  
A balance sheet is included as part of this report.

**CONSOLIDATED PROFIT + LOSS:  
 Q1 YTD vs Budget YTD // Q1 Previous Year Comparison**

PROFIT & LOSS	2022/2023 (YTD)	Budget	Budget Variance	2021/2022 (YTD)	YTD Variance
<b>Revenue</b>					
Retail Sales	\$45,656	\$53,500	-\$7,844	\$18,313	\$27,343
Ticket and Booking Income	\$1,682	\$668	\$1,014	\$115	\$1,567
Partnership Income	\$504,855	\$486,870	\$17,985	\$534,514	-\$29,659
Mid Western Regional Council	\$191,900	\$190,000	\$1,900	\$196,140	-\$4,239
Grants & Other Income	\$33,240	\$34,240	-\$1,000	\$60,620	-\$27,380
<b>Total Revenue</b>	<b>\$777,333</b>	<b>\$765,278</b>	<b>\$12,055</b>	<b>\$809,701</b>	<b>-\$32,368</b>
<b>Cost of Sales</b>					
COGS Mudgee	\$32,686	\$37,600	-\$4,914	\$13,260	\$19,426
COGS Partnership	\$3,377	\$2,500	\$877	\$4,922	-\$1,544
COGS Ticketing	\$0	\$0	\$0	\$3	-\$3
<b>Total Cost of Sales</b>	<b>\$36,063</b>	<b>\$40,100</b>	<b>-\$4,037</b>	<b>\$18,185</b>	<b>\$17,878</b>
<b>Gross Profit</b>	<b>\$741,270</b>	<b>\$725,178</b>	<b>\$16,092</b>	<b>\$791,516</b>	<b>-\$50,246</b>
<b>Expenses</b>					
Bank and Professional / Consultant Fees	\$11,129	\$11,059	\$70	\$10,269	\$860
Computer & IT Expenses	\$2,604	\$4,680	-\$2,076	\$2,926	-\$323
Depreciation	\$6,261	\$7,283	-\$1,022	\$6,690	-\$429
Partner Costs	\$3,000	\$4,930	-\$1,930	\$4,847	-\$1,847
Operating Costs	\$14,327	\$10,870	\$3,457	\$12,271	\$2,056
Regional Marketing	\$52,034	\$68,250	-\$16,216	\$34,388	\$17,646
Staff & Board Costs (not Salaries & Wages)	\$2,867	\$9,985	-\$7,118	\$6,754	-\$3,887
Staff Wages & Salaries	\$168,395	\$195,424	-\$27,029	\$172,441	-\$4,046
Magazine and Map	\$142,730	\$158,841	-\$16,111	\$154,066	-\$11,336
Suspense	-\$252	\$0	-\$252	\$0	-\$252
Recruitment	\$990	\$0	\$990	\$0	\$990
<b>Total Expenses</b>	<b>\$404,086</b>	<b>\$471,322</b>	<b>-\$67,236</b>	<b>\$404,653</b>	<b>-\$567</b>
<b>Operating Profit</b>	<b>\$337,184</b>	<b>\$253,856</b>	<b>\$83,328</b>	<b>\$386,863</b>	<b>-\$49,679</b>
<b>Other Expenses</b>					
Office Relocation	\$0	\$0	\$0	\$17,745	-\$17,745
<b>Earnings Before Interest &amp; Tax</b>	<b>\$337,184</b>	<b>\$253,856</b>	<b>\$83,328</b>	<b>\$369,118</b>	<b>-\$31,934</b>
<b>Net Income</b>	<b>\$337,184</b>	<b>\$253,856</b>	<b>\$83,328</b>	<b>\$369,118</b>	<b>-\$31,934</b>

## BALANCE SHEET – SEPTEMBER 2022

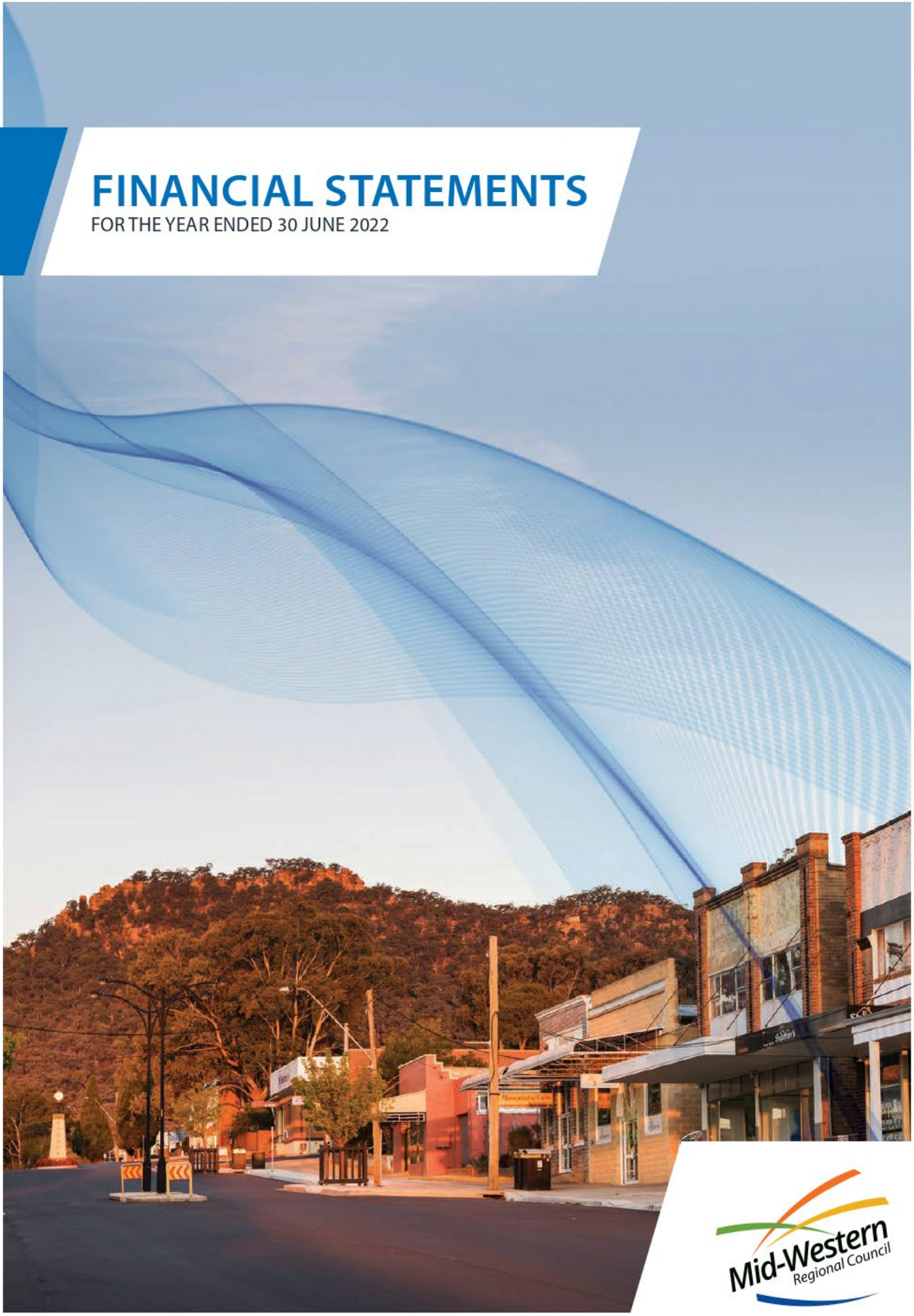
## Financial Quarterly Report

BALANCE SHEET	Q1 2022/2023
<b>ASSETS</b>	
<b>Cash &amp; Equivalents</b>	
Visa Debit Cards	\$1,276
NAB 14-080-1731	\$475,065
NAB Savings Acc	\$540
Stripe AUD	\$759
<b>Total Cash &amp; Equivalents</b>	<b>\$477,641</b>
<b>Accounts Receivable</b>	
Trade Debtors	\$6,864
Trade Debtors - Sub Account	-\$2,195
<b>Total Accounts Receivable</b>	<b>\$4,669</b>
<b>Inventory</b>	
Stock On Hand Mudgee	\$48,445
Stock on Hand - Consignment	\$634
Stock on Hand Mudgee - GST Free	-\$4,238
<b>Total Inventory</b>	<b>\$44,841</b>
<b>Other Current Assets</b>	
ING Management Account	\$7
Float	\$600
Undeposited Funds	-\$3,220
Retail POS System Clearing Account	\$1,862
Membership Fees Clearing Account	\$37,084
Prepayments [13505]	\$12,627
123Tix Ticket Sales	\$1,971
FBT Prepayment	\$4,373
Prepaid Aramex - Fastway	\$728
<b>Total Other Current Assets</b>	<b>\$56,033</b>
<b>Total Current Assets</b>	<b>\$583,184</b>
<b>Fixed Assets</b>	
Motor Vehicle	\$53,227
Accum Deprn - Motor Vehicle	-\$34,161
Plant & Equipment	\$53,556
Accum Deprn - Plant & Equipment	-\$20,481
Office Equipment	\$13,876
Accum Deprn - Office Equipment	-\$4,239
Furniture & Fittings @ Cost	\$57,027
Accum Deprn - Furniture & Fittings	-\$12,637
<b>Total Fixed Assets</b>	<b>\$106,169</b>
<b>Investments or Other Non-Current Assets</b>	
Intangible Asset - Web update	\$91,836
Accum Deprn - Intangible Assets	-\$52,818
2011 Advertisement	\$340
<b>Total Investments or Other Non-Current Assets</b>	<b>\$39,358</b>
<b>Total Non-Current Assets</b>	<b>\$145,526</b>
<b>Total Assets</b>	<b>\$728,711</b>
<b>LIABILITIES</b>	

	Q1 2022/2023
<b>Accounts Payable</b>	
Trade Creditors	\$67,079
<b>Tax Liability</b>	
PAYG Withholding Tax	\$7,538
<b>Other Current Liabilities</b>	
Suspense [13600]	\$1,601
GST	-\$3,448
Superannuation Payable	\$5,237
Rounding	\$0
Conversion clearing account	\$66
Accruals	\$11,635
Rounding Adj Account	\$4
Provision for Holiday Pay [25600]	\$34,388
Countrylink Tickets	\$936
Income in Advance - Bronze	-\$830
Provision for Purchase of Consignment Stock	\$225
Income in Advance - BLERF	\$32,500
<b>Total Other Current Liabilities</b>	<b>\$82,313</b>
<b>Total Current Liabilities</b>	<b>\$156,930</b>
<b>Other Non-Current Liabilities</b>	
Chattel Mtg Liability(current)	\$2,192
UnExp Int-Chattel Mtg Current	-\$36
Provision for LSL [25602]	\$24,267
<b>Total Other Non-Current Liabilities</b>	<b>\$26,422</b>
<b>Total Non-Current Liabilities</b>	<b>\$26,422</b>
<b>Total Liabilities</b>	<b>\$183,352</b>
<b>EQUITY</b>	
<b>Retained Earnings</b>	
Retained Earnings	\$208,174
<b>Current Earnings</b>	
Current Year Earnings	\$337,184
<b>Total Equity</b>	<b>\$545,358</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$728,711</b>

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022





# Mid-Western Regional Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2022

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



## Mid-Western Regional Council

### General Purpose Financial Statements

for the year ended 30 June 2022

Contents	Page
<b>Understanding Council's Financial Statements</b>	<b>3</b>
<b>Statement by Councillors and Management</b>	<b>4</b>
<b>Primary Financial Statements:</b>	
Income Statement	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
<b>Notes to the Financial Statements</b>	<b>10</b>
<b>Independent Auditor's Reports:</b>	
On the Financial Statements (Sect 417 [2])	93
On the Financial Statements (Sect 417 [3])	97

#### 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](http://www.midwestern.nsw.gov.au)

## Mid-Western Regional Council

### General Purpose Financial Statements

for the year ended 30 June 2022

### Understanding Council's Financial Statements

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#### Introduction

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

#### What you will find in the Statements

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

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

#### About the Councillor/Management Statement

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

#### About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

##### 1. The Income Statement

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

##### 2. The Statement of Comprehensive Income

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

##### 3. The Statement of Financial Position

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

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

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

##### 5. The Statement of Cash Flows

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

#### About the Notes to the Financial Statements

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

#### About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

#### Who uses the Financial Statements?

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

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

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

## Mid-Western Regional Council

### General Purpose Financial Statements for the year ended 30 June 2022

#### Statement by Councillors and Management

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

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 17 August 2022.



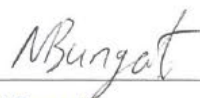
Des Kennedy  
Mayor  
17 August 2022



Sam Paine  
Deputy Mayor  
17 August 2022



Brad Cam  
General Manager  
17 August 2022



Neil Bungate  
Acting Chief Financial Officer  
17 August 2022

Mid-Western Regional Council | Income Statement | for the year ended 30 June 2022

## Mid-Western Regional Council

### Income Statement

for the year ended 30 June 2022

Original unaudited budget 2022 \$ '000		Notes	Actual 2022 \$ '000	Actual 2021 \$ '000
	<b>Income from continuing operations</b>			
44,782	Rates and annual charges	B2-1	44,707	43,720
14,893	User charges and fees	B2-2	16,599	19,108
4,024	Other revenues	B2-3	2,340	1,856
14,418	Grants and contributions provided for operating purposes	B2-4	16,598	14,344
33,054	Grants and contributions provided for capital purposes	B2-4	22,912	33,370
1,736	Interest and investment income	B2-5	836	974
–	Other income	B2-6	2,243	2,290
112,907	<b>Total income from continuing operations</b>		<b>106,235</b>	115,662
	<b>Expenses from continuing operations</b>			
30,472	Employee benefits and on-costs	B3-1	29,479	26,524
15,670	Materials and services	B3-2	24,083	22,945
545	Borrowing costs	B3-3	533	691
18,239	Depreciation, amortisation and impairment of non-financial assets	B3-4	18,380	19,511
8,556	Other expenses	B3-5	2,380	1,788
1,843	Net loss from the disposal of assets	B4-1	290	2,792
75,325	<b>Total expenses from continuing operations</b>		<b>75,145</b>	74,251
37,582	<b>Operating result from continuing operations</b>		<b>31,090</b>	41,411
37,582	<b>Net operating result for the year attributable to Council</b>		<b>31,090</b>	41,411
4,528	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<b>8,178</b>	8,041

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

Mid-Western Regional Council | Statement of Comprehensive Income | for the year ended 30 June 2022

## Mid-Western Regional Council

## Statement of Comprehensive Income

for the year ended 30 June 2022

	Notes	2022 \$ '000	2021 \$ '000
<b>Net operating result for the year – from Income Statement</b>		<b>31,090</b>	<b>41,411</b>
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-8	<b>70,256</b>	4,365
Adjustment to correct prior period errors		–	1,749
Impairment (loss) reversal / (revaluation decrement) relating to infrastructure, property, plant and equipment	C1-8	–	725
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>70,256</b>	<b>6,839</b>
Amounts which will be reclassified subsequently to the operating result when specific conditions are met			
Asset Remediation provision movements		<b>1,425</b>	112
<b>Total items which will be reclassified subsequently to the operating result when specific conditions are met</b>		<b>1,425</b>	<b>112</b>
<b>Total other comprehensive income for the year</b>		<b>71,681</b>	<b>6,951</b>
<b>Total comprehensive income for the year attributable to Council</b>		<b>102,771</b>	<b>48,362</b>

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

Mid-Western Regional Council | Statement of Financial Position | for the year ended 30 June 2022

## Mid-Western Regional Council

### Statement of Financial Position

as at 30 June 2022

	Notes	2022 \$ '000	2021 \$ '000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	5,343	6,807
Investments	C1-2	83,427	71,712
Receivables	C1-4	7,792	7,656
Inventories	C1-5	1,640	1,917
Contract assets and contract cost assets	C1-6	3,819	8,281
Current assets classified as held for sale	C1-7	–	653
Other	C1-11	291	94
<b>Total current assets</b>		<b>102,312</b>	<b>97,120</b>
<b>Non-current assets</b>			
Investments	C1-2	39,000	25,114
Infrastructure, property, plant and equipment (IPPE)	C1-8	1,123,576	1,036,303
Investment property	C1-9	8,709	7,934
Intangible assets	C1-10	339	413
Right of use assets	C2-1	476	594
<b>Total non-current assets</b>		<b>1,172,100</b>	<b>1,070,358</b>
<b>Total assets</b>		<b>1,274,412</b>	<b>1,167,478</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	8,962	8,285
Contract liabilities	C3-2	12,826	12,841
Lease liabilities	C2-1	74	87
Borrowings	C3-3	1,940	1,568
Employee benefit provisions	C3-4	7,427	8,312
Provisions	C3-5	2,467	56
<b>Total current liabilities</b>		<b>33,696</b>	<b>31,149</b>
<b>Non-current liabilities</b>			
Lease liabilities	C2-1	430	514
Borrowings	C3-3	14,333	8,873
Employee benefit provisions	C3-4	565	597
Provisions	C3-5	1,130	4,858
<b>Total non-current liabilities</b>		<b>16,458</b>	<b>14,842</b>
<b>Total liabilities</b>		<b>50,154</b>	<b>45,991</b>
<b>Net assets</b>		<b>1,224,258</b>	<b>1,121,487</b>
<b>EQUITY</b>			
Accumulated surplus	C4-1	546,897	513,803
IPPE revaluation reserve	C4-1	677,361	607,684
<b>Council equity interest</b>		<b>1,224,258</b>	<b>1,121,487</b>
<b>Total equity</b>		<b>1,224,258</b>	<b>1,121,487</b>

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 2022

## Mid-Western Regional Council

## Statement of Changes in Equity

for the year ended 30 June 2022

	2022			2021 <sup>1</sup>		
	Accumulated surplus \$ '000	IPPE revaluation reserve \$ '000	Total equity \$ '000	Accumulated surplus \$ '000	IPPE revaluation reserve \$ '000	Total equity \$ '000
Opening balance at 1 July	513,803	607,684	1,121,487	467,189	605,936	1,073,125
<b>Restated opening balance</b>	<b>513,803</b>	<b>607,684</b>	<b>1,121,487</b>	<b>467,189</b>	<b>605,936</b>	<b>1,073,125</b>
Net operating result for the year	31,090	–	31,090	41,411	–	41,411
<b>Net operating result for the period</b>	<b>31,090</b>	<b>–</b>	<b>31,090</b>	<b>41,411</b>	<b>–</b>	<b>41,411</b>
<b>Other comprehensive income</b>						
Correction of prior period errors	–	–	–	1,990	(241)	1,749
Gain (loss) on revaluation of infrastructure, property, plant and equipment	–	70,256	70,256	–	4,365	4,365
Impairment (loss) reversal relating to IPP&E	–	–	–	–	725	725
Other movements (Asset remediation provision movement)	–	1,425	1,425	–	112	112
<b>Other comprehensive income</b>	<b>–</b>	<b>71,681</b>	<b>71,681</b>	<b>1,990</b>	<b>4,961</b>	<b>6,951</b>
<b>Total comprehensive income</b>	<b>31,090</b>	<b>71,681</b>	<b>102,771</b>	<b>43,401</b>	<b>4,961</b>	<b>48,362</b>
Transfers between equity items	2,004	(2,004)	–	3,213	(3,213)	–
<b>Closing balance at 30 June</b>	<b>546,897</b>	<b>677,361</b>	<b>1,224,258</b>	<b>513,803</b>	<b>607,684</b>	<b>1,121,487</b>

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 2022

Original unaudited budget 2022 \$ '000		Notes	Actual 2022 \$ '000	Actual 2021 \$ '000
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
44,472	Rates and annual charges		45,000	43,074
15,147	User charges and fees		15,112	18,928
1,775	Interest received		725	1,151
47,139	Grants and contributions		42,907	51,176
–	Bonds, deposits and retentions received		136	752
5,950	Other		10,662	8,816
<i>Payments:</i>				
(29,976)	Payments to employees		(29,268)	(26,032)
(11,892)	Payments for materials and services		(29,443)	(29,405)
(448)	Borrowing costs		(949)	(706)
–	Bonds, deposits and retentions refunded		–	(627)
(15,809)	Other		(2,745)	(2,934)
56,358	<b>Net cash flows from operating activities</b>	G1-1	<b>52,137</b>	<b>64,193</b>
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
3,584	Redemption of term deposits		61,100	121,000
–	Proceeds from sale of IPPE		3,045	3,087
<i>Payments:</i>				
(79)	Purchase of investments		138	(1,283)
–	Acquisition of term deposits		(87,300)	(134,414)
–	Purchase of investment property		–	(494)
(60,662)	Payments for IPPE		(36,289)	(49,529)
–	Purchase of intangible assets		(58)	(247)
(57,157)	<b>Net cash flows from investing activities</b>		<b>(59,364)</b>	<b>(61,880)</b>
<b>Cash flows from financing activities</b>				
<i>Receipts:</i>				
1,976	Proceeds from borrowings		7,400	–
<i>Payments:</i>				
(1,568)	Repayment of borrowings		(1,568)	(1,482)
–	Principal component of lease payments		(69)	(53)
408	<b>Net cash flows from financing activities</b>		<b>5,763</b>	<b>(1,535)</b>
(391)	<b>Net change in cash and cash equivalents</b>		<b>(1,464)</b>	<b>778</b>
8,246	Cash and cash equivalents at beginning of year		6,807	6,029
7,855	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>5,343</b>	<b>6,807</b>
70,710	plus: Investments on hand at end of year	C1-2	122,427	96,826
78,565	<b>Total cash, cash equivalents and investments</b>		<b>127,770</b>	<b>103,633</b>

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 2022

<b>A About Council and these financial statements</b>	<b>12</b>
A1-1 Basis of preparation	12
<b>B Financial Performance</b>	<b>15</b>
<b>B1 Functions or activities</b>	<b>15</b>
B1-1 Functions or activities – income, expenses and assets	15
B1-2 Components of functions or activities	16
<b>B2 Sources of income</b>	<b>17</b>
B2-1 Rates and annual charges	17
B2-2 User charges and fees	18
B2-3 Other revenues	19
B2-4 Grants and contributions	20
B2-5 Interest and investment income	25
B2-6 Other income	26
<b>B3 Costs of providing services</b>	<b>27</b>
B3-1 Employee benefits and on-costs	27
B3-2 Materials and services	28
B3-3 Borrowing costs	29
B3-4 Depreciation, amortisation and impairment of non-financial assets	30
B3-5 Other expenses	31
<b>B4 Gains or losses</b>	<b>32</b>
B4-1 Gain or loss from the disposal, replacement and de-recognition of assets	32
<b>B5 Performance against budget</b>	<b>33</b>
B5-1 Material budget variations	33
<b>C Financial position</b>	<b>35</b>
<b>C1 Assets we manage</b>	<b>35</b>
C1-1 Cash and cash equivalents	35
C1-2 Financial investments	36
C1-3 Restricted and allocated cash, cash equivalents and investments	37
C1-4 Receivables	39
C1-5 Inventories	40
C1-6 Contract assets and Contract cost assets	41
C1-7 Non-current assets classified as held for sale	42
C1-8 Infrastructure, property, plant and equipment	43
C1-9 Investment properties	48
C1-10 Intangible assets	49
C1-11 Other	50
<b>C2 Leasing activities</b>	<b>51</b>
C2-1 Council as a lessee	51
C2-2 Council as a lessor	54
<b>C3 Liabilities of Council</b>	<b>56</b>
C3-1 Payables	56
C3-2 Contract Liabilities	57

## Mid-Western Regional Council

### Contents for the notes to the Financial Statements for the year ended 30 June 2022

C3-3 Borrowings	58
C3-4 Employee benefit provisions	60
C3-5 Provisions	61
<b>C4 Reserves</b>	<b>62</b>
C4-1 Nature and purpose of reserves	62
<b>D Council structure</b>	<b>63</b>
<b>D1 Results by fund</b>	<b>63</b>
D1-1 Income Statement by fund	63
D1-2 Statement of Financial Position by fund	64
<b>D2 Interests in other entities</b>	<b>65</b>
D2-1 Interests in joint arrangements	65
D2-2 Unconsolidated structured entities	66
<b>E Risks and accounting uncertainties</b>	<b>67</b>
E1-1 Risks relating to financial instruments held	67
E2-1 Fair value measurement	70
E3-1 Contingencies	76
<b>F People and relationships</b>	<b>79</b>
<b>F1 Related party disclosures</b>	<b>79</b>
F1-1 Key management personnel (KMP)	79
F1-2 Councillor and Mayoral fees and associated expenses	80
<b>F2 Other relationships</b>	<b>81</b>
F2-1 Audit fees	81
<b>G Other matters</b>	<b>82</b>
G1-1 Statement of Cash Flows information	82
G2-1 Commitments	83
G3-1 Events occurring after the reporting date	83
<b>G4 Changes from prior year statements</b>	<b>83</b>
G4-1 Correction of errors	83
G4-2 Changes in accounting estimates	84
<b>G5 Statement of developer contributions as at 30 June 2022</b>	<b>85</b>
G5-1 Summary of developer contributions	85
G5-2 Developer contributions by plan	86
<b>G6 Statement of performance measures</b>	<b>87</b>
G6-1 Statement of performance measures – consolidated results	87
G6-2 Statement of performance measures by fund	88
<b>H Additional Council disclosures (unaudited)</b>	<b>89</b>
H1-1 Statement of performance measures – consolidated results (graphs)	89
H1-2 Financial review	91
H1-3 Council information and contact details	92

## A About Council and these financial statements

### A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 18 October 2022. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

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

Council is a not for-profit entity.

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

#### **Historical cost convention**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain 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:

continued on next page ...

## A1-1 Basis of preparation

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- General purpose operations
- Water service
- Sewerage service
- Waste management
- Mudgee Sports Council (s355)
- Gulgong Sports Council (s355)
- Rylstone Sports Council (s355)

### 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 \$198,000 based on an average salary and on costs council would be required to pay if the services were not donated.

### COVID-19 Impacts

Operations for the year ended 30 June 2022 have been impacted by the COVID 19 pandemic. The following steps were taken in response during the year:

#### Grant approved for Council

Emergency Services Levy in 2021/22, \$311,709 to cover the cost increase  
Emergency Support Meals on Wheels \$21,329  
Testing clinic and pop up vaccination clinic \$19,290  
Additional LRCI funding \$3,051,864  
Mudgee Arts Precinct \$2,954

#### Financial Support to Regional Airline

\$65,000 was provided in 2021/22 for a regional airline service subsidy agreement related to the pandemic.

#### Cancellation of events

The Flavours of Mudgee event proposed to be held in September 2021 was cancelled resulting in savings of approximately \$25,000.

#### Remote work

Covid 19 has caused a disruption to council's business practices with a number of staff working remotely from home or at other council facilities away from the main administration building. Whilst this has caused some inconvenience it has not resulted in significant additional cost. Some costs have been incurred for additional equipment and staff salaries for employees required to isolate.

Overall the financial impact has not been significant and is not anticipated to increase in future years.

Council is of the view that physical non-current assets will not experience substantial declines in value due to Covid. Fair value for the majority of Council's non-current assets is determined by replacement cost where there is no anticipated material change in value due to Covid.

## A1-1 Basis of preparation

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For assets where fair value is determined by market value Council has no evidence of material changes to these values due to the Covid 19 pandemic.

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

There was no new accounting standards and interpretations (as issued by the Australian Accounting Standards Board) mandatorily effective from 30 June 2022.

## 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.

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2022 \$ '000	2021 \$ '000	2022 \$ '000	2021 \$ '000	2022 \$ '000	2021 \$ '000	2022 \$ '000	2021 \$ '000	2022 \$ '000	2021 \$ '000
<b>Functions or activities</b>										
Looking after our community	9,653	19,792	16,510	15,526	(6,857)	4,266	8,454	18,468	127,037	117,232
Protecting our natural environment	21,289	21,976	19,817	20,485	1,472	1,491	1,719	2,294	212,808	208,595
Building a strong local economy	3,484	2,282	1,725	1,881	1,759	401	818	407	28,564	24,199
Connecting the region	21,868	25,094	21,910	24,495	(42)	599	18,079	18,572	713,270	653,020
Good government	49,941	46,518	15,183	11,864	34,758	34,654	10,490	7,973	192,889	163,876
Other	-	-	-	-	-	-	(50)	-	(156)	556
<b>Total functions and activities</b>	<b>106,235</b>	<b>115,662</b>	<b>75,145</b>	<b>74,251</b>	<b>31,090</b>	<b>41,411</b>	<b>39,510</b>	<b>47,714</b>	<b>1,274,412</b>	<b>1,167,478</b>

## B1-2 Components of functions or activities

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

As a result of moving to the Integrated Planning & Reporting framework from 1 July 2012, Council now reports on its activities under the 5 broad themes set out below.

#### **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

	2022 \$ '000	2021 \$ '000
<b>Ordinary rates</b>		
Residential	11,440	11,045
Farmland	4,964	4,882
Mining	12,400	12,464
Business	1,547	1,516
Less: pensioner rebates (mandatory)	(323)	(332)
<b>Rates levied to ratepayers</b>	<b>30,028</b>	<b>29,575</b>
Pensioner rate subsidies received	179	181
<b>Total ordinary rates</b>	<b>30,207</b>	<b>29,756</b>
<b>Special rates</b>		
Hunter Valley catchment special rate	67	66
<b>Rates levied to ratepayers</b>	<b>67</b>	<b>66</b>
<b>Total special rates</b>	<b>67</b>	<b>66</b>
<b>Annual charges</b>		
<small>(pursuant to s.496, s.496A, s.496B, s.501 &amp; s.611)</small>		
Domestic waste management services	2,470	2,375
Water supply services	1,654	1,615
Sewerage services	7,048	6,776
Waste management services (non-domestic)	3,431	3,309
Less: pensioner rebates (mandatory)	(386)	(394)
<b>Annual charges levied</b>	<b>14,217</b>	<b>13,681</b>
Pensioner subsidies received:		
– Water	61	62
– Sewerage	66	67
– Domestic waste management	89	88
<b>Total annual charges</b>	<b>14,433</b>	<b>13,898</b>
<b>Total rates and annual charges</b>	<b>44,707</b>	<b>43,720</b>

Council has used 01/07/2019 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.

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

**B2-2 User charges and fees**

	Timing	2022 \$ '000	2021 \$ '000
<b>Specific user charges</b>			
(per s.502 - specific 'actual use' charges)			
Water supply services	1	5,106	5,059
Sewerage services	1	647	731
<b>Total specific user charges</b>		<b>5,753</b>	<b>5,790</b>
<b>Other user charges and fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s.608)</b>			
Planning and building regulation	2	1,190	1,132
Private works – section 67	2	168	106
<b>Total fees and charges – statutory/regulatory</b>		<b>1,358</b>	<b>1,238</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s.608))</b>			
Aerodrome	2	65	55
Aged care	2	107	135
Caravan park	2	984	1,238
Cemeteries	2	293	261
Community facility hire	2	171	137
Library and art gallery	2	2	–
Transport for NSW works (state roads not controlled by Council)	1	4,861	7,771
Saleyards	2	264	259
Swimming centres	2	201	223
Water connection fees	2	225	201
Children services	2	107	101
Parks and sports grounds	2	216	190
Waste depot	2	1,905	1,407
Waste water services	2	87	102
<b>Total fees and charges – other</b>		<b>9,488</b>	<b>12,080</b>
<b>Total other user charges and fees</b>		<b>10,846</b>	<b>13,318</b>
<b>Total user charges and fees</b>		<b>16,599</b>	<b>19,108</b>
<b>Timing of revenue recognition for user charges and fees</b>			
User charges and fees recognised over time (1)		10,614	13,253
User charges and fees recognised at a point in time (2)		5,985	5,855
<b>Total user charges and fees</b>		<b>16,599</b>	<b>19,108</b>

**Accounting policy**

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

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases such as 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.

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

### B2-3 Other revenues

	Timing	2022 \$ '000	2021 \$ '000
Fines	2	100	98
Legal fees recovery – rates and charges (extra charges)	2	213	111
Commissions and agency fees	2	40	43
Diesel rebate	2	168	216
Insurance claims recoveries	2	150	7
Recycling income (non-domestic)	2	430	444
Sales – events	2	360	254
Sales – ironed out	2	20	32
Sales – mudgee town hall cinema	2	25	15
Sales - library	2	16	21
Volunteer services income (Community Transport & Meals on Wheels)	2	198	296
Other	2	620	319
<b>Total other revenue</b>		<b>2,340</b>	<b>1,856</b>

#### Timing of revenue recognition for other revenue

Other revenue recognised over time (1)		–	–
Other revenue recognised at a point in time (2)		2,340	1,856
<b>Total other revenue</b>		<b>2,340</b>	<b>1,856</b>

#### 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.

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

## B2-4 Grants and contributions

	Timing	Operating 2022 \$ '000	Operating 2021 \$ '000	Capital 2022 \$ '000	Capital 2021 \$ '000
<b>General purpose grants and non-developer contributions (untied)</b>					
<b>General purpose (untied)</b>					
<b>Current year allocation</b>					
Financial assistance – general component	2	2,309	2,049	–	–
Financial assistance – local roads component	2	1,342	1,220	–	–
<b>Payment in advance - future year allocation</b>					
Financial assistance – general component	2	3,546	2,192	–	–
Financial assistance – local roads component	2	2,070	1,309	–	–
<b>Amount recognised as income during current year</b>		<b>9,267</b>	<b>6,770</b>	<b>–</b>	<b>–</b>
<b>Special purpose grants and non-developer contributions (tied)</b>					
<b>Cash contributions</b>					
<b>Previously specific grants:</b>					
Water supplies	1	–	–	272	243
Sewerage services	1	(43)	74	37	–
Aged care	2	996	896	–	–
Bushfire and emergency services	2	378	660	–	218
Employment and training programs	2	44	6	–	–
Heritage and cultural	2	12	17	–	–
Library	2	150	108	–	–
Library – special projects	1	–	–	1	–
LIRS subsidy	2	28	48	–	–
Noxious weeds	2	190	192	–	–
Recreation and culture	1	17	5	5,736	11,369
Aerodromes	2	–	3	–	348
Transport (other roads and bridges funding)	1	–	–	7,289	4,610
Children's services	2	517	565	–	–
Environmental programs	1	5	11	220	1
Youth services	2	195	162	–	–
Street lighting	2	343	457	–	–
Transport (roads to recovery)	1	1,764	2,190	–	–
Other specific grants	1	752	702	1,266	4,406
<b>Previously contributions:</b>					
Occupational health and safety	2	97	84	–	–
Roads and bridges	1	306	210	368	922
Transport for NSW contributions (regional roads, block grant)	1	1,322	1,066	2,917	2,942
Other contributions	1	174	118	–	2,020
<b>Total special purpose grants and non-developer contributions – cash</b>		<b>7,247</b>	<b>7,574</b>	<b>18,106</b>	<b>27,079</b>
<b>Non-cash contributions</b>					
Dedications – subdivisions (other than by s7.4 and s7.11 – EP&A Act, s64 of the LGA)	2	–	–	550	2,918
Other		84	–	–	–
<b>Total other contributions – non-cash</b>		<b>84</b>	<b>–</b>	<b>550</b>	<b>2,918</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>		<b>7,331</b>	<b>7,574</b>	<b>18,656</b>	<b>29,997</b>
<b>Total grants and non-developer contributions</b>		<b>16,598</b>	<b>14,344</b>	<b>18,656</b>	<b>29,997</b>

continued on next page ...

Page 20 of 103

**B2-4 Grants and contributions**

	<b>Operating 2022 \$ '000</b>	Operating 2021 \$ '000	<b>Capital 2022 \$ '000</b>	Capital 2021 \$ '000
Timing				
<b>Comprising:</b>				
– Commonwealth funding	<b>12,016</b>	9,967	<b>7,024</b>	10,143
– State funding	<b>4,155</b>	4,088	<b>8,341</b>	13,227
– Other funding	<b>427</b>	289	<b>3,291</b>	6,627
	<b><u>16,598</u></b>	<u>14,344</u>	<b><u>18,656</u></b>	<u>29,997</u>

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

**B2-4 Grants and contributions****Developer contributions**

	Notes	Timing	Operating 2022 \$ '000	Operating 2021 \$ '000	Capital 2022 \$ '000	Capital 2021 \$ '000
<b>Developer contributions: (s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>	G5					
<b>Cash contributions</b>						
S 7.4 – contributions using planning agreements		2	–	–	1,352	1,218
S 7.11 – contributions towards amenities/services		2	–	–	786	793
S 7.12 – fixed development consent levies		2	–	–	72	34
S 64 – water supply contributions		2	–	–	1,418	999
S 64 – sewerage service contributions		2	–	–	628	329
<b>Total developer contributions – cash</b>			<b>–</b>	<b>–</b>	<b>4,256</b>	<b>3,373</b>
<b>Total developer contributions</b>			<b>–</b>	<b>–</b>	<b>4,256</b>	<b>3,373</b>
<b>Total contributions</b>			<b>–</b>	<b>–</b>	<b>4,256</b>	<b>3,373</b>
<b>Total grants and contributions</b>			<b>16,598</b>	<b>14,344</b>	<b>22,912</b>	<b>33,370</b>
<b>Timing of revenue recognition for grants and contributions</b>						
Grants and contributions recognised over time (1)			4,349	4,376	18,106	26,513
Grants and contributions recognised at a point in time (2)			12,249	9,968	4,806	6,857
<b>Total grants and contributions</b>			<b>16,598</b>	<b>14,344</b>	<b>22,912</b>	<b>33,370</b>

## B2-4 Grants and contributions

### 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:

	Operating 2022 \$ '000	Operating 2021 \$ '000	Capital 2022 \$ '000	Capital 2021 \$ '000
<b>Unspent grants and contributions</b>				
Unspent funds at 1 July	1,165	1,899	12,588	5,630
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	5,724	–	176	257
<b>Add:</b> Funds received and not recognised as revenue in the current year	1,110	170	8,026	12,041
<b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year	(440)	(642)	(261)	(196)
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	(287)	(262)	(9,159)	(5,144)
<b>Unspent funds at 30 June</b>	<b>7,272</b>	<b>1,165</b>	<b>11,370</b>	<b>12,588</b>

Unspent Operating grants at 30 June 2022, include bushfire recovery grants and youth services grants.

Unspent capital grants at 30 June 2022, include amounts for:

- Ulan Road Strategy funding;
- Fixing local roads program;
- Dixon's Long Point upgrade;
- Mudgee Showground;
- Local Roads and Community Infrastructure Program;
- Ulan Wollar Road upgrade; and
- Other minor works.

These grants relate to ongoing projects that will be completed in future years.

### Contributions

Unspent funds at 1 July	18,447	17,382	–	–
<b>Add:</b> contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	4,541	3,564	–	–
<b>Less:</b> contributions recognised as revenue in previous years that have been spent during the reporting year	(313)	(2,499)	–	–
<b>Unspent contributions at 30 June</b>	<b>22,675</b>	<b>18,447</b>	<b>–</b>	<b>–</b>

Unexpended contributions include developer contributions, and other minor contribution to capital and operating projects.

### 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.

## B2-4 Grants and contributions

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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.

### 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**

	2022 \$ '000	2021 \$ '000
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	90	62
– Cash and investments	746	911
– Other	–	1
<b>Total interest and investment income (losses)</b>	<b>836</b>	<b>974</b>

**Accounting policy**

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

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

**B2-6 Other income**

	Notes	2022 \$ '000	2021 \$ '000
<b>Fair value increment on investment properties</b>			
Fair value increment on investment properties		775	174
<b>Total fair value increment on investment properties</b>	C1-9	<b>775</b>	<b>174</b>
<b>Fair value increment on investments</b>			
Fair value increment on investments through profit and loss		–	969
Movements in fair value of interest in insurance mutual		140	36
<b>Total Fair value increment on investments</b>		<b>140</b>	<b>1,005</b>
<b>Rental income</b>			
<b>Other lease income</b>			
Buildings and other structures lease income		462	487
Leaseback fees - council vehicles		56	95
<b>Total other lease income</b>		<b>518</b>	<b>582</b>
<b>Total rental income</b>	C2-2	<b>1,053</b>	<b>1,111</b>
<b>Other</b>			
Other		275	–
<b>Total other</b>		<b>275</b>	<b>–</b>
<b>Total other income</b>		<b>2,243</b>	<b>2,290</b>

### B3 Costs of providing services

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

	2022 \$ '000	2021 \$ '000
Salaries and wages	24,521	22,678
Employee termination costs	8	21
Employee leave entitlements (ELE)	4,527	4,467
Superannuation – defined contribution plans	2,656	2,272
Superannuation – defined benefit plans	238	317
Workers' compensation insurance	854	608
Fringe benefit tax (FBT)	207	188
Payroll tax	107	112
Protective clothing	158	129
Other	20	24
<b>Total employee costs</b>	<b>33,296</b>	<b>30,816</b>
Less: capitalised costs	(3,817)	(4,292)
<b>Total employee costs expensed</b>	<b>29,479</b>	<b>26,524</b>
Number of 'full-time equivalent' employees (FTE) at year end	365	364
Number of 'full-time equivalent' employees (FTE) at year end (incl. vacancies)	397	394

#### 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.

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

**B3-2 Materials and services**

	Notes	2022 \$ '000	2021 \$ '000
Raw materials and consumables		5,579	4,458
Contractor and consultancy costs		7,695	8,371
Labour contracts		396	256
Plant hire wet		1,944	1,283
Road sealing contract		409	555
Tourism contract		625	618
Consultancy		131	556
Audit Fees	F2-1	86	76
Councillor and Mayoral fees and associated expenses	F1-2	323	287
Advertising		92	99
Bank charges		129	129
Computer software charges		1,369	1,076
Electricity and heating		1,397	1,283
Insurance		1,067	981
Postage		130	114
Printing and stationery		165	162
Street lighting		220	358
Subscriptions and publications		105	108
Telephone and communications		405	328
Family day care centre		431	459
Recruitment costs		42	29
Travel expenses (employee)		9	11
Training expenses (employee)		425	372
Volunteer services expenses (Community Transport & Meals on Wheels)		198	296
<b>Legal expenses:</b>			
– Legal expenses: planning and development		120	44
– Legal expenses: debt recovery		145	168
– Legal expenses: other		133	157
Expenses from leases of low value assets		313	311
<b>Total materials and services</b>		<b>24,083</b>	<b>22,945</b>
<b>Total materials and services</b>		<b>24,083</b>	<b>22,945</b>

**Accounting policy**

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

### B3-3 Borrowing costs

	Notes	2022 \$ '000	2021 \$ '000
<b>(i) Interest bearing liability costs</b>			
Interest on leases		24	7
Interest on loans		420	684
<b>Total interest bearing liability costs</b>		<b>444</b>	<b>691</b>
<b>Total interest bearing liability costs expensed</b>		<b>444</b>	<b>691</b>
<b>(ii) Other borrowing costs</b>			
Amortisation of discounts and premiums			
– Remediation liabilities	C3-5	89	–
<b>Total other borrowing costs</b>		<b>89</b>	<b>–</b>
<b>Total borrowing costs expensed</b>		<b>533</b>	<b>691</b>

**Accounting policy**

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

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

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

	Notes	2022 \$ '000	2021 \$ '000
<b>Depreciation and amortisation</b>			
Equipment, furniture and fittings	C1-8	2,954	3,175
Land improvements (depreciable)		30	14
Right of use assets	C2-1	90	61
Buildings and other structures		1,434	1,356
Buildings Council as lessor		96	96
Roads, bridges and footpaths		8,425	8,126
Other road assets		461	1,113
Stormwater drainage		278	274
Water supply network		1,523	1,905
Sewerage network		1,206	1,591
Open space/recreational assets		767	739
Other infrastructure assets		567	304
Other assets		131	67
Tip and quarry assets	C3-5,C1-8	226	585
Intangible assets	C1-10	132	105
<b>Total depreciation and amortisation costs</b>		<b>18,320</b>	<b>19,511</b>
<b>Impairment / revaluation decrement of IPPE</b>			
Plant, equipment, furniture and fittings		60	–
<b>Infrastructure:</b>	C1-8		
– Buildings and other structures		–	–
<b>Total gross IPPE impairment / revaluation decrement costs</b>		<b>60</b>	<b>–</b>
<b>Total IPPE impairment / revaluation decrement costs charged to Income Statement</b>		<b>60</b>	<b>–</b>
<b>Total depreciation, amortisation and impairment for non-financial assets</b>		<b>18,380</b>	<b>19,511</b>

**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

	Notes	2022 \$ '000	2021 \$ '000
<b>Impairment of receivables</b>			
Other		180	1
<b>Total impairment of receivables</b>	C1-4	<b>180</b>	<b>1</b>
<b>Fair value decrement on investments</b>			
Fair value decrement on investments through profit and loss		601	–
<b>Total Fair value decrement on investments</b>	C1-2	<b>601</b>	<b>–</b>
<b>Other</b>			
Contributions/levies to other levels of government			
– State Emergency Service levy		37	48
– NSW fire brigade levy		63	68
– NSW rural fire service levy		722	989
– Other contributions/levies		213	168
Donations, contributions and assistance		206	358
– FlyPelican air service		84	71
– Housing plus crisis accommodation		85	85
– Mudgee Golf Club - raw water		106	–
– GP Respiratory and Vaccine Clinics - In-kind facility hire		83	–
<b>Total other expenses</b>		<b>2,380</b>	<b>1,788</b>

#### Accounting policy

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

Impairment expenses are recognised when identified.

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

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

	Notes	2022 \$ '000	2021 \$ '000
<b>Gain (or loss) on disposal of property (excl. investment property)</b>			
Proceeds from disposal – property		–	22
Less: carrying amount of property assets sold/written off		(52)	(258)
<b>Gain (or loss) on disposal</b>		<b>(52)</b>	<b>(236)</b>
<b>Gain (or loss) on disposal of equipment, furniture and fittings</b>			
	C1-8		
Proceeds from disposal – equipment furniture and fittings		1,049	862
Less: carrying amount of equipment, furniture and fittings sold/written off		(803)	(848)
<b>Gain (or loss) on disposal</b>		<b>246</b>	<b>14</b>
<b>Gain (or loss) on disposal of infrastructure</b>			
	C1-8		
Proceeds from disposal – infrastructure		–	229
Less: carrying amount of infrastructure assets sold/written off		(1,827)	(4,001)
<b>Gain (or loss) on disposal</b>		<b>(1,827)</b>	<b>(3,772)</b>
<b>Gain (or loss) on disposal of term deposits</b>			
	C1-2		
Proceeds from disposal/redemptions/maturities – term deposits		61,100	65,500
Less: carrying amount of term deposits sold/redeemed/matured		(61,100)	(65,500)
<b>Gain (or loss) on disposal</b>		<b>–</b>	<b>–</b>
<b>Gain (or loss) on disposal of non-current assets classified as 'held for sale'</b>			
	C1-7		
Proceeds from disposal – non-current assets 'held for sale'		1,996	1,974
Less: carrying amount of 'held for sale' assets sold/written off		(653)	(772)
<b>Gain (or loss) on disposal</b>		<b>1,343</b>	<b>1,202</b>
<b>Gain (or loss) on disposal of intangible assets</b>			
	C1-10		
Proceeds from disposal – intangible assets		–	–
<b>Gain (or loss) on disposal</b>		<b>–</b>	<b>–</b>
<b>Net gain (or loss) from disposal of assets</b>		<b>(290)</b>	<b>(2,792)</b>

**Accounting policy**

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



## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 16 June 2021 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2022 Budget	2022 Actual	2022 ----- Variance -----		
<b>Revenues</b>					
<b>Rates and annual charges</b>	44,782	44,707	(75)	0%	<b>U</b>
<b>User charges and fees</b>	14,893	16,599	1,706	11%	<b>F</b>
Council has higher than expected fee revenue in the following areas:					
<ul style="list-style-type: none"> <li>• State Roads project work \$637,000</li> <li>• Waste disposal fees \$409,000</li> <li>• Recycling scrap sales \$421,000</li> <li>• Development applications \$202,000</li> </ul>					
Other revenue items now classified as User charges and fees:					
<ul style="list-style-type: none"> <li>• Caravan park fees \$984,000</li> <li>• Community facility hire \$171,000</li> </ul>					
Revenue from residential water usage was lower than the original budget by \$1,124,000.					
<b>Other revenues</b>	4,024	2,340	(1,684)	(42)%	<b>U</b>
Council had unexpected revenue from:					
<ul style="list-style-type: none"> <li>• Energy savings certificate from LED street lighting \$183,000</li> <li>• Insurance reimbursement \$150,000</li> </ul>					
The other main variance of \$2 million, is due to budgeting for other income such as property rental in the other revenue items.					
<b>Operating grants and contributions</b>	14,418	16,598	2,180	15%	<b>F</b>
Council received 75% of the 2022-23 Financial Assistance Grant in advance (\$5.6 million) offset by 50% the 2021-22 allocation being paid in advance in the prior year (\$3.5 million).					
<b>Capital grants and contributions</b>	33,054	22,912	(10,142)	(31)%	<b>U</b>
Delays in capital works projects resulted in lower capital grants recognised as revenue. Some of the major project are:					
<ul style="list-style-type: none"> <li>• Dixons Long Point Crossing \$7 million</li> <li>• Seal extensions \$2.2 million</li> <li>• Bylong Valley Way upgrade \$776,000</li> </ul>					
<b>Interest and investment revenue</b>	1,736	836	(900)	(52)%	<b>U</b>
Low interest rates resulted in lower than expected return on term deposits of \$300,000.					
The other variance is due to a budgeted fair value movement in the value of managed funds now reported at other income or other expense.					
<b>Other income</b>	-	2,243	2,243	∞	<b>F</b>
The main variances are due to:					
<ul style="list-style-type: none"> <li>• \$1 million property rental was budgeted in the other revenue</li> <li>• \$775,000 is due to capital movement on investment property value</li> </ul>					

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

**B5-1 Material budget variations**

\$ '000	2022 Budget	2022 Actual	2022 ----- Variance -----	
<b>Expenses</b>				
<b>Employee benefits and on-costs</b>	30,472	29,479	993	3% <b>F</b>
<b>Materials and services</b>	15,670	24,083	(8,413)	(54)% <b>U</b>
The majority of the variance (\$6.5 million) is due to Other Expense items now classified under Materials and Services. The other major variance is due to a reduction in the recovery of internal plant hire charges.				
<b>Borrowing costs</b>	545	533	12	2% <b>F</b>
Council deferred new loan borrowings for the solar array project and refinanced a Sewer Fund loan at a lower interest rate than budgeted.				
<b>Depreciation, amortisation and impairment of non-financial assets</b>	18,239	18,380	(141)	(1)% <b>U</b>
<b>Other expenses</b>	8,556	2,380	6,176	72% <b>F</b>
The majority of the variance (\$6.5 million) is due to Other Expense items now classified under Materials and Services. The other major variance is a lower than expected NSW Rural Fire Service levy by \$364,000.				
<b>Net losses from disposal of assets</b>	1,843	290	1,553	84% <b>F</b>
A lower than expected write off of replaced transport infrastructure assets accounted for a \$1.7m reduction in this expense.				

**Statement of cash flows**

<b>Cash flows from operating activities</b>	56,358	52,137	(4,221)	(7)% <b>U</b>
<b>Cash flows from investing activities</b>	(57,157)	(59,364)	(2,207)	4% <b>U</b>
<b>Cash flows from financing activities</b>	408	5,763	5,355	1,313% <b>F</b>
Council's original budget included borrowings of \$1.97 million towards the solar array project. This project was deferred until 2022/23.				

Council then approved a budget change to borrow \$7.4 million for the expansion of the Mudgee Valley Caravan Park.

**C Financial position**

**C1 Assets we manage**

**C1-1 Cash and cash equivalents**

	<b>2022</b>	2021
	<b>\$ '000</b>	\$ '000
<b>Cash assets</b>		
Cash on hand and at bank	<b>260</b>	(3)
Cash equivalent assets		
– Deposits at call	<b>5,083</b>	4,551
– Managed funds (TCorp Cash Management Funds)	<b>–</b>	2,259
<b>Total cash and cash equivalents</b>	<b>5,343</b>	<b>6,807</b>
<b>Reconciliation of cash and cash equivalents</b>		
Total cash and cash equivalents per Statement of Financial Position	<b>5,343</b>	6,807
<b>Balance as per the Statement of Cash Flows</b>	<b>5,343</b>	<b>6,807</b>

**Accounting policy**

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

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

**C1-2 Financial investments**

	2022 Current \$ '000	2022 Non-current \$ '000	2021 Current \$ '000	2021 Non-current \$ '000
<b>Financial assets at fair value through the profit or loss</b>				
Managed funds	10,013	–	10,612	–
<b>Total</b>	<b>10,013</b>	<b>–</b>	<b>10,612</b>	<b>–</b>
<b>Debt securities at amortised cost</b>				
Long term deposits	73,414	39,000	61,100	25,114
<b>Total</b>	<b>73,414</b>	<b>39,000</b>	<b>61,100</b>	<b>25,114</b>
<b>Total financial investments</b>	<b>83,427</b>	<b>39,000</b>	<b>71,712</b>	<b>25,114</b>
<b>Total cash assets, cash equivalents and investments</b>	<b>88,770</b>	<b>39,000</b>	<b>78,519</b>	<b>25,114</b>

**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 as described above 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 in the Statement of Financial Position.

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

	2022 \$ '000	2021 \$ '000
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>127,770</b>	103,633
Less: Externally restricted cash, cash equivalents and investments	<u>(69,251)</u>	<u>(62,400)</u>
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>58,519</b>	41,233
<b>External restrictions</b>		
<b>External restrictions – included in liabilities</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Trust deposits	713	828
Specific purpose unexpended grants – general fund	12,379	12,567
Specific purpose unexpended grants – water fund	–	121
<b>External restrictions – included in liabilities</b>	<u>13,092</u>	<u>13,516</u>
<b>External restrictions – other</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	9,802	7,759
Developer contributions – water fund	8,096	6,812
Developer contributions – sewer fund	4,369	3,736
Specific purpose unexpended grants (recognised as revenue) – general fund	646	1,064
Specific purpose unexpended grants (recognised as revenue) – water fund	1	1
Water fund	10,321	9,222
Sewer fund	14,377	12,597
Domestic waste management	6,230	5,538
Bequest – Simpkins park	101	101
Community services	440	388
Community tenancy scheme	251	216
Family day care	176	173
Other contributions	224	152
Public Road Closure Compensation	1,080	1,080
Other	45	45
<b>External restrictions – other</b>	<u>56,159</u>	<u>48,884</u>
<b>Total external restrictions</b>	<u>69,251</u>	<u>62,400</u>

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.

	2022 \$ '000	2021 \$ '000
(b) Internal allocations		
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>58,519</b>	41,233
Less: Internally restricted cash, cash equivalents and investments	<u>(40,284)</u>	<u>(28,056)</u>
<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>18,235</b>	13,177

**Internal allocations**

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

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

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

	<b>2022</b>	2021
	<b>\$ '000</b>	\$ '000
Plant and vehicle replacement	<b>9,502</b>	8,138
Employees leave entitlement	<b>3,195</b>	3,395
Asset replacement	<b>4,206</b>	2,922
Capital program	<b>6,074</b>	3,869
Community plan	<b>428</b>	–
Council elections	<b>110</b>	231
Future fund	<b>1,120</b>	820
Land development	<b>3,565</b>	1,682
Saleyards	<b>34</b>	34
State roads warranty	<b>388</b>	388
Seal Extension Program	<b>2,526</b>	3,076
Financial Assistance Grant Received in Advance	<b>5,616</b>	3,501
Unspent loan	<b>3,520</b>	–
<b>Total internal allocations</b>	<b><u>40,284</u></b>	<b><u>28,056</u></b>

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

	<b>2022</b>	2021
	<b>\$ '000</b>	\$ '000
<b>(c) Unrestricted and unallocated</b>		
<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b><u>18,235</u></b>	<b><u>13,177</u></b>

## C1-4 Receivables

	2022 Current \$ '000	2022 Non-current \$ '000	2021 Current \$ '000	2021 Non-current \$ '000
Rates and annual charges	1,205	–	1,271	–
Interest and extra charges	196	–	201	–
User charges and fees	5,101	–	4,650	–
Accrued revenues				
– Interest on investments	399	–	284	–
Government grants and subsidies	218	–	410	–
Net GST receivable	627	–	791	–
Other debtors	224	–	132	–
<b>Total</b>	<b>7,970</b>	<b>–</b>	<b>7,739</b>	<b>–</b>
<b>Less: provision for impairment</b>				
Rates and annual charges	(28)	–	(28)	–
Interest and extra charges	–	–	(1)	–
User charges and fees	(150)	–	(54)	–
<b>Total provision for impairment – receivables</b>	<b>(178)</b>	<b>–</b>	<b>(83)</b>	<b>–</b>
<b>Total net receivables</b>	<b>7,792</b>	<b>–</b>	<b>7,656</b>	<b>–</b>

	2022 \$ '000	2021 \$ '000
<b>Movement in provision for impairment of receivables</b>		
Balance at the beginning of the year (calculated in accordance with AASB 139)	83	80
+ new provisions recognised during the year	188	14
– amounts provided for but recovered during the year	(5)	–
– amounts already provided for and written off this year	(88)	(11)
<b>Balance at the end of the year</b>	<b>178</b>	<b>83</b>

### 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.

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

**C1-5 Inventories**

	2022 Current \$ '000	2022 Non-current \$ '000	2021 Current \$ '000	2021 Non-current \$ '000
<b>(i) Inventories at cost</b>				
Stores and materials	907	-	799	-
Gravel stockpile	733	-	1,118	-
<b>Total inventories at cost</b>	<b>1,640</b>	<b>-</b>	<b>1,917</b>	<b>-</b>
<b>Total inventories</b>	<b>1,640</b>	<b>-</b>	<b>1,917</b>	<b>-</b>

**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

	2022 Current \$ '000	2022 Non-current \$ '000	2021 Current \$ '000	2021 Non-current \$ '000
Contract assets	3,819	–	8,282	–
<b>Total contract assets and contract cost assets</b>	<b>3,819</b>	<b>–</b>	<b>8,282</b>	<b>–</b>

### Contract assets

Transport for NSW contract works	–	–	314	–
Grants and Contributions	3,819	–	7,967	–
<b>Total contract assets</b>	<b>3,819</b>	<b>–</b>	<b>8,281</b>	<b>–</b>

### Significant changes in contract assets

Council has received payment for a number of grant funded projects that were in progress at the end of the prior year, the largest being Glen Willow Stage 2 (\$5.75 million) and Art Gallery and Cultural Centre (\$959,000).

As at 30 June 2022 the largest contract asset balances are for Glen Willow Stage 2 progress \$2.2 million and Wollar Road Upgrade at Munghorn Gap \$797,000.

### Accounting policy

#### Contract assets

Contract assets represent Council's 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.

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

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

	2022 Current \$ '000	2022 Non-current \$ '000	2021 Current \$ '000	2021 Non-current \$ '000
<b>Non-current assets held for sale</b>				
Land	-	-	653	-
<b>Total non-current assets held for sale</b>	<b>-</b>	<b>-</b>	<b>653</b>	<b>-</b>

**Details of assets**

Council sub-divided land at Saleyards Lane, Mudgee in 2020/21 for the purpose of selling 26 residential lots in Stage 1. The remaining 13 lots in Stage 1 were sold during 2021/22.

	2022 Assets 'held for sale' \$ '000	2021 Assets 'held for sale' \$ '000
<b>Opening balance</b>	<b>653</b>	-
Less: carrying value of assets/operations sold	(653)	-
<b>Balance still unsold after 12 months:</b>	<b>-</b>	<b>-</b>
<b>New transfers in:</b>		
– Assets held for sale	-	1,425
<b>Less:</b>		
Less: carrying value of assets/operations sold that were re-classified this reporting period	-	(772)
<b>Closing balance of held for sale non-current assets and operations</b>	<b>-</b>	<b>653</b>

**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 2021			Asset movements during the reporting period									At 30 June 2022		
	Gross carrying amount \$'000	Accumulated depreciation and impairment \$'000	Net carrying amount \$'000	Additions renews <sup>(1)</sup> \$'000	Additions new assets \$'000	Carrying value of disposals \$'000	Depreciation expense \$'000	Impairment loss / revaluation decrease (reclassified in P/L) \$'000	WIP transfers \$'000	Adjustments and transfers <sup>(2)</sup> \$'000	Revaluation decrease to equity (ARR) impairment loss \$'000	Revaluation increase to equity (ARR) \$'000	Gross carrying amount \$'000	Accumulated depreciation and impairment \$'000	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
<b>Land:</b>															
– 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
<b>Infrastructure:</b>															
– Buildings and other structures	97,921	(26,257)	71,664	565	3,049	–	(1,434)	–	2,711	4	(16)	9,448	113,694	(27,703)	85,991
– Buildings Council as Lessor	6,357	(2,428)	3,929	15	–	–	(96)	–	–	35	–	479	6,886	(2,524)	4,362
– 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
– 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
– 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
– Other infrastructure assets	20,491	(8,006)	12,485	258	1,573	(2)	(567)	–	2,708	(35)	–	725	25,734	(8,589)	17,145
<b>Other assets:</b>															
– 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
<b>Total infrastructure, property, plant and equipment</b>	<b>1,381,937</b>	<b>(345,634)</b>	<b>1,036,303</b>	<b>19,733</b>	<b>18,058</b>	<b>(2,682)</b>	<b>(18,098)</b>	<b>(60)</b>	<b>–</b>	<b>64</b>	<b>(5,278)</b>	<b>75,534</b>	<b>1,518,914</b>	<b>(395,338)</b>	<b>1,123,576</b>

(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

By aggregated asset class	At 1 July 2020			Asset movements during the reporting period										At 30 June 2021				
	Gross carrying amount \$'000	Accumulated depreciation and impairment \$'000	Net carrying amount \$'000	Additions renewals \$'000	Additions new assets \$'000	Carrying value of disposals \$'000	Depreciation expense \$'000	Impairment loss / revaluation decrements (recognised) in P/L \$'000	Impairment reversal (recognised) in equity \$'000	WIP transfers \$'000	Adjustments and transfers <sup>1</sup> \$'000	Transfers from/to held for sale <sup>2</sup> category \$'000	Transfers from/to investment properties \$'000	Revaluation decrements to equity (A/R) \$'000	Revaluation increments to equity (A/R) \$'000	Gross carrying amount \$'000	Accumulated depreciation and impairment \$'000	Net carrying amount \$'000
Capital work in progress	5,086	–	5,086	3,844	13,196	–	–	–	–	(1,990)	(238)	–	–	–	–	19,900	–	19,900
Equipment, furniture and fittings	37,132	(16,648)	20,484	2,246	1,173	(777)	(3,175)	–	–	1	(18)	–	–	–	144	34,607	(14,527)	20,080
<b>Land:</b>																		
– Operational land	43,431	–	43,431	–	2,680	(25)	–	–	–	–	(198)	(400)	(50)	–	–	45,440	–	45,440
– Community land	7,281	–	7,281	–	10	–	–	–	–	–	–	–	–	(544)	–	6,747	–	6,747
– Crown land	11,337	–	11,337	–	93	(145)	–	–	–	–	1	–	–	(931)	–	10,355	–	10,355
– Land under roads (post 30/6/08)	2,655	–	2,655	–	–	–	–	–	–	–	–	–	–	–	–	2,655	–	2,655
Land improvements	2,428	(261)	2,167	21	10	(88)	(14)	–	–	–	11	–	–	–	272	2,691	(312)	2,379
<b>Infrastructure:</b>																		
– Buildings Council as Lessor	–	–	–	–	–	–	(96)	–	–	–	4,025	–	–	–	–	6,357	(2,428)	3,929
– Buildings and other structures	93,364	(26,898)	66,466	385	8,616	(44)	(1,356)	–	–	492	(2,690)	–	(270)	–	65	97,921	(26,257)	71,664
– Roads, bridges and footpaths	508,622	(189,262)	319,360	9,793	4,537	(3,168)	(8,126)	–	725	170	(18,786)	–	–	–	–	480,223	(175,718)	304,505
– Other road assets (including bulk earthworks)	308,195	–	308,195	750	696	(364)	(1,113)	–	–	25	15,982	–	–	–	–	338,885	(14,714)	324,171
– Stormwater drainage	32,810	(9,177)	23,633	8	490	–	(274)	–	–	25	365	–	–	–	–	33,698	(9,451)	24,247
– Water supply network	119,083	(45,073)	74,010	1,121	350	(5)	(1,905)	–	–	400	357	–	–	–	676	122,004	(47,000)	75,004
– Sewerage network	117,430	(30,301)	87,129	196	820	(19)	(1,591)	–	–	54	45	–	–	–	788	119,601	(32,179)	87,422
– Open space / recreational assets	26,795	(10,027)	16,768	277	486	(225)	(739)	–	–	656	1,207	–	–	–	3,081	32,508	(10,997)	21,511
– Other infrastructure	14,136	(3,324)	10,812	915	265	(220)	(304)	725	–	166	1,443	(1,025)	–	–	433	20,491	(8,006)	12,485
Other assets	1,498	(818)	680	–	83	(25)	(67)	–	–	1	(2)	–	–	–	498	–	–	–
– Other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2,006	(838)	1,168
Tip and quarry assets	5,908	(2,622)	3,286	–	57	–	(585)	–	–	–	–	–	–	(117)	–	5,848	(3,207)	2,641
<b>Total infrastructure, property, plant and equipment</b>	<b>1,337,191</b>	<b>(334,411)</b>	<b>1,002,780</b>	<b>19,556</b>	<b>33,562</b>	<b>(5,105)</b>	<b>(19,345)</b>	<b>725</b>	<b>725</b>	<b>–</b>	<b>1,510</b>	<b>(1,425)</b>	<b>(320)</b>	<b>(1,592)</b>	<b>5,957</b>	<b>1,381,937</b>	<b>(345,634)</b>	<b>1,036,303</b>

(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 \$1,698,000, a prior year correction \$49,000, Work in Progress transferred to Operating Expenses -\$220,000 and Work in progress transferred to Intangible Assets -\$17,000.

## C1-8 Infrastructure, property, plant and equipment

### 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
<b>Equipment, furniture and fittings</b>		<b>Buildings</b>	5 to 195
Office equipment	5 to 20		
Office furniture	5 to 20	<b>Stormwater assets</b>	
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		
<b>Water network assets</b>		<b>Wastewater network assets</b>	
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		
<b>Transportation assets</b>		<b>Other infrastructure assets</b>	
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 130	Other assets	4 to 150
Bridge: other	80 to 130		
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

### 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.

<b>Equipment, furniture and fittings</b>		<b>Land</b>	
Office equipment	\$5,000	Council land and land under road	100%
Office furniture	\$5,000		
Computer equipment	\$5,000	<b>Buildings</b>	
Other plant and equipment	\$2,000	Construction	100%
		Renovations	\$5,000
<b>Water and wastewater network assets</b>	\$10,000		
		<b>Other infrastructure assets</b>	
<b>Transportation assets</b>	\$10,000	Open space/recreational assets	\$5,000
		Other	\$5,000
<b>Stormwater assets</b>	\$10,000		

### Early assets close-off

Council completes an early assets close-off process as at 31 May. Minor capital projects completed in June are capitalised in the following financial year. This accounting policy has an immaterial impact on the financial statements.

### 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.

During 2018/19, Council revalued land under roads based on Valuer General's valuation of land in our council area as of 1 July 2018 and discounted 90 percent as undeveloped/Englobo land.

### 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 2021/22 that it does not have control over Rural Fire Service fleet assets, and as such we have not performed a stocktake or recognised them in the financial statements. The estimated written down value of RFS fleet assets in the Cudgegong Fire District as at 30 June 2022 was \$10.02M (based on data provided by the Rural Fire Service).

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

Infrastructure, property, plant and equipment – current year impairments

	Notes	2022 \$ '000	2021 \$ '000
<b>(i) Impairment losses recognised in the Income Statement:</b>			
Plant and Equipment		60	–
<b>Total impairment losses</b>		<b>60</b>	<b>–</b>
<b>Impairment of assets – gains/(losses) in P/L</b>			
Impairment of assets – gains/(losses) in P/L	B3-4	60	–
<b>(iii) Impairment losses recognised direct to equity (ARR):</b>			
Buildings, Water supply network, Sewerage network		368	–
<b>Total impairment losses</b>		<b>368</b>	<b>–</b>
<b>(iv) Reversals of impairment losses previously recognised direct to equity (ARR):</b>			
Reversal of flood damage		–	(725)
<b>Total impairment reversals</b>		<b>–</b>	<b>(725)</b>
<b>Impairment of assets – direct to equity (ARR)</b>		<b>368</b>	<b>(725)</b>

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

**C1-9 Investment properties**

	<b>2022</b>	2021
	<b>\$ '000</b>	\$ '000
<b>Owned investment property</b>		
Investment Property - Building	<b>4,042</b>	3,842
Investment Property - Land	<b>4,667</b>	4,092
<b>Total owned investment property</b>	<b>8,709</b>	7,934
 <b>Owned investment property</b>		
<b>At fair value</b>		
Opening balance at 1 July	<b>7,934</b>	7,440
– Net gain/(loss) from fair value adjustments	<b>775</b>	174
– Transfers from IPPE, Note C1-8	<b>–</b>	320
<b>Closing balance at 30 June</b>	<b>8,709</b>	7,934

**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

	2022 \$ '000	2021 \$ '000
<b>Software</b>		
<b>Opening values at 1 July</b>		
Gross book value	1,077	1,649
Accumulated amortisation	(764)	(1,378)
<b>Net book value – opening balance</b>	<b>313</b>	<b>271</b>
<b>Movements for the year</b>		
Purchases	60	145
Development costs		
Amortisation charges	(132)	(105)
Gross book value written off	–	(719)
Accumulated amortisation charges written off	–	719
Other movements	(2)	2
<b>Closing values at 30 June</b>		
Gross book value	1,135	1,077
Accumulated amortisation	(896)	(764)
<b>Total software – net book value</b>	<b>239</b>	<b>313</b>
<b>Water Licences</b>		
<b>Opening values at 1 July</b>		
Gross book value	100	–
<b>Net book value – opening balance</b>	<b>100</b>	<b>–</b>
<b>Movements for the year</b>		
Purchases	–	100
<b>Closing values at 30 June</b>		
Gross book value	100	100
Accumulated amortisation	–	–
<b>Total Water Licences – net book value</b>	<b>100</b>	<b>100</b>
<b>Total intangible assets – net book value</b>	<b>339</b>	<b>413</b>

### 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 Licences

Water access licences were purchased with 2020/21 property acquisitions.

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

## C1-11 Other

## Other assets

	2022 Current \$ '000	2022 Non-current \$ '000	2021 Current \$ '000	2021 Non-current \$ '000
Prepayments	184	–	58	–
Interest in insurance mutual – CivicRisk Mutual Ltd <sup>1</sup>	107	–	36	–
<b>Total other assets</b>	<b>291</b>	<b>–</b>	<b>94</b>	<b>–</b>

<sup>(1)</sup> 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

#### Buildings

Council leases buildings for 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

	Land & Buildings \$ '000	Total \$ '000
<b>2022</b>		
Opening balance at 1 July	594	594
Adjustments to right-of-use assets due to re-measurement of lease liability	(28)	(28)
Depreciation charge	(90)	(90)
<b>Balance at 30 June</b>	<b>476</b>	<b>476</b>
<b>2021</b>		
Opening balance at 1 July	150	150
Additions to right-of-use assets	370	370
Adjustments to right-of-use assets due to re-measurement of lease liability	134	134
Depreciation charge	(61)	(61)
Other movement	1	1
<b>Balance at 30 June</b>	<b>594</b>	<b>594</b>

#### (b) Lease liabilities

	2022 Current \$ '000	2022 Non-current \$ '000	2021 Current \$ '000	2021 Non-current \$ '000
Lease liabilities	74	430	87	514
<b>Total lease liabilities</b>	<b>74</b>	<b>430</b>	<b>87</b>	<b>514</b>

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

## C2-1 Council as a lessee

### (c) (i) The maturity analysis

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

	< 1 year \$ '000	1 – 5 years \$ '000	> 5 years \$ '000	Total \$ '000	Total per Statement of Financial Position \$ '000
<b>2022</b>					
Cash flows	50	371	85	506	504
<b>2021</b>					
Cash flows	92	396	122	610	601

### (d) Income Statement

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

	2022 \$ '000	2021 \$ '000
Interest on lease liabilities	24	7
Depreciation of right of use assets	90	61
Expenses relating to low-value leases	313	311
	<b>427</b>	<b>379</b>

### (e) Statement of Cash Flows

Total cash outflow for leases	427	379
	<b>427</b>	<b>379</b>

### (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 – Council as a lessee

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.

## C2-1 Council as a lessee

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

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

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

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

### **Exceptions to lease accounting**

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

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

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

## C2-2 Council as a lessor

### 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).

	2022	2021
	\$ '000	\$ '000

#### (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)	535	529
<b>Total income relating to operating leases for investment property assets</b>	<b>535</b>	<b>529</b>

#### Operating lease expenses

##### Investment properties

Direct operating expenses that generated rental income	–	–
Direct operating expenses that did not generate rental income	5	8
<b>Total expenses relating to operating leases for investment property assets</b>	<b>5</b>	<b>8</b>

#### (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)	518	582
<b>Total income relating to operating leases for Council assets</b>	<b>518</b>	<b>582</b>

#### Other leased assets expenses

Expenses relating to operating leases for IPPE	102	88
<b>Total expenses other leased assets</b>	<b>102</b>	<b>88</b>

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

	<b>Buildings Council as Lessor 2022 \$ '000</b>	<b>Buildings Council as Lessor 2021 \$ '000</b>
<b>Opening balance as at 1 July</b>	<b>3,929</b>	<b>–</b>
Additions renewals	15	–
Depreciation expense	(96)	–
Adjustments and transfers	35	–
Transfers from (to) Buildings (occupied) IPPE class (Note C1-8)	–	3,929
Revaluation decrements to equity (ARR)	479	–
<b>Closing balance as at 30 June</b>	<b>4,362</b>	<b>3,929</b>

**C2-2 Council as a lessor**

	2022 \$ '000	2021 \$ '000
<b>(iii) Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:</b>		
Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:		
< 1 year	690	782
1–2 years	446	329
2–3 years	158	143
3–4 years	139	112
4–5 years	85	67
> 5 years	174	225
<b>Total undiscounted lease payments to be received</b>	<b>1,692</b>	<b>1,658</b>

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

**C3 Liabilities of Council****C3-1 Payables**

	<b>2022</b>	<b>2022</b>	2021	2021
	<b>Current</b>	<b>Non-current</b>	Current	Non-current
	<b>\$ '000</b>	<b>\$ '000</b>	\$ '000	\$ '000
Goods and services – operating expenditure	2,547	–	2,549	–
Goods and services – capital expenditure	2,640	–	3,404	–
Accrued expenses:				
– Borrowings	60	–	109	–
– Salaries and wages	1,135	–	7	–
Prepaid rates	1,613	–	1,386	–
Security bonds, deposits and retentions	964	–	828	–
Other	3	–	2	–
<b>Total payables</b>	<b>8,962</b>	<b>–</b>	<b>8,285</b>	<b>–</b>

**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

	Notes	2022 Current \$ '000	2022 Non-current \$ '000	2021 Current \$ '000	2021 Non-current \$ '000
<b>Grants and contributions received in advance:</b>					
Unexpended capital grants (to construct Council controlled assets)	(i)	11,117	–	12,242	–
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	1,262	–	446	–
<b>Total grants received in advance</b>		<b>12,379</b>	<b>–</b>	<b>12,688</b>	<b>–</b>
<b>User fees and charges received in advance:</b>					
Other		447	–	153	–
<b>Total user fees and charges received in advance</b>		<b>447</b>	<b>–</b>	<b>153</b>	<b>–</b>
<b>Total contract liabilities</b>		<b>12,826</b>	<b>–</b>	<b>12,841</b>	<b>–</b>

**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.

**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.

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

## C3-3 Borrowings

	2022 Current \$ '000	2022 Non-current \$ '000	2021 Current \$ '000	2021 Non-current \$ '000
Loans – secured <sup>1</sup>	1,940	14,333	1,568	8,873
<b>Total borrowings</b>	<b>1,940</b>	<b>14,333</b>	<b>1,568</b>	<b>8,873</b>

<sup>(1)</sup> 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

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

	2020		Non-cash movements				2021
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	11,923	(1,482)	–	–	–	–	10,441
Lease liability (Note C2-1b)	149	–	371	–	–	81	601
<b>Total liabilities from financing activities</b>	<b>12,072</b>	<b>(1,482)</b>	<b>371</b>	<b>–</b>	<b>–</b>	<b>81</b>	<b>11,042</b>

### C3-3 Borrowings

#### (b) Financing arrangements

	2022 \$ '000	2021 \$ '000
<b>Total facilities</b>		
Bank overdraft facilities <sup>1</sup>	700	700
Credit cards/purchase cards	200	200
<b>Total financing arrangements</b>	<b>900</b>	<b>900</b>
<b>Drawn facilities</b>		
– Credit cards/purchase cards	66	88
<b>Total drawn financing arrangements</b>	<b>66</b>	<b>88</b>
<b>Undrawn facilities</b>		
– Bank overdraft facilities	700	700
– Credit cards/purchase cards	134	112
<b>Total undrawn financing arrangements</b>	<b>834</b>	<b>812</b>

#### Additional financing arrangements information

##### Breaches and defaults

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

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

##### 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.

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

### C3-4 Employee benefit provisions

	2022 Current \$ '000	2022 Non-current \$ '000	2021 Current \$ '000	2021 Non-current \$ '000
Annual leave	2,118	–	2,024	–
Sick leave	1,086	–	1,400	–
Long service leave	4,155	565	4,831	597
Other leave (LIL)	68	–	57	–
<b>Total employee benefit provisions</b>	<b>7,427</b>	<b>565</b>	<b>8,312</b>	<b>597</b>

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

	2022 \$ '000	2021 \$ '000
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	4,684	5,564
	<b>4,684</b>	<b>5,564</b>

#### Accounting policy

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

#### Short-term obligations

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

#### Other long-term employee benefit obligations

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

#### On-costs

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

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

	2022 Current \$ '000	2022 Non-Current \$ '000	2021 Current \$ '000	2021 Non-Current \$ '000
<b>Asset remediation/restoration:</b>				
Asset remediation/restoration (future works)	2,467	1,130	56	4,858
<b>Sub-total – asset remediation/restoration</b>	<b>2,467</b>	<b>1,130</b>	56	4,858
<b>Total provisions</b>	<b>2,467</b>	<b>1,130</b>	56	4,858

#### Provisions relating to restricted assets

##### Externally restricted assets

Domestic waste management	2,458	831	52	4,420
Provisions relating to externally restricted assets	2,458	831	52	4,420
<b>Total provisions relating to restricted assets</b>	<b>2,458</b>	<b>831</b>	52	4,420
<b>Total provisions relating to unrestricted assets</b>	<b>9</b>	<b>299</b>	<b>4</b>	<b>438</b>
<b>Total provisions</b>	<b>2,467</b>	<b>1,130</b>	56	4,858

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

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

#### Description of and movements in provisions

	Other provisions	
	Asset remediation \$ '000	Total \$ '000
<b>2022</b>		
At beginning of year	4,914	4,914
<b>Changes to provision:</b>		
– New disturbances	19	19
– Revised discount rate	(456)	(456)
Unwinding of discount	89	89
Other	(969)	(969)
Total other provisions at end of year	<b>3,597</b>	<b>3,597</b>
<b>2021</b>		
At beginning of year	5,000	5,000
Other	(86)	(86)
Total other provisions at end of year	4,914	4,914

#### 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.

## C3-5 Provisions

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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

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#### **IPPE Revaluation reserve**

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

## D Council structure

### D1 Results by fund

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

#### D1-1 Income Statement by fund

	<b>General 2022 \$ '000</b>	<b>Water 2022 \$ '000</b>	<b>Sewer 2022 \$ '000</b>
<b>Income from continuing operations</b>			
Rates and annual charges	35,969	1,707	7,031
User charges and fees	10,293	5,691	615
Interest and investment revenue	646	96	94
Other revenues	2,227	(1)	114
Grants and contributions provided for operating purposes	16,605	19	(26)
Grants and contributions provided for capital purposes	20,372	1,701	839
Other income	2,243	–	–
<b>Total income from continuing operations</b>	<b>88,355</b>	<b>9,213</b>	<b>8,667</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	26,038	1,957	1,484
Materials and services	17,512	3,685	2,886
Borrowing costs	177	64	292
Depreciation, amortisation and impairment of non-financial assets	15,659	1,515	1,206
Other expenses	2,240	116	24
Net losses from the disposal of assets	109	50	131
<b>Total expenses from continuing operations</b>	<b>61,735</b>	<b>7,387</b>	<b>6,023</b>
<b>Operating result from continuing operations</b>	<b>26,620</b>	<b>1,826</b>	<b>2,644</b>
<b>Net operating result for the year</b>	<b>26,620</b>	<b>1,826</b>	<b>2,644</b>
<b>Net operating result attributable to each council fund</b>	<b>26,620</b>	<b>1,826</b>	<b>2,644</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>6,248</b>	<b>125</b>	<b>1,805</b>

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

## D1-2 Statement of Financial Position by fund

	<b>General 2022 \$ '000</b>	<b>Water 2022 \$ '000</b>	<b>Sewer 2022 \$ '000</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3,343	1,254	746
Investments	59,465	11,696	12,266
Receivables	6,134	1,220	438
Inventories	1,408	200	32
Contract assets and contract cost assets	3,771	38	10
Other	291	–	–
<b>Total current assets</b>	<b>74,412</b>	<b>14,408</b>	<b>13,492</b>
<b>Non-current assets</b>			
Investments	27,798	5,468	5,734
Infrastructure, property, plant and equipment	949,607	86,202	87,767
Investment property	8,709	–	–
Intangible assets	339	–	–
Right of use assets	476	–	–
<b>Total non-current assets</b>	<b>986,929</b>	<b>91,670</b>	<b>93,501</b>
<b>Total assets</b>	<b>1,061,341</b>	<b>106,078</b>	<b>106,993</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	8,013	738	211
Contract liabilities	12,826	–	–
Lease liabilities	74	–	–
Borrowings	964	356	620
Employee benefit provision	7,427	–	–
Provisions	2,467	–	–
<b>Total current liabilities</b>	<b>31,771</b>	<b>1,094</b>	<b>831</b>
<b>Non-current liabilities</b>			
Lease liabilities	430	–	–
Borrowings	7,487	453	6,393
Employee benefit provision	565	–	–
Provisions	1,130	–	–
<b>Total non-current liabilities</b>	<b>9,612</b>	<b>453</b>	<b>6,393</b>
<b>Total liabilities</b>	<b>41,383</b>	<b>1,547</b>	<b>7,224</b>
<b>Net assets</b>	<b>1,019,958</b>	<b>104,531</b>	<b>99,769</b>
<b>EQUITY</b>			
Accumulated surplus	424,098	64,741	58,058
Revaluation reserves	595,860	39,790	41,711
<b>Council equity interest</b>	<b>1,019,958</b>	<b>104,531</b>	<b>99,769</b>
<b>Total equity</b>	<b>1,019,958</b>	<b>104,531</b>	<b>99,769</b>



## D2 Interests in other entities

### D2-1 Interests in joint arrangements

#### Material joint ventures

The following information is provided for joint ventures that are individually material to the Council. Included are the total amounts as per the joint venture financial statements, adjusted for fair-value adjustments at acquisition date and differences in accounting policies, rather than the Council's share.

Measurement basis	Name of joint venture	
	<b>Orana water Utilities Alliance</b>	
	equity method 2022 \$'000	equity method 2021 \$'000
Summarised Statement of Financial Position		
Cash and cash equivalents	79	35
Net assets	79	35
Summarised Statement of Income and Other Comprehensive Income		
Revenue	131	167
Profit (loss) from continuing operations	0	3
Summarised Statement of Cash Flows		
Cash flows from operating activities	27	3
Net increase (decrease) in cash and cash equivalents	27	3
Council's share of % of net assets	9%	9%
Council's share of \$ of net assets	7	3

#### Accounting policy

The council has determined that it has only joint ventures.

#### Joint ventures:

Interests in joint ventures are accounted for using the equity method in accordance with *AASB128 Investments in Associates and Joint Ventures*.

Under this method, the investment is initially recognised as a cost and the carrying amount is increased or decreased to recognise the Council's share of the profit or loss and other comprehensive income of the joint venture after the date of acquisition.

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

The 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.

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

## D2-2 Unconsolidated structured entities

Council did not consolidate the following structured entities:

	2022 \$ '000	2021 \$ '000
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### Mudgee Region Tourism Inc

Mudgee Region Tourism Inc (MRT) is a not-for-profit independent incorporated tourism body funded by the Mid-Western Region Council and its members. Our region encompasses the towns of Mudgee, Gulgong, Rylstone and Kandos (and small villages in between).

#### Nature of risks relating to the Unconsolidated Structured Entity

Council and MRT held a four year contract, from 1 July 2017 to 30 June 2021, which was extended to 30 June 2022, whereby Council will contribute a set monthly amount. Members of MRT also provide financial support through membership payments. Losses of the entity would be borne by the entity or its members, with no set agreement in place for Council to fund losses.

Expenses incurred by Council relating to the Structured Entity		
- Tourism services contract	624	618
Income received by Council relating to the Structured Entity		
- IT support Income	1	4

#### Current intention to provide financial support

The current intention is to continue to support MRT with monthly contributions to promote tourism within the LGA. MRT currently have a three year contract with Council, to provide tourism services.

	2022 \$ '000	2021 \$ '000
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### Fly Pelican

Fly Pelican is a regional airline and aircraft charter company based in Newcastle on the east coast of Australia operating a fleet of 19 seat British Aerospace Jetstream 32 aircraft. Currently operating regular scheduled passenger services with destinations such as Mudgee, Newcastle, Dubbo, Sydney, Ballina, Canberra, Cobar and Port Macquarie.

#### Nature of risks relating to the Unconsolidated Structured Entity

Council has a contract in place to provide support to Fly Pelican in order to establish an airline service from Mudgee to Sydney. This contract includes waiver of landing fees for the year.

Losses of the company would be borne by Fly Pelican and there is no agreement in place to provide additional support or cover any amount of loss from providing the airline service from Mudgee. There is a risk that the company will fail or the service will cease to be profitable, but if this occurs contributions to the service from Council would cease.

Expenses incurred by Council relating to the Structured Entity	79	71
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#### Non-contractual financial support provided

Council endorsed additional support for Fly Pelican this year, due to the impact of COVID-19 on the airline. Council has provided financial assistance in order to secure a minimum level of flight continuation per week. The value of this additional support was \$65,000.

#### Current intention to provide financial support

Council intends to continue to support Fly Pelican through the terms of the contract, which ceases when Fly Pelican reach an agreed flight sales level.

## E Risks and accounting uncertainties

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

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

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

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

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

A comparison by category of the carrying amounts and fair values of Council's financial assets and financial liabilities recognised in the financial statements is presented below.

	Carrying value 2022 \$ '000	Carrying value 2021 \$ '000	Fair value 2022 \$ '000	Fair value 2021 \$ '000
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Cash and cash equivalents	5,343	6,807	5,343	6,807
Receivables	7,792	7,656	7,950	7,433
Investments				
– Debt securities at amortised cost	112,414	86,214	112,414	86,200
<b>Fair value through profit and loss</b>				
Investments				
– Held for trading	10,013	10,612	10,013	10,620
Other financial assets	107	36	107	–
<b>Total financial assets</b>	<b>135,669</b>	<b>111,325</b>	<b>135,827</b>	<b>111,060</b>
<b>Financial liabilities</b>				
Payables	8,962	8,285	8,962	8,273
Loans/advances	16,273	10,441	16,273	10,441
<b>Total financial liabilities</b>	<b>25,235</b>	<b>18,726</b>	<b>25,235</b>	<b>18,714</b>

Fair value is determined as follows:

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

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

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

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

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

## E1-1 Risks relating to financial instruments held

- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

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

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

	2022 \$ '000	2021 \$ '000
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	1,146	862
Impact of a 10% movement in price of investments		
– Equity / Income Statement	1,001	1,062

### (b) Credit risk

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

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

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

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

Council makes suitable provision for doubtful receivables as required.

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.

	Not yet overdue \$ '000	overdue rates and annual charges < 5 years \$ '000	≥ 5 years \$ '000	Total \$ '000
<b>2022</b>				
Gross carrying amount	2	1,193	10	1,205
<b>2021</b>				
Gross carrying amount	–	1,223	48	1,271

continued on next page ...

Page 68 of 103

## E1-1 Risks relating to financial instruments held

### 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.

	Not yet overdue \$ '000	Overdue debts				Total \$ '000
		0 - 30 days \$ '000	31 - 60 days \$ '000	61 - 90 days \$ '000	> 91 days \$ '000	
<b>2022</b>						
Gross carrying amount	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	–	–	–	–	150	150
<b>2021</b>						
Gross carrying amount	5,014	247	152	42	1,013	6,468
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	5.30%	0.83%
ECL provision	–	–	–	–	54	54

### (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.

	Weighted average interest rate %	Subject to no maturity \$ '000	payable in:			Total cash outflows \$ '000	Actual carrying values \$ '000
			≤ 1 Year \$ '000	1 - 5 Years \$ '000	> 5 Years \$ '000		
<b>2022</b>							
Payables	0.00%	964	7,997	–	–	8,961	8,962
Borrowings	4.62%	–	2,556	7,940	8,233	18,729	16,273
<b>Total financial liabilities</b>		<b>964</b>	<b>10,553</b>	<b>7,940</b>	<b>8,233</b>	<b>27,690</b>	<b>25,235</b>
<b>2021</b>							
Payables	0.00%	828	6,071	–	–	6,899	8,285
Borrowings	4.82%	–	2,019	4,830	4,408	11,257	10,441
<b>Total financial liabilities</b>		<b>828</b>	<b>8,090</b>	<b>4,830</b>	<b>4,408</b>	<b>18,156</b>	<b>18,726</b>

### Loan agreement breaches

There were no Loan breaches during the reporting financial year

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

## 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		2022	2021
		2022	2021	2022	2021		
<b>Recurring fair value measurements</b>							
<b>Financial assets</b>							
		10,013	10,612	–	–	10,013	10,612
		<b>10,013</b>	<b>10,612</b>	<b>–</b>	<b>–</b>	<b>10,013</b>	<b>10,612</b>
<b>Investment property</b>							
	C1-9						
		4,026	3,842	–	–	4,026	3,842
		4,667	4,092	–	–	4,667	4,092
		<b>8,693</b>	<b>7,934</b>	<b>–</b>	<b>–</b>	<b>8,693</b>	<b>7,934</b>
<b>Infrastructure, property, plant and equipment</b>							
	C1-8						
		–	–	16,522	19,900	16,522	19,900
		–	–	19,474	20,080	19,474	20,080
		49,633	45,440	–	–	49,633	45,440
		–	–	19,199	17,102	19,199	17,102
		–	–	2,963	2,655	2,963	2,655
		–	–	8,245	2,379	8,245	2,379
		–	–	90,353	75,593	90,353	75,593
		–	–	329,854	304,505	329,854	304,505
		–	–	351,878	324,171	351,878	324,171
		–	–	25,380	21,511	25,380	21,511
		–	–	27,221	24,247	27,221	24,247
		–	–	163,455	162,426	163,455	162,426
		–	–	17,145	12,485	17,145	12,485
		–	–	1,198	1,168	1,198	1,168
		–	–	1,054	2,641	1,054	2,641
		<b>49,633</b>	<b>45,440</b>	<b>1,073,941</b>	<b>990,863</b>	<b>1,123,574</b>	<b>1,036,303</b>

continued on next page ...

Page 70 of 103

## E2-1 Fair value measurement

\$ '000	Notes	Fair value measurement hierarchy				Total	
		Level 2 Significant observable inputs 2022	2021	Level 3 Significant unobservable inputs 2022	2021	2022	2021
	C1-7						
<b>Non-current assets classified as held for sale</b>							
Land		-	-	-	653	-	653

(1) Indexation applied annually between full revaluations

### Valuation techniques

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

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

#### 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.

Aspect Property Consultants Pty Ltd, Certified Practising Valuers revalued investment properties in 2020. Council revalues investment properties each year between external valuations.

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.

Aspect Property Consultants Pty Ltd, Certified Practising Valuers revalued investment properties in 2020. Council revalues investment properties each year between external valuations.

Observable inputs - Inspection and analysis of sales evidence involving comparable assets.

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

Due to increases in both contractor and material prices, the majority of asset classes had an indexation revaluation completed in 2021/22 (excluding Water & Sewer which had a full revaluation). Relevant Australian Bureau of Statistics indexation factors were identified for each asset class other than land (see asset classes below for further details). The indexation factors were calculated based on the March 2022 indice compared to the June quarter indice in the last full revaluation year.

##### Equipment, furniture and fittings – Level 3

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

Observable inputs - Available market data to assess the replacement cost of the asset.

Unobservable inputs - Estimates of useful life and residual value.

##### Community land and land under roads – Level 3

Valuation Techniques – Market value direct comparison and Valuer General's Valuation. This method involves the analysis of sales evidence of other properties within the region and adjustment for differences between key attributes of the properties.

2022 indexation revaluation based on Valuer General NSW Annual Report on NSW Land Values increase for Central Tablelands.

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

## E2-1 Fair value measurement

### Operational 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 operational land in 2018.

2022 indexation revaluation based on Valuer General NSW Annual Report on NSW Land Values increase for Central Tablelands.

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

### Land improvements - Level 3

Valuation Techniques – Cost approach.

Council valued these assets in 2021.

2022 indexation revaluation based on ABS Producer Price Index - Heavy and Civil Engineering Construction Australia sub-index.

Observable inputs - Available market data to assess the replacement cost of the asset.

Unobservable inputs - Estimates of useful life and condition.

### Buildings market value/income approach – 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.

Observable inputs - Inspection and analysis of sales evidence involving comparable assets.

### 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.

This method is based on determining the Replacement Cost of the modern equivalent (or cost of reproduction where relevant) and then adjusting for the level of consumed future economic benefit and impairment.

To determine the Fair Value we applied the following process –

- Determine the Replacement Cost (Gross).
- Determining the components and where relevant split between short-life and long-life parts based on planned asset management strategies.
- Assessing the level of remaining service potential of the Depreciable Amount of each component (short-life and long-life parts).
  - o For the short-life part, this is based on a Consumption Rating that primarily considers the component specific factors (such as physical condition and maintenance history) as well as considering obsolescence. This is primarily aimed at estimating the cost to bring the part back to 'as new' (as a market participant would consider when pricing the asset).
  - o For the long-life part the valuer uses professional judgment to estimate the level of remaining service potential (RSP%). This effectively is an overall assessment of obsolescence (function, technical and economic) and the impact it may have on a market participants' view of price. For example – despite an asset being aged and part way through its lifecycle, providing the asset is expected to be operational for many years to come, the market impact of obsolescence may be insignificant or minor. Likewise, if there is an expectation that the asset has a limited remaining life the impact of obsolescence will be greater as the asset nears the end of life.
- Summing the calculated value of the short-life part and long-life part together to determine the value of each component
- Summing the value of each component together to determine the Fair Value (Current Replacement Cost)

APV Valuers and Asset Management revalued buildings in 2018.

2022 indexation revaluation based on ABS Producer Price Index - Non-Residential and Other Residential Building Construction New South Wales sub-indices.

Observable inputs - Available market data to assess the replacement cost of the asset.

Unobservable inputs - Estimates of useful life and condition.

### 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. This involves the following process:

- The fair value is a reflection of gross value less accumulated depreciation. Published project and cost data applied to the asset's attributes is used to determine the gross value (replacement cost)
- Age and asset condition is applied to determine the level of depreciation.
- Major assets were disaggregated into significant components which exhibit different patterns of consumption (useful lives).

Council valued these assets in 2021.

2022 indexation revaluation based on ABS Producer Price Index - Heavy and Civil Engineering Construction Australia sub-index.

Observable inputs - Available market data to assess the replacement cost of the asset.



## E2-1 Fair value measurement

Unobservable inputs - Estimates of useful life and condition.

### Roads, bridges, footpaths, bulk earthworks, stormwater – 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 Council Roads and deemed level 3. This involved the following process:

- The fair value is a reflection of gross value (replacement cost) less accumulated depreciation.
- Actual construction cost data samples were used to establish unit rates and applied to the asset's attributes to determine the gross value
- A sample of roads were inspected to arrive at a condition score. This is applied along with the road age to determine the remaining useful life.
- Roads were categorised into appropriate groupings such as:
  - \* Sealed/Unsealed
  - \* Urban/Local/Regional
  - \* Urban major/Urban minor/Collector
- The network was broken into segments linked to defining geographical features
- Assets were disaggregated into significant components which exhibit different patterns of consumption (useful lives) i.e. seal long-life, seal short-life, pavement base, pavement subbase and earthworks.

Council valued these assets in 2020.

2022 indexation revaluation based on ABS Producer Price Index - Road and Bridge Construction New South Wales and Concrete Product Manufacturing sub-indices.

Observable inputs- Construction costs used to assess the replacement cost of the asset. For example Seal cost per m2, Pavement construction per m2, gravel cost

Unobservable inputs - Estimates of useful life and condition.

### Water supply network and sewage network – Level 3

Valuation Techniques – Cost Approach Method.

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. APV used a cost approach based on their methodologies and unit rate database to determine asset gross values. An inspection of all aboveground assets was conducted, and a condition score was determined, to then determine the asset fair values and remaining useful lives. As a physical inspection of underground assets was impractical, the remaining useful lives were based on Council's previous condition score. Assets were disaggregated into significant components which exhibit different patterns of consumption (useful lives) i.e. civil/structural, electrical, mechanical.

Observable inputs - APV's unit rate database and recent project capital costs.

Unobservable inputs - Estimates of useful life and condition.

### Other assets – Level 3

Valuation Techniques – Cost approach method. The cost approach has been adopted for other structures and deemed level 3.

Council valued these assets in 2021.

Observable inputs - Available market data to assess the replacement cost of the asset.

Unobservable inputs - Estimates of useful life and condition.

### Tip and quarry assets – reinstatement, rehabilitation and restoration

Inputs Used (Level 3): Unit rates, useful life, asset condition, dimensions and specifications.

In the event that Council close a quarry or tip site, there are immense on-going costs associated with the rehabilitation of the land.

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

### b. 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
<b>Infrastructure, property, plant and equipment</b>		
Plant, equipment, furniture and fittings	Depreciated historic cost	Estimated useful life and residual value
Community land	Market Approach & VG Valuation	Factors relevant to a market participants and/or embodied with the assets

continued on next page ...

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

**E2-1 Fair value measurement**

	<b>Valuation technique/s</b>	<b>Unobservable inputs</b>
Land under roads	Market Approach & VG Valuation	Factors relevant to a market participants and/or embodied with the assets
Land improvements – non depreciable	Cost Approach	Estimated useful life and condition
Land improvements – depreciable	Cost Approach	Estimated useful life and condition
Buildings – replacement cost	Cost Approach	Estimated useful life and condition
Other structures	Cost Approach	Estimated useful life and condition
Roads, bridges and footpaths	Cost Approach	Estimated useful life and condition
Bulk earthworks	Cost Approach	Estimated useful life and condition
Stormwater drainage	Cost Approach	Estimated useful life and condition
Water and sewage networks	Cost Approach	Estimated useful life and condition
Open space/recreational assets	Cost Approach	Estimated useful life and condition
Other assets	Cost Approach	Estimated useful life and condition
Tip and quarry reinstatement assets	Cost estimate of future liability	

## E2-1 Fair value measurement

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

	Total	
	2022	2021
	\$ '000	\$ '000
<b>Opening balance</b>	<b>990,863</b>	959,079
<b>Total gains or losses for the period</b>		
Recognised in other comprehensive income – revaluation surplus	<b>66,398</b>	5,090
<b>Other movements</b>		
Transfers from/(to) another asset class	<b>97</b>	687
Purchases (GBV)	<b>37,791</b>	50,438
Disposals (WDV)	<b>(2,682)</b>	(5,080)
Depreciation and impairment	<b>(18,526)</b>	(19,345)
Other movement (rounding)	<b>–</b>	(6)
<b>Closing balance</b>	<b>1,073,941</b>	990,863

### Highest and best use

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

## E3-1 Contingencies

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

### LIABILITIES NOT RECOGNISED

#### 1. Guarantees

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

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

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

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

*Description of the funding arrangements, 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 7.5% of salaries for the year ending 30 June 2022 (increasing to 8.0% 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 \$40 million for 1 July 2019 to 31 December 2021 and \$20 million per annum from 1 January to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2021. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

*Description of the extent to which Council can be liable to the plan for other 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

### (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 2022 was \$187,048.95. The last valuation of the Scheme was performed by Richard Boyfield on 30 June 2021.

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

Employer reserves only *	\$millions	Asset Coverage
Assets	2,376.6	
Past Service Liabilities	2,380.7	99.8%
Vested Benefits	2,391.7	99.4%

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

\* Plus promotional increases

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

### (ii) 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.

## 2. Other liabilities

## E3-1 Contingencies

---

### (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 \$3,547,247. 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)**

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

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

	2022 \$ '000	2021 \$ '000
<b>Compensation:</b>		
Short-term benefits	1,556	1,492
Other long-term benefits	20	37
Termination benefits	212	–
<b>Total</b>	<b>1,788</b>	<b>1,529</b>

**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. Transactions will not be disclosed where a KMP has declared their interest and removed themselves from the decision making process.

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

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

	<b>2022</b>	2021
	<b>\$ '000</b>	\$ '000
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	<b>45</b>	44
Councillors' fees	<b>186</b>	183
Other Councillors' expenses (including Mayor)	<b>92</b>	60
<b>Total</b>	<b>323</b>	<b>287</b>



## F2 Other relationships

### F2-1 Audit fees

	2022 \$ '000	2021 \$ '000
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
<b>Auditors of the Council - NSW Auditor-General:</b>		
<b>(i) Audit and other assurance services</b>		
Audit and review of financial statements	72	65
Other services	5	–
<b>Remuneration for audit and other assurance services</b>	<b>77</b>	<b>65</b>
<b>Total Auditor-General remuneration</b>	<b>77</b>	<b>65</b>
<b>Non NSW Auditor-General audit firms</b>		
<b>(i) Audit and other assurance services</b>		
Other services	9	11
<b>Remuneration for audit and other assurance services</b>	<b>9</b>	<b>11</b>
<b>Total remuneration of non NSW Auditor-General audit firms</b>	<b>9</b>	<b>11</b>
<b>Total audit fees</b>	<b>86</b>	<b>76</b>

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

**G Other matters****G1-1 Statement of Cash Flows information****(a) Reconciliation of net operating result to cash provided from operating activities**

	<b>2022</b>	2021
	<b>\$ '000</b>	\$ '000
<b>Net operating result from Income Statement</b>	<b>31,090</b>	41,411
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	<b>18,320</b>	19,511
(Gain) / loss on disposal of assets	<b>290</b>	2,792
Non-cash capital grants and contributions	<b>(634)</b>	(2,918)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
Investments classified as 'at fair value' or 'held for trading'	<b>461</b>	(1,179)
Investment property	<b>(775)</b>	–
Revaluation decrements / impairments of IPP&E direct to P&L	<b>60</b>	–
Other movements in reverses - IPPE adjustment and transfer	<b>(273)</b>	–
Unwinding of discount rates on reinstatement provisions	<b>(367)</b>	–
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	<b>(231)</b>	809
Increase / (decrease) in provision for impairment of receivables	<b>95</b>	3
(Increase) / decrease of inventories	<b>277</b>	(545)
(Increase) / decrease of other current assets	<b>(197)</b>	(68)
(Increase) / decrease of contract asset	<b>4,462</b>	(1,739)
Increase / (decrease) in payables	<b>(2)</b>	(152)
Increase / (decrease) in accrued interest payable	<b>(49)</b>	(15)
Increase / (decrease) in other accrued expenses payable	<b>1,128</b>	7
Increase / (decrease) in other liabilities	<b>364</b>	(850)
Increase / (decrease) in contract liabilities	<b>(15)</b>	6,660
Increase / (decrease) in employee benefit provision	<b>(917)</b>	552
Increase / (decrease) in other provisions	<b>(950)</b>	(86)
<b>Net cash flows from operating activities</b>	<b>52,137</b>	64,193

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

Other dedications	<b>550</b>	2,918
<b>Total non-cash investing and financing activities</b>	<b>550</b>	2,918

## G2-1 Commitments

### Capital commitments (exclusive of GST)

	2022 \$ '000	2021 \$ '000
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
<b>Property, plant and equipment</b>		
Buildings	3,848	2,103
Plant and equipment	5,055	3,518
Drainage	121	26
Other assets	439	490
Recreational facilities	51	1,956
Roads and transport	2,503	2,275
Sewerage network	46	456
Water supply network	178	108
Other	–	132
<b>Total commitments</b>	<b>12,241</b>	<b>11,064</b>
<b>These expenditures are payable as follows:</b>		
Within the next year	12,241	11,064
<b>Total payable</b>	<b>12,241</b>	<b>11,064</b>

#### Details of capital commitments

Capital commitments include:

- Plant & Equipment purchases;
- Construction (drainage, roads, buildings and other structures); and
- Water supply distribution works.

## G3-1 Events occurring after the reporting date

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

## G4 Changes from prior year statements

### G4-1 Correction of errors

#### IPPE Revaluation Reserve

- A 2020/21 revaluation calculation error occurred for Other Infrastructure and Other Assets, resulting in IPPE revaluation reserve being understated by \$156,000
- This has been recognised in the Statement of Changes in Equity as a correction of prior period errors

#### IPPE

- A 2020/21 revaluation calculation error occurred for Other Infrastructure and Other Assets, resulting in IPPE being understated by \$53,000
- The total value of found assets is \$222,000 (\$147,000 stormwater developer contributed assets and a \$75,000 sewer asset)

#### Income Statement - Other Income

- A 2020/21 revaluation calculation error occurred for Other Infrastructure and Other Assets, resulting in Accumulated Surplus being overstated by \$105,000
- The total value of found assets is \$222,000 (\$147,000 stormwater developer contributed assets and a \$75,000 sewer asset)
- This has been recognised in the Income Statement as Other Income

## G4-1 Correction of errors

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The above error had an immaterial impact on the Statement of Financial Position at 1 July, 2021.

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### **Nature and effect of changes in accounting estimates on current year**

A localised flooding event near Gulgong occurred on 17 February 2020, resulting in a material impairment related mostly to unsealed roads which were washed out and in need of rebuild. As at 30 June 2020 an impairment of \$744,953 of road assets was recognised as an estimate of remaining cost to repair. Subsequently the remaining repair works and roads classified as flood damaged was reassessed and reduced downwards. As a result the impairment estimate at 30 June 2020 reduced by \$724,953.

The current impairment estimate as at 30th June 2022 is \$20K on the flooded road.

## G5 Statement of developer contributions as at 30 June 2022

### G5-1 Summary of developer contributions

	Opening balance at 1 July 2021 \$ '000	Contributions received during the year		Interest and investment income earned \$ '000	Amounts expended \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2022 \$ '000	Cumulative balance of internal borrowings (to)/from \$ '000
		Cash \$ '000	Non-cash \$ '000					
Drainage	174	20	–	–	–	–	194	–
Open space	1,866	302	–	2	(10)	–	2,160	–
Community facilities	724	63	–	–	(3)	–	784	–
Transport facilities	963	317	–	7	–	–	1,287	–
Car parking	261	–	–	–	–	–	261	–
Administration	459	84	–	1	(50)	–	494	–
Civic improvements	21	–	–	–	–	–	21	–
<b>S7.11 contributions – under a plan</b>	<b>4,468</b>	<b>786</b>	<b>–</b>	<b>10</b>	<b>(63)</b>	<b>–</b>	<b>5,201</b>	<b>–</b>
<b>S7.12 levies – under a plan</b>	<b>348</b>	<b>72</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>421</b>	<b>–</b>
<b>Total S7.11 and S7.12 revenue under plans</b>	<b>4,816</b>	<b>858</b>	<b>–</b>	<b>11</b>	<b>(63)</b>	<b>–</b>	<b>5,622</b>	<b>–</b>
S7.4 planning agreements	2,942	1,353	–	3	(118)	–	4,180	–
S64 contributions	10,549	2,046	–	13	(143)	–	12,465	–
<b>Total contributions</b>	<b>18,307</b>	<b>4,257</b>	<b>–</b>	<b>27</b>	<b>(324)</b>	<b>–</b>	<b>22,267</b>	<b>–</b>

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.

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

## G5-2 Developer contributions by plan

	Opening balance at 1 July 2021 \$ '000	Contributions received during the year		Interest and investment income earned \$ '000	Amounts expended \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2022 \$ '000	Cumulative balance of internal borrowings (to)/from \$ '000
		Cash \$ '000	Non-cash \$ '000					
<b>CONTRIBUTION PLAN: MID-WESTERN REGIONAL 2005 - 2021</b>								
Drainage	174	20	-	-	-	-	194	-
Open space	1,866	302	-	2	(10)	-	2,160	-
Community facilities	724	63	-	-	(3)	-	784	-
Transport management	963	317	-	7	-	-	1,287	-
Car parking	261	-	-	-	-	-	261	-
Administration	459	84	-	1	(50)	-	494	-
Civic improvements	21	-	-	-	-	-	21	-
<b>Total</b>	<b>4,468</b>	<b>786</b>	<b>-</b>	<b>10</b>	<b>(63)</b>	<b>-</b>	<b>5,201</b>	<b>-</b>

## S7.12 Levies – under a plan

**CONTRIBUTION PLAN: MID-WESTERN REGIONAL 2005 - 2021**

94A	348	72	-	1	-	-	421	-
<b>Total</b>	<b>348</b>	<b>72</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>421</b>	<b>-</b>

## G6 Statement of performance measures

### G6-1 Statement of performance measures – consolidated results

\$ '000	Amounts	Indicator	Indicators		Benchmark
	2022	2022	2021	2020	
<b>1. Operating performance ratio</b>					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<u>8,394</u>	<b>10.19%</b>	11.90%	15.57%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<u>82,408</u>				
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<u>65,810</u>	<b>62.49%</b>	58.32%	60.10%	> 60.00%
Total continuing operating revenue <sup>1</sup>	<u>105,320</u>				
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions	<u>65,631</u>	<b>5.98x</b>	4.06x	3.47x	> 1.50x
Current liabilities less specific purpose liabilities	<u>10,982</u>				
<b>4. Debt service cover ratio</b>					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<u>27,247</u>	<b>12.56x</b>	13.41x	10.59x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<u>2,170</u>				
<b>5. Rates and annual charges outstanding percentage</b>					
Rates and annual charges outstanding	<u>1,373</u>	<b>2.96%</b>	3.16%	4.37%	< 10.00%
Rates and annual charges collectable	<u>46,453</u>				
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	<u>117,757</u>	<b>22.06 months</b>	18.23 months	16.21 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	<u>5,337</u>				

(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, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

Mid-Western Regional Council | Notes to the Financial Statements 30 June 2022

## G6-2 Statement of performance measures by fund

\$ '000	General Indicators <sup>3</sup>		Water Indicators		Sewer Indicators		Benchmark
	2022	2021	2022	2021	2022	2021	
<b>1. Operating performance ratio</b>							
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>9.37%</b>	12.01%	<b>2.33%</b>	2.22%	<b>24.73%</b>	20.47%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>							
<b>2. Own source operating revenue ratio</b>							
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>57.71%</b>	53.35%	<b>81.33%</b>	83.73%	<b>90.62%</b>	84.54%	> 60.00%
Total continuing operating revenue <sup>1</sup>							
<b>3. Unrestricted current ratio</b>							
Current assets less all external restrictions	<b>5.98x</b>	4.06x	<b>13.14x</b>	12.81x	<b>16.22x</b>	13.47x	> 1.50x
Current liabilities less specific purpose liabilities							
<b>4. Debt service cover ratio</b>							
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>22.04x</b>	24.20x	<b>4.41x</b>	5.42x	<b>4.45x</b>	4.44x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
<b>5. Rates and annual charges outstanding percentage</b>							
Rates and annual charges outstanding	<b>2.89%</b>	3.08%	<b>3.25%</b>	3.32%	<b>3.22%</b>	3.54%	< 10.00%
Rates and annual charges collectable							
<b>6. Cash expense cover ratio</b>							
Current year's cash and cash equivalents plus all term deposits	<b>17.87</b>	14.91	<b>51.69</b>	46.66	<b>48.95</b>	28.05	> 3.00
Monthly payments from cash flow of operating and financing activities	<b>months</b>	months	<b>months</b>	months	<b>months</b>	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

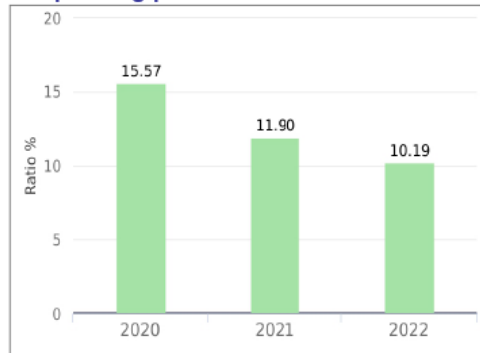
(2)Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

(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 2021/22 result**

2021/22 ratio 10.19%

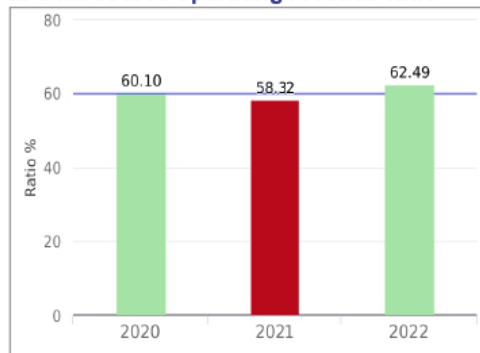
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

**2. Own source operating revenue ratio**



**Purpose of own source operating revenue ratio**

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

**Commentary on 2021/22 result**

2021/22 ratio 62.49%

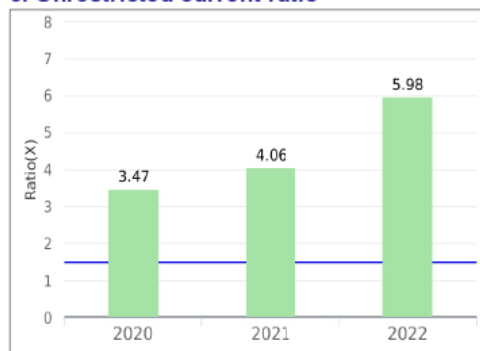
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

**3. Unrestricted current ratio**



**Purpose of unrestricted current ratio**

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

**Commentary on 2021/22 result**

2021/22 ratio 5.98x

Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting

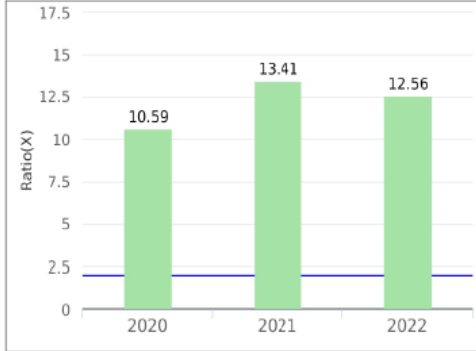
Ratio achieves benchmark

Ratio is outside benchmark

H Additional Council disclosures (unaudited)

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

4. Debt service cover ratio



**Purpose of debt service cover ratio**

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

Commentary on 2021/22 result	
2021/22 ratio	12.56x

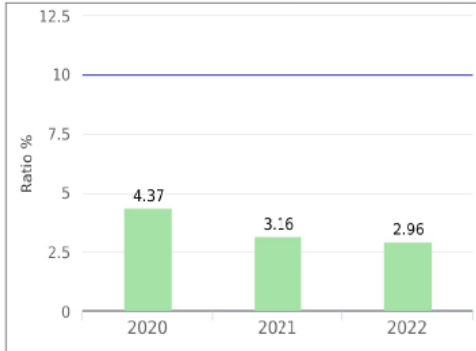
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



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

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

Commentary on 2021/22 result	
2021/22 ratio	2.96%

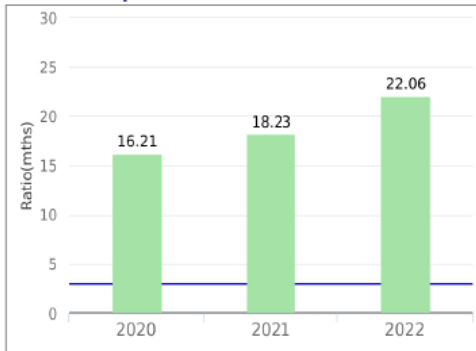
Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



**Purpose of cash expense cover ratio**

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

Commentary on 2021/22 result	
2021/22 ratio	22.06 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

### Key financial figures of Council over the past 5 years

	2022 \$ '000	2021 \$ '000	2020 \$ '000	2019 \$ '000	2018 \$ '000
<b>Inflows:</b>					
Rates and annual charges revenue	44,707	43,720	39,281	31,043	29,196
User charges revenue	16,599	19,108	16,919	15,018	18,629
Interest and investment revenue (losses)	836	974	1,650	2,373	1,693
Grants income – operating and capital	35,254	44,341	37,253	19,937	20,165
Total income from continuing operations	106,235	115,662	102,168	84,178	81,944
Sale proceeds from IPPE	3,045	3,087	543	2,054	1,810
New loan borrowings and advances	7,400	–	1,000	–	–
<b>Outflows:</b>					
Employee benefits and on-cost expenses	29,479	26,524	25,321	23,759	22,521
Borrowing costs	533	691	832	926	1,064
Materials and contracts expenses	24,083	22,945	23,221	12,723	14,181
Total expenses from continuing operations	75,145	74,251	77,207	65,199	65,579
Total cash purchases of IPPE	36,289	49,529	36,392	24,768	33,985
Total loan repayments (incl. finance leases)	1,658	1,535	2,093	1,689	1,589
Operating surplus/(deficit) (excl. capital income)	8,178	8,041	5,328	1,143	2,171
<b>Financial position figures</b>					
Current assets	102,312	97,120	92,587	82,914	69,937
Current liabilities	33,696	31,149	24,844	16,234	14,411
Net current assets	68,616	65,971	67,743	66,680	55,526
Available working capital (Unrestricted net current assets)	19,122	12,400	11,463	12,883	9,716
Cash and investments – unrestricted	18,235	13,177	14,344	9,565	10,614
Cash and investments – internal restrictions	40,284	28,056	20,426	16,628	14,816
Cash and investments – total	127,770	103,633	86,979	77,848	72,305
Total borrowings outstanding (loans, advances and finance leases)	16,273	10,441	11,923	12,980	14,669
Total value of IPPE (excl. land and earthworks)	1,458,726	1,327,095	1,283,824	954,016	914,358
Total accumulated depreciation	395,338	345,634	334,411	340,353	330,330
Indicative remaining useful life (as a % of GBV)	73%	74%	74%	64%	64%

**Source:** published audited financial statements of Council (current year and prior year)

## H1-3 Council information and contact details

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**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](http://www.midwestern.nsw.gov.au)**Email:** [council@midwestern.nsw.gov.au](mailto:council@midwestern.nsw.gov.au)**Officers****General Manager**

Brad Cam

**Acting Chief Financial Officer**

Neil Bungate

**Public Officer**

Mr 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 2022, the Statement of Financial Position as at 30 June 2022, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information. The financial statements include the consolidated financial statements of the Council and the entities it controlled at the year's end or from time to time during the year.

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 2022, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

My 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 to the financial statements, 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 2022. 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 refers 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 procedures to confirm the completeness, accuracy, existence or condition of these assets. Nor has the Council performed 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 these are assets provided to 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 2022
- 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 2022
- determine the impact on the 'Operating performance' and 'Own source operating revenue' ratios in Note G6-1 'Statement of performance measures – consolidated results' and Note G6-2 '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).

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

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

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

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

### **Other Information**

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

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

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

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

I have nothing to report in this regard.

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

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

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

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

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.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.



Unaib Jeffrey  
Delegate of the Auditor-General for New South Wales

25 October 2022  
SYDNEY





Cr Des Kennedy  
Mayor  
Mid-Western Regional Council  
PO Box 156  
MUDGEE NSW 2850

Contact: Unaib Jeffrey  
Phone no: 02 9275 7450  
Our ref: D2219836/1760

25 October 2022

Dear Mayor

**Report on the Conduct of the Audit  
for the year ended 30 June 2022  
Mid-Western Regional Council**

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

I expressed 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 2022 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

**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 2022. 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 refers 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

- 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 procedures to confirm the completeness, accuracy, existence or condition of these assets. Nor has the Council performed 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 these are assets provided to Council free-of-charge.




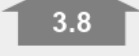
Consequently, we were unable to determine the carrying values of rural firefighting equipment assets and related amounts that should be recorded and recognised in the council's 30 June 2022 financial statements.

This has resulted in the audit opinion on the Council's 30 June 2022 GPFS to be modified.

Refer to the Independent Auditor's report on the GPFS.

## INCOME STATEMENT

### Operating result

	2022	2021	Variance
	\$m	\$m	%
Rates and annual charges revenue	44.7	43.7	 2.3
Grants and contributions revenue	39.6	47.7	 17.0
Operating result from continuing operations	31.1	41.4	 25.0
Net operating result before capital grants and contributions	8.2	8.0	 3.8

The Council's operating result from continuing operations (\$31.1 million including depreciation and amortisation expense of \$18.4 million) was \$10.3 million lower than the 2020–21 result.

The 2021-22 results reported an increase of \$1.0 million in rates and annual charges revenue.

Delays in capital work projects during the year resulted in a decrease in grants revenue (both operating and capital) of \$8.1 million compared to the financial year 2020-21. Significant capital work projects which are on-going at year end include Dixons Long Point Crossing amounting to \$7.0 million, Seal extensions amounting to \$2.2 million, and the Bylong Valley Way upgrade amounting to \$0.7 million.

In terms of expenditure, the current year results are comparable to 2020-21 with an increase of \$0.9 million or 1 per cent.

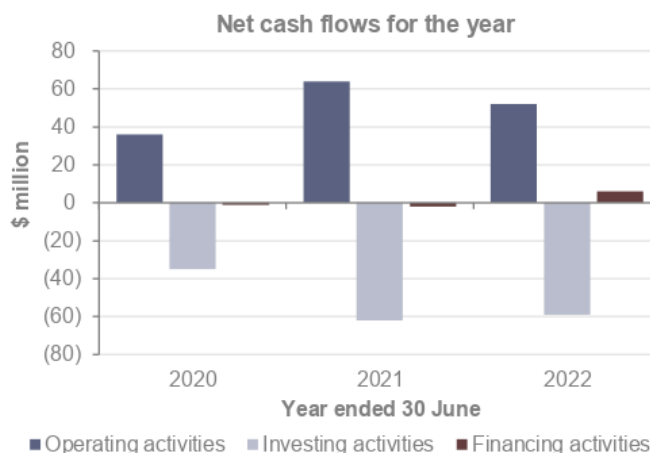
## STATEMENT OF CASH FLOWS

The Statement of Cash Flows illustrates the flow of cash and cash equivalents moving in and out of Council during the year with year end cash balances decreasing from \$6.8 million to \$5.3 million.

Cash inflows from operating activities decreased in 2021-22 relative to the decrease in capital grants.

Cash outflows from investing activities decreased from a combination of the noted decrease in purchase of property, plant and equipment and decrease of purchase of investments compared to prior year.

Cash flows from financing activities increased arising from the proceeds of borrowings during the year.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2022	2021	Commentary
	\$m	\$m	
<b>Total cash, cash equivalents and investments</b>	<b>127.8</b>	<b>103.6</b>	External restrictions include unspent specific purpose grants, developer contributions, and domestic waste and stormwater management charges and unspent levies. The increase is primarily attributable to an increase in developer contributions, water and sewer funds and domestic waste management.
Restricted and allocated cash, cash equivalents and investments:			
• External restrictions	69.3	62.4	Balances are internally restricted due to Council policy or decisions for forward plans including the works program. The increase is primarily attributable to plant and vehicle replacement, allocation for the Council's capital programs and land development.
• Internal allocations	40.3	28.0	
• Unrestricted	18.2	13.2	Unrestricted balances provide liquidity for day to day operations and increased by \$5.0 million compared to 2020-21.

### Debt

The Council has an approved bank overdraft facility with a maximum amount of \$0.7 million which was not utilised for the 2021-22 financial year.

## PERFORMANCE

### Performance measures

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

#### Operating performance ratio

The Council exceeded the OLG benchmark for the current reporting period.

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

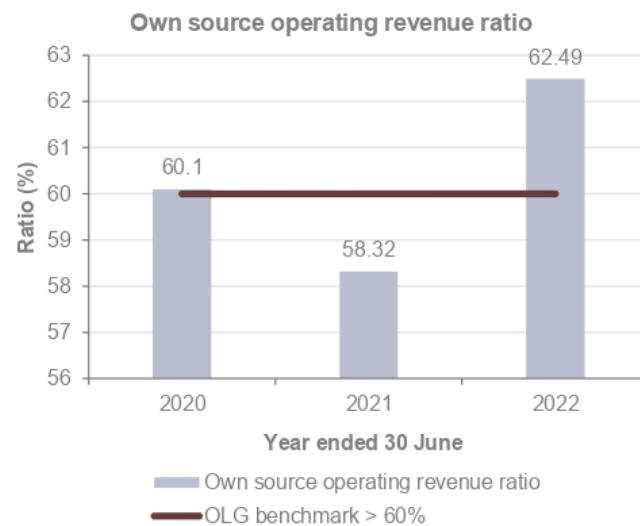


#### Own source operating revenue ratio

The Council exceeded the OLG benchmark for the current reporting period.

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

Council's own source operating revenue ratio of 62.49 per cent exceeded the industry benchmark of 60.0 per cent during the year.



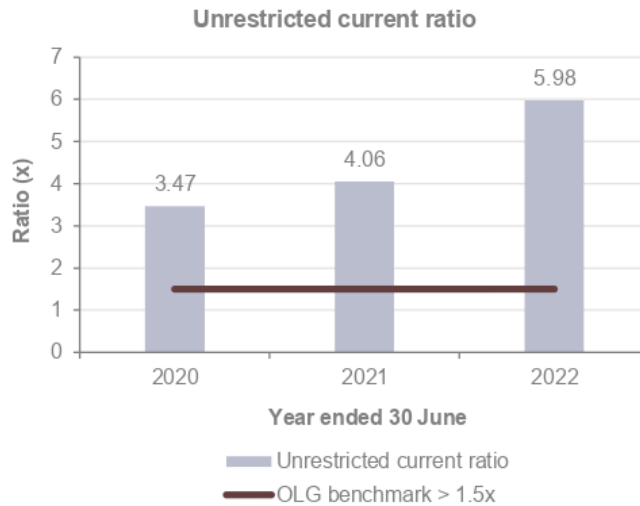
**Unrestricted current ratio**

The Council exceeded the OLG benchmark for the current reporting period.

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

Council's unrestricted current ratio of 5.9 times exceeded the industry benchmark of 1.5 times for the past three years.

This ratio indicates that Council currently has \$5.98 of unrestricted current assets available to service every \$1.00 of its unrestricted current liabilities.



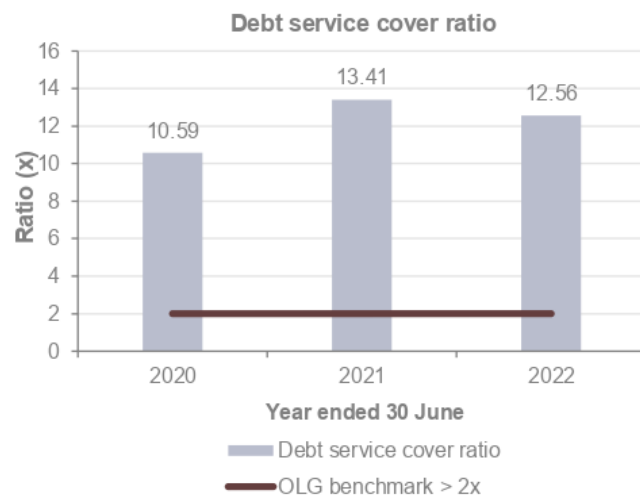
**Debt service cover ratio**

The Council exceeded the OLG benchmark for the current reporting period.

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

Council's debt service cover ratio of 12.56 times exceeded the industry benchmark of 2.0 times for 2021-22.

The current year result reflects continued strength in the Council's ability to repay its borrowings.

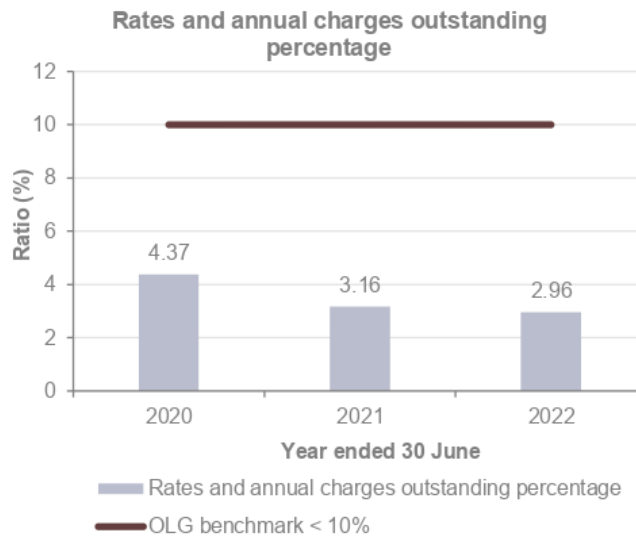


**Rates and annual charges outstanding percentage**

The Council met the OLG benchmark for the current reporting period.

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

Council's rates and annual charges outstanding percentage of 2.96 per cent met the industry benchmark of < 10% for 2021-22.



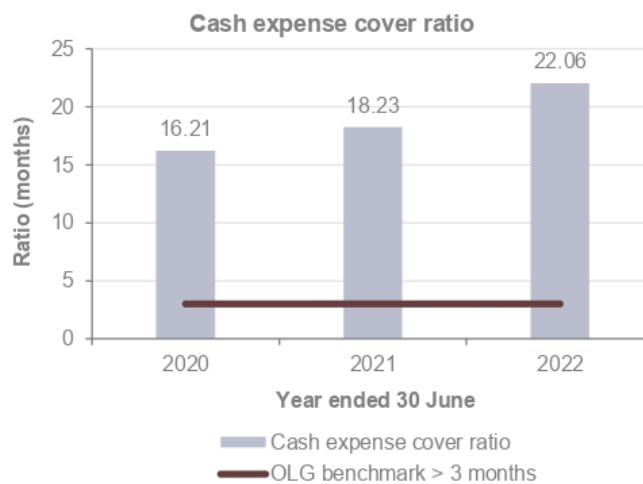
**Cash expense cover ratio**

The Council exceeded the OLG benchmark for the current reporting period.

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

Council's cash expense cover ratio of 22 months exceeded the industry benchmark of 3.0 months for the past three years.

This indicates that Council had the capacity to cover 22.0 months of cash expenditure without additional cash inflows at 30 June 2022.



**Infrastructure, property, plant and equipment renewals**

Council spent \$19.7 million on asset renewals in 2021-22 compared to \$19.6 million in 2020-21. Asset renewals are defined as the replacement of existing assets as opposed to the acquisition of new assets.

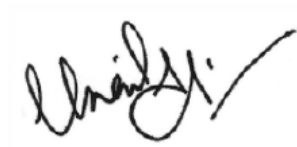
Asset renewals in 2021-22 were carried out in accordance with Council's capital works program and were primarily related to road and footpath assets.

### Legislative compliance

My audit procedures identified a material deficiency in the Council's financial statements that will be reported in the Management Letter. Rural fire-fighting equipment was not recognised in the financial statements.

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.



Unaib Jeffrey  
Delegate of the Auditor-General for New South Wales

cc: Mr Brad Cam, General Manager  
Mr John Stuart, Chair of Audit, Risk and Improvement Committee  
Mr Michael Cassel, Secretary of the Department of Planning and Environment

# Mid-Western Regional Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2022

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





## Mid-Western Regional Council

### Special Purpose Financial Statements

for the year ended 30 June 2022

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Contents	Page
<b>Statement by Councillors and Management</b>	<b>3</b>
<b>Special Purpose Financial Statements:</b>	
Income Statement of water supply business activity	4
Income Statement of sewerage business activity	5
Statement of Financial Position of water supply business activity	6
Statement of Financial Position of sewerage business activity	7
<b>Note – Significant Accounting Policies</b>	<b>8</b>
<b>Auditor's Report on Special Purpose Financial Statements</b>	<b>11</b>

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#### Background

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

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

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

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

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

## Mid-Western Regional Council

### Special Purpose Financial Statements for the year ended 30 June 2022

#### Statement by Councillors and Management

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 17 August 2022.



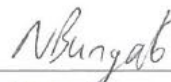
Des Kennedy  
Mayor  
17 August 2022



Sam Paine  
Deputy Mayor  
17 August 2022



Brad Cam  
General Manager  
17 August 2022



Neil Bungate  
Acting Chief Financial Officer  
17 August 2022

Mid-Western Regional Council | Income Statement of water supply business activity | for the year ended 30 June 2022

## Mid-Western Regional Council

### Income Statement of water supply business activity

for the year ended 30 June 2022

	2022	2021
	\$ '000	\$ '000
Access charges	1,707	1,650
User charges	5,691	5,716
Interest and investment income	96	326
Grants and contributions provided for operating purposes	19	3
Other income	(1)	19
<b>Total income from continuing operations</b>	<b>7,512</b>	<b>7,714</b>
Employee benefits and on-costs	1,957	1,886
Borrowing costs	64	85
Materials and services	3,685	3,670
Depreciation, amortisation and impairment	1,515	1,902
Net loss from the disposal of assets	50	5
Other expenses	116	–
<b>Total expenses from continuing operations</b>	<b>7,387</b>	<b>7,548</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>125</b>	<b>166</b>
Grants and contributions provided for capital purposes	1,701	1,495
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>1,826</b>	<b>1,661</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>1,826</b>	<b>1,661</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(31)	(43)
<b>Surplus (deficit) after tax</b>	<b>1,795</b>	<b>1,618</b>
<b>Plus accumulated surplus</b>	<b>62,941</b>	<b>61,426</b>
<b>Plus/less: prior period error</b>	<b>(40)</b>	<b>(156)</b>
<b>Plus/less: Transfer to retained earnings for asset disposals</b>	<b>14</b>	<b>10</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	31	43
<b>Return on capital %</b>	<b>0.2%</b>	<b>0.3%</b>
<b>Subsidy from Council</b>	<b>2,966</b>	<b>964</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	1,795	1,618
Less: capital grants and contributions (excluding developer contributions)	(1,701)	(1,495)
<b>Surplus for dividend calculation purposes</b>	<b>94</b>	<b>123</b>
<b>Potential dividend calculated from surplus</b>	<b>47</b>	<b>62</b>

Mid-Western Regional Council | Income Statement of sewerage business activity | for the year ended 30 June 2022

## Mid-Western Regional Council

## Income Statement of sewerage business activity

for the year ended 30 June 2022

	2022	2021
	\$ '000	\$ '000
Access charges	7,031	6,753
User charges	615	728
Interest and investment income	94	323
Grants and contributions provided for operating purposes	(26)	76
Other income	114	39
<b>Total income from continuing operations</b>	<b>7,828</b>	<b>7,919</b>
Employee benefits and on-costs	1,484	1,484
Borrowing costs	292	502
Materials and services	2,886	2,713
Depreciation, amortisation and impairment	1,206	1,593
Net loss from the disposal of assets	131	19
Other expenses	24	–
<b>Total expenses from continuing operations</b>	<b>6,023</b>	<b>6,311</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>1,805</b>	<b>1,608</b>
Grants and contributions provided for capital purposes	839	1,358
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>2,644</b>	<b>2,966</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>2,644</b>	<b>2,966</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(451)	(418)
<b>Surplus (deficit) after tax</b>	<b>2,193</b>	<b>2,548</b>
<b>Plus accumulated surplus</b>	<b>55,329</b>	<b>52,559</b>
<b>Plus/less: prior period adjustments</b>	<b>–</b>	<b>(206)</b>
<b>Plus/less: Transfer to retained earnings for asset disposals</b>	<b>85</b>	<b>10</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	451	418
<b>Return on capital %</b>	<b>2.4%</b>	<b>2.3%</b>
<b>Subsidy from Council</b>	<b>1,115</b>	<b>–</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	2,193	2,548
Less: capital grants and contributions (excluding developer contributions)	(839)	(1,358)
<b>Surplus for dividend calculation purposes</b>	<b>1,354</b>	<b>1,190</b>
<b>Potential dividend calculated from surplus</b>	<b>677</b>	<b>595</b>

Mid-Western Regional Council | Statement of Financial Position of water supply business activity | for the year ended 30 June 2022

## Mid-Western Regional Council

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

as at 30 June 2022

	2022	2021
	\$ '000	\$ '000
<b>ASSETS</b>		
<b>Current assets</b>		
Contract assets and contract cost assets	38	–
Cash and cash equivalents	1,254	1,105
Investments	11,696	11,149
Receivables	1,220	1,443
Inventories	200	202
<b>Total current assets</b>	<b>14,408</b>	<b>13,899</b>
<b>Non-current assets</b>		
Investments	5,468	3,902
Infrastructure, property, plant and equipment	86,202	81,556
<b>Total non-current assets</b>	<b>91,670</b>	<b>85,458</b>
<b>Total assets</b>	<b>106,078</b>	<b>99,357</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Contract liabilities	–	121
Payables	738	606
Borrowings	356	479
<b>Total current liabilities</b>	<b>1,094</b>	<b>1,206</b>
<b>Non-current liabilities</b>		
Borrowings	453	665
<b>Total non-current liabilities</b>	<b>453</b>	<b>665</b>
<b>Total liabilities</b>	<b>1,547</b>	<b>1,871</b>
<b>Net assets</b>	<b>104,531</b>	<b>97,486</b>
<b>EQUITY</b>		
Accumulated surplus	64,741	62,941
Revaluation reserves	39,790	34,545
<b>Total equity</b>	<b>104,531</b>	<b>97,486</b>

Mid-Western Regional Council | Statement of Financial Position of sewerage business activity | for the year ended 30 June 2022

## Mid-Western Regional Council

## Statement of Financial Position of sewerage business activity

as at 30 June 2022

	2022	2021
	\$ '000	\$ '000
<b>ASSETS</b>		
<b>Current assets</b>		
Contract assets and contract cost assets	10	55
Cash and cash equivalents	746	1,076
Investments	12,266	11,301
Receivables	438	483
Inventories	32	20
<b>Total current assets</b>	<b>13,492</b>	<b>12,935</b>
<b>Non-current assets</b>		
Investments	5,734	3,956
Infrastructure, property, plant and equipment	87,767	91,927
<b>Total non-current assets</b>	<b>93,501</b>	<b>95,883</b>
<b>Total assets</b>	<b>106,993</b>	<b>108,818</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	211	622
Borrowings	620	334
<b>Total current liabilities</b>	<b>831</b>	<b>956</b>
<b>Non-current liabilities</b>		
Borrowings	6,393	7,158
<b>Total non-current liabilities</b>	<b>6,393</b>	<b>7,158</b>
<b>Total liabilities</b>	<b>7,224</b>	<b>8,114</b>
<b>Net assets</b>	<b>99,769</b>	<b>100,704</b>
<b>EQUITY</b>		
Accumulated surplus	58,058	55,329
Revaluation reserves	41,711	45,375
<b>Total equity</b>	<b>99,769</b>	<b>100,704</b>

## Note – Significant Accounting Policies

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

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

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

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

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

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

### National Competition Policy

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

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

### Declared business activities

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

#### Category 1

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

##### 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% (20/21 26%)

## Note – Significant Accounting Policies

**Land tax** – the first \$755,000 of combined land values attracts **0%**. For the combined land values in excess of \$755,000 up to \$4,616,000 the rate is **\$100 + 1.6%**. For the remaining combined land value that exceeds \$4,616,000 a premium marginal rate of **2.0%** applies.

**Payroll tax** – **4.85%** 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% (20/21 26%).

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 26% 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 3.66% at 30/6/22.



## Note – Significant Accounting Policies

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### (iii) Dividends

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

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

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

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

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



**INDEPENDENT AUDITOR'S REPORT**  
**Report on the special purpose financial statements**  
**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 2022, the Statement of Financial Position of each Declared Business Activity as at 30 June 2022 and the Significant accounting policies note.

The Declared Business Activities of the Council are:

- Water Supply Business Activity
- Sewerage Business Activity.

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

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

**Basis for Opinion**

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

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

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

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

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

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

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

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

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

### **Other Information**

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

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

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

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

I have nothing to report in this regard.

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

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

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

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

My objectives are to:

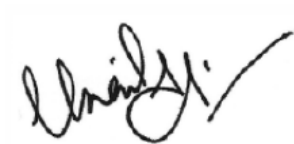
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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

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

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

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



Unaib Jeffrey  
Delegate of the Auditor-General for New South Wales

25 October 2022  
SYDNEY

# Mid-Western Regional Council

SPECIAL SCHEDULES  
for the year ended 30 June 2022

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



## Mid-Western Regional Council

### Special Schedules

for the year ended 30 June 2022

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Contents	Page
<b>Special Schedules:</b>	
Permissible income for general rates	3
Report on infrastructure assets as at 30 June 2022	7

Mid-Western Regional Council | Permissible income for general rates | for the year ended 30 June 2022

## Mid-Western Regional Council

### Permissible income for general rates

	Notes	Calculation 2021/22 \$ '000	Calculation 2022/23 \$ '000
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	30,041	30,265
Plus or minus adjustments <sup>2</sup>	b	135	219
<b>Notional general income</b>	c = a + b	<b>30,176</b>	<b>30,484</b>
<b>Permissible income calculation</b>			
Or rate peg percentage	e	2.00%	0.70%
Or plus rate peg amount	i = e x (c + g)	604	213
<b>Sub-total</b>	k = (c + g + h + i + j)	<b>30,780</b>	<b>30,697</b>
Plus (or minus) last year's carry forward total	l	34	-
Less valuation objections claimed in the previous year	m	(1,483)	(935)
<b>Sub-total</b>	n = (l + m)	<b>(1,449)</b>	<b>(935)</b>
<b>Total permissible income</b>	o = k + n	<b>29,331</b>	<b>29,762</b>
Less notional general income yield	p	30,265	29,741
<b>Catch-up or (excess) result</b>	q = o - p	<b>(935)</b>	<b>21</b>
Plus income lost due to valuation objections claimed <sup>4</sup>	r	935	6
<b>Carry forward to next year <sup>6</sup></b>	t = q + r + s	<b>-</b>	<b>27</b>

#### Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916 (NSW)*.
- (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.



Mid-Western Regional Council | Special Schedules 2022

**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 2023.

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

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

**Basis for Opinion**

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

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

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

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

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

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

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

**Emphasis of Matter - Basis of Accounting**

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



### **Other Information**

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

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

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

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

I have nothing to report in this regard.

### **The Councillors' Responsibilities for the Schedule**

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

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

### **Auditor's Responsibilities for the Audit of the Schedule**

My objectives are to:

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

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

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar8.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar8.pdf). The description forms part of my auditor's report.

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

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



Unaib Jeffrey  
Delegate of the Auditor-General for New South Wales

25 October 2022  
SYDNEY

Mid-Western Regional Council | Report on infrastructure assets as at 30 June 2022 | for the year ended 30 June 2022

## Mid-Western Regional Council

### Report on infrastructure assets as at 30 June 2022

Asset Class	Asset Category	Estimated cost		2021/22 Required maintenance <sup>a</sup>	2021/22 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					\$ '000	\$ '000	1	2	3
<b>Buildings and other structures</b>	-	617	617	1,712	1,543	90,353	120,580	16.5%	1.8%	79.9%	1.8%	0.0%
	<b>Sub-total</b>	<b>617</b>	<b>617</b>	<b>1,712</b>	<b>1,543</b>	<b>90,353</b>	<b>120,580</b>	<b>16.5%</b>	<b>1.8%</b>	<b>79.9%</b>	<b>1.8%</b>	<b>0.0%</b>
<b>Roads</b>	Roads	21,007	21,007	3,879	4,409	562,032	683,049	16.8%	41.7%	28.5%	8.2%	4.8%
	Bridges	583	583	175	11	65,453	119,913	16.3%	30.8%	49.5%	3.4%	0.0%
	Footpaths and Cycleways	202	202	63	16	9,042	14,697	44.2%	24.8%	21.6%	9.4%	0.0%
	Other road assets	2,232	2,232	36	20	45,205	60,444	22.7%	20.3%	25.1%	29.6%	2.3%
	<b>Sub-total</b>	<b>24,024</b>	<b>24,024</b>	<b>4,153</b>	<b>4,456</b>	<b>681,732</b>	<b>878,103</b>	<b>17.6%</b>	<b>38.5%</b>	<b>31.0%</b>	<b>9.0%</b>	<b>3.9%</b>
<b>Water supply network</b>	-	7,814	7,814	1,734	1,651	79,434	142,388	22.9%	30.1%	30.5%	10.4%	6.1%
	<b>Sub-total</b>	<b>7,814</b>	<b>7,814</b>	<b>1,734</b>	<b>1,651</b>	<b>79,434</b>	<b>142,388</b>	<b>22.9%</b>	<b>30.1%</b>	<b>30.5%</b>	<b>10.4%</b>	<b>6.1%</b>
<b>Sewerage network</b>	-	6,799	6,799	1,118	1,182	84,021	139,109	29.3%	32.1%	6.0%	24.7%	7.9%
	<b>Sub-total</b>	<b>6,799</b>	<b>6,799</b>	<b>1,118</b>	<b>1,182</b>	<b>84,021</b>	<b>139,109</b>	<b>29.3%</b>	<b>32.1%</b>	<b>6.0%</b>	<b>24.7%</b>	<b>7.9%</b>
<b>Stormwater drainage</b>	-	54	54	723	816	27,221	37,765	21.6%	2.0%	76.1%	0.0%	0.3%
	<b>Sub-total</b>	<b>54</b>	<b>54</b>	<b>723</b>	<b>816</b>	<b>27,221</b>	<b>37,765</b>	<b>21.6%</b>	<b>2.0%</b>	<b>76.1%</b>	<b>0.0%</b>	<b>0.3%</b>
<b>Open space / recreational assets</b>	Swimming pools	29	29	475	443	5,951	11,312	29.3%	23.0%	46.9%	0.6%	0.2%
	Other Recreational/Open Space	509	509	2,592	2,453	19,429	25,809	54.8%	22.8%	15.7%	6.6%	0.1%
	<b>Sub-total</b>	<b>538</b>	<b>538</b>	<b>3,067</b>	<b>2,896</b>	<b>25,380</b>	<b>37,121</b>	<b>47.0%</b>	<b>22.9%</b>	<b>25.2%</b>	<b>4.8%</b>	<b>0.1%</b>
<b>Other infrastructure assets</b>	-	423	423	754	733	17,145	25,734	37.7%	26.2%	31.5%	2.8%	1.8%
	<b>Sub-total</b>	<b>423</b>	<b>423</b>	<b>754</b>	<b>733</b>	<b>17,145</b>	<b>25,734</b>	<b>37.7%</b>	<b>26.2%</b>	<b>31.5%</b>	<b>2.8%</b>	<b>1.8%</b>
	<b>Total – all assets</b>	<b>40,269</b>	<b>40,269</b>	<b>13,261</b>	<b>13,277</b>	<b>1,005,286</b>	<b>1,380,800</b>	<b>20.5%</b>	<b>32.1%</b>	<b>33.8%</b>	<b>9.6%</b>	<b>3.9%</b>

(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 2022

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#### 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 2022 | for the year ended 30 June 2022

## Mid-Western Regional Council

### Report on infrastructure assets as at 30 June 2022

#### Infrastructure asset performance indicators (consolidated) \*

\$ '000	Amounts 2022	Indicator 2022	Indicators 2021      2020		Benchmark
<b>Buildings and infrastructure renewals ratio</b>					
Asset renewals <sup>1</sup>	<b>14,403</b>	<b>97.60%</b>	111.51%	119.52%	>= 100.00%
Depreciation, amortisation and impairment	<b>14,757</b>				
<b>Infrastructure backlog ratio</b>					
Estimated cost to bring assets to a satisfactory standard	<b>40,269</b>	<b>3.94%</b>	3.87%	3.43%	< 2.00%
Net carrying amount of infrastructure assets	<b>1,021,810</b>				
<b>Asset maintenance ratio</b>					
Actual asset maintenance	<b>13,277</b>	<b>100.12%</b>	97.47%	101.17%	> 100.00%
Required asset maintenance	<b>13,261</b>				
<b>Cost to bring assets to agreed service level</b>					
Estimated cost to bring assets to an agreed service level set by Council	<b>40,269</b>	<b>2.92%</b>	2.92%	2.56%	
Gross replacement cost	<b>1,380,800</b>				

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

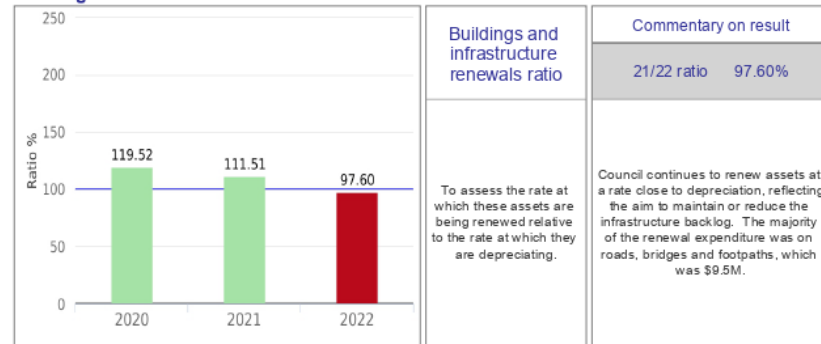
(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Mid-Western Regional Council | Report on infrastructure assets as at 30 June 2022 | for the year ended 30 June 2022

Mid-Western Regional Council

Report on infrastructure assets as at 30 June 2022

**Buildings and infrastructure renewals ratio**



Benchmark: — >= 100.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

**Buildings and infrastructure renewals ratio**

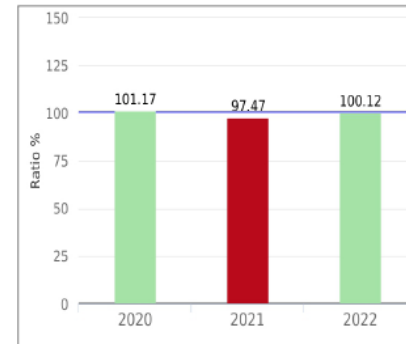
To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

**Commentary on result**

21/22 ratio 97.60%

Council continues to renew assets at a rate close to depreciation, reflecting the aim to maintain or reduce the infrastructure backlog. The majority of the renewal expenditure was on roads, bridges and footpaths, which was \$9.5M.

**Asset maintenance ratio**



Benchmark: — > 100.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

**Asset maintenance ratio**

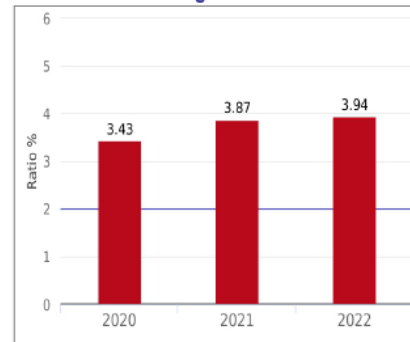
Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

**Commentary on result**

21/22 ratio 100.12%

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

**Infrastructure backlog ratio**



Benchmark: — < 2.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

**Infrastructure backlog ratio**

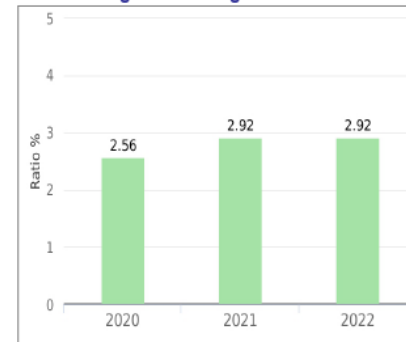
This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

**Commentary on result**

21/22 ratio 3.94%

Condition assessment is the main factor that results in changes in this ratio. The backlog amount increase mostly related to water and sewerage assets.

**Cost to bring assets to agreed service level**



**Cost to bring assets to agreed service level**

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

**Commentary on result**

21/22 ratio 2.92%

This ratio has remained low, as Council is adequately renewing its existing assets.

Mid-Western Regional Council | Report on infrastructure assets as at 30 June 2022 | for the year ended 30 June 2022

## Mid-Western Regional Council

### Report on infrastructure assets as at 30 June 2022

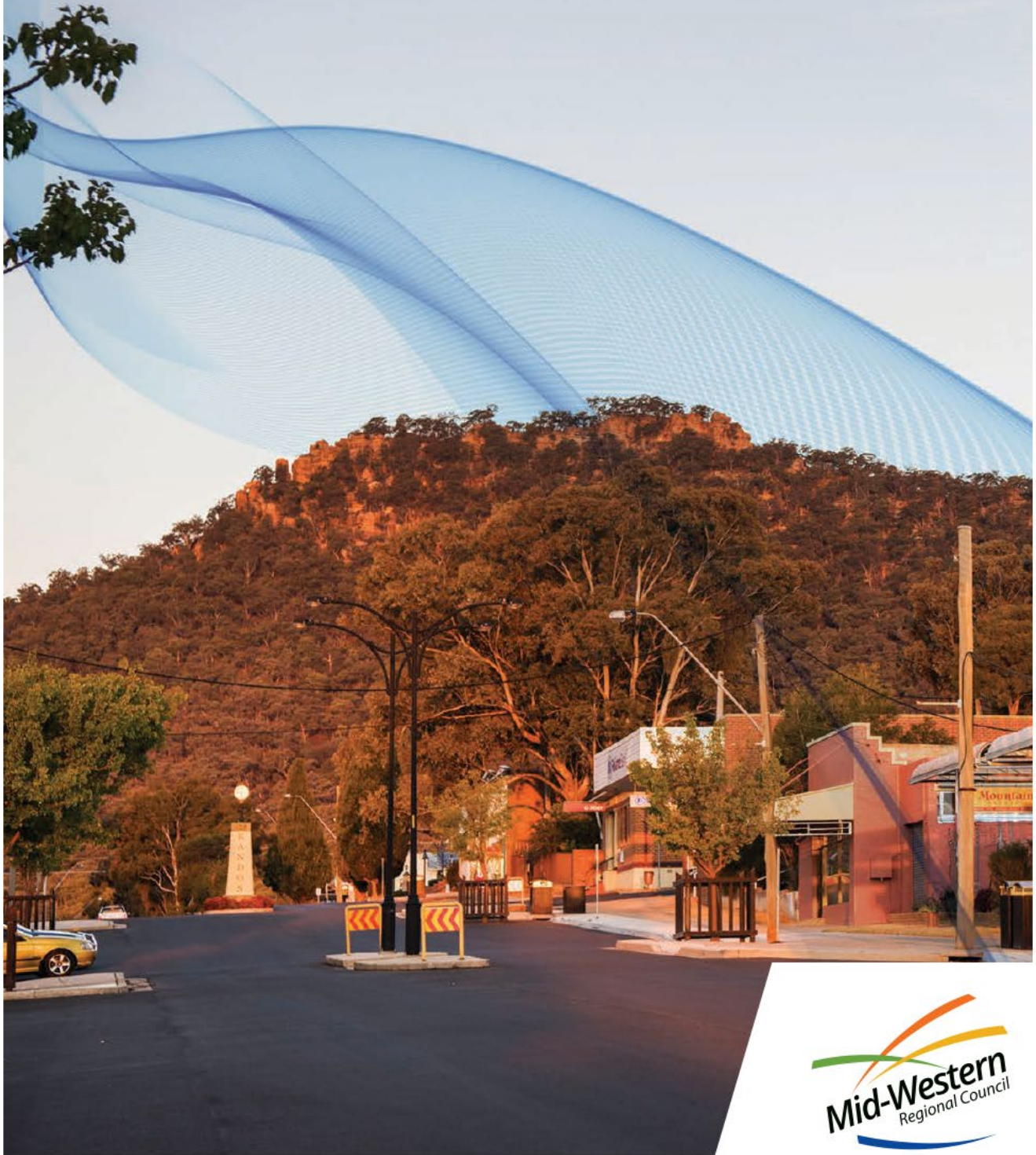
#### Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2022	2021	2022	2021	2022	2021	
<b>Buildings and infrastructure renewals ratio</b>							
Asset renewals <sup>1</sup>							
Depreciation, amortisation and impairment	<b>119.75%</b>	129.56%	<b>0.00%</b>	79.53%	<b>0.00%</b>	13.58%	>= 100.00%
<b>Infrastructure backlog ratio</b>							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	<b>2.99%</b>	3.30%	<b>9.84%</b>	8.55%	<b>8.09%</b>	4.91%	< 2.00%
<b>Asset maintenance ratio</b>							
Actual asset maintenance							
Required asset maintenance	<b>100.34%</b>	97.67%	<b>95.21%</b>	100.06%	<b>105.72%</b>	92.01%	> 100.00%
<b>Cost to bring assets to agreed service level</b>							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	<b>2.33%</b>	2.54%	<b>5.49%</b>	5.36%	<b>4.89%</b>	3.69%	

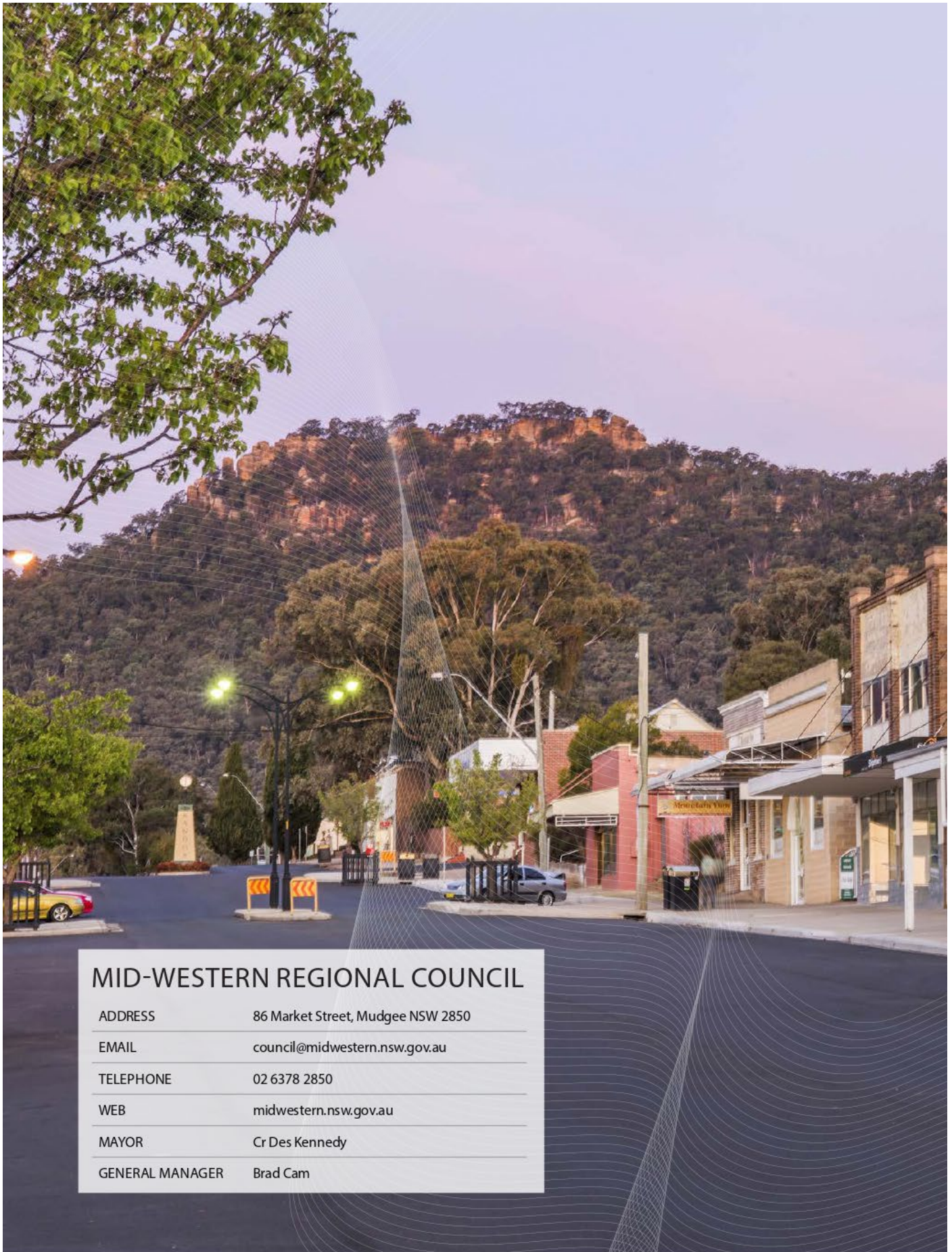
(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

# ANNUAL REPORT 2021/22

MID-WESTERN REGIONAL COUNCIL







## MID-WESTERN REGIONAL COUNCIL

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EMAIL [council@midwestern.nsw.gov.au](mailto:council@midwestern.nsw.gov.au)

TELEPHONE 02 6378 2850

WEB [midwestern.nsw.gov.au](http://midwestern.nsw.gov.au)

MAYOR Cr Des Kennedy

GENERAL MANAGER Brad Cam



## CONTENTS

<b>The Year in Review</b>	<b>4</b>
Message from the Mayor	4
Message from the General Manager	6
Your Council	8
Civic Leadership	10
Councillor Key Statistics	12
Organisation Structure	13
Vision and Values	14
About the Mid-Western Region	15
<b>Key Completed Projects</b>	<b>16</b>
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	38
Building A Strong Local Economy	46
Connecting Our Region	50
Good Government	54
<b>Financials</b>	<b>62</b>
Managing the Money	62
Performance Measures	64
<b>Statutory Information</b>	<b>66</b>
<b>State of the Environment</b>	<b>86</b>
State of the Environment Report	86
Land	87
Biodiversity	87
Water and Waterways	88
Towards Sustainability	89
People and Communities	90
Case Study: YourWater Portal	91

## MESSAGE FROM THE MAYOR



*"Council's all new website has significantly improved access to information, online services and online payments for residents."*

I am proud to present the 2021/22 Annual Report showcasing all that Council has achieved for our community over the past 12 months.

This has been another challenging year for the region, as we emerged from a pandemic and subsequent lockdowns, we've been impacted by successive flood events.

The pandemic saw Council working directly with state and federal governments like never before to establish COVID-19 testing and vaccination clinics throughout the region. As well as facilitating daily updates between NSW Health and key stakeholders in the region and distributing PPE, Council supported delivery of Health's key messages as well as providing weekly video updates on pandemic related information. Council's Emergency Management processes and procedures during this period were a direct result of learnings from the 2019/20 bushfires.

It was exciting to see the Mudgee Arts Precinct finally opened to the public after two years of construction. Giving a nod to the region's important heritage, the new building and gallery spaces wrap around the former Cudgegong Shire Council, that houses office and meeting spaces. This striking design recently won the Australian Institute of Architects' 2022 Award for Public Architecture and has been named a finalist in the 2022 World Architecture Festival Awards. The facility demonstrates Council's commitment to delivering on the community's wishlist with an art gallery ranking as the fifth most important project to 52 per cent of our population in 2019.

This year we've invested in digital and smart technologies to reduce our environmental footprint, improve efficiencies and the customer experience. Council's all new website has significantly improved access to information, online services and online payments for residents. More than 100 forms and applications are now digital and can be submitted online. Customers can now also book any of Council's hire facilities online. A smart water meter portal was launched in conjunction with the new website that allows residents to monitor their water usage in real time, receive and pay water bills and set up email and SMS alerts to notify them of possible water leaks and high consumption periods.

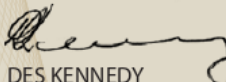
Council continues to implement sustainable technologies with 1495 streetlights upgraded to LED technology in Mudgee, Gulgong and surrounding villages to improve energy efficiencies. Costing around \$400,000 each year, street lighting is a significant expense for Council and the new additions will reduce operating costs by \$140,000 annually. The upgrade has significantly reduced Council's environmental footprint, the equivalent of 177 cars off the road annually.

Looking to the future, Council has also recently received approval for its 5MW solar array located at Mudgee Sewage Treatment Plant. The array will offset electricity consumption within Council facilities, and provide any additional supply to local businesses. Construction of this project is due to commence soon.

To address community concerns over affordable and available accommodation, Council has provided in-principle support to construct up to 50 new properties at the former Mudgee Bowling Club site as part of a major project to provide housing for key workers including teachers, nurses and police. This project is only a part of the overall solution that will be needed over the next decade. However, it is a demonstration of Council's intent to seek solutions to the problems that are being faced and to utilise Council owned land for the overall benefit of the community.

With all these projects and improvements Council has maintained a strong and robust financial position and I look forward to achieving an equally sound result for our community next year.

I am thrilled that at the time of writing this message, Council was named the winner of the 2022 AR Bluett Memorial Award for best Regional Rural local government in the state. This is a fantastic achievement and Council's staff are to be commended on their efforts and hard work, day in and day out to deliver for our community.

  
DES KENNEDY  
MAYOR

THE YEAR  
IN REVIEW

KEY COMPLETED  
PROJECTS

DELIVERY PROGRAM  
PROGRESS

FINANCIALS

STATUTORY  
INFORMATION

STATE OF THE  
ENVIRONMENT

## MESSAGE FROM THE GENERAL MANAGER



*"Council has maintained healthy financial results with another surplus of \$8 million before capital grants and contributions."*

2021/22 has been a unique year for our community and the organisation. As this Annual Report demonstrates, we've delivered a number of major capital projects despite our successive third La Nina event in as many years and pandemic-induced contractor and supply shortages.

Despite these challenges we were able to complete 71 per cent of capital works, representing \$37 million in spending on various assets and infrastructure including bridges, footpaths and drainage.

The all new Goulburn River Bridge was among critical infrastructure upgrades. This asset is part of an important transport route between our region and the Hunter, essential for passenger and freight movements, in particular the mining industry.

A major component of capital works spend was allocated to roads, which remain a high priority for our community. Like many other Local Government Areas, the repeated and prolonged major rain events have caused significant damage to our 2,460km network and we continue to undertake repairs based on priority when conditions permit. By comparison, Council's expenditure per capita on roads is twice that of other comparable local government areas within the Office of Local Government's Group 4 category. The region received a natural disaster declaration for severe weather and flooding from February 2022 onwards and we continue to apply for government assistance as well as utilising our own funds to undertake repairs to roads and other infrastructure.

I am pleased to report despite these challenges, Council has maintained healthy financial results with another surplus of \$8 million before capital grants and contributions.

Council has been very successful in securing grant funding in recent years, which has assisted in the delivery of major projects including the \$8.4 million Mudgee Arts Precinct and \$17 million stage two of the Glen Willow Regional Sporting Complex. This facility is a prime example of Council's forward planning and diversification

of the local economy with a sports tourism offering. It has become a facility that other regional councils work to replicate. Since opening in 2012, the facility has generated \$51 million in economic value for the region and the newly completed stage two means the venue will have capacity to host 4412 additional local games and training sessions each year.

These projects, activities and financials were a deciding factor in Council being awarded the state's top local government award – the 2022 AR Bluett Award. Council was named the winner in the Regional/Rural category at the Local Government NSW Annual Conference in October. Awarded annually since 1945, the AR Bluett Award is the greatest accolade a council can receive and is recognised as the pinnacle of local government achievement. Judges said Council completed a number of key projects over the past year that improved customer service and diversified the local economy. I would like to acknowledge the work of Council's 472 employees who give their all and are passionate about providing for our community.

The region has seen major investment in the renewables sector, and has been identified as part of the first pilot Renewable Energy Zone. Council continues to manage the opportunities and challenges this presents with 13 State Significant Projects currently at various stages of the planning process.

This is the first Annual Report of the new Council, elected in December 2021 and follows an all new three-year Delivery Program and Community Plan which sets out the community's vision for the future – where we are, where we want to be and how we will get there.

As always, Council's staff continue to work hard to improve our community and make the region a fantastic place to work, live, invest and visit and I thank them for their ongoing dedication.



BRAD CAM  
GENERAL MANAGER

THE YEAR  
IN REVIEW

KEY COMPLETED  
PROJECTS

DELIVERY PROGRAM  
PROGRESS

FINANCIALS

STATUTORY  
INFORMATION

STATE OF THE  
ENVIRONMENT

## YOUR COUNCIL

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.



Cr Des Kennedy  
**MAYOR**



Cr Sam Paine  
**DEPUTY MAYOR**



Cr Paul Cavalier



Cr Katie Dicker



Cr Alex Karavas



Cr Robbie Palmer



Cr Peter Shelley



Cr Phil Stoddart



Cr Percy Thompson

THE YEAR  
IN REVIEW

KEY COMPLETED  
PROJECTS

DELIVERY PROGRAM  
PROGRESS

FINANCIALS

STATUTORY  
INFORMATION

STATE OF THE  
ENVIRONMENT



## 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

The governing body is 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, and 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 2021/22, there was one Code of Conduct complaint 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

THE YEAR  
IN REVIEW

KEY COMPLETED  
PROJECTS

DELIVERY PROGRAM  
PROGRESS

FINANCIALS

STATUTORY  
INFORMATION

STATE OF THE  
ENVIRONMENT



## COUNCILLOR KEY STATISTICS

### Councillor Attendance at Meetings and Workshops

12 Ordinary Council meetings and 1 Extraordinary meeting were held between 1 July 2021 and 30 June 2022.

Elected Member	Ordinary Meetings Attended		Extraordinary Meetings Attended	
	Number	%	Number	%
Cr Des Kennedy – Mayor	10/12	83%	1/1	100%
Cr Sam Paine – Deputy Mayor	10/12	83%	1/1	100%
Cr Paul Cavalier	10/12	83%	1/1	100%
Cr Russell Holden	4/5	80%	NA	NA
Cr Alex Karavas	12/12	100%	1/1	100%
Cr Esme Martens	5/5	100%	NA	NA
Cr John O'Neill	4/5	80%	NA	NA
Cr Peter Shelley	10/12	83%	1/1	100%
Cr Percy Thompson	12/12	100%	1/1	100%
Cr Katie Dicker	7/7	100%	1/1	100%
Cr Robbie Palmer	7/7	100%	1/1	100%
Cr Phil Stoddart	7/7	100%	1/1	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



Michele George  
**Executive Manager  
People & Performance**

WHS and Risk  
Business Improvement  
Internal Audit  
Human Resources



Leonie Johnson  
**Chief Financial  
Officer**

Financial Services  
Property and  
Revenue  
Procurement and  
Fleet  
Information and  
Communications  
Technology

THE YEAR  
IN REVIEW

KEY COMPLETED  
PROJECTS

DELIVERY PROGRAM  
PROGRESS

FINANCIALS

STATUTORY  
INFORMATION

STATE OF THE  
ENVIRONMENT

## 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.

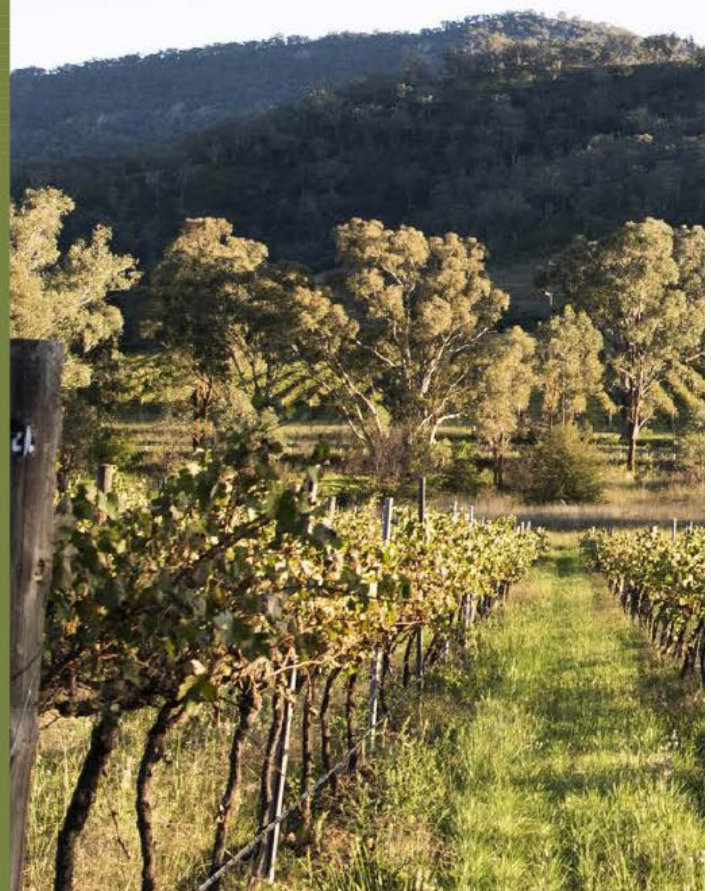
We admit our mistakes and focus on getting better.

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

Over 25,000 people call the Mid-Western Region home.

One of regional NSW's fastest growing areas, the region is the gateway to the Central West and Far West regions of the state. Just over three hours drive from Sydney and Newcastle, it is easily accessible and centrally located to other major regional centres.

Gulgong, Kandos, Mudgee and Rylstone townships are alive with visitors and families. The region has open spaces, parks and sporting facilities for activities and a large number of events held each year. Local markets celebrate culture by way of local produce and artisan creativity.

A key feature of the region's economy is its diversity. Business and investment is driven by five major industry sectors – agriculture, retail, construction, tourism and mining.

Each of these industries continues to provide job opportunities. The quality and diversity of the local labour force provides the region with a competitive edge.

Whilst the current labour force provides access to a wide range of skills and education levels, the future growth expected in the region will continue to increase the demand for new skills and qualifications.

Skilled workers such as engineers, builders, tradespeople, childcare and health professionals are likely to be in highest demand in the next three to five years.

Visitors to the region experience a real country community with heart, soul and spirit. Locals love the place they call home and are happy to share the surroundings with 691,000 visitors each year (source: *Tourism Research Australia 2019*).

THE YEAR IN REVIEW  
KEY COMPLETED PROJECTS  
DELIVERY PROGRAM PROGRESS  
FINANCIALS  
STATUTORY INFORMATION  
STATE OF THE ENVIRONMENT





Looking After  
Our Community

## KEY COMPLETED PROJECTS

### Mudgee Arts Precinct

The Mudgee Arts Precinct was officially opened in August 2021 after two years of construction. The building is a striking representation of old meets new, incorporating a nod to the region's important heritage with the former Cudgegong Shire Council Building wrapped with the modern architecture of the new gallery and entrance spaces. In addition to important gallery spaces, the precinct is the new home of the region's tourism body, Mudgee Region Tourism.

The \$8.4 million project included partnership funding from all levels of government. Construction has commenced on an adjacent facility with workshop spaces.

### Glen Willow Regional Sporting Complex – Stage 2

Stage 2 of the Glen Willow Regional Sporting Complex was nearing completion at the end of the financial year with only minor works such as fencing and signage to be completed.

This \$17 million project was managed in-house by Council staff and features six playing fields, including two rugby union fields, four junior rugby league fields, two multi-purpose fields, two cricket pitches, a rugby union two-storey club house and a junior league club house. Ancillary to this is the supporting infrastructure such as internal roads, car parks, irrigation, lighting towers, spectator seating, drainage and field mounds. The expansion of this community facility means 4412 additional local games and training sessions can be hosted each year.

Both the first and second stage of Glen Willow included partnership funding from all levels of government.

### Jennie Blackman Dog Park

Mudgee's new off-leash dog park was opened to the delight of dogs and dog owners throughout the region last year. In stark contrast to the former park with just a single open area, the new facility includes designated combined, small and large paws areas, bins (including dog waste bags), 'Air-lock' style entrance/exit gates, landscaping, seating, shelter and drinking stations for dogs. Extensive online and in-person community engagement was undertaken.

The park was named in honour of Mudgee woman Jennie Blackman, an avid dog lover and well known resident.

### Billy Dunn Oval Amenities building

An all-new amenities building was constructed at Billy Dunn Oval in Gulgong to improve facilities for female sport. The building includes dedicated change rooms for women, as well as toilets, showers, basins, referee's bathroom and storeroom. There were previously no suitable female amenities at the ground. It is the intention of this purpose-built facility to improve accessibility and participation in sport among local women to increase their fitness, health and overall quality of life.

### Playground Shade Sail program

As part of its ongoing commitment to improve facilities, Council has installed new and updated shade sails at more than a dozen parks and playgrounds across the region in Mudgee, Gulgong, Rylstone, Kandos and Charbon. The upgrades are designed to improve the enjoyment and safety of children and parents using our local playgrounds.

### Streetscape guide: Gulgong, Kandos, Mudgee and Rylstone

Prior to the implementation of Council's Streetscape Guide for Gulgong, Kandos, Mudgee and Rylstone, there was no consistency of streetscape infrastructure.

Bins, street furniture and tree guards were replaced as required or newly installed in response to a community request. This resulted in inconsistent types of infrastructure and placement that had the potential to negatively impact upon the aesthetic appeal of the towns' central business districts. A consultant was engaged to understand the current streetscape infrastructure including: benches, tables, tree guards, vegetation, rubbish bins, street signs, street lighting, bicycle racks. The consultant then developed a methodology and design guidelines for determining the future location and type of streetscape infrastructure to be used by Council staff.

### Review of the Rylstone Street Study

An update and subsequent endorsement of the review of the 1991 Rylstone Main Street Study was completed in 2021. The 2021 Rylstone Street Study examines each of the buildings along the main street of Rylstone, a small town about 40 kilometres east of Mudgee. Some of the buildings are individually heritage listed and all are within the Rylstone Heritage Conservation Area. The purpose



Looking After  
Our Community

## KEY COMPLETED PROJECTS

of the 2021 Rylstone Street Study is to provide guidance to landowners if they are looking to develop or make improvements to their properties. Landowners will still be required to obtain any relevant development approvals and are encouraged to seek the advice of Council's Heritage Advisor prior to commencing work. Council's development assessment staff will also reference the document to determine a property's significance when considering DAs.

### Mudgee Arts Precinct – inaugural year programming

Guido Maestri's Stories from Homedale was the Precinct's inaugural exhibition. Born in Mudgee, Maestri is one of Australia's most significant contemporary landscape painters, winning the 2007 and 2008 Dobell Drawing Award, and the 2009 Archibald Prize. Almost 7000 people viewed Maestri's exhibition, a series of landscapes he painted whilst in the Mid-Western Region. All works were sold, including one piece to the prestigious Art Gallery of South Australia.

Mudgee Arts Precinct's second exhibition, Linda Jackson AO: Retreat, Regeneration, Reflection explored a year documenting the artist's property near Kandos after the 2020 bushfires.

The final exhibitions were held concurrently, by local artists, Michael Bourke and Pamela Welsh. The programme met a key goal within Council's Community Plan to meet the diverse needs of the community and create a sense of belonging. This is achieved (in part) by supporting arts and cultural development across the region.

### Public art program

Three new additions were added to the Lawson Park Sculpture Walk following their selection at the annual Sculptures in the Garden, a not-for-profit event that combines Australian sculpture and traditional art mediums in beautiful rural surroundings within a private garden and vineyard in Mudgee.

The Lawson Park Sculpture walk was first established in 2013, and weaves its way along the riverbank of Lawson Park in Mudgee.

Council is committed to developing this public art program and encourages the participation in and appreciation of art by our communities.

THE YEAR  
IN REVIEW

KEY COMPLETED  
PROJECTS

DELIVERY PROGRAM  
PROGRESS

FINANCIALS

STATUTORY  
INFORMATION

STATE OF THE  
ENVIRONMENT



> Mudgee Arts Precinct



## KEY COMPLETED PROJECTS



### Smart water meters installed

Smart water meters were installed in 9000 connections throughout the region as part of a multi-year project. These meters relay data direct to the YourWater portal in real time so major leaks can be identified. Prior to the installation of the meters, up to 140 million litres of water was lost each year due to leakages. The new meters relay data on an hourly basis to Council, allowing Council's Water Team to act promptly. Equally customers can access their own daily water consumption to have greater awareness around their peak use periods and how to reduce this. The Smart Water Meter Network provides an estimated \$445,000 annual cost saving to ratepayers by detecting leakages in real time.

### Smart water meter portal

In conjunction with the launch of its new website, Council also launched its smart water meter customer portal. The portal allows residents to monitor their water usage in real time, receive and pay water bills and set up email and SMS alerts to notify them of possible water leaks and high consumption periods. A project to install smart water meters throughout the region commenced in 2019, relaying data to customers directly, providing an estimated \$445,000 annual cost saving to ratepayers by detecting leakages in real time. In 2015/16, 140 million litres of water was lost due to leakages, this coincided with a period of drought, making the need for real time monitoring even more essential. The new meters relay data on an hourly basis to Council, allowing its Water Team to act promptly.

### Streetlight upgrade to LED

A total of 1495 streetlights in Mudgee, Gulgong and surrounding villages were upgraded to LED technology as part of a major project to improve energy efficiency. Installed by Essential Energy, the LEDs are more energy efficient, require less maintenance and have a significantly longer life. They will provide a more reliable, better quality lighting service and deliver savings of more than 53 per cent in energy consumption. Street lighting is a significant expense for Council, costing around \$400,000 each year. The new additions will reduce Council's operating costs, with anticipated annual savings of approximately \$140,000. The upgrade has significantly reduced Council's environmental footprint, the equivalent of 177 cars off the road annually. LED upgrades in Rylstone and Kandos continue to be

investigated. This activity meets a key goal within the Community Plan to consider technologies in Council's facilities, infrastructure and service delivery to reduce our environmental footprint.

### Solar Array

In 2019 Council commenced planning for a 5 MW (battery ready) solar array on site at the Mudgee Sewage Treatment Plant as part of its Renewable Energy Action Plan. The intention of this asset is to offset Council's electricity consumption to its owned facilities and eventually provide any additional supply to local business. Stage One of this project, including detailed design, community consultation, capital expenditure reporting, Development Application, engineering and grid connection approval, and construction tender process was completed in 2021. Construction of this facility is due to commence late this year with operations expected to commence in 2023.

### Kandos Waste Transfer Station office and shop

A dedicated office and tip shop facility were constructed at Kandos Waste Transfer Station as a place for staff to work and second hand items to be stored and sold. Council operates three urban waste facilities in Mudgee, Gulgong and Kandos plus 12 village and rural waste transfer stations for residents living in outer lying areas.

### Rural water filling station upgrades

To improve emergency water access for rural residents, Council upgraded the Rural water filling stations in Mudgee, Gulgong and Rylstone. These new filling stations provide more ensured emergency potable water access for rural residents, faster flow rates and reduced fill times. The new water filling stations have an outlet of either 25mm (per existing) or a larger outlet of 50mm for higher flow rates.

Access to the water filling stations is available 24 hours per day, seven days a week, via an app.

### Aerial Fauna Crossings Installed

A number of environmental protection assets were installed in 2021/22 particularly in areas of high risk including main roads and highways. Two aerial fauna crossings were installed above Wollar Road through the Munghorn Gap to provide safe crossings for wildlife. Approximately 25 metres in length, the crossings are designed for small



## KEY COMPLETED PROJECTS

animals such as possums and gliders. The crossings are just another measure to protect wildlife, with nesting boxes also constructed as part of a partnership between Council and the local men's shed. The crossings were installed alongside the road corridor last year to replace habitat lost as part of a three-year road safety upgrade to realign two dangerous curves on the busy arterial that connects the Mid-Western Region to the Upper Hunter.

### Waste education

More than 11,200 tonnes of organic waste has been diverted from landfill and processed into valuable compost since the implementation of Council's kerbside Food Organics

and Garden Organics Service in 2018. The service is part of a partnership with neighbouring Narromine and Dubbo Regional Council. As part of the partnership, in addition to Food and Garden Organics collection and processing, a series of waste education programs were launched in 2021/22. Waste education has included the Scrap Together campaign, Plastic Free July, information stalls at local market days and a Schools Education Program. The Schools Education Program included participation from 90 per cent of the schools in the region (a total nine schools and 86 workshops), and engaged with 1650 students. During this period learning packages for Kindergarten to year six were rolled out including Little Litter Superheroes, Recycle Right Together and Fight Against Food Waste.



> Aerial fauna crossing, Wollar Road

THE YEAR IN REVIEW  
KEY COMPLETED PROJECTS  
DELIVERY PROGRAM PROGRESS  
FINANCIALS  
STATUTORY INFORMATION  
STATE OF THE ENVIRONMENT



Building a Strong  
Local Economy

## KEY COMPLETED PROJECTS

### Major events

More than \$3.6 million has been injected into the local economy as a direct result of the three major events at Council's Glen Willow Regional Sporting Complex in 2021/22. A combined 18,228 people made it through the gates to see the NRL pre-season Charity Shield: South Sydney Rabbitohs v St George Illawarra Dragons (26 February), NRL Premiership Round 4: Manly Warringah Sea Eagles v Canberra Raiders (2 April), and A-League Round 19: Central Coast Mariners v Macarthur FC (26 March). Economic data shows 67 per cent of Manly v Canberra event attendees were visitors to the region, while 54 per cent of A-League attendees and 66 per cent of Charity Shield attendees were visitors to the region. On average, these visitors spend \$163 a night based on a two-night stay. Based on these visitor numbers Council estimates the Manly v Canberra game generated \$1.4 million for the local economy, whilst A-League generated \$400,000 and Charity Shield \$1.8 million. Sports tourism and attraction of major events is a key activity within Council's Community Plan to foster a prosperous and diversified economy. Since the development of the Glen Willow Regional Sporting Complex in 2013, Council has continued to establish and nurture relationships with sports codes like the NRL and individual teams to attract and retain national fixtures. Council will again host the 2023 Charity Shield as part of a partnership with the St George Illawarra Dragons and South Sydney Rabbitohs. An NRL premiership game will be hosted in 2023.

### Economic Think Tank

Council's Economic Think Tank was an initiative developed in 2013, and was hosted for the ninth year running in 2022. The Think Tank is an annual event where Council engages with industry and business leaders to discuss the local economy, major projects in the region, key local issues and opportunities, Council business support, and economic development initiatives. More than 30 local business owners from key industries including mining, small business, tourism, agriculture, health and education attended along with representatives from State Government agencies. Among the key issues highlighted

by attendees were very low unemployment rates, challenges in recruiting, tourism growth and housing. As part of this year's event, representatives from the Department of Regional NSW presented on the process to update the 2022 Mid-Western Regional Council Regional Economic Development Strategy (REDS). The strategy sets out a vision for the region, highlights key local strengths, emerging industries, and details key strategies and actions to help achieve the vision.

### Central West Young Entrepreneurs Summit

The third annual Central West Young Entrepreneurs Summit was held in March 2022 to provide local business owners, students and staff in a range of industries from real estate to retail, access to some of Australia's most successful young entrepreneurs who grew their startups into international companies. Hosted at the new Mudgee Arts Precinct, more than 40 attendees heard from six speakers, including co-creator of one of Australia's biggest swimwear brands Budy Smuggler. The Central West Young Entrepreneurs Summit is an educational event that aims to mentor, encourage and inspire driven professionals at any stage of their career. The summit provides local people the opportunity to break away from the pack, create growth in existing businesses, network or build future opportunities through inspiring sessions from a panel of guest speakers. Each year the summit covers a variety of topics ranging from marketing to agriculture, technology, building, retail, hospitality, entrepreneurial mentorship and more.

### Choose Mudgee Region marketing campaign

Council's Choose Mudgee Region multi-media marketing campaign was first developed in 2018/19 to promote investment and relocation into the Mudgee Region and the towns of Gulgong, Rylstone and Kandos. In 2022 the campaign was re-established and Council undertook a number of marketing initiatives to promote the message of live, work, invest and visit. Activities included TV advertising, digital marketing campaigns and social media marketing. Digital marketing activities reached an audience of almost 300,000 people. Further advertising was undertaken on television in key markets of Wollongong, Newcastle and Canberra to an audience of 1.7 million.



Building a Strong  
**Local Economy**

## KEY COMPLETED PROJECTS

### Mudgee Valley Park upgrades

The Mudgee Valley Caravan Park is a Council-owned and operated commercial facility. The park has 72 rooms, a combination of cabins, caravan and camp sites capable of sleeping 250 people. To improve this key tourism asset and its amenity, Council demolished the existing amenities building and constructed an all-new accessible building consisting of six toilets and showers. The ancillary camp kitchen was also upgraded, with a new barbecue installed along with new furniture.

Stage 2 is on track for completion in September 2022 and will provide 55 additional beds to this facility, which supports local jobs and the region's tourism industry. Tourism is essential to the Mid-Western Regional economy, delivering \$101.2 million annually.

THE YEAR  
IN REVIEW

KEY COMPLETED  
PROJECTS

DELIVERY PROGRAM  
PROGRESS

FINANCIALS

STATUTORY  
INFORMATION

STATE OF THE  
ENVIRONMENT



> Charity Shield 2022, Glen Willow Stadium



Connecting Our  
Region

## KEY COMPLETED PROJECTS

### Goulburn River Bridge replacement

The Goulburn River Bridge is a critical piece of infrastructure in the transport route from the Hunter to the Mid-Western Region. Not only is it an essential route for passenger movements, but also freight, in particular for the three major coal mines in Ulan. For some time, a speed restriction was placed on the 130-year-old bridge for safety with vehicles also forced to travel an additional 90 kilometres via Gulgong to Ulan due to load restrictions. Council secured NSW Government funding to construct an entirely new bridge, one that is wider and designed to accommodate heavy vehicles, in particular those travelling to mines at Ulan.

### Wollar Road upgrade

The three-year Wollar Road upgrade through the Munghorn Gap National Park progressed to the second stage following completion of the first 1.6km section in the previous financial year. In addition to road widening and pavement improvements, Council upgraded the intersection with the Castle Rocks Trail car park.

### Dixons Long Point Crossing

A Feasibility Study was undertaken into the proposed bridge crossing at Dixons Long Point in consultation with various stakeholders. A preferred option has been selected in a location 1.5km north of the current four wheel drive crossing due to reduced bridge length with flood immunity and fewer piers in the Macquarie River.



> Goulburn River Bridge replacement



> Wollar Road Upgrade

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

## KEY COMPLETED PROJECTS



### New corporate website

Council launched its new website in December 2021 following a six-month development and testing period. The website was built in-house by the Communications Team utilising the OpenCities platform, sourcing and producing content for the organisation's more than 70 business units and key functions. A major component of this site is the 100 forms and applications that are now digital and can be submitted online. Prior to the development, the majority of Council forms and applications were either in PDF soft copy or hard copy format, but neither could be submitted online, nor payments made online. In the six months since site launch, a total 5264 forms were submitted online and a total \$168,053.20 was transacted within these forms. Additionally, the new site integrates an online booking platform that allows customers to book one of 33 venues available for hire. Its highly accurate search tool has expedited access to information and has seen a notable correlation in the reduction of front counter enquiries (down 24 per cent), allowing Customer Service to perform other critical functions.

### Strategies and Plans Register

Further to streamlining information, Council has created a register of all active strategies, plans, masterplans and plans of management. A total of 204 documents are listed within the register including 52 strategies and plans, six masterplans and 91 policies. This register monitors responsible staff members, dates of review, strategic alignment, council minutes, local drive locations, external website location and Executive Management comments.

Rather than having several registers for different document types, Council has centralised its registers, combining the policies and procedures registers with the strategies and plans. All corporate documents are captured in one place.

### Council TikTok account

We continue to grow reach on our four corporate social platforms (and 15 sub platforms), with Council's Facebook audience at 8800, 73 per cent of the Mudgee population. Council created its TikTok account this year to diversify its communications offering and target a younger audience with a focus on youth and major events. Since its launch in February 2022, 130 minutes of video has been viewed by close to 100 followers. It has been used to promote

activities such as International Women's Day, major events at Glen Willow and the region's parks and gardens offering. Council's intention is to build this audience and partner with NRL teams and other major sports codes that jointly host events with Council at its venues. Locally the account will target the region's youth on specific events and activities relevant to them. The account shows a lighter, friendly and informal side to Council.

### Legislative Compliance Database

In 2020, Council implemented a Legislative Compliance Database to assist with the creation and review of Sub-delegations and Appointments and Authorisations for Council employees. The use of the database and the information contained within the database clarifies people and positions with the responsibility for decision making in relation to legislative matters. In addition, governance staff are able to create reports in relation to delegations and appointments which also assists in identifying possible gaps in decision making and responsibility across Council. In 2021, Council utilised this database to review and issue Instruments of Sub-Delegation and Instruments of Appointment. Since the rollout of the Delegations and Appointments databases Council has been able to further refine these instruments. The rollout of the Delegations and Appointments has seen many instruments created for various positions and employees. Council maintains approximately 60 Instruments of Sub-Delegations allocated to various positions within Council and about 80 Instruments of Appointment which are allocated to individuals.

These instruments will be reviewed at each new term of Council.

### NSW Planning Portal implementation

The NSW Planning Portal was implemented for regional councils in July 2021, requiring customers to self-lodge all DAs online. A mandate of the NSW Government, there was a significant amount of work undertaken by Planning and Development staff to migrate lodgement of DAs from Council's former system to the Planning Portal. Through this transition period, to make lodgements as easy as possible, Council established a dedicated Planning Kiosk at its Mudgee Customer Service Centre where customers could lodge an application with the assistance of staff.



## KEY COMPLETED PROJECTS

### Digitisation of historic Development Applications

Council has almost completed the digitisation of all historic hard copy DAs and (what were formerly known as) Building Applications into Council's property and rating system.

At the commencement of the project in 2019 Council had approximately 20,000 hard copy files from the current Mid-Western Regional Council Local Government Area, which included former Mudgee and Rylstone Shire Councils that amalgamated in 2004. The earliest known files dated back to the 1950s. These files have now been digitised and are easily accessible for staff and the public through requests for information.

### 2019/20 bushfire lessons learnt report

The 2019/20 NSW bushfires were unprecedented in extent and intensity. Within the Mid-Western Regional LGA over 240,000 hectares were burnt by two fires, 16 homes and 17 outbuildings were destroyed or damaged, more than 1000 stock died or had to be euthanised and 1500km of fencing burnt. Council played an important role in supporting the Local Emergency Management Committee (LEMC) and the Rural Fire Service with administrative support through the LEMO role and Operational Support through traffic control and road closures. Council also supplied staff, plant and equipment to provide fire breaks as directed by RFS.

A post disaster briefing was undertaken with all Council

staff regarding Council's preparedness, response and recovery efforts. This identified there are many challenges which Council faced and generally performed very well, however there are always lessons to be learned which will better prepare Council for the next emergency event. A report was developed and implemented in 2021, outlining lessons and recommendations to enable continuous improvement in our Emergency Management processes and procedures.

### COVID response

Between August and November 2021, Council's LEMO and staff worked directly with the LEMC to facilitate daily updates between health, Council and key stakeholders and industries from education, aged care, business and mining. Further support was provided to their industries to support their own COVID response. In conjunction with the LEMC and other Council departments, the LEMO and EMO made arrangements for pop up testing and vaccination clinics. The team also supported the promotions of NSW Health key messaging via the Communications Team, utilising all Council's channels including video updates from the mayor on social media, website updates and printed material.

Council undertook an analysis of community support in the region, distributed PPE to local businesses and schools and developed a de-escalation plan in anticipation of lockdowns lifting.

THE YEAR  
IN REVIEW

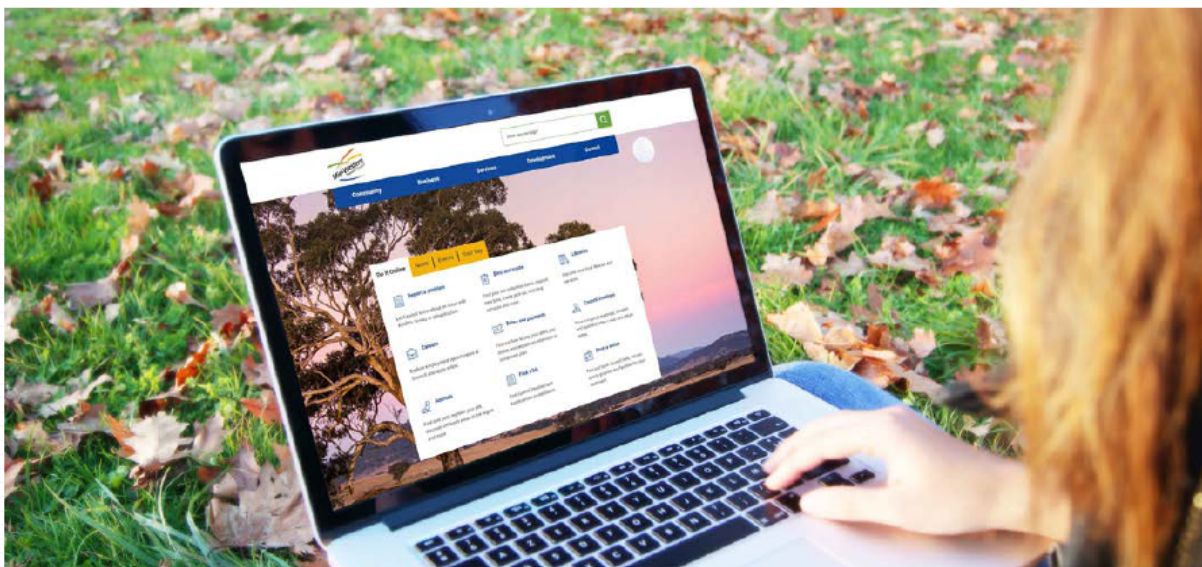
KEY COMPLETED  
PROJECTS

DELIVERY PROGRAM  
PROGRESS

FINANCIALS

STATUTORY  
INFORMATION

STATE OF THE  
ENVIRONMENT





# COMMUNITY STRATEGIC PLAN

The Towards 2040 Community Plan sets out where, as a community, we want to be by the year 2040. It addresses four key questions - where we are, where we want to be, how we will get there and how we know that we are there.






The plan represents an opportunity for Council and the community to strategically create and foster sustainable communities that reflect local values and aspirations. It allows the community to define and reconcile the economic, social, cultural and environmental priorities for the region.

The community played an integral role in the development and review of the Towards 2040 Community Plan with over 1,500 people taking part in a variety of consultation and community engagement activities.

The key strategies and priorities identified are outlined here.

 <p>Looking After Our Community</p>	<ul style="list-style-type: none"> <li>1.1 A safe and healthy community</li> <li>1.2 Vibrant towns and villages</li> <li>1.3 Effective and efficient delivery of infrastructure</li> <li>1.4 Meet the diverse needs of the community and create a sense of belonging</li> </ul>
 <p>Protecting Our Natural Environment</p>	<ul style="list-style-type: none"> <li>2.1 Protect and enhance our natural environment</li> <li>2.2 Provide total water cycle management</li> <li>2.3 Live in a clean and environmentally sustainable way</li> </ul>
 <p>Building a Strong Local Economy</p>	<ul style="list-style-type: none"> <li>3.1 A prosperous and diversified economy</li> <li>3.2 An attractive business and economic environment</li> <li>3.3 A range of rewarding and fulfilling career opportunities to attract and retain residents</li> </ul>
 <p>Connecting Our Region</p>	<ul style="list-style-type: none"> <li>4.1 High quality road network that is safe and efficient</li> <li>4.2 Efficient connection of the region to major towns and cities</li> <li>4.3 An active travel network within the region</li> </ul>
 <p>Good Government</p>	<ul style="list-style-type: none"> <li>5.1 Strong civic leadership</li> <li>5.2 Good communications and engagement</li> <li>5.3 An effective and efficient organisation</li> </ul>






## PROGRESS ON THE OPERATIONAL PLAN AND DELIVERY PROGRAM

				
we <b>manage</b>	we <b>raised</b>	we <b>invested</b>	we <b>received</b>	we <b>donated</b>
<b>\$1.1b</b>	<b>\$44.7m</b>	<b>\$37.7m</b>	<b>\$22.9m</b>	<b>\$111k</b>
of infrastructure, property and plant and equipment	of rates and annual charges	into new and renewed assets	of capital grants and contributions	to our community via our Community Grants Program

THE YEAR  
IN REVIEW

KEY COMPLETED  
PROJECTS

### Progress against delivery program targets

	No. of actions	100% complete	%
	65	61	94
	40	33	83
	19	18	95
	21	20	95
	64	59	92
<b>TOTAL</b>	<b>209</b>	<b>191</b>	<b>91</b>

DELIVERY PROGRAM  
PROGRESS

FINANCIALS

STATUTORY  
INFORMATION

STATE OF THE  
ENVIRONMENT

A detailed review of the actions included in the Delivery Program for the 2021/22 year is provided on pages 28–61.

## 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
<b>Provide Meals on Wheels service</b>	Meals on Wheels volunteers provided 736 hours of service throughout the year to deliver meals under the Commonwealth Home Support Program. Requests for service fluctuated throughout the year as clients assessed the need to remain in isolation during the pandemic. Supports for clients were also provided by peak body partners in the form of household items such as sanitiser being provided to clients at no charge.
<b>Provide Community Transport service</b>	Throughout the year, Community Transport volunteers accumulated almost 4,200 hours driving eligible clients to appointments and social engagements locally and regionally, as well as to Sydney and the coast. Volunteer numbers fluctuated at times due to COVID-19. Community Services instigated COVID safe measures within Community Transport vehicles meaning annual statistics are lower than usual.
<b>Provide financial and in-kind support to Mid-Western Regional Youth Council to deliver a range of youth oriented initiatives</b>	Council staff work with the Mid-Western Regional Youth Council to roll out a broad range of weekly, monthly and school holiday events for local youth across the region. Activities have been offered through in-person, online and 'at home' methods to encourage youth engagement throughout the year whilst circumventing challenges presented by COVID-19. Unfortunately, a number of activities were cancelled due to facilitator illness, however many were rescheduled to later dates in order to satisfy participant demand.
<b>Provide Family Day Care service</b>	Council continues to coordinate Family Day Care services across the region and Wellington. Whilst service requests for early childhood education and care remain high, educator numbers are low. Council has sought and successfully obtained funding for the next three years to sustain Family Day Care services and increase educator numbers to reduce child care shortfalls. A new educator commenced service in Gulgong earlier this year.

Provide customer focused library and information services

ACTION	COMMENTS
<b>Deliver high quality, modern library services at Mudgee, Kandos, Rylstone and Gulgong</b>	The Library continues to encourage a lifelong love of books and reading through a varied and interesting range of programs and events, designed to engage community interaction and encourage lifelong learning. The Library offers author visits, writing and technology workshops, children's literacy programs, book groups, school and preschool visits, and other special events, with all programs and services in high and continuous demand. In the 2021/2022 financial year 50,673 people visited the library, with 525 new members joining during this time.

Vibrant towns and villages with a rich history, a safe and healthy community, and a strong sense of community pride – a great place for families.

Provide customer focused library and information services

ACTION	COMMENTS
<b>Provide Mobile Library service</b>	The Mobile Library continues to be an integral part of the Library’s outreach service, visiting small schools, outlying communities and housebound customers in their own homes or care facilities.
<b>Deliver children and youth library programs including pre-school Bookworms and school holiday reading program</b>	During 2021/2022, there were 28 separate Library facilitated programs and events, with staff delivering 315 individual sessions/workshops to 2,314 participants.  During the COVID-19 lockdown and the following period of restrictive public health orders, the Library offered 5 program-specific sessions to 183 participants, 3 online craft sessions to 1,500 home viewers, and 2 online science experiments viewed by 620 people. In addition, Library staff uploaded 7 online Story times, which have been viewed 1,162 times.
<b>Maintain an up to date library collection in accordance with Collection Policy</b>	There were 78,227 items borrowed from the Library, with 15,621 items borrowed from the Library’s online platforms. Additionally, the Library’s online databases were accessed 83,186 times.

THE YEAR IN REVIEW

KEY COMPLETED PROJECTS

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
<b>Lobby government and industry for funding including potential upgrade of Mudgee Hospital</b>	The Mudgee Hospital was opened to the public on 27 May 2020. Council representatives continue to participate in the Mudgee Hospital working group.
<b>Liaise with Western NSW Local Health District and work with local Medical Services Organisations through interagency meetings</b>	Representatives from Western NSW Local Health District are consistently invited to attend and participate in regular interagency meetings. Other private health care providers also attend meetings.
<b>Provide accommodation assistance for doctors in the region</b>	Council continues to set aside funds to assist in providing appropriate accommodation for medical practitioners in the region as and when needed.

DELIVERY PROGRAM PROGRESS

FINANCIALS

STATUTORY INFORMATION

STATE OF THE ENVIRONMENT



**Strategy 1.1.3 Support networks, programs and facilities which promote health and well-being and encourage healthy lifestyles.**

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

ACTION	COMMENTS
<b>Provide financial assistance for local and regional bodies in accordance with Community Grants Program Policy</b>	All planned reports to Council have been completed. Community grants totalling \$217,442 were approved in 2021/2022.

**Promote and support programs aimed at increasing community health and wellbeing**

ACTION	COMMENTS
<b>Provide funding for Healthy Communities initiatives</b>	Council continues to provide funding for a range of affordable exercise options for members of the community across the region. Classes rolled out this year include aqua fitness in Gulgong and Mudgee. Heartbeat classes were also offered in person in Gulgong and Mudgee as well as online. Attendance figures have fluctuated due to COVID-19 but overall Council continues to receive positive feedback regarding the programs available.

**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
<b>Maintain effective working relationship with NSW Police</b>	Council continues to work closely with NSW Police on matters of community concern.
<b>Participate in the Liquor Accord as required</b>	Council continues to liaise with the Liquor Accord and provides advice and feedback when requested.
<b>Maintain Alcohol Free Zones in town centres</b>	There were no applications or changes per adopted designated Alcohol Free Zones within the major town limits during 2021/2022. Any future suspension of the Alcohol Free Zones for a recognised event will be assessed and reported to Council for consideration.
<b>Increase lighting and other safety initiatives in parks and gardens as per Capital Works Program 2021/22</b>	Additional bollards and other safety initiatives were installed at Council's recreational facilities. Plans for recreational lighting at Apex Park Gulgong, ANZAC Park Gulgong and Flirtation Hill Mudgee and Gulgong in order to deter antisocial behaviour are now complete.
<b>Investigate options for CCTV cameras in town centres</b>	While the Community Safety Committee determined that CCTV cameras were not the best course of action in town centres, there are a number of areas that have had security cameras added for asset protection (eg at Waste Transfer Stations and the Mudgee Town Hall). Ongoing assessment of assets includes consideration of increased security cameras.

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

ACTION	COMMENTS
<b>Regular street cleaning and litter collection in town centres</b>	Council's street sweeping and town litter cleaning programs were completed as scheduled.

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

ACTION	COMMENTS
<b>Participate in review of Emergency Plan as required</b>	The Emergency Plan was updated in June 2021, with the next review due in three years. Regular Emergency Management Committee meetings were held throughout the year.

### Effective public health regulation and continuing education

ACTION	COMMENTS
<b>Work in partnership with the NSW Food Authority to address matters such as food premises inspections, safe food handling and food borne illness investigations</b>	Annual Food Inspections were completed with over 90% of premises satisfactorily inspected.
<b>Continued support and promotion of Scores on Doors initiative</b>	Council's Environmental Health Officer actively promotes the Scores on Doors initiative. Food premises that achieved 5 stars during the inspection program were issued a certificate.
<b>Onsite sewerage management registration and inspections</b>	The Onsite Sewerage Management (OSSM) program is progressing relative to applications received for new systems or approvals to operate existing systems. Very few are a result of complaints due to failure of a system.

### Effective animal control regulation

ACTION	COMMENTS
<b>Utilise website to actively re-home animals</b>	Social media promotions are regularly undertaken to re-home animals and the register of animals held at Mudgee Pound is regularly updated on Council's 'Pets in the pound' webpage. The registration rates are improving and the rehoming rates continue to increase.
<b>Encourage registration of dogs through Council media channels</b>	Social media is used to highlight rehoming opportunities for impounded animals and to promote companion animal registrations.
<b>Provide off leash dog areas</b>	A new off-leash dog park with associated landscaping was officially opened at the Glen Willow Regional Sporting Complex.

THE YEAR  
IN REVIEWKEY COMPLETED  
PROJECTSDELIVERY PROGRAM  
PROGRESS

FINANCIALS

STATUTORY  
INFORMATIONSTATE OF THE  
ENVIRONMENT



**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
<b>Conduct annual review of Development Control Plan</b>	Council continues to monitor the Development Control Plan and make relevant amendments as required.

**Heritage advisory services and Heritage conservation**

ACTION	COMMENTS
<b>Access to heritage funding through Local Assistance Program</b>	Six Local Heritage Grants were allocated. All projects were completed and funding was provided.

**Support and assist preservation of important historical sites in the region**

ACTION	COMMENTS
<b>Maintain historical sites within the region, for example Red Hill Reserve</b>	Historical sites within the region were maintained to ensure their preservation and to enhance the historic character of our towns and villages via the Capital Works Program and maintenance works as required.

**Strategy 1.2.2** Manage the impacts of mining operations in the region.

**Monitor employment and population growth**

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

**Meet regularly with mining companies**

ACTION	COMMENTS
<b>Hold quarterly meetings with mine managers</b>	Quarterly meetings were held with representatives of local mining companies.

**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
<b>Review and release land for development as required</b>	Council utilises a Land and Housing Monitor to track building approvals, occupation certificates, subdivision approvals, construction and subdivision certificates against Council's Urban Release Strategy.

**Implement the Land Use Actions in the Local Strategic Planning Statement (LSPS)**

ACTION	COMMENTS
<b>Deliver annual strategic planning works program in accordance with the LSPS</b>	Council has commenced work on implementing the short term Land Use Actions outlined in the Local Strategic Planning Statement.

**Promote affordable housing options within the region**

ACTION	COMMENTS
<b>Provide funding to lease emergency housing for women and children leaving family violence</b>	Council continues to work with Barnardos and Housing Plus to provide appropriate supports and accommodation for women and children escaping domestic violence, as well as addressing homelessness across the region. Throughout 2021/2022, Barnardos' Specialist Homelessness Service supported 324 clients. Barnardos reported that all transitional properties and its crisis property encountered longer stays. Transitional periods were extended due to low availability of public and social housing, crisis accommodation and other emergency stay options.

**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
<b>Implement program of street beautification and tree planting</b>	Council continues to respond to resident street tree planting requests including a tree planting program and succession avenue tree plantings. The annual reactive and preventative tree maintenance program was completed in accordance with the streetscape program. In March 2022 the Streetscape Guide for Gulgong, Kandos, Mudgee and Rylstone (the Guide) was prepared to assist in a planned coordinated approach to the type and placement of streetscape infrastructure.
<b>Work in partnership with local groups to apply for grants to buy and install sculptures across the region</b>	Representatives from Council attended the annual Sculptures in the Garden event. A further three works were acquired to add to Council's public art collection. New works were installed in 2021/2022 at Walkers Oval. Further works were acquired to install in Rylstone and Gulgong, as well as at the new Cultural Workshop site immediately adjacent to Mudgee Arts Precinct on Douro Street.

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

ACTION	COMMENTS
<b>Deliver planning functions and building regulation in accordance with relevant legislation and adopted planning instruments</b>	Council continues to undertake planning and building regulatory functions. Monthly reports are provided to Council on the number of applications determined and processing.

THE YEAR IN REVIEW

KEY COMPLETED PROJECTS

DELIVERY PROGRAM PROGRESS

FINANCIALS

STATUTORY INFORMATION

STATE OF THE ENVIRONMENT





## 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
<b>Review, update and develop asset management plans for each major category of infrastructure in accordance with AMP review schedule</b>	Asset Management Plans are on a review schedule. The Roads, Waste and Parks and Gardens Asset Management Plans are due for review.

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

ACTION	COMMENTS
<b>Review and update Parks Management Plans</b>	The final Parks Management Plans are currently being reviewed by the NSW Crown Lands department.
<b>Maintain and operate public open space in accordance with agreed service levels</b>	Reactive and programmed works are completed to a high standard to ensure that technical service levels are met. This included appropriate inspection programs to ensure that real and perceived risks are adequately managed. Maintenance activities include garden beds maintenance, playgrounds/play spaces operations, open space tree maintenance, irrigation services and sports grounds maintenance/renovations.
<b>Passive parks and facilities upgrades as per Capital Works Program 2021/22</b>	Passive Parks were maintained to established service levels and industry standards. A playground shade sail program was completed that included the Gulgong Adventure Playground and various pocket parks throughout the region.
<b>Public toilet construction and refurbishment as per Capital Works Program 2021/22</b>	Council has continued with the construction and refurbishment of public toilets in accordance with the capital works program.
<b>Playground installations and upgrades as per Capital Works Program 2021/22</b>	Playgrounds were maintained through Council's reactive and programmed maintenance program. Works were completed for the replacement of the Lawson Park playground tower. The planning and consultation phase was completed for the replacement of the Rylstone Showground playground equipment.
<b>Active parks and facilities upgrades as per Capital Works Program 2021/22</b>	Council continues to manage and maintain the region's sporting facilities to a high standard. The annual turf maintenance plan was completed with a high level of positive public feedback received, confirming the current service levels are appropriate. Stage 2 Glen Willow progressed towards completion with Junior Rugby League and Rugby Union facilities opened for use. A new change room facility was constructed at Billy Dunn Oval, Gulgong.

### 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 maintenance of the region's cemeteries continued throughout the year in accordance with service levels and policy requirements.
GPS mapping of town cemeteries	Council's cemeteries are being maintained to agreed service standards and operating to industry standards.
Upgrades and extensions of cemeteries as per 2021/22 Capital Works Program	The Capital Works Program for Council's cemeteries were completed on time and within budget. Works included upgrades to the Mudgee Cemetery road network, drainage improvements at Rylstone Cemetery and additional ashes trees at Gulgong Cemetery. Signage upgrades were completed at all cemeteries.

THE YEAR  
IN REVIEW

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

ACTION	COMMENTS
Building upgrades and refurbishments as per Capital Works Program 2021/22	Capital works have been completed in-line with the Capital Works Program and allocated budgets. Works included upgrades to Kildallon Education Centre (old Mudgee TAFE site), Riverside Caravan Park fire services upgrade and Kandos Hall external works.

KEY COMPLETED  
PROJECTS

### 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	All pools were maintained and operated within industry guidelines and compliance requirements to ensure the safety and enjoyment of patrons. NSW Department of Health inspected and passed the region's pools during the pool season which operated from September 2021 to April 2022.
Undertake capital upgrades and renewals to swimming pool facilities as per Capital Works Program 2021/22	Council's swimming pools were maintained to agreed service levels and operated within industry standards. The 2021/2022 capital program was successfully completed, including the installation of a large shade sail at Kandos pool.

DELIVERY PROGRAM  
PROGRESS

FINANCIALS

## 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 staff provided secretarial support for the in-person Youth Council meetings that were able to go ahead in 2021/2022. Staff continue to correspond with the Youth Councillors to discuss potential for a range of activities and events across the region.

STATUTORY  
INFORMATIONSTATE OF THE  
ENVIRONMENT



ACTION	COMMENTS
<b>Provide funding for delivery of youth oriented initiatives</b>	Council Youth Services Officers coordinate a range of weekly, monthly and school holiday events for local youth. Events and activities take place both in person and online across the region as well as occasionally offering excursions and activities outside the area to offer youth experiences unavailable locally.

**Provide meaningful employment to members of the disabled community**

ACTION	COMMENTS
<b>Maintain policies that support employment for people with disabilities at Council</b>	Council continues its support for the employment of people with disabilities through the maintenance of its Anti-Discrimination and Equal Employment Opportunity (EEO) Policy, Recruitment and Selection Procedure, EEO Management Plan and Disability Inclusion Action Plan.
<b>Continued operations of Mudgee Recycling and Ironed Out</b>	Ironed Out and Mudgee Recycling continue to provide employment and service to Council's supported workforce.

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

ACTION	COMMENTS
<b>Attend interagency meetings</b>	Interagency continues to meet regularly for groups in Mudgee and Gulgong, and Kandos and Rylstone. Meetings have shifted permanently online as it has been noted that participation is higher and more consistent through an online platform. Attendees discuss a range of matters, including available services and gaps in community services. A range of online information sessions are also presented to the audiences, such as the relevant topic of School Refusal. Council continues to chair and provide secretarial support to Interagency meetings.

**Promote volunteering through the community**

ACTION	COMMENTS
<b>Run community services programs that encourage volunteering</b>	Council auspices both Mudgee Community Transport and Meals on Wheels which in 2021-2022 have achieved almost 5,000 combined hours of volunteers. Council also partners with Rotary Clubs of Mudgee volunteers to facilitate monthly movie screenings at Mudgee Town Hall Cinema. Council regularly provides ad hoc advice to locals seeking volunteering opportunities across the region and also engages in community consultation to attract volunteers to its volunteer based services.

**Strategy 1.4.2 Support arts and cultural development across the region.**

**Arts and cultural events promotion**

ACTION	COMMENTS
<b>Provide financial and in-kind support to events in accordance with Events Assistance Policy</b>	15 local events were supported through Events Assistance in the last 12 months. 7 events were cancelled due to COVID-19.
<b>Promote the use of Council facilities for significant events</b>	Council continues to promote local venues for future events and conferences.

Provision of meeting and exhibition space

ACTION	COMMENTS
<b>Promote the use of community buildings and make available at reasonable cost</b>	All community venues and facilities are available to hire and are managed through Council's facilities booking software 'Bookable'. These venues are promoted through Council's new website in the 'top tasks' customer section. All fees and charges for hire of venues and facilities are reviewed annually to ensure they remain at a fair and reasonable cost.
<b>Promote the use of exhibition space provided at Mudgee Library</b>	The Mudgee Library still displays artwork but due to the Mudgee Arts Precinct now being open, promotion of exhibition space within the latter facility is now more heavily promoted.

Coordinate and facilitate cultural and arts projects throughout the region

ACTION	COMMENTS
<b>Liaise with Cultural Development Committee, Orana Arts and local arts and cultural groups to develop cultural and artistic projects within the region</b>	Council no longer facilitates a Cultural Development Committee as it now employs its own cultural staff. Further, Council engages Arts OutWest as its regional arts development organisation; rather than Orana Arts. Council continues to liaise with Arts OutWest and other appropriate stakeholders to roll out a robust cultural program through Mudgee Arts Precinct. Activities include formal exhibitions, community exhibitions, artist talks and workshops for a variety of community groups and audiences.
<b>Support arts events and programs in the region</b>	Since the opening of Mudgee Arts Precinct in August 2021, Council has rolled out three major exhibitions in the formal gallery space at the precinct. Other exhibitions have been rotated within the seminar room and community gallery space, such as the HSC works exhibition from local schools and the annual Waste to Art exhibition and competition. Council also participates in local art programs and events such as Sculptures in the Garden and Art Unlimited.

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
<b>Continue to monitor existing buildings</b>	Council continues to monitor public buildings and upgrade them in accordance with the 30 year Asset Management Plan and the works request system. All maintenance and upgrades are undertaken to meet current accessibility standards.
<b>Deliver actions developed in the Disability Inclusion Action Plan</b>	Council continues to work on increasing opportunities and awareness of disability, through events inclusiveness and social media promotion of International Day of People Living with Disability, for example. Council also consulted with the community on the most recent reiteration of its Disability Inclusion Action Plan.

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

ACTION	COMMENTS
<b>A variety of community facilities available for use</b>	Council continues to provide clean and well maintained facilities to the community, which are managed through Council's facilities online booking software 'Bookable'. In December 2021, the system was made available direct to the public to book venues and facilities through Council's website.

THE YEAR  
IN REVIEW

KEY COMPLETED  
PROJECTS

DELIVERY PROGRAM  
PROGRESS

FINANCIALS

STATUTORY  
INFORMATION

STATE OF THE  
ENVIRONMENT

# 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.

*Include biodiversity and heritage as key components in the development application process*

ACTION	COMMENTS
Implement Development Control Plan (DCP) through the development assessment process	The Development Control Plan is considered during the assessment of development applications.

*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 Factors has been completed for Council works as required by the Environmental Planning & Assessment Act Part 5.
Work with local Aboriginal groups to effectively plan works involving sites of cultural significance	A due diligence assessment is being completed with the Review of Environmental Factors as required.

Strategy 2.1.2 Minimise the impact of mining and other development on the environment, both natural and built.

*Work with the community and government agencies to identify and address the issues and mitigate impacts associated with mining*

ACTION	COMMENTS
Raise any issues as part of State Significant Development process	Council is actively engaged in the planning process for State Significant Development (SSD). This includes meeting with independent Planning Commission representatives, making submissions and working with proponents to manage local impacts for all key SSD projects impacting the region.
Represent Council on Community Consultative Committees	Councillors are represented on Community Consultative Committees for local State Significant Developments.

Conserving and promoting the natural beauty of our region.

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
<b>Pursue grant funding for environmental projects</b>	Grant funded improvement works at Putta Bucca Wetlands are progressing with pathway upgrades being completed. Council has been successful in obtaining a Murray Darling Healthy Rivers Grant, enabling Council to provide one off grants from \$5,000 to \$20,000 to landholders along the Cudgegong and upper tributaries to undertake rehabilitation work on private property. Landholder grant applications have closed and initial assessment of individual projects has been completed.

Support National Tree Day

ACTION	COMMENTS
<b>Facilitate National Tree Day activities</b>	National Tree Day was supported by 68 people who planted 600 trees adjacent to the Jennie Blackman Dog Park.

Work with schools to promote environmental awareness amongst students

ACTION	COMMENTS
<b>Support Green Day</b>	Several Council staff were booked to present at Green Day, however the event was cancelled by Landcare due to COVID-19.

Strategy 2.1.4 Control invasive plant and animal species.

Effective weeds management

ACTION	COMMENTS
<b>Effective monitoring and management of noxious weeds across region</b>	Council's weed inspection program continues to meet the agreed service levels.
<b>Ongoing community education on noxious weeds</b>	New property information packs are sent to all new rural property owners providing educational information on weed control. In addition, targeted mail outs are sent to areas with problem weeds providing identification and control advice. Council's Weeds Biosecurity Team hosted a post-fire weeds workshop at Olinda.
<b>Undertake weed control on roadsides and Council land</b>	Council's roadside spraying program has been completed with over 3000km of roadside spraying completed by 30 June 2022.

THE YEAR IN REVIEW  
KEY COMPLETED PROJECTS  
DELIVERY PROGRAM PROGRESS  
FINANCIALS  
STATUTORY INFORMATION  
STATE OF THE ENVIRONMENT



**Collaborate with agencies to manage feral animals**

ACTION	COMMENTS
<b>Support relevant agencies with community education and awareness programs</b>	Council's Weeds Biosecurity Team apply the provisions of the NSW Biosecurity Act across the Local Government Area. The issue of blackberries harbouring feral animals was discussed at the team's Mudgee Farm Field Days stall and at the Community Weeds Forum.

**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
<b>Maintain Best Practice water supply, sewerage and trade waste tariffs</b>	Best practice water pricing structure is being maintained. The implementation of liquid trade waste charges is now fully implemented.

**Implement water conservation and reuse programs**

ACTION	COMMENTS
<b>Ongoing community education on water conservation</b>	Community education has included general water saving advice via Council's website and social media platforms. A community engagement campaign encouraging customers to access the YourWater portal to monitor water consumption and identify potential water leaks was also undertaken throughout the 2021/2022 year.

**Work to secure water for agriculture and urban use**

ACTION	COMMENTS
<b>Work with State Government to secure domestic water supply</b>	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
<b>Represent community at Customer Service Committee meetings for the Cudgegong Valley and Macquarie Valley User Groups</b>	Council continues 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
<b>Implement an Integrated Water Cycle Management Strategy</b>	Water supply and sewerage system modelling has progressed and concept design work undertaken for Rylstone Kandos and Villages Sewerage Augmentation. The Department of Planning and Environment (DPE) issued draft regulatory and (strategic planning) assurance framework to replace the existing Integrated Water Cycle Management guidelines. A proposal for strategic plan development utilising the newly released DPE framework has been discussed with DPE, seeking support for progression and funding during 2022/2023 financial year.
<b>Ongoing implementation and review of the Drinking Water Management System</b>	The Drinking Water Management System was implemented. Continual review and improvements have been undertaken throughout 2021/2022 including completion and submission of the annual report on Drinking Water Quality to Council and NSW Health.

THE YEAR  
IN REVIEW

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

ACTION	COMMENTS
<b>Water Supply infrastructure renewals and new works undertaken as per Capital Works Program 2021/22</b>	Significant wet weather delays, materials and contractor availability delays and redirection of internal staff resources to ensure continued operation of essential water supply and sewerage services impacted the annual water infrastructure renewal schedule. The associated annual expenditure budget adjustments were undertaken in the December Quarterly Budget Review.

KEY COMPLETED  
PROJECTS

DELIVERY PROGRAM  
PROGRESS

**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
<b>Represent Council interests as appropriate</b>	Council is an active participant in the Central Tablelands Environment and Waterways Alliance including having access to regionally based programs and funding opportunities.

FINANCIALS

**Continue riparian rehabilitation program along waterways**

ACTION	COMMENTS
<b>Continue riverbed regeneration</b>	Council was successful in obtaining a Murray Darling Healthy Rivers Grant. This enabled Council to provide one off grants from \$5,000 to \$20,000 to landholders along the Cudgegong and upper tributaries to undertake rehabilitation work on private property. Landholder grant applications have closed and initial assessment of individual projects has been completed.
<b>Maintenance and promotion of Putta Bucca Wetlands</b>	All scheduled maintenance has been completed at Putta Bucca Wetlands, including mowing and weed control.

STATUTORY  
INFORMATION

STATE OF THE  
ENVIRONMENT





**Provide education to the community of the importance of waterways**

ACTION	COMMENTS
<b>Ongoing community education on protecting waterways</b>	Council was successful in obtaining a Murray Darling Healthy Rivers Grant. As part of this project, Council have produced community news items, social media and press releases to promote the available grants to landholders. Carp Muster has been postponed until next financial year in consultation with the Mudgee Fishing Club, this was due to COVID-19 related concerns for the scheduled date.

**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
<b>Sewer infrastructure renewals and new works undertaken as per Capital Works Program 2021/22</b>	Significant wet weather delays, materials and contractor availability delays and redirection of internal staff resources to ensure continued operation of essential water supply and sewerage services impacted the annual sewer infrastructure renewal schedule. The associated annual expenditure budget adjustments were approved by Council in the December Quarterly Budget Review.

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

ACTION	COMMENTS
<b>Continue to improve outgoing water quality at all sewerage treatment plants across the region</b>	100% compliance with EPA license requirements for pollutant limits was achieved at Mudgee, Gulgong and Rylstone Sewage Treatment Plants for 2021/2022. At Kandos STP, EPA license requirements for pollutant load limits has been met with exception of pH and total suspended solids during warmer months associated with the natural algal development processes occurring in final effluent ponds.

**Achieve NSW Government Best Practice Management of Water Supply and Sewerage**

ACTION	COMMENTS
<b>Ongoing management of liquid trade waste in accordance with Council's Liquid Trade Waste Policy</b>	The Liquid Trade Waste program is now in the operational phase. The policy has been reviewed internally and will presented to Council for adoption later in 2022.

**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
<b>Drainage renewal and new works undertaken as per Capital Works Program 2021/22</b>	Kandos drainage works are complete. Other works continue to progress towards the end of 2021/2022.
<b>Effectively maintain existing drainage network including built infrastructure and overland drainage reserves</b>	Council continues to monitor and action works requests related to drainage issues. Visual inspections are undertaken of known assets to identify any necessary and significant works requirements.
<b>Identify and undertake culvert replacement and causeway improvement program</b>	Two causeways have been replaced/repared. Numerous stormwater culverts have been replaced throughout the year based on defects identified.
<b>Update Mudgee Flood Study and Flood Management Plan</b>	The Mudgee Flood Study is now complete. A detailed technical review of the flood study will occur prior to the Mudgee Floodplain Management Study and Risk Management Plan works.

THE YEAR  
IN REVIEW

KEY COMPLETED  
PROJECTS

**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
<b>Provide education on waste minimisation</b>	A social media education plan has been developed for use by Council's Communications Team. Updated schools education modules for use in 2022 have been completed. Council has obtained EPA funding through the "Scrap Together" program, which aims to maximise the efficiency of existing Food Organics, Garden Organics (FOGO) services via community education.

DELIVERY PROGRAM  
PROGRESS

FINANCIALS

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

ACTION	COMMENTS
<b>Provide kerbside services and local recycling facilities</b>	Kerbside services and waste/recycling facilities have been provided at the agreed level of service.

STATUTORY  
INFORMATION

STATE OF THE  
ENVIRONMENT



Promote home composting initiatives for green waste

ACTION	COMMENTS
<b>Provide education on managing green waste</b>	Kerbside Food Organics, Garden Organics (FOGO) collections have diverted over 2,800 tonnes of organics from landfill in 2021/2022. A social media education plan has been developed for use by Council’s Communications Team. Updated schools education modules for use in 2022 have been completed. Council has obtained EPA funding through the “Scrap Together” program, which aims to maximise the efficiency of existing FOGO services via community education.

**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
<b>Provide regional scrap steel, green waste processing, used motor oil, household chemical collection and e-waste services</b>	Council participates in regional contracts and tenders that provide best value and service to the region. Joint contracts include Food Organics, Garden Organics (FOGO) collection and processing, mattress recycling, scrap metal collections, waste oil collection and green waste processing.

Participate in regional investigations for collaborative solutions to problem wastes types

ACTION	COMMENTS
<b>Participate in NetWaste steering committee for strategic direction of the group</b>	Council continues participate in the NetWaste Steering committee and attends quarterly regional meetings. The steering committee are responsible for assessment and feedback on Netwaste strategies, programs and proposals.

Apply for available grants under the NSW Government ‘Waste Less Recycle More’ package

ACTION	COMMENTS
<b>Apply for grants to upgrade or introduce services to the community that reduce landfill tonnes and CO2 emissions</b>	Council, in partnership with Narromine Council and Dubbo Regional Council have received NSW Environment Protection Authority (EPA) “Scrap Together” funding. This funding is for community education to maximise the efficiency of existing ‘Food Organics, Garden Organics’ (FOGO) services.

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

**Build community awareness through environmental education**

ACTION	COMMENTS
<b>Provide education to the community on environmental issues</b>	A social media education plan has been developed for use by Council’s Communications Team. Updated schools education modules for use in 2022 have been completed. Council has obtained EPA funding through the “Scrap Together” program, which aims to maximise the efficiency of existing FOGO services via community education.
<b>Facilitate and promote community garden programs</b>	There are a number of community gardens in the Mid-Western Regional Council area. Although Council is not actively involved in the existing community gardens, contact details for these groups are provided for interested residents via Council’s website as well as a guide on how to start a community garden.

THE YEAR  
IN REVIEW

**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
<b>Consider opportunities for alternative energy and sustainable technologies (such as green energy programs or solar panel installation) as part of the capital works program</b>	Consideration has been given to technologies to reduce the ecological footprint with each project as it arises. For example, solar panels were incorporated into the new Mudgee Arts Precinct and the updated Gulgong Waste Transfer Station building. Council continues to work on the development of a small 5MW solar array at the Waste site in Mudgee with the Development Application now submitted.
<b>Work with Essential Energy to obtain funds for LED Street Lighting Retrofit</b>	The LED street lighting retrofit program for Gulgong, Mudgee and some villages has been completed with only a few heritage light fittings outstanding.

KEY COMPLETED  
PROJECTS

DELIVERY PROGRAM  
PROGRESS

FINANCIALS

STATUTORY  
INFORMATION

STATE OF THE  
ENVIRONMENT



## 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
<b>Conduct 2-3 marketing activities, conferences or events where the region can be promoted</b>	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. Marketing activities were not held in person outside of the region due to COVID-19.

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

ACTION	COMMENTS
<b>Support the business chambers and industry groups by attendance at meetings as required</b>	Council representatives participated in meetings as required and continue 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
<b>Produce annual update to Economic and Business Profile booklet</b>	The Economic and Business Profile annual update was completed in June 2022.

Work with the community to identify economic development opportunities

ACTION	COMMENTS
<b>Be aware of new business investors coming to the region and work with them to promote benefits</b>	Council utilises Australian Business Register (ABR) data to track new businesses opening in the region and continues to provide information to encourage new investment including updating data in the Economic and Business Profile. Welcome to region postcards are sent to all new businesses on a quarterly basis.
<b>Conduct annual think tank forum to encourage business leaders to participate in local economic development</b>	Annual Economic Think Tank was delivered in May 2022 engaging a range of business leaders.
<b>Identify opportunities to invest in infrastructure which attracts new business investors to the region</b>	Regular meetings are undertaken with industry groups and the annual Local Economic Think Tank was held in May 2022.

A prosperous and diversified economy delivering lifestyle benefits to the community through employment, income and sustainable economic growth.

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

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

THE YEAR IN REVIEW

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

ACTION	COMMENTS
<b>Submit bids for new events and conferences and support event proponents holding or seeking to hold events in the region</b>	Council submitted 7 bids for new events and conferences for 2021/2022. A number of events were cancelled due to COVID-19. New events that were planned in the region included Sunsets Sounds (cancelled last minute because of wet weather), Wildflower (rescheduled to 29th October) and an A-League match between Central Coast Mariners v MacArthur FC (19 March). Several events also chose to return to the region including the NRL Charity Shield, NRL Manly Premiership fixture and the Mudgee Classic.
<b>Deliver Flavours of Mudgee in September 2021</b>	Council's Flavours of Mudgee 2021 event was cancelled due to COVID-19. An alternative activity was undertaken to promote local businesses through the Shop Local Campaign supported in December 2021.

KEY COMPLETED PROJECTS

DELIVERY PROGRAM PROGRESS

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
<b>Encourage business leaders to provide feedback on skills issues</b>	Regular meetings are undertaken with industry groups and the annual Local Economic Think Tank was held in May 2022.

FINANCIALS

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

ACTION	COMMENTS
<b>Conduct 2-3 marketing activities, conferences or events where the region can be promoted</b>	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. Marketing activities were not held in person outside of the region due to COVID-19.

STATUTORY INFORMATION

STATE OF THE ENVIRONMENT



## 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 targeted marketing of investment opportunities

ACTION	COMMENTS
<b>Conduct 2-3 marketing activities, conferences or events where the region can be promoted</b>	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. Marketing activities were not held in person outside of the region due to COVID-19.

### 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
<b>Review airport development strategy and promotional opportunities in the future</b>	Mudgee Airport strategies and promotional opportunities continue to be under review. 13 fully serviced lots at Mudgee Airport are available for long term lease and development, created specifically to cater to airport industry development.

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

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

**Strategy 3.2.4** Develop tools that simplify development processes and encourage high quality commercial and residential development.

Provide information to assist potential investors understand local development controls and assessment processes

ACTION	COMMENTS
<b>Provide an overview of local development controls and assessment processes in a fact sheet</b>	Work has commenced on the development of a fact sheet.

**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
<b>Work with major employers to identify trends and develop strategies to create employment opportunities across the region</b>	Regular meetings are undertaken with industry groups including the annual Local Economic Think Tank which was held in May 2022. Council continues to review trends and report statistics through the Economic and Business Profile booklet.

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

Work with lead agencies for education in the region to identify opportunities for economic growth

ACTION	COMMENTS
<b>Pursue opportunities to develop a university outreach campus with offerings aligned to local industries</b>	Council continues to support the project to introduce a Country University Centre campus in Mudgee. Ongoing engagement with universities continues.
<b>Work with education providers on the provision of services to meet community needs</b>	Council continues to work with education providers across the region including TAFE NSW, Skillset and local schools.

THE YEAR IN REVIEW

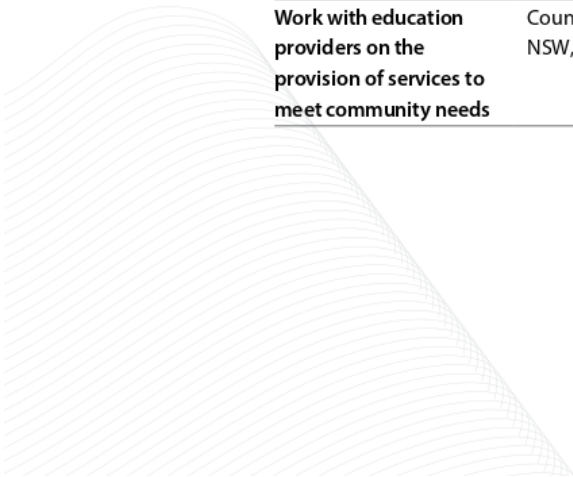
KEY COMPLETED PROJECTS

DELIVERY PROGRAM PROGRESS

FINANCIALS

STATUTORY INFORMATION

STATE OF THE ENVIRONMENT





## 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 RMS to improve road safety

ACTION	COMMENTS
<b>Liaise with the RMS on road safety matters</b>	Council continues to raise road safety issues with Transport for NSW (formerly RMS) through regular meetings including the Local Traffic Committee. A road safety officer has been jointly funded to further improve this. Council has been successful in obtaining and then utilising funding through road safety initiatives including part of the Wollar Road Munghorn Project and Hill End Road Safety project.

##### Regulate effective and appropriate user activities on the road network

ACTION	COMMENTS
<b>Provide local assessments to the National Heavy Vehicle Regulator as required</b>	Council continues to assess applications received through the National Heavy Vehicle Regulator (NHVR) for the movement of oversize and/or overmass (OSOM) vehicles through the region on the local and regional road network. Applications are reviewed as received.
<b>Review speed limits and traffic management</b>	Speed and traffic management reviews are undertaken by Council in conjunction with Transport for NSW as required.

##### Participate in relevant regional transport committees and working parties

ACTION	COMMENTS
<b>Facilitate the Local Traffic Committee</b>	Regular meetings of the Traffic Committee are held and minutes reported to Council.

#### 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
<b>Update data for Asset Management Plans in line with Fair Value reporting requirements</b>	Asset data continues to be updated and reviewed to ensure the most accurate information is available. Fair Value for Roads was also completed in 2019/20.

## Linking our towns and villages and connecting our region to the rest of NSW.

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

ACTION	COMMENTS
<b>Manage State Roads in accordance with RMS contracts</b>	Council continue to maintain the state road network under the Council Routine Maintenance Contract with Transport for NSW (formerly RMS). Council has completed road widening projects on Goolma Road and heavy patching on the Castlereagh Highway under an ordered works arrangement.
<b>Ongoing maintenance and upgrades of Regional Roads network</b>	Council completed approximately 2km of widening and rehabilitation work on Wollar Road utilising Resources for Regions funding. The realignment and upgrade of approximately 1km of Wollar Road was completed under the Safer Roads program. The widening and rehabilitation of 1.6km of Gollan Road was completed and half funded through the Transport for NSW Repair Program funding. The rehabilitation and widening of 900m of Ulan Road at Eurunderee Road intersection was completed. Maintenance works continue throughout the year including heavy patching of pavement failures.
<b>Maintain local road network in accordance with established levels of service</b>	General maintenance has been performed across the sealed and unsealed local network. Maintenance grading and significant gravel re-sheeting has been completed on the unsealed local road network in line with the program. Significant wet weather made this challenging.
<b>Upgrade, renewal and extension of local roads in accordance with Capital Works Program 2021/22</b>	Widening and rehabilitation work on approximately 1km of Lue Road at Monivae and an intersection upgrade at Pyangle Road was completed. 2km of Lower Piambong Road Seal extension, 2km of Aarons Pass Road and 4km of Mebul Road seal extension are complete. 9kms of Coxs Creek Road seal extension is under construction but on schedule with approximately 3km fully constructed with only seal remaining. 6km of Botobolar Road seal extension and 6km of Queens Pinch Road seal extension are also under construction. Approximately 50km of urban and rural reseals are complete.
<b>Upgrade and renewal of local bridges in accordance with Capital Works Program 2021/22</b>	The construction of the Goulburn River Bridge replacement was completed by June 2022. Maintenance and inspections continue throughout the year. The design and construction tender for the replacement of the Bridge on Spring Ridge Road over the Goodiman Creek has been awarded. Construction of the precast bridge planks has commenced with construction of the onsite works programmed for March 2023. This is funded through the Fixing Country Bridges program. The tender for a new bridge at Glen Willow has also been awarded and on site establishment commenced in July 2022 with construction programmed for completion in February 2023.
<b>Implementation of the Ulan Road Strategy</b>	The major upgrade works for Ulan Road are complete. Other works including shoulder widening at various locations and reseal were completed..

THE YEAR  
IN REVIEWKEY COMPLETED  
PROJECTSDELIVERY PROGRAM  
PROGRESS

FINANCIALS

STATUTORY  
INFORMATIONSTATE OF THE  
ENVIRONMENT



**Pursue additional funding for upgrading of roads infrastructure**

ACTION	COMMENTS
<b>Lobby for additional funding for roads</b>	Council continues to identify and pursue new funding for additional road projects.
<b>Ensure major developers contribute to local road upgrades for the impact of additional development</b>	Council continues to identify and pursue new funding for additional road projects. Council was successful in its applications for Repair Program (Gollan Road), Fixing Local Roads R3 (Queens Pinch Road), Fixing Country Bridges (Goodiman Creek Bridge, Spring Ridge Road) and School Zone Infrastructure Program (Perry/Denison Street intersection) funding. In addition to completing a fully funded upgrade to part of the Barigan Road in 2021, Council secured a \$200,000 contribution to local roads maintenance from the Wollar Solar Farm. The negotiated agreement with Bowdens Silver also includes road maintenance contributions.

**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
<b>Work with operator to maintain regular passenger services to and from Sydney</b>	FlyPelican commenced services in June 2015. In response to the significant impact of COVID-19 on the aviation sector, Council has provided a regional aviation support subsidy to support the continuation of the FlyPelican service. The service remained operational at 30 June 2022.
<b>Operation and maintenance of Mudgee Airport in accordance with agreed service levels</b>	Mudgee Airport meets current safety and security requirements.

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

ACTION	COMMENTS
<b>Lobby for improved access to Western NSW from Sydney</b>	Council continues 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 our residents and businesses.**

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

ACTION	COMMENTS
<b>Lobby for improved internet speeds and mobile coverage throughout the region</b>	Council continues to pursue grant opportunities and lobby for improved mobile coverage and internet speeds. Council receives regular updates and raises issues relating to NBN rollout and 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
<b>Upgrade and renewal of footpaths and cycleways in accordance with Capital Works Program 2021/22</b>	Council has renewed numerous footpaths that were in poor condition as well as extended the footpath/cycle-way network in all four of the major centres throughout 2021-2022 utilising both Council allocated funds and grant funding.
<b>Maintain existing footpath and cycleway network in accordance with established levels of service</b>	Council has renewed numerous footpaths that were in poor condition as well as extended the footpath/cycle-way network in all four of the major centres throughout 2021-2022 utilising both Council allocated funds and grant funding . This included works identified in the Pedestrian Access Mobility Plan (PAMP).
<b>Extension of Cudgegong River shared pathway to Glen Willow/Putta Bucca</b>	Council continues to develop the shared pathway extension. It is anticipated the project will be complete in Q1 2022/2023.

THE YEAR IN REVIEW  
KEY COMPLETED PROJECTS

**Strategy 4.3.2 Support viable public transport options across the region.**

**Examine opportunities to develop viable public transport options**

ACTION	COMMENTS
<b>Investigate the demand for public transport with the community</b>	Transport for NSW undertook a trial for public transport between Mudgee, Gulgong and Dubbo. Results demonstrated this was under-utilised. Ongoing discussions continue regarding public transport options across the region.

DELIVERY PROGRAM PROGRESS

FINANCIALS

STATUTORY INFORMATION

STATE OF THE ENVIRONMENT



## 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
<b>Successful delivery of 2021/22 Operational Plan</b>	80% of the combined capital and operating budgets were completed.
<b>Six-monthly progress reporting against Delivery Program and comprehensive Quarterly Budget Reviews against Operational Plan</b>	Six-monthly progress reporting against the Delivery Program and comprehensive Quarterly Budget Reviews against Operational Plan have been reported to Council.

**Strategy 5.1.2 Provide accountable and transparent decision making for the community.**

**Ongoing review and enhancement of governance framework**

ACTION	COMMENTS
<b>Continue to hold 'Open Day' prior to Council Meetings</b>	With COVID-19 health orders relaxed, Council's Public Forum recommenced during the first quarter of 2022.
<b>Promotion of upcoming Council meetings</b>	The Council meeting schedule is published on Council's website. Monthly Council meetings are advertised in the Mudgee Guardian and on social media.
<b>Webcast of Council Meetings</b>	Webcasting of Council meetings was maintained through the year.

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

ACTION	COMMENTS
<b>Provide access to professional development programs for elected members</b>	The induction program for new Councillors promoted professional development opportunities for Councillors. Budgets and delegations with the Mayor to approve development opportunities are in place.

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

ACTION	COMMENTS
<b>Develop program for candidate awareness sessions (next election due in 2024, or in case of a by-election)</b>	The Councillor induction program was successfully implemented from January 2022 to May 2022.

A strong Council that is representative of our community and effective in meeting the needs of the community.

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.

THE YEAR IN REVIEW

KEY COMPLETED PROJECTS

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 has been delivered monthly in print, Electronic Direct Mail and video format.

DELIVERY PROGRAM PROGRESS

Provide an up to date and functional web interface

ACTION	COMMENTS
Ensure web content is kept up to date and relevant	A new website was launched to the public in December 2021. Content on the Council website is continually updated.

FINANCIALS

Regularly report to the community in a variety of interesting ways

ACTION	COMMENTS
Increased use of all media avenues including social media, radio and television to communicate Council initiatives	Council continued to increase reach and engagement across all social media platforms including Facebook and Instagram. Council introduced TikTok to engage a younger audience in region.

STATUTORY INFORMATION

STATE OF THE ENVIRONMENT



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

ACTION	COMMENTS
<b>Maintain works request system and produce regular reporting on response times</b>	Council continues to operate a Works Request System and Council management staff monitor current and overdue requests from the community. A monthly report is produced to manage all overdue work requests (14+ days). In addition, Council’s new website has improved functionality and accessibility for the community to process a works request online.
<b>Promote use of works request system for community to submit works requests</b>	Council continues to promote the use of Council’s works request system which is available via the new website. The website includes customer ‘top tasks’ which has improved functionality and accessibility for the community to process a works request easily online.

**Ensure the community has clear information about who to contact in Council**

ACTION	COMMENTS
<b>Provide a customer focused website</b>	Council implemented a new website in December 2021 that incorporates detailed information on Councillors and senior Council staff. The new corporate website provides the community with improved access to information due to it being mobile responsive.

**Educate the community on Council’s roles and responsibilities**

ACTION	COMMENTS
<b>Provide access to Council’s corporate documents both through the website and Administration Centres</b>	Council’s new website was launched to the public in December 2021. The website makes available all of Council’s strategic and operational plans and policies. All Documents on Exhibition are available at all Administration Centres in a hard copy format, in addition to being available on the new website.

**Strategy 5.2.2 Encourage community access and participation in Council decision making.**

**Seek feedback on policy development and local issues**

ACTION	COMMENTS
<b>Ensure policies, strategies and proposals impacting the community are placed on exhibition for public comment</b>	Policies and strategies have been placed on public exhibition as required.
<b>Utilise a range of formal and informal engagement tools to seek community feedback on a broad range of issues</b>	Council continues to promote opportunities for the community to contribute to Council’s decision making process through a range of platforms including Council’s website, forms, mail, social media and face to face contribution 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 meeting notices are published in local newspapers and on Council's website. The webcasting of meetings was maintained during COVID-19 health orders.
Investigate and consult with the community on high priority projects as defined in the community consultation report for the Community Strategic Plan	Council continues to promote opportunities for the community to contribute to Council's planning and budgeting process through a range of platforms including Council's new website that improves accessibility for the community.

THE YEAR  
IN REVIEW

## 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
Provide planning and building statistics to Department of Planning	Reports are completed and submitted to the NSW Department of Planning Industry and Environment as required.
Participate in NSW LGPA, LGNSW, JO and other industry body surveys and benchmarking exercises	Staff continue to participate in relevant activities.
Desktop analysis of annual financial results against other NSW councils	A service delivery benchmarking report was presented to the February 2022 Council meeting.
Report on OLG group comparative data	A report on Council comparative data was presented to the February 2022 Council meeting.

KEY COMPLETED  
PROJECTSDELIVERY PROGRAM  
PROGRESS

FINANCIALS

#### Conduct biennial community surveys

ACTION	COMMENTS
Undertake community surveys in 2018/19 and 2021/22	A community wide survey was completed in 2021 as part of preliminary engagement for the upcoming review of the Community Plan.

STATUTORY  
INFORMATION

#### Monitor community expectations regarding service delivery

ACTION	COMMENTS
Engage with the community on desired levels of service across Council functions	Council's <i>YourSay</i> and website communications tool supports community engagement activities and provides a forum to receive community feedback.
Develop program of internal service reviews	The Audit, Risk & Improvement Committee has completed reviews of Council's Tourism Services and Private Works.

STATE OF THE  
ENVIRONMENT





**Provide a responsive customer service function**

ACTION	COMMENTS
<b>Reply to all correspondence within 14 days</b>	Correspondence is allocated to departments and relevant staff for actioning and response through Council's record management system. A monthly report monitors any correspondence not actioned within 14 days and helps ensure a timely and professional response to customers.
<b>Review Customer Service Charter and deliver positive, informative, and professional front-of-house and phone customer service function</b>	Council has developed both a Customer Service Charter and Staff Service Charter. These charters will help provide a consistent, professional and accountable delivery of service to the public. It will be displayed on Council's website in 2022/2023.

**Strategy 5.3.2 Provide a positive and supportive working environment for employees.**

**Attract, retain and develop a skilled workforce**

ACTION	COMMENTS
<b>Implement a Leadership program that includes merit based recruitment, performance management and legal responsibilities</b>	Leadership training has been implemented internally and external training was facilitated by LG Professionals.
<b>Develop a Learning and Development program targeted towards achievement of Delivery Program and areas of risk identified in Workforce Plan</b>	The Learning and Development Program continued to be implemented throughout the year focusing on individual and group training opportunities.
<b>Ensure all employees have clearly articulated accountabilities against which they will be assessed annually</b>	All employees have position descriptions which detail key accountabilities. Performance reviews were undertaken in September 2021.

**Provide a safe, healthy and non-discriminatory working environment**

ACTION	COMMENTS
<b>Establish a culture of workplace safety which includes daily pre-start meetings for outdoor staff and monthly Safety Toolbox Talks</b>	Daily pre-start meetings form part of the daily risk assessment process for outdoor workers. Monthly safety talks are forwarded to Department Managers for inclusion at Department meetings. Additional Toolbox Talks are distributed as the need arises eg COVID-19 related matters.
<b>Implement and embed a WHS Management System that reflects AS4801 requirements</b>	Council's WHS management system continues to be regularly reviewed and updated where required to reflect Australian Standard requirements.
<b>Align workplace behaviour with core values of Respect, Integrity and Recognition</b>	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 GM's and monthly People and Performance Newsletters.
<b>Implement and review the Equal Employment Opportunity Management Plan</b>	The Equal Employment Opportunity Management Plan was reviewed and updated and a new plan put in place for 2021/2022. Implementation of the plan during 2021/2022 was completed.

**Conduct biennial employee opinion survey**

ACTION	COMMENTS
<b>Identify and implement improvement strategies based on feedback from Employee Opinion Survey</b>	Improvement strategies are being developed and implemented following the last Employee Opinion Survey.

**Strategy 5.3.3 Prudently manage risks associated with all Council activities.**

**Monitor and review Council's policies and strategies**

ACTION	COMMENTS
<b>Provide up to date Policy Register</b>	Council's policy register is routinely reported to the Executive Team and policy managers.
<b>Identify and resolve existing policy gaps</b>	Council's policy register includes a policy review status report which is routinely provided to the Executive Team.
<b>Education program to ensure staff understand policy requirements</b>	Council maintains a policy register which identifies scheduled review dates. Regular reports are provided to managers to monitor the progress of reviews. Staff are made aware of new and updated policies through internal communication as well as team and directorate meetings.

**Monitor and review Council's risks**

ACTION	COMMENTS
<b>Review and update risk registers annually</b>	Council adopted an Enterprise Risk Management Framework (ERM) in June 2020 and risk registers were developed. The ERM Framework and the registers are in the process of being reviewed.

**Provide long term financial sustainability through sound financial management**

ACTION	COMMENTS
<b>Examine opportunities to raise additional revenue</b>	Council is pursuing commercial property and development opportunities to raise additional revenue. An improvement plan is in place for the management of these functions. Council continues to ensure fees and charges are appropriate for all services. During 2021/2022 Council sold all the lots within Stage 1 of the Saleyards Lane subdivision.
<b>Explore a special rate variation with the community</b>	A material increase in rating revenue was achieved through revised land valuations, especially in the mining category. A special rate variation is no longer required.
<b>Identify opportunities to increase revenue from property related investments</b>	Council continues to pursue commercial property opportunities to increase own source revenue. In the last 6 months, this includes expansion of the Mudgee Valley Park, final sales of vacant land in Stage 1 of the Saleyards Lane subdivision and the planning for Stage 2.

THE YEAR IN REVIEW  
KEY COMPLETED PROJECTS  
DELIVERY PROGRAM PROGRESS  
FINANCIALS  
STATUTORY INFORMATION  
STATE OF THE ENVIRONMENT



**Provide long term financial sustainability through sound financial management**

ACTION	COMMENTS
<b>Update Long Term Financial Plan (LTFP)</b>	The Long Term Financial Plan for 2022/2032 was adopted at the September 2022 Council meeting.
<b>Monthly reporting against budget and schedule for major works programs/ strategic projects</b>	All monthly budget reports were prepared for Council in accordance with the schedule.
<b>Comprehensive Quarterly Budget Review reporting</b>	All Quarterly Budget Review Statements were completed within schedule and in accordance with the Office of Local Government Guidelines.
<b>Development of Rating Strategy to support LTFP</b>	At the May 2017 Council meeting a supplementary motion concerning a proposal to adopt a rating strategy for the term of Council was put and lost.
<b>Integration of long term impacts on financial sustainability indicators incorporated into Council decision making process</b>	A reporting template was introduced in August 2017, which includes Fit For Future sustainability ratio impacts of Council recommendations and options, with long term financial planning and asset management impacts included.

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

ACTION	COMMENTS
<b>To achieve a high standard of financial management</b>	Council has met all reporting obligations and timeframes..
<b>All rating, taxation, statutory, and grant reporting obligations satisfied in an accurate and timely manner</b>	All statutory reporting obligations have been completed accurately and in a timely manner to date this financial year.

**Strategy 5.3.4 Pursue efficiencies and ongoing business improvement.**

**Provide effective and efficient internal support functions**

ACTION	COMMENTS
<b>Conduct quarterly Council Staff Updates across all work sites</b>	Quarterly update meetings were held in June 2021, October 2021, March 2022 and June 2022.
<b>Effective capture and management of corporate records</b>	Council captures and manages corporate records through Council's Records Management System. A review of the Records Policy is scheduled to be completed in Q1 2022/2023.
<b>Ongoing enhancements to Council procurement including Roadmap Best Practice Procurement project</b>	The Procurement and Supplier Hub are progressing and will be released to staff in September 2022.
<b>Provide effective Workshop services for Council fleet</b>	Council continues to review its processes in the workshop. The introduction of iPads to mechanic staff have created efficiencies with reporting of legislative requirements and diagnostic ability.

Enhance the information systems that support delivery of Council activities

ACTION	COMMENTS
Investigate options to increase speed and reliability of Council's network	Council continues to investigate new and existing network technologies. A microwave radio upgrade of the Mudgee Sewer Treatment Plant network connection was completed and Council's network was reconfigured to improve redundancy to critical sites.
Continued investment in existing information systems to delivery productivity enhancements	Council continues to invest in systems and applications to increase productivity and create efficiencies.
Implementation of mobility solutions for integrated asset management	The TechOne mobility app is being used for asset inspections and data collection for roads. It is planned to be rolled out for water and sewer assets in 2022.

THE YEAR  
IN REVIEW

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

ACTION	COMMENTS
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. Improvements in contract and project management to create consistent methodologies across Council are currently underway. Council completes all Capital Expenditure Review Business Cases as required, and completes Business Case assessments for other material projects.
Review depreciation methodology and process	Depreciation methodology is reviewed as a part of the Fair Value process for assets each year. For 2021/2022 the revaluation of water supply and sewerage service assets has been completed by external valuers.
Ongoing improvements to asset data and asset system capabilities	A data review has been completed for water and sewerage network assets as part of the revaluation project. Data is assessed for asset management plans and future budgets.
Integrate long term asset management considerations into Council decision making process	A reporting template was introduced in August 2017, which includes Fit For Future sustainability ratio impacts of Council recommendations and options, with long Term Financial Planning and asset Management impacts included.
Improved integration of Asset Management Plans and Long Term Financial Plan	Financial data within Asset Management Plans (AMPs) is updated in line with asset revaluation data. Progress continues as AMPs are scheduled for review. Further work is to be completed linking AMP data into (Long Term Financial Plan) LTFP sensitivity analysis. The LTFP is scheduled for completion in September 2022.

KEY COMPLETED  
PROJECTS

DELIVERY PROGRAM  
PROGRESS

FINANCIALS

STATUTORY  
INFORMATION

STATE OF THE  
ENVIRONMENT

## 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 2021/22 financial statements in a format that is readily understood by the community, customers, employees and other stakeholders.

### Income

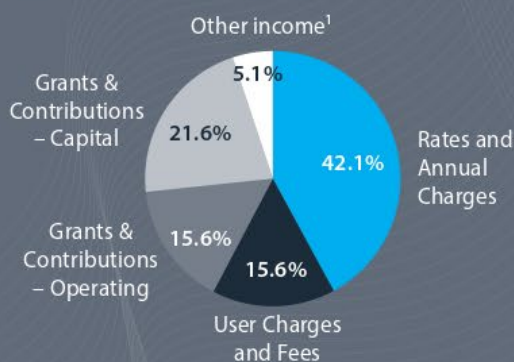
This year, Council's primary source of income was from Rates and Annual Charges of \$44.7 million or 42.1% of total income (2020/21: \$43.7 million or 37.8%).

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 \$16.5 million or 15.6% in 2021/22 (2020/21: \$19 million or 16.5%).

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 \$39.5 million or 37.2% in grants and contributions in 2021/22. (2020/21: \$47.7 million or 41.3%).

#### TOTAL INCOME 2021/22 \$106M

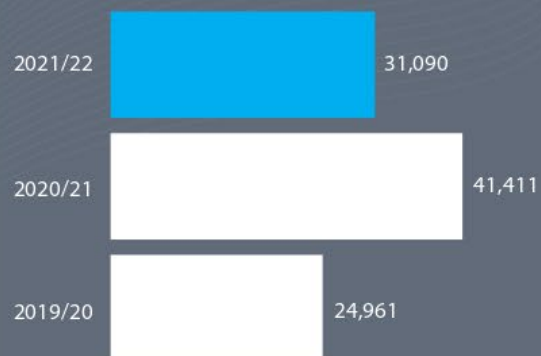


<sup>1</sup> Other income: Interest and investment income, other revenues and other income.

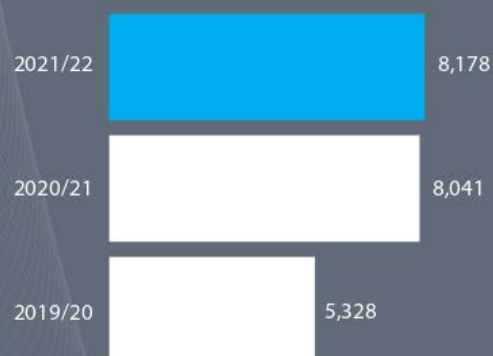
### Operating Result

Council's operating result this year was \$31.0 million, this result is an indirect measure of Council's efficiency and ability to successfully cover its operating expenditure within operating revenue. (2020/21: operating result was \$41.4 million).

#### OPERATING RESULT (\$000)



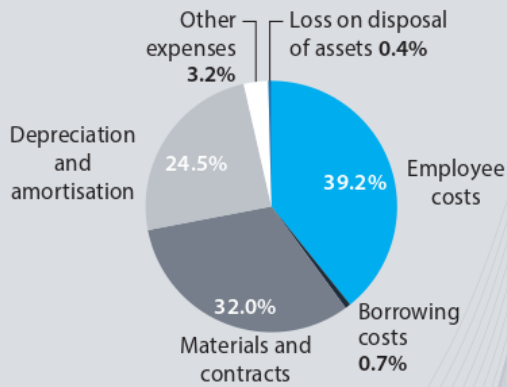
#### OPERATING RESULT BEFORE CAPITAL (\$000)



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 \$36.7 million of capital expenditure this year (2020/21: \$50.3 million).

### Operating Expenditure Before Capital

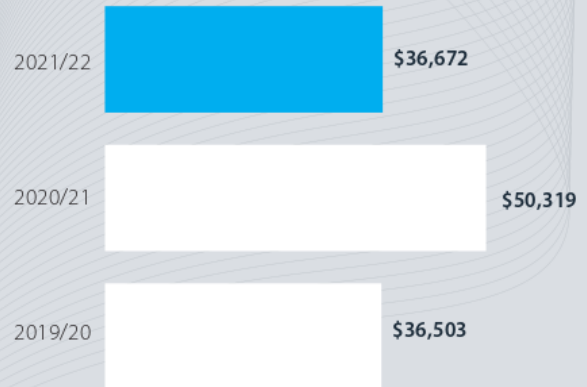


**TOTAL OPERATING EXPENDITURE \$75M**

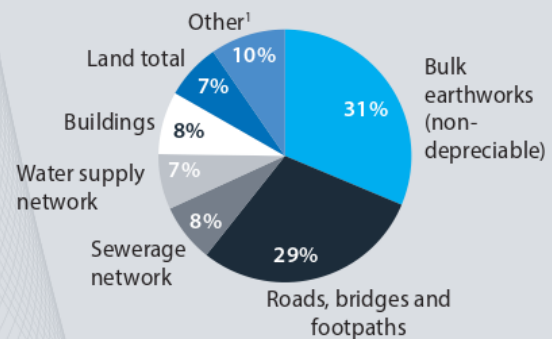
### Asset Management

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.

### Capital Expenditure (\$'000)



### Infrastructure, Property, Plant and Equipment 2021/22



**TOTAL WRITTEN DOWN VALUE \$1.1B**

<sup>1</sup> Other: Stormwater drainage, plant and equipment, pools, open space etc

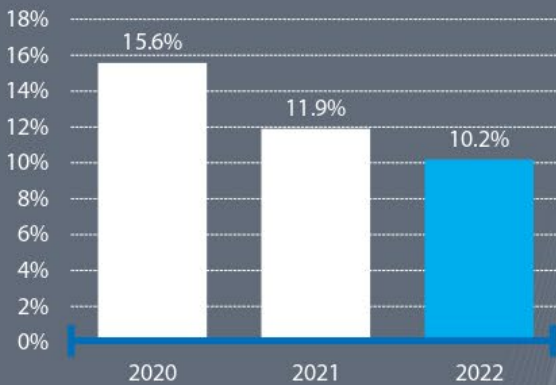
THE YEAR IN REVIEW  
KEY COMPLETED PROJECTS  
DELIVERY PROGRAM PROGRESS  
FINANCIALS  
STATUTORY INFORMATION  
STATE OF THE ENVIRONMENT

## PERFORMANCE MEASURES

### Operating Performance Ratio

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

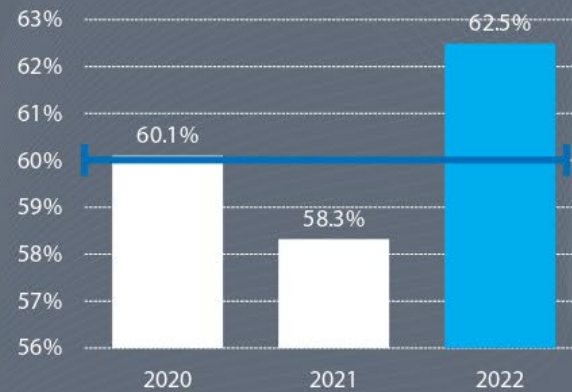
The benchmark is equal to or greater than 0%



### 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.

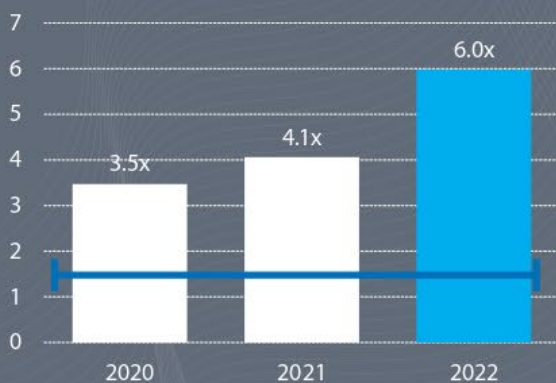
The benchmark is equal to or greater than 60%



### 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.

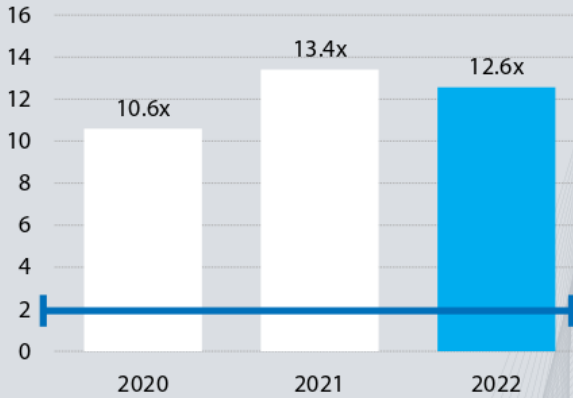
The benchmark is equal to or less than 10%



### 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

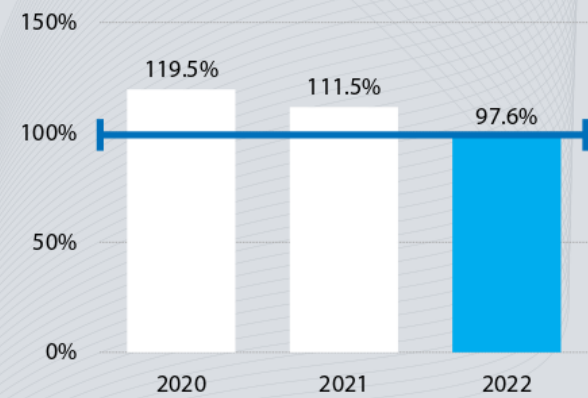


### Buildings and Infrastructure Asset Renewal Ratio

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

\* Council continues to renew assets at a rate close to depreciation, reflecting the aim to maintain or reduce the infrastructure backlog. The majority of the renewal expenditure was on roads, bridges and footpaths, which was \$9.5M.

The benchmark for this ratio is 100% or greater

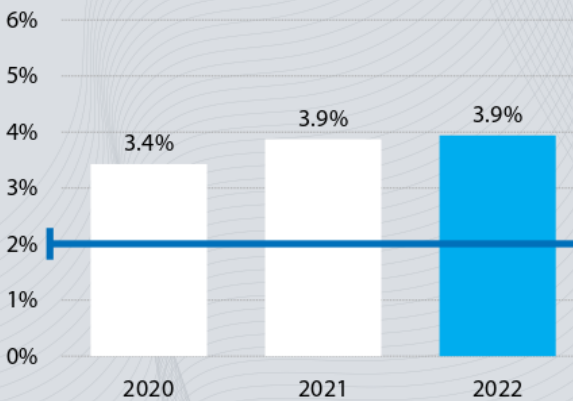


### Infrastructure Backlog Ratio

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

\* Condition assessment is the main factor that results in changes in this ratio. The backlog amount increase mostly relates to water and sewerage assets.

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

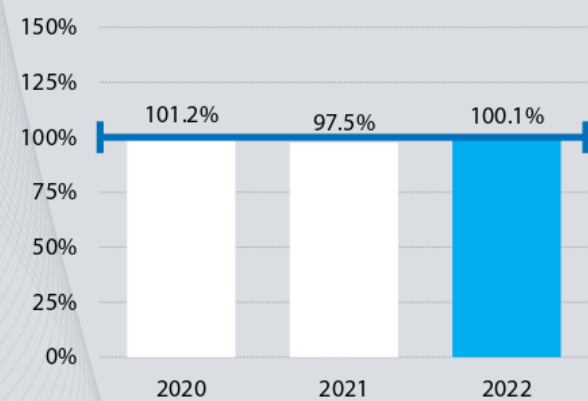


### Asset Maintenance Ratio

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  
STATE OF THE ENVIRONMENT



## 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](http://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 62) and 'Performance Measures' (page 64) sections of this report. A full copy of the Financial Reports are available on Council's website. Hard copies of financial statements are available from Council upon request.

### Councillor training and professional development

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

No Councillor undertook professional development during the 5th year of the extended term which ended in December 2021. Extensive restrictions were imposed on Councillors by way of COVID19 public health orders during this period. The table below shows Councillor training and professional development from the start of the new term in January 2022.

Councillor	Training Course/Module Completed/Conference	Training Provider/Conference Name	Cost
Cr Paul Cavalier	Post Elected Life Workshop <sup>1</sup>	Local Government Professionals	\$5136.36
Cr Russell Holden	Nil	-	-
Cr Alex Karavas	Post Elected Life Workshop <sup>1</sup>	Local Government Professionals	\$5,136.36
Des Kennedy	Legal Presentation <sup>2</sup>	Lindsay Taylor Lawyers	\$4200.00
	Post Elected Life Workshop <sup>1</sup>	Local Government Professionals	\$5136.36
Cr Esme Martens	Nil	-	-
Cr John O'Neill	Nil	-	-
Cr Sam Paine	Post Elected Life Workshop <sup>1</sup>	Local Government Professionals	\$5136.36
Cr Peter Shelley	Post Elected Life Workshop <sup>1</sup>	Local Government Professionals	\$5136.36
Cr Percy Thompson	Post Elected Life Workshop <sup>1</sup>	Local Government Professionals	\$5136.36
Cr Phil Stoddart	Legal Presentation <sup>2</sup>	Lindsay Taylor Lawyers	\$4200.00
	Post Elected Life Workshop <sup>1</sup>	Local Government Professionals	\$5136.36
Cr Robbie Palmer	Legal Presentation <sup>2</sup>	Lindsay Taylor Lawyers	\$4200.00
	Post Elected Life Workshop <sup>1</sup>	Local Government Professionals	\$5136.36
Cr Katie Dicker	Legal Presentation <sup>2</sup>	Lindsay Taylor Lawyers	\$4200.00
	Post Elected Life Workshop <sup>1</sup>	Local Government Professionals	\$5136.36
	2022 ALGWA <sup>3</sup> NSW Annual Conference	Local Government Women's Association	\$1025.45

<sup>1</sup> Group training offered to all Councillors; <sup>2</sup> Course includes Model Code of Meeting Practice, Pecuniary and Non Pecuniary Conflicts of Interests and Bias Workshop, Councillor Use of Social Media Workshop, Confidentiality Obligations of Councillors Workshop, General Legal Liability of Councillors, Councillor Involvement in P&D Decisions and the Role of Other Planning Bodies; <sup>3</sup> Australian Local Government Women's Association

### Rates and Charges Written Off

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

During the year Council abandoned \$730,575 in rates and charges (including postponed rates).

Pensioner rebate	Postponed rates	Other rates and charges
\$709,012	\$4,779	\$42

### 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 2021/22.

## 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 2021/22 was \$45,139.92 plus a Councillor Fee of \$20,689.92. Please note that during the 2021/22 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.

The Councillor's Fee for 2021/22 was \$20,689.92 for each Councillor who served the entire 2021/22 financial year. Noting that as there was an election during the 2021/22 financial year some Councillors only served for part of the year.

## Councillor Expenditure 2021/22

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

(AS)	General Operations	Cr Cavaller	Cr Holden	Cr Karavas	Cr Kennedy	Cr Martens	Cr O'Neill	Cr Paine	Cr Shelley	Cr Thompson	Cr Stoddart	Cr Palmer	Cr Dicker	TOTAL
Councillor Fees	-	20,689.92	10,344.96	20,689.92	20,689.92	10,344.96	10,344.96	20,689.92	20,689.92	20,689.92	10,344.96	10,344.96	10,344.96	186,209.28
Mayoral Fees	-	-	-	-	42,005.20	-	-	3,134.72	-	-	-	-	-	45,139.92
Council meeting expenses <sup>1</sup>	8,774.24	-	-	-	407.72	578.19	-	-	-	-	-	-	-	9,760.15
Seminar expenses <sup>2</sup>	-	-	-	-	127.73	753.44	-	-	1,132.56	2,932.80	-	-	0.00	4,946.53
Provision of Vehicle	-	-	-	-	13,335.88	-	-	-	-	-	-	-	-	13,335.88
Memberships/subscriptions	22,267.16	-	-	-	-	-	-	-	-	-	-	-	-	22,267.16
Misc expenses <sup>3</sup>	921.83	-	-	-	-	-	-	-	-	-	-	-	-	921.83
Office equipment <sup>4</sup>	2,044.26	2,668.46	915.60	3,460.61	854.30	76.75	234.09	3,399.14	3,214.60	4,293.95	3,170.80	3,170.78	3,220.77	30,724.11
Training	9,336.36	-	-	-	-	-	-	-	-	-	-	-	1,025.45	10,361.81
<b>TOTAL</b>	<b>43,343.85</b>	<b>23,358.38</b>	<b>11,260.56</b>	<b>24,150.53</b>	<b>77,420.75</b>	<b>11,753.34</b>	<b>10,579.05</b>	<b>27,223.78</b>	<b>25,037.08</b>	<b>27,916.67</b>	<b>13,515.76</b>	<b>13,515.74</b>	<b>14,591.18</b>	<b>323,666.67</b>

<sup>1</sup> Council meeting expenses (accommodation, travel and meals)

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

<sup>3</sup> Miscellaneous expenses (meals, sundries, stationery etc)

<sup>4</sup> Provision of office equipment, such as laptop computer and telephones

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. No overseas or interstate visits were undertaken by elected members in 2021/22.

THE YEAR  
IN REVIEW

KEY COMPLETED  
PROJECTS

DELIVERY PROGRAM  
PROGRESS

FINANCIALS

STATUTORY  
INFORMATION

STATE OF THE  
ENVIRONMENT

## 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, Council calls for tenders for the supply of various goods and services where the estimated spend under that contract exceeds \$250,000. The requirement to tender excludes the purchase or sale of land; purchases at public auction; contracts for employees of Council; purchase of goods and services under State Government or Commonwealth procurement contracts; emergency contracts; or where because of extenuating circumstances, remoteness of locality or the unavailability of competitive or reliable tenderers, Council decides by resolution (which states the reasons for the decision) that a satisfactory result would not be achieved by inviting tenders.

The following contracts were awarded during 2021/22:

Contractor	Goods/Services Provided	Amount payable under the contract (ex GST)
LG Community Partners	Acting Finance Manager Agreement	\$133,700.00
A1 Earthworx Mining & Civil Pty Ltd	Footpath Works	\$150,000.00
Aqua Irrigation Holdings	Glen Willow Sporting Complex - Stormwater Recirculation	\$182,000.00
Hunter H2O Holdings Pty Limited	Contract 2021/07 PLC Upgrade Mudgee	\$196,129.00
D & C Powerline Constructions Pty Ltd	Mudgee Valley Caravan Park - electrical mains upgrade	\$201,645.00
Marathon Group Pty Ltd	Mudgee Valley Caravan Park - amenities block	\$216,225.34
Taylor Made Buildings Pty Ltd	Cudgong Waters Park - Supply & install transportable house	\$253,128.18
Big Screen Video Sales Pty Ltd	Supply and install scoreboard at Glen Willow	\$288,000.00
Graymont (Australia) Pty Ltd	Graymont - Provision of Hydrated Lime	\$300,000.00
Nick Harvey Constructions Pty Ltd	Rylstone Caravan Park - amenities building	\$377,574.10
EnergyAustralia Pty Ltd	Small Site Electricity 1 Jan 2022 to 30 June 2023	\$386,583.00
Technology One Limited	Technology One Software as a Service Agreement and Scope of Works	\$2,896,819.00
HOEK Modular Homes Pty Ltd	Supply & install 31 cabins at Mudgee Valley Caravan Park	\$5,027,983.60
Dezign	Structural design and construction of amenities block at Billy Dunn Oval Gulgong	\$358,836.70
Diverse Property Services	Tree removal	\$138,300.00
Komatsu Australia Pty Ltd	Plant purchase	\$381,425.10
Mudgee Region Tourism Inc	Provision of Tourism services	\$624,558.00
J R Richards & Sons	FOGO Management Service	\$690,000.00
Tracserv Pty Ltd	Plant purchase	\$262,931.35
Tracserv Pty Ltd	Plant purchase	\$207,577.26
Tracserv Pty Ltd	Plant purchase	\$189,449.08
VCV Sydney	Plant purchase	\$552,298.09
Superior Pak Pty Ltd	Front Lift Garbage Truck - Isuzu cab chassis	\$420,727.00
Cutting Edge Earthmoving & Excavations	Construction of leachate dam at Mudgee Waste Facility	\$142,863.77
Waeger Constructions Pty Ltd	Goulburn River Bridge	\$868,800.00
Waeger Constructions Pty Ltd	Glen Willow Access Road and Pedestrian Bridge	\$1,200,000.00
Waeger Constructions Pty Ltd	Goodiman Creek Bridge	\$760,000.00
NSW Electoral Commission	2021 Local Election cost	\$188,804.00
Manly Warringah Sea Eagles	NRL Manly Game Glen Willow Stadium	Confidential
Civic Risk Mutual	2021/22 Insurance contributions	\$1,057,111.00
National Australia Bank	Loan \$7,400,000 at fixed rate 5.02% over 10 years	\$2,102,745.00

## Legal Expenses

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

Council expended \$432,398 on legal costs during 2021/22. A total of \$287,764 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 2020/342147 – Development Application decision appeal	\$9,236.50	Complete
Supreme Court/District Court/Local Court – Impounding of Alpaca	\$24,984.53	Complete
LEC Case 2021/00361625 – Class 1 LEC Application	\$77,720.63	Proceeding

In addition, Council expended \$144,634 during the period in recovering outstanding rates and charges. These costs are debited as a charge against individual rate assessments. Council recovered \$142,525 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 2021/22 to the value of \$167,697 resulting in a profit of \$44,667. This represents a profit margin of 26.6%.

No subsidies were provided, 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 \$564,201.

Significant contributions are listed below.

Recipient	Amount
FlyPelican air service	\$83,918
Housing Plus crisis accommodation	\$85,000
Mudgee Golf Club – raw water	\$106,196
GP Respiratory and Vaccine Clinics – in-kind facility hire	\$82,003

## Delegates to external committees and other Bodies

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

During 2021/22 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
- Cudgong 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

THE YEAR  
IN REVIEWKEY COMPLETED  
PROJECTSDELIVERY PROGRAM  
PROGRESS

FINANCIALS

STATUTORY  
INFORMATIONSTATE OF THE  
ENVIRONMENT

## 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. Both these committees also provide advice and feedback to Council on key issues.

For 2021/22 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 O'Neill, 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 Martens, 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, Cr Holden*

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

### Mudgee Showground Management Committee

*Councillor Representative: Cr Karavas, Cr Holden, Cr Kennedy*

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

### Mudgee Sports Council Sub Committee

*Councillor Representative: Cr O'Neill, 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.

## Statement of controlling interest

### 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 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 2021/22:

- State Cover
- Orana Regional Organisation of Councils
- Orana Joint Organisation
- Mudgee Region Tourism Inc
- 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 2021–2022

- 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

THE YEAR  
IN REVIEWKEY COMPLETED  
PROJECTSDELIVERY PROGRAM  
PROGRESS

FINANCIALS

STATUTORY  
INFORMATIONSTATE OF THE  
ENVIRONMENT

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
- Employee Opinion Survey completed March 2021. Data collected from the survey developed action items that were implemented and delivered by the Executive team and Managers

▪ Training

- 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
- Developed and 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
- Development of standardised interview question template to ensure merit based selection criteria and EEO principles are followed

▪ Leadership

- Training and mentoring provided to all new Supervisors and Managers on workplace bullying, sexual harassment and EEO principles during induction and orientation

▪ EEO Target Groups

- Women: 2021-2022 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 2021/22. Those positions were:

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

The remuneration package for the General Manager totalled \$367,045, and included:

Salary component	\$319,550
Bonuses	NIL
Superannuation component	\$33,155
Non-cash benefits	\$12,078
Fringe Benefits Tax on non-cash benefits	\$2,262

The combined remuneration packages for all Directors for 2021/22 totalled \$652,443, and included:

Salary component	\$545,485
Bonuses	NIL
Superannuation component	\$60,695
Non-cash benefits	\$38,363
Fringe Benefits Tax on non-cash benefits	\$7,900

### 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 25 May 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	472
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	1
Persons supplied to the council, under a contract or other arrangement with the person’s employer, as an apprentice or trainee	10

## 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.

## State of the Environment

### Local Government Act 1993 - Section 428A(1)

A snapshot of the State of Environment report is provided as part of this report. A full copy of the State of Environment report can be found on Council's website [midwestern.nsw.gov.au](http://midwestern.nsw.gov.au)

## 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	2021/22 Budget	2021/22 Actuals	Project Status at 30 June 2022
Glen Willow Stage 2	4,831,507	4,354,352	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. This project is nearing completion with the major components having being finalised. Work remaining to be completed includes some fencing, pathway construction, lighting, landscaping and signage. This will be completed in the 2022/23 financial year.
Solar Farm Initiative	1,727,118	305,785	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. The total project cost is \$8.93 million funded through \$4 million in borrowings, \$4.747 million in internally restricted reserves and \$183,000 through unrestricted cash. It is anticipated that the project will be completed by December 2023. The project is currently in detail design stage with tender packages currently being prepared for construction works planned to begin by the end of 2022.
Glen Willow Training Camp	100,000	108,156	Commencing in 2022 this project involves 3 stages. Stage 1 of the facility will involve the construction of a building featuring a gymnasium, conference/lecture room, dining/lounge room, kitchen, storeroom/laundry, and toilets. Stage 2 and 3 of the Glen Willow Training Camp will involve the construction of 2 more buildings featuring dormitory style accommodation and amenities. These facilities will help meet the needs of visiting and local athletes, sporting teams and groups as they will be able to use these facilities for activities, training and events. The total project code is \$6.55 million and 100% funded by grants from State and Federal governments. It is anticipated that the project will be completed in September 2023. The project is currently in procurement stage and is progressing well.

THE YEAR  
IN REVIEWKEY COMPLETED  
PROJECTSDELIVERY PROGRAM  
PROGRESS

FINANCIALS

STATUTORY  
INFORMATIONSTATE OF THE  
ENVIRONMENT



## Reporting Requirements under the Disability Inclusion Plan

### Disability Inclusion Act 2014 - Section 13(1)

#### Supporting an **inclusive workforce**

Action	Expected outcome	Key stakeholders	Reporting	2021/22 Progress report
Facilitate opportunities for people with disability or volunteer within Council	Increased diversity of Council workforce	People with disability	Workforce strategy	Council is a registered NDIS provider and employs people in a supported environment, assisting them in maintaining and gaining new skills, with the aim to open employment. Employees are trained in different areas, including recycling and retail. Volunteer opportunities exist within Council's Meals on Wheels and Community Transport services. In the past, people with disability have opted to volunteer with the Meals on Wheels service and continue to be welcome to do so. Volunteers from the local Rotary Clubs also assist with the facilitation of monthly movies at Mudgee Town Hall Cinema.
Engage with local disability service providers to identify strategies to enhance employment opportunities for people with a disability	Increase knowledge sharing between Council and local disability service providers	People with disability	Annual report	Council teams work with local disability service providers in terms of negotiating supported employment opportunities and access to Council auspiced Community Services.

#### Providing **effective and efficient** governance and leadership

Action	Expected outcome	Key stakeholders	Reporting	2021/22 Progress report
Review and amend the Access Committee's Terms of Reference to broaden its focus and purpose	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	The Access Committee Terms of Reference were reviewed previously in 2018 and most recently at its July 2022 meeting.
Enhance community and visibility between Access Committees and Council	Provide Access Committees with more visibility about Council's decision-making processes.	Council/ Access Committees	Updated Terms of Reference	Council's Access Committee now meets biannually to discuss strategic inclusion and accessibility issues affecting visitors and residents of our community. Where relevant, different areas of Council are invited to educate and collaborate with the Access Committee.

Action	Expected outcome	Key stakeholders	Reporting	2021/22 Progress report
Support better collaboration between Advisory (355) Committees	Improved collaboration between Advisory Committees for youth, recreation and inclusion so that all Council Advisory (355) Committees have a disability inclusion agenda.	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	Expected outcome	Key stakeholders	Reporting	2020/21 Progress report
As appropriate, incorporate disability awareness and inclusion across key Council activities and events	Encourage outreach, awareness and education about disability. Encourage people with disability to interact, showcase their talents and ability alongside people without disability.	Community/ People with disability/ Disability service providers	Annual report	Events and activities facilitated by Council's Community Development and Youth Services Officers welcome participation by a broad range of community members and do not discriminate against people with disability. Council's libraries work with local disability services and provide regular craft activities for people with disability. Council's Cultural Staff also provided workshop to people with disability for its annual community art competition and exhibition and continue to welcome disability groups and high school support units to the Mudgee Arts Precinct regularly for personalised tours. Monthly interagency meetings and communications also promote disability awareness and opportunities (such as grant funding and access to the NDIS) for people with disability. Council also collaborates with Rotary clubs to facilitate monthly accessible movie screenings for local disability service providers' participants.
Establish collaboration between Council's Access Committees and all Council departments	Cross collaboration and education of Council staff. Increased understanding of accessibility and inclusion in all Council areas.	All of Council/ Community	Annual report	Internal staff training includes topics such as anti-discrimination and disability inclusion, particularly around activities such as merit based recruitment.
Increase avenues for young people to support and promote an inclusive and diverse community	Council seeks to include initiatives within programs and events that enable young people to be involved in activities that promote disability inclusion.	Youth/ Community	Annual report	A workshop was facilitated by Council staff with a local disability service to encourage and facilitate its clients to participate in an annual art competition and exhibition.  Council also partners with local Rotary Clubs to facilitate monthly movies at the Mudgee Town Hall Cinema and sessions are run specifically for disability support services to bring their clients and carers, if this is the preferred option to public screenings coordinated each month.

THE YEAR  
IN REVIEWKEY COMPLETED  
PROJECTSDELIVERY PROGRAM  
PROGRESS

FINANCIALS

STATUTORY  
INFORMATIONSTATE OF THE  
ENVIRONMENT

Council **actively promotes meaningful communication and engagement** with the community

Action	Expected outcome	Key stakeholders	Reporting	2021/22 Progress report
Council seeks to provide local services and businesses with information on how to appropriately engage with people with disability and how their business could be more inclusive	Businesses are aware of Council's commitment and resources to assist with disability inclusion.	Local businesses	Annual report	Council has a broad range of accessible facilities and services, including local swimming pools with accessibility ramps and accessible change facilities, and accessible parks and playgrounds This past financial year shade sails were installed over a liberty swing in Mudgee to increase its usability throughout summer months. Council continually considers accessibility when planning new infrastructure, such as the Cultural Workshop site at Mudgee Arts Precinct, where concerted efforts have been made to ensure the facility is accessible throughout, including accessible bathrooms and wheelchair accessible wash stations.
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	Improved processes for engaging with people with a disability.	Council/People with disability	Annual report	<p>Accessible services for which Council is responsible are listed on Council's website, including Meals on Wheels and Community Transport services, as well as accessible playground and bathroom facilities. Council also regularly updates its listings on the National Public Toilet register, which notes accessible facilities. Accessibility is always considered when updating or constructing new Council facilities.</p> <p>Council staff are currently working on a new website for the Mudgee Arts Precinct, having regard to accessibility requirements when building the site.</p>
Council develops and implements Awards and criteria for local businesses who drive and practice disability inclusion	Businesses are rewarded and promoted for driving change in disability inclusion	Local businesses	Annual reporting	Council is a proud supporter of local business 'Clock Awards', which includes awards for excellence in community services and disability access.

Supporting **improved physical access** in the community

Action	Expected outcome	Key stakeholders	Reporting	2021/22 Progress report
Continue to implement the Pedestrian Access and Mobility Plan (PAMP)	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"> <li>▪ Footpath extension to fill the gap in existing pathway between Robertson Street &amp; Lions Drive, Mudgee. This totals approx. 590 lineal metres at 1.2 metre width, with 8 kerb ramps</li> <li>▪ Perry Street (western side) from end of new footpath near Skate park heading north to Robertson Park driveway</li> <li>▪ Fleming Street (south side) from McDonald street existing path to Noyes Street</li> <li>▪ Putta Bucca Rd shared path – finalised restoration works (earthworks to improve grade to allow maintenance and new fencing)</li> </ul> <p>Note that much of the budget was not expended due to lack of resources and weather conditions.</p>
Auditing physical accessibility of Council owned buildings to consider leading practice prioritisation of upgrades	Physical accessibility of Council owned facilities is reviewed with priority upgrades identified.	Council	DIAP 2020	<p>Council's building network comprises over 200 buildings and its Asset Management Plan establishes condition inspection program.</p> <p>Council's Asset Management Plan acknowledges greater demand for accessibility and services for an ageing cohort. It also notes that renewal plans are to include increased access at facilities.</p>
Inclusion objectives to be referred to and considered when allocating community grants	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 2030 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.</p>

THE YEAR  
IN REVIEWKEY COMPLETED  
PROJECTSDELIVERY PROGRAM  
PROGRESS

FINANCIALS

STATUTORY  
INFORMATIONSTATE OF THE  
ENVIRONMENT

## 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 2021/22 period, there were 98 separate dog attack incidents 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.

Over the last 12 months all animal activities has decreased, we believe this is due to COVID and more people working from home and spending more time with their pets.

### Animal management/activities expenditure

During 2021/22, Council spent \$226,965 on companion animal management activities.

Council employs three full time and one part time Law Enforcement Officers to enforce the provisions of the Companion Animals 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 \$34,501 of revenue to Council in 2021/22 for Animal Management Services.

A further \$54,153 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 \$37 for the service in 2021/22. During 2021/22, 272 companion animals were registered through Council.

During the 2021/22 period Council was unable to conduct their quarterly free microchipping days due to COVID restrictions. Instead Council has been providing free microchipping of any companion animals that come into their care. Microchipping days are planned for the 2022/23 period in Mudgee, Rylstone and Gulgong. 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 2021/22, Council compiled Pound Data Collection Returns for the Office of Local Government. 484 animals were seized. Of those, 113 dogs and 14 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 2021/22 period, 183 were rehomed through rehoming organisations or sold directly to the public.

A total of 90 animals were required to be euthanased as they were unsuitable to be rehomed.

### Off-Leash Area

Council has three off-leash areas for companion dogs, located at Glen Willow Regional Sports Complex in Mudgee, Peoples Park in Gulgong, 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	204	280	484
Abandoned/stray	112	137	249
Surrendered by owners	69	64	133
Returned to owners	0	63	63
Released to owners	14	113	117
Euthanased	52	38	90
Sold	47	33	80
Released to organisations for re-homing	84	19	103
Died at Council facility	2	0	2
Stolen or escaped from Council facility	0	1	1
Holding pending court action	0	0	0

THE YEAR  
IN REVIEWKEY COMPLETED  
PROJECTSDELIVERY PROGRAM  
PROGRESS

FINANCIALS

STATUTORY  
INFORMATIONSTATE OF THE  
ENVIRONMENT

## 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 2021/22 reporting period, Council received a total of 5 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	1	2	0	0	1	0	0	1	4	67%
Not for profit organisations or community groups	0	0	0	0	0	0	0	0	0	0%
Members of the public (by legal representative)	0	0	0	0	0	0	0	0	0	0%
Members of the public (other)	0	0	0	0	1	0	0	1	2	33%
<b>Total</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>6</b>	
<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>		

\* 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)	1	1	0	0	1	0	0	2	5	83%
Access applications that are partly personal information applications and partly other	0	1	0	0	0	0	0	0	1	17%
<b>Total</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>6</b>	
<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)	0	0%
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	0	0%
Invalid applications that subsequently became valid applications	0	0%



**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%
<b>Total</b>	<b>0</b>	

\* 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	1	50%
Business interests of agencies and other persons	1	50%
Environment, culture, economy and general matters	0	0%
Secrecy provisions	0	0%
Exempt documents under interstate Freedom of Information legislation	0	0%
<b>Total</b>	<b>2</b>	

**Table F:** Timeliness

	No. of applications*	% of Total
Decided within the statutory timeframe (20 days plus any extensions)	5	83%
Decided after 35 days (by agreement with the applicant)	1	17%
Not decided within time (deemed refusal)	0	0%
<b>Total</b>	<b>6</b>	

**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%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<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%
<b>Total</b>	<b>0</b>	

**Table I:** Applications transferred to other agencies

	No. of Applications transferred	% of Total
Agency-Initiated Transfers	0	0%
Applicant-Initiated Transfers	0	0%
<b>Total</b>	<b>0</b>	

## Public Information Disclosures

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

Council received no public interest disclosures during the 2021/22 financial year.

## Planning Agreements

### Environmental Planning and Assessment Act 1979 – Section 7.5(5)

Company	Effective	Purpose	Amount	Due Date	Paid
Caerleon	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

Company	Effective	Purpose	Amount	Due Date	Paid
Charbon Coal	Sep-10	Annual Contribution - Road Maintenance	\$0.05 per tonne per kilometre	Due by 31 July each year for coal hauled in previous year	No
		Annual Contribution - Road Maintenance	\$0.77 per tonne	\$75,000 paid as bond. To be charged with calculated contribution on an annual basis until \$75,000 exhausted. A further \$75,000 shall then be paid to Council, with annual charges payable whilst mining continues	Yes – completed
		Lump Sum - Carwell Creek Bridge Upgrade	\$210,000	\$210,000 due within 30 days of commencement of construction works by Council	Yes - completed
		Annual Contribution - Community Facilities	\$0.01 per Run of Mine tonnes per annum	Due by 31 July each year for coal hauled in previous year	No
		Lump Sum - Community Facilities	\$50,000	\$50,000 payable within one month of receipt of project approval for a community project in Rylstone, Kandos, Charbon and/ or Clandulla	Yes - completed
Moolarben Coal Stage 1	Aug-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	13 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
Ulan Coal Mines Limited	Mar-11	Lump Sum - Community Infrastructure	\$3,475,000	\$2 million to be paid within 30 days of date of agreement. Balance of \$1.475 million 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	12 of 21

Company	Effective	Purpose	Amount	Due Date	Paid	
Wilpinjong Coal Pty Ltd	Mar-06	Lump Sum - Coal Shipment	\$450,000	Payable prior to the first shipment of coal from the land	Yes – completed	THE YEAR IN REVIEW
		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	15 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	15 of life	
		Annual Contribution - Bus Routes	\$60,000	\$20,000 per annum for three years	Yes – completed	
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	KEY COMPLETED PROJECTS
		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	
		Annual Contribution - Community Infrastructure	\$600 per annum per permanent employee contractor in excess of 100 for 20 year consent period	31 March each year	10 of 15	
	Oct-16	Annual Contribution - Community Infrastructure	\$600 per annum per permanent employee contractor for extended project life	Per annum starting in 2028 for approximately 7 years (end of project)	No	DELIVERY PROGRAM PROGRESS
Crudine Ridge Wind Farm Pty Ltd	Aug-17	Annual Contribution	\$1,250 pa multiplied by the name plate megawatt (MW) 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	1 of life	FINANCIALS
Moolarben Coal Stage 2	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	6 of life	STATUTORY INFORMATION
		Cope Road Maintenance	\$480,000	\$120,000 plus CPI, with the first payment to be made on the commencement of mining	Yes – completed	
Phillip and Vicki Orr		Catchment A Drainage	\$5,000 per allotment - CPI	Payable prior to release of linen plan	Yes – completed	STATE OF THE ENVIRONMENT
Wollar Solar Development		Maintenance of the Local Road Network	\$200,000	Payable prior to commencement of construction	Yes – completed	

## STATE OF THE ENVIRONMENT REPORT

A State of the Environment (SoE) Report is an important management tool which aims to provide the community and Local Council with information on the condition of the environment in the local area to assist in decision-making.

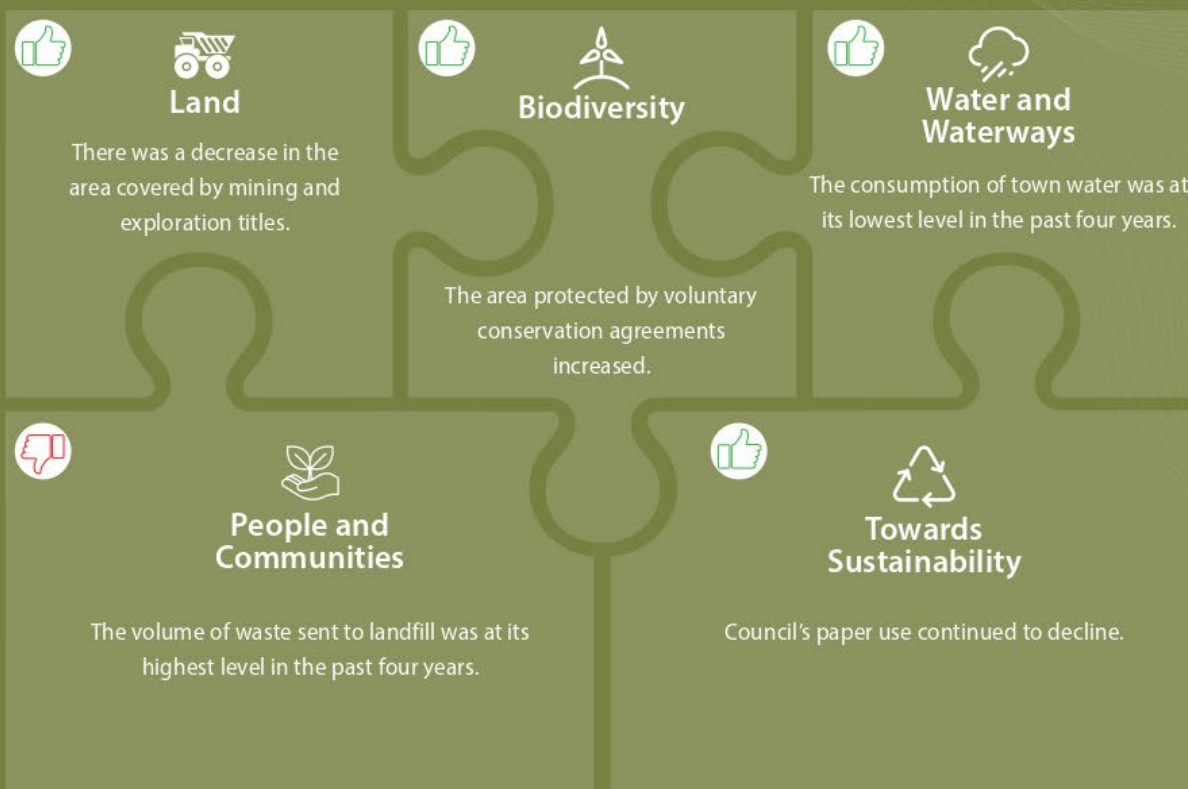
Since 2007, the Councils of the Greater Central West Region of NSW<sup>1</sup> have joined to produce Regional SoE Reports as part of Council reporting requirements.

Changes to NSW legislation mean that Councils are no longer required to produce SoE Reports each year, but only once every four years, in the year of the Council election.

However, the participating Councils have decided to continue reporting on an annual basis so that they can provide a detailed Regional SoE report that covers trends in the intervening years.

This is a brief snapshot of data for the Mid-Western Local Government Area in 2021-22 across a range of environmental indicators as shown in the tables below. The tables provide an understanding of trends by comparing this year's data with an average of previous years.

### 2021-22 Highlights



<sup>1</sup> Bathurst, Blayney, Bourke, Bogan, Cabonne, Coonamble, Cowra, Gilgandra, Lachlan, Mid-Western Regional, Narromine, Oberon, Orange, Warren and Warrumbungle Councils

## LAND

Issue	Indicator	2017-18	2018-19	2019-20	2020-21	2021-22	Trend
Contamination	Contaminated land sites – Contaminated Land Register (number)	1	1	1	1	1	→
	Contaminated land sites – potentially contaminated sites (number)	0	0	0	0		
	Contaminated sites rehabilitated (number)	0	0	0	0		→
Erosion	Erosion affected land rehabilitated (ha)	0	0	0	0		→
Land use planning and management	Number of development consents and building approvals	266	439	409	688	685	↓
	Land use conflict complaints (number)	30	39	44	49	46	↓
	Loss of primary agricultural land through rezoning (ha)			0	0	192	→
Minerals and petroleum	Number of mining and exploration titles			627	218	125	↑
	Area covered by mining and exploration titles (ha)	650,000	593,000	606,000	606,000	471,000	↑

↑ Improvement → No or little change ↓ Worsening trend

Note: the trend is based on comparing the average of the four previous years of reporting with 2021/22

## BIODIVERSITY

Issue	Indicator	2017-18	2018-19	2019-20	2020-21	2021-22	Trend
Habitat Loss	Total area in the National Parks Estate (ha)	100K	101K	101K	101K	101K	↑
	Total area of State Forests (ha)	16,841	16,841	16,841	16,841	16,824	→
	Total area protected in Wildlife Refuges (ha)			8,253	6,987	8,296	↑
	Area protected in conservation reserves and under voluntary conservation agreements (ha)	2,204	2,294	4,651	4,676	4,862	↑
	Extent of Travelling Stock Reserves in LGA (ha)		1,378	1,463	1,125	1,091	↓
	Proportion of Council reserves that is bushland/remnant vegetation	76%	73%	76%	77%	77%	↑
	Habitat areas revegetated	2	1	1	10	0	↓
	Clearing complaints (number)	7	9	4	1		↑
	Roadside vegetation management plan (Yes/No)	Yes	Yes	Yes	Yes	Yes	→
	Roadside vegetation rehabilitated (ha)	15	0	0	0	2	↓
Threatened Species	Threatened species listed (number)			181	181	180	↑
	Threatened species actions implemented (e.g. PAS, recovery plans) (number)	1	1	1	0	4	↑
	Fish restocking activities: native species (number)	55,005	39,750	47,500	88,673	82,876	↑
Priority weeds and feral animals	Fish restocking activities: non-native species (number)	27,667	29,000	30,000	17,000	18,500	↑
	Number of declared priority weeds	95	96	98	104	105	↓
	Invasive species (listed priority or WONS) under active management	19	21	17	16	22	↑

↑ Improvement → No or little change ↓ Worsening trend

THE YEAR  
IN REVIEWKEY COMPLETED  
PROJECTSDELIVERY PROGRAM  
PROGRESS

FINANCIALS

STATUTORY  
INFORMATIONSTATE OF THE  
ENVIRONMENT

## WATER AND WATERWAYS

Issue	Indicator	2017-18	2018-19	2019-20	2020-21	2021-22	Trend
Dam levels	Average dam levels	45.0%	37.0%	29.0%	30.0%	44.0%	↑
Water extraction	Number of Water Supply Work Approvals from surface water sources			284	325		↓
	Volume of surface water permissible for extraction under licences (GL)			28	34		↓
	Actual volume extracted through surface water licences (GL)				2.6		→
	Number of Water Supply Work Approvals from groundwater resources			2,583	2,579		↑
	Volume of groundwater permissible for extraction under licences (GL)			29	35		↓
	Actual volume extracted through groundwater licences (GL)			3.7	3.5		↑
Council water consumption	Area of irrigated Council managed parks, sportsgrounds, public open space (ha)	71	72	72	85	85	↓
	Water used by Council for irrigation (including treated and untreated) (ML)	236	192	209	189	154	↑
Town water consumption	Annual metered supply (ML)	2,190	2,019	2,104	1,924	1,744	↑
	Annual consumption (Total from WTP) (ML)	2,554	2,484	2,439	2,096	1,979	↑
	Average annual household mains potable water usage (kL)	214	198	200	162	148	↑
	Average level of water restrictions implemented	0	0	2	2		↑
	Water conservation programs (number)	0	0	1	0		↓
Surface and Ground Water Quality	Average salinity levels in selected streams (EC)	585	614	610	565	460	↑
	<i>E.coli</i> remote from wastewater treatment plants (per 100ml)	0	0	0	0		→
Riparian	Riparian vegetation recovery actions (number)	2	2	2	2	2	→
	Riparian vegetation recovery area (ha)	4	5	5	5	5	↑
Industrial/ agricultural pollution	Load Based Licencing Volume (kg)	12,012	10,605	24,172	17,601	22,995	↓
	Exceedances of licence discharge consent recorded (number)	0	0	0	3	1	↓
	Erosion and sediment control complaints received by Council (number)	5	7	5	13	30	↓
Stormwater pollution	Number of gross pollutant traps installed	4	4	4	4		→
	Total catchment area of GPTs (ha)	118	118	118	118		→
	Water pollution complaints (number)	1		5	1	1	↑
Town water quality	Number of instances drinking water guidelines not met	34	26	27	18	13	↑
	Number of drinking water complaints	94	48	36	32	41	↑

↑ Improvement      → No or little change      ↓ Worsening trend

## TOWARDS SUSTAINABILITY

Issue	Indicator	2017-18	2018-19	2019-20	2020-21	2021-22	Trend	
Waste generation	Total waste entombed at primary landfill (tonnes)	21,783	19,789	20,617	23,591	32,452	↓	THE YEAR IN REVIEW
	Total waste entombed at other landfills (excl recyclables) (tonnes)	0	0	0	0	0	→	
	Average total waste generated per person (tonnes)	0.88	0.79	0.82	0.93	1.26	↓	
	Average cost of waste service per residential household	\$383	\$500	\$517	\$517	\$530	↓	
Hazardous / liquid waste	DrumMuster collections (number of drums)	1,705	3,009	2,605	4,169	2,473	↓	KEY COMPLETED PROJECTS
	Household Hazardous Wastes collected (kg)	13,042	17,211	12,474	25,103	16,991	↑	
Reduce	Organics collected (diverted from landfill) (tonnes)	2,277	3,330	3,031	4,414	1,513	↓	DELIVERY PROGRAM PROGRESS
	E-Waste collected (diverted from landfill) (tonnes)	35	29	36	43	12	↓	
Recycle	Volume of material recycled (tonnes)	4,222	1,680	3,090	2,652	2,468	↓	FINANCIALS
	Volume of material recycled per person (kg)	170	67	122	105	96	↓	
Littering and illegal dumping	Number of illegal waste disposal complaints to Council	48	8	30	0	21	↑	STATUTORY INFORMATION
Engineering, infrastructure and civil works	New road construction (km)	0.25	0.55	0	2		↑	
	Road upgrades (km)	71	55	59	80	64	↑	
Risk management	Flood management plans / flood mapping – increase in area covered	0	0	0	7,229		↑	STATE OF THE ENVIRONMENT
	Hazard reduction burns (number)	11	11	4	10	2	↑	
Climate change mitigation	Office paper used by Council (A4 & A3 reams)	1,817	1,980	1,916	1,861	1,631	↑	FINANCIALS
	Council sustainability initiatives (number)	1	3	1	0	0	↓	
	Council mitigation initiatives (number)	0	0	0	0	0	→	
Council greenhouse gas emissions	Annual electricity consumption for Council controlled facilities (MWh)	6,315	6,100	5,938	5,749	6,007	↑	STATUTORY INFORMATION
	Annual natural gas consumption for Council controlled facilities (GJ)	0	0	0	0	0	→	
	Annual bottled gas consumption for Council controlled facilities (L)		9,003	6,604	4,382	14,114	↓	
	Total fuel consumption (KL)	971	1,022	1,242	996	1,013	↑	
	Proportion of Council's electrical energy demand met from Council-owned renewable energy infrastructure	0.0%	0.0%	1.7%	1.6%	1.5%	↑	
	Council total operational greenhouse gas emissions (tCO <sub>2</sub> -e/year)	24,401	25,978	27,067	23,691	24,297	↑	
Community greenhouse gas emissions	Small scale renewable energy uptake (kW installed)	1,889	3,219	3,710	4,971	3,735	↑	STATE OF THE ENVIRONMENT
	Number of solar water heaters and heat pumps installed	18	36	9	13	7	↓	

↑ Improvement    → No or little change    ↓ Worsening trend



## PEOPLE AND COMMUNITIES

Issue	Indicator	2017-18	2018-19	2019-20	2020-21	2021-22	Trend
Active community involvement	Environmental volunteers working on public open space (hrs)	272	141	171	0	0	↓
	Number of environmental community engagement programs	4	4	4	0	0	↓
	Number of growers markets/local food retailers specialising in local food	3	3	3	5	6	↑
Indigenous heritage	Number of indigenous sites on AHIMS register	4,566	4,856	5,097	5,243		↑
	Inclusion in DCPs and rural strategies (Yes/No)	Yes	Yes	Yes	Yes		→
	Extent of liaison with indigenous communities (self-assessed from 0= none to 3=high)	2.0	2.0	2.0	2.0	2.0	→
	Development approvals on listed indigenous sites (number)	0	0	0	0		→
	Number of indigenous heritage management actions/responses	0	1	0	1		→
Non-Indigenous heritage	NSW Heritage items (number)	14	15	15	15	15	↑
	Locally listed heritage items (number)	526	526	482	482		↓
	Actions to protect non-indigenous heritage (including management plans) (number)	0	1	1	1	0	↓
	Heritage buildings on statutory heritage lists demolished/degraded in past year (number)	2	0	2	0	2	↓
	Heritage buildings on statutory heritage lists renovated/improved in past year (number)	9	29	61	24	7	↓

↑ Improvement    → No or little change    ↓ Worsening trend

## CASE STUDY: YOURWATER PORTAL

Residents can now monitor their water usage in real time with the launch of Council's new Smart Water Meter portal, YourWater.

Along with real time data on the amount of water being used each day, customers can receive and pay water bills and set up email and SMS alerts to notify them of possible water leaks and high consumption periods.

The Customer Portal assists Council in providing improved customer service as detailed information can be provided including quantity of water consumed and day and time of water use that assists in troubleshooting and resolving issues quickly.

The ability to notify customers of potential leaks and high water consumption can save them money and reduce the demand on Council's water supply.

The Dashboard in the Portal offers a great tool to inform customers of their consumption patterns and assists with

budgeting for bills and empowers customers to modify their behaviours for more efficient water use.

In 2015/16, 140 million litres of water were lost due to leakages. The new meters will relay data on an hourly basis to Council, allowing Council's Water Team to expedite repairs and preserve the regions water supply.

Installation of Smart Water Meters began in 2019 after Council secured \$1.2m through the Australian Government's Smart Cities and Suburbs Program.

The Smart Water Meter Network will provide an estimated \$445,000 annual cost saving to ratepayers by detecting leakages in real time.

To date just over 9,000 smart water meters have been installed throughout the region and the total average consumption per person during February 2022 was 7,447 litres.



THE YEAR IN REVIEW  
KEY COMPLETED PROJECTS  
DELIVERY PROGRAM PROGRESS  
FINANCIALS  
STATUTORY INFORMATION  
STATE OF THE ENVIRONMENT

[midwestern.nsw.gov.au](http://midwestern.nsw.gov.au)

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*Good  
Government*

QUARTERLY BUDGET  
REVIEW STATEMENT  
SEPTEMBER 2022

ATTACHMENTS

16 NOVEMBER 2022

MID-WESTERN REGIONAL COUNCIL  
CORPORATE: FINANCE

■ ■ ■ ■ ■ TOWARDS 2030



CORPORATE: FINANCE |

THIS DOCUMENT HAS BEEN PREPARED BY AMANDA COVER, FINANCIAL PLANNING COORDINATOR FOR MID-WESTERN REGIONAL COUNCIL.

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## Table of Contents

1.	Proposed Budget Variations.....	5
1.1	2022/23.....	8
1.2	2023/24.....	35
1.3	2024/25.....	44
1.4	2025/26.....	48
2.	Cash and Investment Summary .....	51
3.	Unrestricted Cash by Fund.....	54
3.1	General Fund.....	54
3.2	Water Fund .....	55
3.3	Sewer Fund .....	55
3.4	Waste Fund .....	55
3.5	Other Funds.....	56
4.	Developer Contributions – Section 64, 7.11 and 7.12 .....	57
5.	Loan Borrowings .....	59
6.	Reserves.....	60
6.1	Internally Restricted Reserves .....	60
6.2	Externally Restricted Reserves.....	61
7.	Unspent Grants and Contributions .....	62
8.	Contract liabilities .....	63
9.	Consolidated Balance Sheet and Income Statement .....	64
10.	Key Financial Indicators .....	66
11.	Capital Budget Funding.....	69
12.	Key Performance Indicators .....	70
12.1	Connecting Our Region .....	70
12.2	Good Government .....	71
12.3	Looking after Our Community.....	72
12.4	Protecting our Natural Environment.....	73
12.5	Building a Strong Local Economy .....	74

CORPORATE: FINANCE |

13. Contract, Legal and Consultant Expenses .....	75
14. Councillor Fees and Expenses Paid or Reimbursed as at 30 September 2022.....	77

## 1. Proposed Budget Variations

Approval of the proposed budget variations in this report will have the following impact on Council's funding sources:

Fund	Funding Source	22/23	23/24	24/25	25/26	Grand Total
General	ASSET REPLACEMENT RESERVE	867,204	-866,204			1,000
	CAPITAL PROGRAM RESERVE	17,850				17,850
	COMMUNITY TRANSPORT VEHICLE REPLACEMENT	-36,000				-36,000
	CONTRIBUTIONS (OPERATING)	-18,710				-18,710
	DEVELOPER CONTRIBUTIONS	95,000				95,000
	GRT - BUSHFIRE & EMERGENCY SERVICES - CAPITAL	618,642	-756,273			-137,631
	GRT - BUSHFIRE & EMERGENCY SERVICES - OP	-860,000				-860,000
	GRT - ENVIRONMENT GRANTS	-293,333				-293,333
	GRT - FINANCIAL ASSISTANCE - GENERAL COMPONENT	-162,015	-162,000	-162,000	-162,000	-648,015
	GRT - FINANCIAL ASSISTANCE - ROADS COMPONENT	-122,982	-122,000	-122,000	-122,000	-488,982
	GRT - NOXIOUS WEEDS GRANT	-26,092				-26,092
	GRT - OTHER GRANT INCOME - CAPITAL	-897,403	-402,597			-1,300,000
	GRT - OTHER GRANT INCOME (OPERATING)	-239,651				-239,651
	GRT - RECREATION - CAPITAL	295,000	-370,000			-75,000
	GRT - ROADS & BRIDGES OTHER CAPITAL	8,575,248	9,741,835	7,261,818		25,578,901
	GRT - ROADS TO RECOVERY	0	0			0
	GRT - YOUTH SERVICES	-44,948				-44,948
	HAULAGE CONTRIBUTION S7.11	-30,000				-30,000
	LAND DEVELOPMENT RESERVE	1,400,000				1,400,000
	MUDGE COMMUNITY FACILITIES S7.11	-8,000				-8,000



CORPORATE: FINANCE |

Fund	Funding Source	22/23	23/24	24/25	25/26	Grand Total
	MUDGEE PLAN					
	ADMINISTRATION S7.11	-8,000				-8,000
	MUDGEE RECREATION & OPEN SPACE S7.11	-15,000				-15,000
	MUDGEE STORMWATER MANAGEMENT S7.11	-12,000				-12,000
	MUDGEE TRANSPORT FACILITIES S7.11	-20,000				-20,000
	NON-CASH CONTRIBUTIONS - CAPITAL	-250,000				-250,000
	OTR - INTERNAL PLANT HIRE INCOME	-50,660	-77,480	-77,480	-77,480	-283,100
	OUTSIDE MUDGEE PLAN ADMINISTRATION S7.11	-2,000				-2,000
	PLANT REPLACEMENT RESERVE	3,110,528	2,741,818			368,710
	RAT - NOTIONAL - RURAL RESIDENTIAL	-17,000				-17,000
	RAT - NOTIONAL - URBAN RESIDENTIAL	-21,000				-21,000
	RF - PROCEEDS FROM NEW BORROWINGS	2,400,000				2,400,000
	RMS CONTRIBUTIONS - BLOCK	0	0			0
	RMS CONTRIBUTIONS - OPERATING	-40,000				-40,000
	SEAL EXTENSION PROGRAM RESERVE	172,520	-172,520			0
	UCF - DEVELOPMENT APPLICATIONS	-196,001				-196,001
	UCF - GROUND HIRE FEES	-30,000				-30,000
	UCF - RMS STATE ROADS - ORDERED WORKS	-89,529				-89,529
	Unrestricted Cash	-1,168,435	-669,109	36,516	28,653	-1,772,375
	UNSPENT GRANTS	-100,000				-100,000
	UNSPENT LOANS	-2,400,000				-2,400,000
	VPA	-50,000				-50,000
<b>General</b>	<b>Total</b>	<b>10,343,233</b>	<b>3,401,834</b>	<b>6,936,854</b>	<b>-332,827</b>	<b>20,349,094</b>
Saleyards	Unrestricted Cash	-18,000				-18,000
<b>Saleyards</b>	<b>Total</b>	<b>-18,000</b>				<b>-18,000</b>
Sewer	GRT - SEWER CAPITAL	669,233		-669,233		0
	NON-CASH CONTRIBUTIONS - CAPITAL	-100,000				-100,000
	SEWER RESERVE	3,747,568	-30,000	-3,330,767		386,801
	Unrestricted Cash	-444,479	2,020	2,059	1,896	-438,504

## CORPORATE FINANCE |

Fund	Funding Source	22/23	23/24	24/25	25/26	Grand Total
<b>Sewer Total</b>		<b>3,872,322</b>	<b>-27,980</b>	<b>-3,997,941</b>	<b>1,896</b>	<b>-151,703</b>
Waste	RF - PROCEEDS FROM NEW BORROWINGS	2,000,000	2,000,000			0
	Unrestricted Cash	-7,155				-7,155
	WASTE RESERVE	800,000	-800,000			0
<b>Waste Total</b>		<b>2,792,845</b>	<b>2,800,000</b>			<b>-7,155</b>
Water	GRT - WATER CAPITAL	463,944	-463,944			0
	NON-CASH CONTRIBUTIONS - CAPITAL	-50,000				-50,000
	S64	3,745,501	3,745,501			0
	Unrestricted Cash	-555,922	2,020	2,329	2,100	-549,473
	WATER RESERVE	-43,207	-114,792	-24,698	-25,191	-207,888
<b>Water Total</b>		<b>3,560,316</b>	<b>4,322,217</b>	<b>-22,369</b>	<b>-23,091</b>	<b>-807,361</b>
<b>Grand Total</b>		<b>20,550,716</b>	<b>3,748,363</b>	<b>2,916,544</b>	<b>-354,022</b>	<b>19,364,875</b>

CORPORATE: FINANCE |

1.1 2022/23

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
General	Saleyards Lane Development Sales - Book Value of Sales, asset disposal expense and legal expense adjustment	1,338,008	-	0	-	0	-	0	-	0
General	Ow - Heavy Patching - Increase in scope of works funded by TfNSW	1,212,760	UCF - RMS STATE ROADS - ORDERED WORKS	(1,334,448)	-	0	-	0	-	0
General	Ow - Two-Mile Flat Safety-Shoulder Widening Wo308.22.13/16 - Ordered works agreed with TfNSW higher than originally budgeted.	716,186	UCF - RMS STATE ROADS - ORDERED WORKS	(823,880)	-	0	-	0	-	0
General	Drainage Maintenance - Council is focusing more on drainage maintenance to improve the roads generally.	500,000	-	0	-	0	-	0	-	0
General	Rural Heavy Patching - Gollan Road - Move budget from State Road to regional road	263,247	RMS CONTRIBUTIONS - BLOCK	(199,495)	-	0	-	0	-	0
General	Corporate Development - Supporting Council resourcing related to the renewable energy zone in economic development and development engineering	250,000	GRT - ENVIRONMENT GRANTS	(250,000)	-	0	-	0	-	0
General	Natural Disaster Rylstone Bridge BVW (Requires Grant) - Abutment restoration works to previous standard after flood damage. To be funded from natural disaster recovery funding.	250,000	GRT - BUSHFIRE & EMERGENCY SERVICES -OP	(250,000)	-	0	-	0	-	0

CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
General	Community Events Program - Grant funding received for events including Mudgee Arts Precinct Cultural workshops, Killadon Education Centre Opening Celebrations and Mudgee Lights Up	239,651	GRT - OTHER GRANT INCOME (OPERATING )	(239,651)	-	0	-	0	-	0
General	Development Control - Increase legal expense and development application fees due to the increase in development around the region. In line with prior year fees.	200,000	UCF - DEVELOPMENT APPLICATIONS	(196,001)	-	0	-	0	-	0
General	Wollar Road Heavy Patching - For heavy patching along Wollar Road.	200,000	-	0	-	0	-	0	-	0
General	Information Technology Operations - New Position for Cyber Security Engineer. Web Application Firewall to be implemented to reduce impact of Service Cyber Attacks. Additional Microsoft Licensing.	169,000	-	0	-	0	-	0	-	0
General	Ow -Safer Roads Program Cudgegong - Increase in scope of works funded by TfNSW	166,956	UCF - RMS STATE ROADS - ORDERED WORKS	(183,708)	-	0	-	0	-	0
General	Rural Sealed Roads Maintenance - Additional maintenance due to weather conditions	150,000	-	0	-	0	-	0	-	0
General	Streetscape - Rfs Hazard Reduction - Grant received for Bushfire Hazard Reduction works.	133,295	GRT - BUSHFIRE & EMERGENCY SERVICES - CAPITAL	(133,295)	-	0	-	0	-	0

CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
General	Gulgong Tennis Courts - Grant funding variation approved to move 100k from Kandos Community Hall to Gulgong Tennis Court.	100,000	GRT - RECREATION - CAPITAL	(100,000)	-	0	-	0	-	0
General	Rural Road - Cooper Dr And Charbon Rd Intersection - To asphalt the intersection of Cooper Dr and Charbon Rd	100,000	-	0	-	0	UNSPENT GRANTS	(100,000)	-	0
General	Natural Disaster Bara Road (Requires Grant) - To restore road damaged in floods back to previous standard. To be funded from natural disaster recovery funding.	60,000	GRT - BUSHFIRE & EMERGENCY SERVICES -OP	(60,000)	-	0	-	0	-	0
General	Glen Willow - Natural Disaster - Flood damage fence repairs	57,000	-	0	-	0	-	0	-	0
General	Victoria Park Mudjee - Fencing - Increase in material costs and desire to install steel picket fence to safeguard against vandalism.	55,000	-	0	-	0	-	0	-	0
General	Mudjee Pound Upgrade - Renovation & Extension - Building costs are higher than originally estimated.	50,000	-	0	-	0	-	0	-	0
General	Glen Willow - Hockey Field And Amenities Investigation - Initial investigations for Hockey Field amenities at Glen Willow	50,000	-	0	-	0	-	0	-	0
General	Red Hill Capital Works - Building costs are higher than originally estimated.	50,000	-	0	-	0	-	0	-	0

## CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
General	Natural Disaster Wollar Road Repairs (Requires Grant) - Reinstatement road to condition prior to flood damage. To be funded from Natural Disaster Recovery funding.	50,000	GRT - BUSHFIRE & EMERGENCY SERVICES -OP	(50,000)	-	0	-	0	-	0
General	Natural Disaster Bylong Valley Way Repairs (Requires Grant) - Reinstatement road to condition prior to flood damage. To be funded from Natural Disaster Recovery funding.	50,000	GRT - BUSHFIRE & EMERGENCY SERVICES -OP	(50,000)	-	0	-	0	-	0
General	Airport Ambulance Transfer Bay - Quotes from suppliers have been higher than expected.	50,000	-	0	-	0	VPA	(50,000)	-	0
General	Airport - Drainage Plan Development - Bring forward the 2023/24 budget into 2022/23. The Airport is experiencing localised flooding which has the potential to make the main sealed runway unavailable, preventing Fly Pelican and Aeromedical services to use the Aerodrome.	50,000	-	0	-	0	ASSET REPLACEMENT RESERVE	(50,000)	-	0
General	Insurance - General - Insurance higher than originally budgeted	42,950	-	0	-	0	-	0	-	0
General	Natural Disaster Barigan Road Causeway (Requires Grant) - Reinstatement causeway to standard after flood damage. Funded by natural disaster funding.	40,000	GRT - BUSHFIRE & EMERGENCY SERVICES -OP	(40,000)	-	0	-	0	-	0
General	Natural Disaster Mogo Road Causeway (Requires Grant) - Reinstatement causeway to prior condition after flood damage. Funded by natural disaster funding.	40,000	GRT - BUSHFIRE & EMERGENCY SERVICES -OP	(40,000)	-	0	-	0	-	0

CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
General	Mudgee Showground - Main Arena Renovation - The main arena at the showground is in desperate need for a major renovation following recent usage and rain events.	40,000	-	0	-	0	-	0	-	0
General	Mudgee Cdb High Pedestrian Activity Area - TfNSW has varied the scope of work.	40,000	RMS CONTRIBUTIONS - OPERATING	(40,000)	-	0	-	0	-	0
General	Mudgee School Zebra Crossing Infrastructure Upgrade - Delays due to wet weather have dragged the project on, as well as installation of drainage infrastructure not budgeted for. Funding used from drainage improvement capital and footpath capital budgets	40,000	-	0	-	0	ASSET REPLACEMENT RESERVE	(14,000)	-	0
General	Natural Disaster Lue Road Repairs (Requires Grant) - Reinstate road back to prior condition after flood damage. Funded by natural disaster funding.	40,000	GRT - BUSHFIRE & EMERGENCY SERVICES -OP	(40,000)	-	0	-	0	-	0
General	Natural Disaster Ulan Road (Requires Grant) - To restore Ulan Road back to previous standard after flood damage. To be funded from Natural disaster recovery grant funding.	40,000	GRT - BUSHFIRE & EMERGENCY SERVICES -OP	(40,000)	-	0	-	0	-	0
General	Natural Disaster Nullo Mountain Road (Requires Grant) - Reinstate causeway to standard after flood damage. Funded by natural disaster funding.	40,000	GRT - BUSHFIRE & EMERGENCY SERVICES -OP	(40,000)	-	0	-	0	-	0
General	Public Toilets - General Operations - Budget merged with Mudgee Baby Change room and Rylstone	36,685	-	0	-	0	-	0	-	0

CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
General	Comm. Transport- Vehicle Purchase - For the purchase of an additional Community Transport vehicle.	36,000	-	0	-	0	COMMUNITY TRANSPORT VEHICLE REPLACEMENT	(36,000)	-	0
General	Bushfire Recovery - Emergency Radio Communications - Emergency radio communication to address Council's bushfire recovery actions.	35,000	-	0	-	0	-	0	-	0
General	Bylong Valley Way Heavy Patching Program - Continue project from prior year	33,513	-	0	-	0	-	0	-	0
General	Goulburn River Bridge Ulan Road - Additional budget required from regional road bridge capital budget cover overspend due to increased level of service of temporary bridge during construction	30,152	RMS CONTRIBUTIONS - BLOCK	(30,152)	-	0	-	0	-	0
General	Rylstone Workshop Office - Capital - Total replacement of all office wall and ceiling frames, gyprock sheeting, electrical, cabinetry and painting due to termite damage.	30,000	-	0	-	0	-	0	-	0
General	Robertson Park Mudgee Masterplan - There are a number of key features within Robertson Park require attention. A new masterplan for Robertson Park will provide an opportunity to build on the parks existing condition and allow for upgrades and additional amenities for the community to enjoy.	30,000	-	0	-	0	-	0	-	0



CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
General	Art Gallery Work Shop Operations & Maintenance - Reallocate budget to split Art Gallery workshop and Art Gallery Precinct operations	30,000	-	0	-	0	-	0	-	0
General	Natural Disaster BVW Growie Road Landslide (Requires Grant) - Reinststate road to condition prior to flood damage. To be funded from Natural Disaster Recovery funding.	30,000	GRT - BUSHFIRE & EMERGENCY SERVICES -OP	(30,000)	-	0	-	0	-	0
General	Natural Disaster Lower Piambong Rd Repairs (Requires Grant) - Reinststate road to condition prior to flood damage. To be funded from Natural Disaster Recovery funding.	30,000	GRT - BUSHFIRE & EMERGENCY SERVICES -OP	(30,000)	-	0	-	0	-	0
General	Natural Disaster Havilah Bridge Lue Road (Requires Grant) - Abutment restoration works back to previous standard after damage caused by flood. To be funded from natural disaster recovery funding.	30,000	GRT - BUSHFIRE & EMERGENCY SERVICES -OP	(30,000)	-	0	-	0	-	0
General	Natural Disaster Twelve Mile Road Bridge (Requires Grant) - Abutment restoration works back to previous standard after damage caused by flood. To be funded from natural disaster recovery funding.	30,000	GRT - BUSHFIRE & EMERGENCY SERVICES -OP	(30,000)	-	0	-	0	-	0
General	Mudgee Valley Park Expansion Roads - Reallocate budget for the roads portion of the Mudgee Valley Expansion	30,000	-	0	-	0	UNSPENT LOANS	(30,000)	-	0

CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
General	7Mudgee Depot - Security Cameras - External Security Cameras to be installed due to incidents of theft within the depot yard, and also incident reporting due to pedestrian movement and the number of vehicles that use the compound each day.	25,000	-	0	-	0	-	0	-	0
General	Cudgegong Waters Park House - Building costs are higher than originally estimated due to increasing costs in building materials.	25,000	-	0	-	0	-	0	-	0
General	Commercial Prop - Aerodrome Cottage Renovations - New fencing for rear yard, Downpipe connection to SW. Kitchen renovation. Clean up of yard, removal of existing garden shed. Purchase furniture and appliances	25,000	-	0	-	0	-	0	-	0
General	Natural Disaster Melrose Causeway (Requires Grant) - Causeway reinstated to standard after flood damage. To be funded from natural disaster recovery funding.	20,000	GRT - BUSHFIRE & EMERGENCY SERVICES -OP	(20,000)	-	0	-	0	-	0
General	Natural Disaster Campbells Ck Rd Causeway (Requires Grant) - Causeway reinstated to standard after damage caused by flood. To be funded from natural disaster recovery funding.	20,000	GRT - BUSHFIRE & EMERGENCY SERVICES -OP	(20,000)	-	0	-	0	-	0
General	Natural Disaster Wilbetree Road (Requires Grant) - Reinstated seal after flood damage. Funded by natural disaster funding.	20,000	GRT - BUSHFIRE & EMERGENCY SERVICES -OP	(20,000)	-	0	-	0	-	0

CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
General	Natural Disaster Cliffdale Road Repairs (Requires Grant) - Reinstate road to condition prior to flood damage. To be funded from Natural Disaster Recovery funding.	20,000	GRT - BUSHFIRE & EMERGENCY SERVICES -OP	(20,000)	-	0	-	0	-	0
General	Natural Disaster Barneys Reef Road Repairs (Requires Grant) - Reinstate road to condition prior to flood damage. To be funded from Natural Disaster Recovery funding.	20,000	GRT - BUSHFIRE & EMERGENCY SERVICES -OP	(20,000)	-	0	-	0	-	0
General	Mudgee Valley Park Non-Capital Works - For the demolition and removal of cabins	20,000	-	0	-	0	-	0	-	0
General	Weed Control - Crown Lands - Funding from Department of Industry to be used on treatment of various weeds.	17,568	GRT - NOXIOUS WEEDS GRANT	(17,568)	-	0	-	0	-	0
General	Owua Small Projects - IXOM training project organised by the Alliance	15,710	CONTRIBUTIONS (OPERATING )	(15,710)	-	0	-	0	-	0
General	Corporate - Cahill Park Clubhouse - Relocation and site setup of recreation staff to former junior rugby league clubhouse. Make ready for occupation by council staff. Ongoing operational costs for the remainder of the year once relocated.	15,000	-	0	-	0	-	0	-	0
General	Mudgee Admin Building - East Wing Offices Reconfiguration - Removal and relocation of internal non-structural walls to Development and Planning Offices to allow for relocation and additional staff.	15,000	-	0	-	0	-	0	-	0

CORPORATE: FINANCE |

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General	Killdallon Renovation (L Block) - Installation of non-structural walls, electrical and painting for meeting/ consulting rooms within the building.	15,000	-	0	-	0	-	0	-	0
General	Cemetery Shoring - Existing shoring for staff no longer meets industry standards and therefore to ensure a safe work environment cemetery specific shoring should be purchased. Existing shoring is no longer fit for purpose.	15,000	-	0	-	0	-	0	-	0
General	Capital Upgrade - Rylstone Guide Hall Roof Replacement - Quote from experienced roofing contractor has come in higher than expected, due to the need for replacement of hardwood battens with the roofing structure.	15,000	-	0	-	0	ASSET REPLACEMENT RESERVE	(15,000)	-	0
General	Henry Lawson Memorial Renewal - Repair of Chimney and tidy up of BBQ shelter and picnic area. Chimney needs damp course injection, as well as major brick replacement. Small repairs and maintenance of picnic shelter	15,000	-	0	-	0	-	0	-	0
General	Commercial Prop - Old Gulgong Fire Station Security Cameras - Installation of Security Alarm System and Surveillance cameras.	15,000	-	0	-	0	-	0	-	0
General	Commercial Prop - Mortimer Precinct - New door, awning and ceiling required. Repairs required for the carpark.	13,300	-	0	-	0	-	0	-	0

CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
General	Caravan Park - Cudgong Waters Capital - For the purchase and installation of water meter	11,872	-	0	-	0	-	0	-	0
General	Natural Disaster Wallawaugh Rd Causeway (Requires Grant) - Causeway reinstated to standard after damage caused by flood. To be funded from natural disaster recovery funding.	10,000	GRT - BUSHFIRE & EMERGENCY SERVICES -OP	(10,000)	-	0	-	0	-	0
General	Natural Disaster Spring Flat Road Causeway (Requires Grant) - Causeway reinstated to standard after damage caused by flood. To be funded from natural disaster recovery funding.	10,000	GRT - BUSHFIRE & EMERGENCY SERVICES -OP	(10,000)	-	0	-	0	-	0
General	Public Toilets - Robertson Park Mudgee - Painting of internal walls of male, female and baby change room. To assist with vandalism and graffiti remediation.	10,000	-	0	-	0	-	0	-	0
General	Skate Park Maintenance - Consultant report recent completed on the regions skate park. Additional funds required to undertake maintenance recommendations, noting large capital funding will be required in future to address some items.	10,000	-	0	-	0	-	0	-	0
General	Victoria Park Mudgee - Sight Screens & Seating - Additional funds required due to the price increase in materials, most notably steel costs.	10,000	-	0	-	0	-	0	-	0

CORPORATE: FINANCE |

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General	Coronation Park Fence - Additional funds required due to increases in material cost. Also recent rain events have highlighted need for additional measures for the retaining wall.	10,000	-	0	-	0	-	0	-	0
General	Rotunda Park Kandos - Rotunda Minor Works - Was only able to receive a quotation from one supplier only, which is more than the current budget. Quotations for materials for water proofing of the structure have been higher than expected.	10,000	-	0	-	0	ASSET REPLACEMENT RESERVE	(10,000)	-	0
General	Building Regulatory Services - Additional 10k for the recruitment of a H&B Coordinator.	10,000	-	0	-	0	-	0	-	0
General	Natural Disaster White Cedar Road (Requires Grant) - For restoration works to bring back to previous standards after damage caused by floods. To be funded from Natural disaster recovery grant.	10,000	GRT - BUSHFIRE & EMERGENCY SERVICES -OP	(10,000)	-	0	-	0	-	0
General	Property - Pitts Lane - Move absorption trench, clean-up of dwelling, glazing, demolition and removal of existing sheds. Make fit for occupation by council staff	10,000	-	0	-	0	-	0	-	0
General	Ow - Ilford Sign Installation - OW for signage at Ilford.	9,339	UCF - RMS STATE ROADS - ORDERED WORKS	(10,740)	-	0	-	0	-	0

CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
General	Weed Control - Alligator Weed Hosted Program - Use remaining funding received in previous years to conduct surveillance.	8,524	GRT - NOXIOUS WEEDS GRANT	(8,524)	-	0	-	0	-	0
General	Roller Braking System - Build a cabinet for the computer that runs the RBS to ensure that it is out of the weather.	8,000	-	0	-	0	-	0	-	0
General	Public Toilets - Anzac Park Capital - Numerous instances of the male toilet wall receiving malicious damage. Proposed to remove all current wall sheets, re-batten and install corrugated iron to prevent further damage.	8,000	-	0	-	0	-	0	-	0
General	Streetscape Mtce Cbd Roads Crew - For pressure cleaning footpaths in the CBD.	8,000	-	0	-	0	-	0	-	0
General	Caravan Park - Riverside - A large River red gum requires removal due to be diseased near the bottom of the tree. A crane will be required to safely remove tree.	8,000	-	0	-	0	-	0	-	0
General	Gravel Pit Remediation - For the remediation of 12 Mile gravel pit	6,591	-	0	-	0	-	0	-	0
General	Corporate - Key & Lock Maintenance - Additional funds required for the purchase of new fobs, and new costs attributed to access control for new and existing staff.	5,000	-	0	-	0	-	0	-	0

CORPORATE: FINANCE |

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General	Public Halls - Rylstone - Large pine tree at rear of building causing structural issues for foundations of building. Needs removal to preserve the building's integrity.	5,000	-	0	-	0	-	0	-	0
General	Rural Sealed Regional Road Land Matters Capital - Legal costs for land exchange to facilitate a road realignment for Wollar Road	5,000	-	0	-	0	-	0	-	0
General	Rural Unsealed Roads - Accidents - To cover works required after accidents.	5,000	-	0	-	0	-	0	-	0
General	Mudgee Showground Equipment - Changes to the rodeo chutes were required to maintain industry standards and user safety.	4,600	-	0	-	0	-	0	-	0
General	Ulan Wollar Road - Stage 1 - Ongoing land matters.	3,000	CONTRIBUTIONS (OPERATING)	(3,000)	-	0	-	0	-	0
General	Airport - Operations & Maintenance - The Survey data currently published in the CASA data bases that communicate to pilots that height and position of the Hazards (warning lights) surrounding Mudgee has been identified as being incorrect. The 6 lights need to be resurveyed.	3,000	-	0	-	0	-	0	-	0
General	Seal Extension - Mebul Rd - To cover final costs for prior year project.	1,913	GRT - ROADS & BRIDGES OTHER CAPITAL	(1,913)	-	0	-	0	-	0



CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
General	Culverts, Shoulder & K&G - Bellvue Rd Mudgee - Late costs to prior year project.	1,131	-	0	-	0	-	0	-	0
General	Development Engineering Operations - Hire of external Design engineer consultant to perform ad hoc work due to unable to fill the current vacant role.	0	-	0	-	0	-	0	-	0
General	Rural Fire Service - Cooks Gap Station (Capital) - Increase in grant received	0	GRT - BUSHFIRE & EMERGENCY SERVICES - CAPITAL	(4,336)	-	0	-	0	-	0
General	Youth Services Administration - Grant received for the purchase of Youth Services Vehicle and funding for the Spring Holiday Break. CPI added to future year budgets.	0	GRT - YOUTH SERVICES	(44,948)	-	0	-	0	-	0
General	Drainage Administration - Contributed developer assets	0	NON-CASH CONTRIBUTIONS - CAPITAL	(50,000)	-	0	-	0	-	0
General	Mudgee Floodplain Management Plan Stage 2 - Income from Department of Planning not recognised in prior year to be recognised this financial year.	0	GRT - ENVIRONMENT GRANTS	(43,333)	-	0	-	0	-	0
General	Active Parks - MWRC Operations - Sports Advisory Fees and field hire.	0	UCF - GROUND HIRE FEES	(30,000)	-	0	-	0	-	0
General	Playground Shading Program - Reduce funding from the capital program reserve	0	-	0	-	0	CAPITAL PROGRAM RESERVE	17,850	-	0
General	Urban Roads - Administration - Contributed developer assets	0	NON-CASH CONTRIBUTIONS - CAPITAL	(200,000)	-	0	-	0	-	0

CORPORATE: FINANCE |

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General	Rural Sealed Roads Administration - Financial Assistance Grant higher than originally budgeted	0	GRT - FINANCIAL ASSISTANCE - ROADS COMPONENT	(61,491)	-	0	-	0	-	0
General	Rural Reseal - Lue Rd - Reallocate RTR funding to use on Lue Road reseal	0	GRT - ROADS TO RECOVERY	(209,587)	-	0	-	0	-	0
General	Rural Rehab - Lue Road Mounknow - Reallocate RTR funding to use on Lue Road Mounknow	0	GRT - ROADS TO RECOVERY	(310,413)	-	0	-	0	-	0
General	Rural Unsealed Roads Administration - Financial Assistance Grant higher than originally budgeted	0	GRT - FINANCIAL ASSISTANCE - ROADS COMPONENT	(61,491)	-	0	-	0	-	0
General	Property - Ex Saleyards Stage Ii - Grant funding successful for the State 2 of the development of Ex Saleyards Lane	0	GRT - OTHER GRANT INCOME - CAPITAL	(1,400,000)	-	0	LAND DEVELOPMENT RESERVE	1,400,000	-	0
General	General Purpose Revenue - Financial Assistance Grant higher than originally budgeted	0	RAT - NOTIONAL - URBAN AND RURAL RESIDENTIAL	(38,000)	FINANCIAL ASSISTANCE - GENERAL COMPONENT	(162,015)	-	0	-	0
General	General Fund Developer Contributions - Developer contributions higher than originally budgeted due to the increase in development activity within the region.	0	S7.11 DEVELOPER CONTRIBUTIONS	(95,000)	-	0	DEVELOPER CONTRIBUTIONS	95,000	-	0

CORPORATE: FINANCE |

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General	Footways - Capital Works - Budget used to cover Mudgee School Zebra Crossing upgrade	-14,000	-	0	-	0	ASSET REPLACEMENT RESERVE	14,000	-	0
General	Public Toilets - Mudgee Baby Change Room - Combine budget with Public Toilets - General Operations.	-16,425	-	0	-	0	-	0	-	0
General	Public Toilets - Rylstone - Combine budget with Public Toilets - General Operations.	-20,260	-	0	-	0	-	0	-	0
General	Putta Bucca Wetlands -Pathways And Car Park (Requires Grant) - Duplicate budget	-25,000	GRT - RECREATION - CAPITAL	25,000	-	0	-	0	-	0
General	Drainage Capital Improvements - Budget required to cover drainage works at Perry Denison Intersection	-26,000	-	0	-	0	ASSET REPLACEMENT RESERVE	26,000	-	0
General	Mudgee Admin Building - Painting And Repairs - Mudgee administration building is currently being assessed for a new design which may include parts of the proposed painting project. Move this budget to the 23/24 financial year when more information is known about the Administration Major Project.	-27,000	-	0	-	0	ASSET REPLACEMENT RESERVE	27,000	-	0
General	Art Gallery Maintenance - Reallocate budget to split Art Gallery workshop an Art Gallery Precinct operations	-30,000	-	0	-	0	-	0	-	0
General	Mudgee Valley Park Expansion - Reallocate budget for the roads portion of the Mudgee Valley Expansion	-30,000	-	0	-	0	UNSPENT LOANS	(2,370,000)	RF - PROCEEDS FROM NEW	2,400,000

CORPORATE: FINANCE |

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									BORROWINGS	
General	Regional Road Bridge Capital - Budget to be used for Goulburn River Bridge Ulan Road	-30,152	RMS CONTRIBUTIONS - BLOCK	30,152	-	0	-	0	-	0
General	Hargraves Court House Building - External Works - Additional funds required after receiving a quotation from a historical building restoration professional. We will retain \$10K for earthworks required at the rear of the property to prevent water run off for the hill and reduce the water ingress from underneath the buildings foundations. Building Services will seek Grant funding to complete this project.	-33,454	-	0	-	0	ASSET REPLACEMENT RESERVE	33,454	-	0
General	Plant Operations Fund - Insurance less than originally budgeted. Following successful trial of a trainee position it is proposed to create a permanent full time position of workshop admin assistant.	-36,340	OTR - INTERNAL PLANT HIRE INCOME	(50,660)	-	0	PLANT REPLACEMENT RESERVE	87,000	-	0

CORPORATE: FINANCE |

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General	Town Hall Theatre - Dressing Room Amenities Upgrade - Waiting on quotations from Contractors. With wait times on construction from current trade services panel, it is expected these works will not be completed by the end of the 22/23 financial year. Move to 23/24 financial year	-40,000	-	0	-	0	ASSET REPLACEMENT RESERVE	40,000	-	0
General	Town Hall - External Brickwork - A Historic Building Restoration specialist has been engaged for quotation, however does not have capacity to complete the works this financial year. Move to 23/24 financial year	-50,000	-	0	-	0	ASSET REPLACEMENT RESERVE	50,000	-	0
General	Stormwater Asset Survey - Move budget into 2023/24 in line with the scheduled stormwater revaluation.	-58,189	-	0	-	0	ASSET REPLACEMENT RESERVE	58,189	-	0
General	Family Day Care - External Works - A Historic Building Restoration specialist has been engaged for quotation, however does not have capacity to complete the works to the brickworks this financial year. Move this project to the 22/23 financial year	-60,000	-	0	-	0	ASSET REPLACEMENT RESERVE	60,000	-	0
General	Kandos Hall & Library - External Painting & Kitchen Upgrade - Amendment of funding variation to reallocate 100k to use on the Gulgong Tennis Courts.	-81,768	GRT - OTHER GRANT INCOME - CAPITAL	100,000	-	0	-	0	-	0

CORPORATE: FINANCE |

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General	Public Toilets - Rotary Park Kandos Upgrade - There is currently insufficient budget to complete project. Building Services to seek additional funding and move the existing funds to the 23/24 financial year.	-97,561	-	0	-	0	ASSET REPLACEMENT RESERVE	97,561	-	0
General	Ow - Gollan Rd Heavy Patching - Move budget from State Road to regional road	-263,247	UCF - RMS STATE ROADS - ORDERED WORKS	263,247	-	0	-	0	-	0
General	Rural Rehab - Henry Lawson Dr - Cancel project to heavy patch the segment instead and utilise remaining funding to carry out repairs to local roads through heavy patching and drainage maintenance given current extreme wet weather	-339,045	-	0	-	0	-	0	-	0
General	Cudgegong Waters - Public Toilets (Requires Grant) - Grant funding not yet secured for the project. Additional budget required for planning.	-365,000	GRT - RECREATION - CAPITAL	370,000	-	0	-	0	-	0
General	Seal Extension - Queens Pinch Rd - To do the last 4km of pavement and seal in 2023/24 to free up resources for priority works.	-403,287	GRT - ROADS & BRIDGES OTHER CAPITAL	302,167	-	0	SEAL EXTENSION PROGRAM RESERVE	101,120	-	0

CORPORATE: FINANCE |

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General	Rural Rehab - Cudgegong Rd Carell - Defer project to 23/24, Additional funding required for heavy patching and repairs to local roads including drainage maintenance given current extreme wet weather. Difficulty resourcing of project also resulting in delays	-520,000	GRT - ROADS TO RECOVERY	520,000	-	0	-	0	-	0
General	Glen Willow Field One Refurbishment - Move budget into 2023/24 to allow for a different method to be applied for a better long term result (including using StaLok fibres). This requires a longer closure time and planning currently not available with existing events timetable.	-550,000	-	0	-	0	ASSET REPLACEMENT RESERVE	550,000	-	0
General	Seal Extension - Coricudgy Road - Defer into the next financial year to accommodate to other resourcing priorities	-756,273	GRT - BUSHFIRE & EMERGENCY SERVICES - CAPITAL	756,273	-	0	-	0	-	0
General	Country University Center - Delays in design and approval process	-800,000	GRT - OTHER GRANT INCOME - CAPITAL	402,597	-	0	-	0	-	0
General	Seal Extension - Botobolar Rd - Project to commence in January and continue into the next financial year. Delays due to prioritising resources in other areas.	-967,963	GRT - ROADS & BRIDGES OTHER CAPITAL	779,418	-	0	SEAL EXTENSION PROGRAM RESERVE	71,400	-	0

CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
General	BVW Upgrade Rnsw 2080 - Current approved works under project approx \$900K less than budgeted, any further works still to be scoped and approved by funding body for future financial years if possible.	-1,425,980	RMS CONTRIBUTIONS - BLOCK	199,495	GRT - ROADS & BRIDGES OTHER CAPITAL	1,226,485	-	0	-	0
General	Ow - - Budget to be used for Heavy patching and Two- mile flat shoulder widening	-1,817,621	UCF - RMS STATE ROADS - ORDERED WORKS	2,000,000	-	0	-	0	-	0
General	Plant Purchases - Deferred items \$2.69m, replacements not required \$413k, Other minor items and price changes	-3,007,302	INTERNAL CONTRIBUTIONS FROM OTHER FUNDS	(16,226)	-	0	PLANT REPLACEMENT RESERVE	3,023,528	-	0
General	Dixons Long Point Crossing - Dixons long point project has now been cancelled	-6,269,091	GRT - ROADS & BRIDGES OTHER CAPITAL	6,269,091	-	0	-	0	-	0
Saleyards	Saleyards Administration - Industrial special risk insurance not originally budgeted.	13,000	-	0	-	0	-	0	-	0
Saleyards	Saleyards - Post And Rail Replacement - Quotes received are higher than originally budgeted for due to the increase in building materials.	5,000	-	0	-	0	-	0	-	0



CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
Sewer	Sewer Management & Administration - Training budget required as HR training budget no longer covers the W&S team training 20k. Insurance less than originally budgeted (76k). Move staff wages and oncosts over to capital and W&S studies projects 40k. Non-cash contributed developer assets and depreciation adjustment 473k	486,757	NON-CASH CONTRIBUTIONS - CAPITAL	(100,000)	-	0	-	0	-	0
Sewer	Sewer New Connections - Increased development applications for new connection	30,000	-	0	-	0	-	0	-	0
Sewer	Sewer Condition Assessment - Transfer from sewer management studies to better document condition assessment	21,000	-	0	-	0	-	0	-	0
Sewer	Sewer Management Studies - Transfer to sewer management conditions to better document condition assessment. Increase salaries and wages for project officers wages previously recognised under S and W admin and an increase in days from 3 to 4	6,722	-	0	-	0	-	0	-	0
Sewer	Sewer Treatment Works - Renewals - Wet conditions will not allow civil works to progress this year	-30,000	-	0	-	0	SEWER RESERVE	30,000	-	0
Sewer	Rising Main Ulan Rd To Putta Bucca - Return to sewer fund and reassign after sewer modelling completed	-386,801	-	0	-	0	SEWER RESERVE	386,801	-	0

CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
Sewer	Sewer Augmentation - Rylstone & Kandos - Concept review outcome: current Detailed design not suitable, SSWP funding not available. Review options assessment for alternative options.	-4,000,000	GRT - SEWER CAPITAL	669,233	-	0	SEWER RESERVE	3,330,767	-	0
Waste	Waste - General Operations - Insurance is higher than originally budgeted.	7,155	-	0	-	0	-	0	-	0
Waste	Waste Sites Rehabilitation - Delay is due further materials testing being required for the stability assessment on the phytocap which has delayed the approval/ epa licence variation.	-800,000	-	0	-	0	WASTE RESERVE	800,000	-	0
Waste	New Tip Cell Construction - Delay is due further materials testing being required for the stability assessment on the phytocap which has delayed the approval/ epa licence variation.	-2,000,000	-	0	-	0	RF - PROCEEDS FROM NEW BORROWINGS	2,000,000	-	0
Water	Water Management Studies - Budget moved from Water Augmentation for Rylstone and Kandos to undertake Strategy (options assessment) work. Increase salaries and wages for project officers wages previously recognised under S and W admin and an increase in days from 3 to 4	534,639	-	0	-	0	WATER RESERVE	(500,000)	-	0

CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
Water	Water Management & Administration - Training budget required as HR training budget no longer covers the W&S team training 20k. Insurange lower than originally budgeted 5k. Move staff wages and oncosts over to capital and W&S studies projects 40k. Non-Cash Contributed developer assets and depreciation adjustment \$486.	521,283	NON-CASH CONTRIBUTIONS - CAPITAL	(50,000)	-	0	-	0	-	0
Water	Water Mains - Tallawang Road - Gulgong Cast iron replacement	180,000	-	0	-	0	WATER RESERVE	(180,000)	-	0
Water	Water Mains - Bayly Street - Gulgong Cast iron replacement	110,000	-	0	-	0	WATER RESERVE	(110,000)	-	0
Water	Water Mains - Sydney Road - Mudgee asbestos cement pipe replacement	90,000	-	0	-	0	WATER RESERVE	(90,000)	-	0
Water	Water Mains - Little Bayly Street - Gulgong Cast iron replacement	70,000	-	0	-	0	WATER RESERVE	(70,000)	-	0
Water	Water New Connections - Increase budget requirement associated with increased development requests for connection	50,000	-	0	-	0	-	0	-	0
Water	Water Mains - Horatio St Court To Cox - Additional scope undertaken as part of G40723 project to remove need for the water main replacement works in Nicholson St	50,000	-	0	-	0	WATER RESERVE	(50,000)	-	0

CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
Water	Water Mains - Nicholson St Court St East Road Crossing - Additional scope undertaken as part of G40723 project to remove need for the water main replacement works in Nicholson St	-17,263	-	0	-	0	WATER RESERVE	17,263	-	0
Water	Water Mains - Capital - Allocate budget only to new projects Water mains at Tallowang, Little Bayley and Sydney Road.	-372,737	-	0	-	0	WATER RESERVE	372,737	-	0
Water	Water Augmentation - Rylstone & Kandos - Strategy (options assessment) work to be completed from the operational budget.	-500,000	-	0	-	0	WATER RESERVE	500,000	-	0
Water	Water Augmentation - Mudgee Headworks - Progression of current works indicates River Pump station completion this FY and commencement of further construction works following Safe and Secure Water Program funding gateway progress. The remainder to move to 2023/24. Increase salaries and wages for project officers wages previously recognised under S and W admin and an increase in days from 3 to 4	-1,476,238	GRT - WATER CAPITAL	463,944	-	0	S64	945,501	WATER RESERVE	66,793

CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
Water	Water Distribution - Mudgee - Water model built, initial indications identify minor distribution works to proceed the need for new reservoir and booster PS. Currently seeking SSWP funding assistance following scope of minor distribution works.	-2,800,000	-	0	-	0	\$64	2,800,000	-	0
<b>Total</b>		<b>(20,534,490)</b>		<b>5,937,047</b>		<b>1,064,470</b>		<b>13,260,171</b>		<b>2,466,793</b>

## 1.2 2023/24

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
General	Plant Purchases - Deferred items \$2.69m, replacements not required \$413k, Other minor items and price changes	2,741,818	-	0	-	0	PLANT REPLACEMENT RESERVE	(2,741,818)	-	0
General	BVW Upgrade Rnsw 2080 - Current approved works under project approx \$900K less than budgeted, any further works still to be scoped and approved by funding body for future financial years if possible.	1,425,980	RMS CONTRIBUTIONS - BLOCK	(199,495)	GRT - ROADS & BRIDGES OTHER CAPITAL	(1,226,485)	-	0	-	0
General	Seal Extension - Botobolar Rd - Project to commence in January and continue into the next financial year. Delays due to prioritising resources in other areas.	967,963	GRT - ROADS & BRIDGES OTHER CAPITAL	(779,418)	-	0	SEAL EXTENSION PROGRAM RESERVE	(71,400)	-	0
General	Country University Center - Delays in design and approval process	800,000	GRT - OTHER GRANT INCOME - CAPITAL	(402,597)	-	0	-	0	-	0
General	Seal Extension - Coricudgy Road - Defer into the next financial year to accommodate to other resourcing priorities	756,273	GRT - BUSHFIRE & EMERGENCY SERVICES - CAPITAL	(756,273)	-	0	-	0	-	0

CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
General	Glen Willow Field One Refurbishment - Move budget into 2023/24 to allow for a different method to be applied for a better long term result (including using StaLok fibres). This requires a longer closure time and planning currently not available with existing events timetable.	550,000	-	0	-	0	ASSET REPLACEMENT RESERVE	(550,000)	-	0
General	Rural Rehab - Cudgegong Rd Carwell - Defer project to 23/24, Additional funding required for heavy patching and repairs to local roads including drainage maintenance given current extreme wet weather. Difficulty resourcing of project also resulting in delays	520,000	GRT - ROADS TO RECOVERY	(520,000)	-	0	-	0	-	0
General	Seal Extension - Queens Pinch Rd - To do the last 4km of pavement and seal in 2023/24 to free up resources for priority works.	405,200	GRT - ROADS & BRIDGES OTHER CAPITAL	(304,080)	-	0	SEAL EXTENSION PROGRAM RESERVE	(101,120)	-	0
General	Cudgegong Waters - Public Toilets (Requires Grant) - Grant funding not yet secured for the project. Additional budget required for planning.	370,000	GRT - RECREATION - CAPITAL	(370,000)	-	0	-	0	-	0
General	Information Technology Operations - New Position for Cyber Security Engineer. Web Application Firewall to be implemented to reduce impact of Service Cyber Attacks. Additional Microsoft Licensing.	237,400	-	0	-	0	-	0	-	0

CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
General	Heavy Patching - Cancelled rehab budget redirected to heavy patching	189,000	-	0	-	0	-	0	-	0
General	Public Toilets - Rotary Park Kandos Upgrade - There is currently insufficient budget to complete project. Building Services to seek additional funding and move the existing funds to the 23/24 financial year.	97,561	-	0	-	0	ASSET REPLACEMENT RESERVE	(97,561)	-	0
General	Plant Operations Fund - Insurance less than originally budgeted. Following successful trial of a trainee position it is proposed to create a permanent full time position of workshop admin assistant.	77,480	OTR - INTERNAL PLANT HIRE INCOME	(77,480)	-	0	-	0	-	0
General	Family Day Care - External Works - A Historic Building Restoration specialist has been engaged for quotation, however does not have capacity to complete the works to the brickworks this financial year. Move this project to the 22/23 financial year	60,000	-	0	-	0	ASSET REPLACEMENT RESERVE	(60,000)	-	0
General	Stormwater Asset Survey - Move budget into 2023/24 in line with the scheduled stormwater revaluation.	58,189	-	0	-	0	ASSET REPLACEMENT RESERVE	(58,189)	-	0



CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
General	Town Hall - External Brickwork - A Historic Building Restoration specialist has been engaged for quotation, however does not have capacity to complete the works this financial year. Move to 23/24 financial year	50,000	-	0	-	0	ASSET REPLACEMENT RESERVE	(50,000)	-	0
General	Town Hall Theatre - Dressing Room Amenities Upgrade - Waiting on quotations from Contractors. With wait times on construction from current trade services panel, it is expected these works will not be completed by the end of the 22/23 financial year. Move to 23/24 financial year	40,000	-	0	-	0	ASSET REPLACEMENT RESERVE	(40,000)	-	0
General	Public Toilets - General Operations - Budget merged with Mudgee Baby Change room and Rylstone	36,789	-	0	-	0	-	0	-	0
General	Hargraves Court House Building - External Works - Additional funds required after receiving a quotation from a historical building restoration professional. We will retain \$10K for earthworks required at the rear of the property to prevent water run off for the hill and reduce the water ingress from underneath the buildings foundations. Building Services will seek Grant funding to complete this project.	33,454	-	0	-	0	ASSET REPLACEMENT RESERVE	(33,454)	-	0

## CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
General	Mudgee Admin Building - Painting And Repairs - Mudgee administration building is currently being assessed for a new design which may include parts of the proposed painting project. Move this budget to the 23/24 financial year when more information is known about the Administration Major Project.	27,000	-	0	-	0	ASSET REPLACEMENT RESERVE	(27,000)	-	0
General	Rural Sealed Regional Road Land Matters Capital - Legal costs for land exchange to facilitate a road realignment for Wollar Road	10,000	-	0	-	0	-	0	-	0
General	Youth Services Administration - Grant received for the purchase of Youth Services Vehicle and funding for the Spring Holiday Break. CPI added to future year budgets.	2,161	-	0	-	0	-	0	-	0
General	Rural Sealed Roads Administration - Financial Assistance Grant higher than originally budgeted	0	GRT - FINANCIAL ASSISTANCE - ROADS COMPONENT	(61,000)	-	0	-	0	-	0
General	Rural Unsealed Roads Administration - Financial Assistance Grant higher than originally budgeted	0	GRT - FINANCIAL ASSISTANCE - ROADS COMPONENT	(61,000)	-	0	-	0	-	0
General	Tourism Operations - Reallocate the expense type to where the actuals are coded.	0	-	0	-	0	-	0	-	0

CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation\$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
General	General Purpose Revenue - Financial Assistance Grant higher than originally budgeted	0	GRT - FINANCIAL ASSISTANCE - GENERAL COMPONENT	(162,000)	-	0	-	0	-	0
General	Public Toilets - Mudgee Baby Change Room - Combine budget with Public Toilets - General Operations.	-16,589	-	0	-	0	-	0	-	0
General	Public Toilets - Rylstone - Combine budget with Public Toilets - General Operations.	-20,200	-	0	-	0	-	0	-	0
General	Airport - Drainage Plan Development - Bring forward the 2023/24 budget into 2022/23. The Airport is experiencing localised flooding which has the potential to make the main sealed runway unavailable, preventing Fly Pelican and Aeromedical services to use the Aerodrome.	-50,000	-	0	-	0	ASSET REPLACEMENT RESERVE	50,000	-	0
General	Rural Sealed Regional Road Capital - - 0	-199,495	RMS CONTRIBUTIONS - BLOCK	199,495	-	0	-	0	-	0
General	Rural Sealed Road Rehab & Widening - - Allocate budget to Cudgegong Rd	-520,000	GRT - ROADS TO RECOVERY	520,000	-	0	-	0	-	0
General	Dixons Long Point Crossing - Dixons long point project has now been cancelled	-12,051,818	GRT - ROADS & BRIDGES OTHER CAPITAL	12,051,818	-	0	-	0	-	0

CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
Sewer	Sewer Treatment Works - Renewals - Wet conditions will not allow civil works to progress this year	30,000	-	0	-	0	SEWER RESERVE	(30,000)	-	0
Sewer	Sewer Management Studies - Transfer to sewer management conditions to better document condition assessment. Increase salaries and wages for project officers wages previously recognised under S and W admin and an increase in days from 3 to 4	28,277	-	0	-	0	-	0	-	0
Sewer	Sewer Management & Administration - Training budget required as HR training budget no longer covers the W&S team training 20k. Insurance less than originally budgeted (76k). Move staff wages and oncosts over to capital and W&S studies projects 40k. Non-cash contributed developer assets and depreciation adjustment 473k	-30,297	-	0	-	0	-	0	-	0
Waste	New Tip Cell Construction - Delay is due further materials testing being required for the stability assessment on the phytocap which has delayed the approval/ epa licence variation.	2,000,000	-	0	-	0	RF - PROCEEDS FROM NEW BORROWINGS	(2,000,000)	-	0
Waste	Waste Sites Rehabilitation - Delay is due further materials testing being required for the stability assessment on the phytocap which has delayed the approval/ epa licence variation.	800,000	-	0	-	0	WASTE RESERVE	(800,000)	-	0

CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
Water	Water Distribution - Mudgee - Water model built, initial indications identify minor distribution works to proceed the need for new reservoir and booster PS. Currently seeking SSWP funding assistance following scope of minor distribution works.	2,800,000	-	0	-	0	S64	(2,800,000)	-	0
Water	Water Augmentation - Mudgee Headworks - Progression of current works indicates River Pump station completion this FY and commencement of further construction works following Safe and Secure Water Program funding gateway progress. The remainder to move to 2023/24. Increase salaries and wages for project officers wages previously recognised under S and W admin and an increase in days from 3 to 4	1,524,237	GRT - WATER CAPITAL	(463,944)	-	0	S64	(945,501)	WATER RESERVE	(114,792)
Water	Water Management Studies - Budget moved from Water Augmentation for Rylstone and Kandos to undertake Strategy (options assessment) work. Increase salaries and wages for project officers wages previously recognised under S and W admin and an increase in days from 3 to 4	28,277	-	0	-	0	-	0	-	0

CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
Water	Water Management & Administration - Training budget required as HR training budget no longer covers the W&S team training 20k. Insurange lower than originally budgeted 5k. Move staff wages and oncosts over to capital and W&S studies projects 40k. Non-Cash Contributed developer assets and depreciation adjustment \$486.	-30,297	-	0	-	0	-	0	-	0
<b>Total</b>		<b>3,748,363</b>		<b>8,614,026</b>		<b>(1,226,485)</b>		<b>(10,356,043)</b>		<b>(114,792)</b>

CORPORATE: FINANCE |

1.3 2024/25

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
General	Information Technology Operations - New Position for Cyber Security Engineer. Web Application Firewall to be implemented to reduce impact of Service Cyber Attacks. Additional Microsoft Licensing.	241,000	-	0	-	0	-	0	-	0
General	Plant Operations Fund - Insurance less than originally budgeted. Following successful trial of a trainee position it is proposed to create a permanent full time position of workshop admin assistant.	77,480	OTR - INTERNAL PLANT HIRE INCOME	(77,480)	-	0	-	0	-	0
General	Public Toilets - General Operations - Budget merged with Mudgee Baby Change room and Rylstone	37,526	-	0	-	0	-	0	-	0
General	Youth Services Administration - Grant received for the purchase of Youth Services Vehicle and funding for the Spring Holiday Break. CPI added to future year budgets.	6,484	-	0	-	0	-	0	-	0
General	Rural Sealed Roads Administration - Financial Assistance Grant higher than originally budgeted	0	GRT - FINANCIAL ASSISTANCE - ROADS COMPONENT	(61,000)	-	0	-	0	-	0
General	Rural Unsealed Roads Administration - Financial Assistance Grant higher than originally budgeted	0	GRT - FINANCIAL ASSISTANCE - ROADS COMPONENT	(61,000)	-	0	-	0	-	0
General	Tourism Operations - Reallocate the expense type to where the actuals are coded.	0	-	0	-	0	-	0	-	0

CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
General	General Purpose Revenue - Financial Assistance Grant higher than originally budgeted	0	GRT - FINANCIAL ASSISTANCE - GENERAL COMPONENT	(162,000)	-	0	-	0	-	0
General	Public Toilets - Mudgee Baby Change Room - Combine budget with Public Toilets - General Operations.	-16,922	-	0	-	0	-	0	-	0
General	Public Toilets - Rylstone - Combine budget with Public Toilets - General Operations.	-20,604	-	0	-	0	-	0	-	0
General	Dixons Long Point Crossing - Dixons long point project has now been cancelled	-7,261,818	GRT - ROADS & BRIDGES OTHER CAPITAL	7,261,818	-	0	-	0	-	0
Sewer	Sewer Augmentation - Rylstone & Kandos - Concept review outcome: current Detailed design not suitable, SSWP funding not available. Review options assessment for alternative options.	4,000,000	GRT - SEWER CAPITAL	(669,233)	-	0	SEWER RESERVE	(3,330,767)	-	0
Sewer	Sewer Management Studies - Transfer to sewer management conditions to better document condition assessment. Increase salaries and wages for project officers wages previously recognised under S and W admin and an increase in days from 3 to 4	28,814	-	0	-	0	-	0	-	0



CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
Sewer	Sewer Management & Administration - Training budget required as HR training budget no longer covers the W&S team training 20k. Insurance less than originally budgeted (76k). Move staff wages and oncosts over to capital and W&S studies projects 40k. Non-cash contributed developer assets and depreciation adjustment 473k	-30,873	-	0	-	0	-	0	-	0
Water	Water Management Studies - Budget moved from Water Augmentation for Rylstone and Kandos to undertake Strategy (options assessment) work. Increase salaries and wages for project officers wages previously recognised under S and W admin and an increase in days from 3 to 4	28,814	-	0	-	0	-	0	-	0
Water	Water Augmentation - Mudgee Headworks - Progression of current works indicates River Pump station completion this FY and commencement of further construction works following Safe and Secure Water Program funding gateway progress. The remainder to move to 2023/24. Increase salaries and wages for project officers wages previously recognised under S and W admin and an increase in days from 3 to 4	24,698	-	0	-	0	WATER RESERVE	(24,698)	-	0

CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
Water	Water Management & Administration - Training budget required as HR training budget no longer covers the W&S team training 20k. Insurange lower than originally budgeted 5k. Move staff wages and oncosts over to capital and W&S studies projects 40k. Non-Cash Contributed developer assets and depreciation adjustment \$486.	-31,143	-	0	-	0	-	0	-	0
<b>Total</b>		<b>(2,916,544)</b>		<b>6,231,105</b>		<b>0</b>		<b>(3,355,465)</b>		<b>0</b>

CORPORATE: FINANCE |

1.4 2025/26

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation\$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
General	Information Technology Operations - New Position for Cyber Security Engineer. Web Application Firewall to be implemented to reduce impact of Service Cyber Attacks. Additional Microsoft Licensing.	244,000	-	0	-	0	-	0	-	0
General	Plant Operations Fund - Insurance less than originally budgeted. Following successful trial of a trainee position it is proposed to create a permanent full time position of workshop admin assistant.	77,480	OTR - INTERNAL PLANT HIRE INCOME	(77,480)	-	0	-	0	-	0
General	Public Toilets - General Operations - Budget merged with Mudgee Baby Change room and Rylstone	38,370	-	0	-	0	-	0	-	0
General	Youth Services Administration - Grant received for the purchase of Youth Services Vehicle and funding for the Spring Holiday Break. CPI added to future year budgets.	11,347	-	0	-	0	-	0	-	0
General	Rural Sealed Roads Administration - Financial Assistance Grant higher than originally budgeted	0	GRT - FINANCIAL ASSISTANCE - ROADS COMPONENT	(61,000)	-	0	-	0	-	0
General	Rural Unsealed Roads Administration - Financial Assistance Grant higher than originally budgeted	0	GRT - FINANCIAL ASSISTANCE - ROADS COMPONENT	(61,000)	-	0	-	0	-	0

## CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation \$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
General	Tourism Operations - Reallocate the expense type to where the actuals are coded.	0	-	0	-	0	-	0	-	0
General	General Purpose Revenue - Financial Assistance Grant higher than originally budgeted	0	GRT - FINANCIAL ASSISTANCE - GENERAL COMPONENT	(162,000)	-	0	-	0	-	0
General	Public Toilets - Mudgee Baby Change Room - Combine budget with Public Toilets - General Operations.	-17,302	-	0	-	0	-	0	-	0
General	Public Toilets - Rylstone - Combine budget with Public Toilets - General Operations.	-21,068	-	0	-	0	-	0	-	0
Sewer	Sewer Management Studies - Transfer to sewer management conditions to better document condition assessment. Increase salaries and wages for project officers wages previously recognised under S and W admin and an increase in days from 3 to 4	29,594	-	0	-	0	-	0	-	0
Sewer	Sewer Management & Administration - Training budget required as HR training budget no longer covers the W&S team training 20k. Insurance less than originally budgeted (76k). Move staff wages and oncosts over to capital and W&S studies projects 40k. Non-cash contributed developer assets and depreciation adjustment 473k	-31,490	-	0	-	0	-	0	-	0

CORPORATE: FINANCE |

Fund	Variation	Expenditure Budget Variation \$	Revenue Funding Source 1	Revenue Funding Source 1 Variation \$	Revenue Funding Source 2	Revenue Funding Source 2 Variation \$	Restricted Funding Source 1	Restricted Funding Source 1 Variation\$	Restricted Funding Source 2	Restricted Funding Source 2 Variation \$
Water	Water Management Studies - Budget moved from Water Augmentation for Rylstone and Kandos to undertake Strategy (options assessment) work. Increase salaries and wages for project officers wages previously recognised under S and W admin and an increase in days from 3 to 4	29,390	-	0	-	0	-	0	-	0
Water	Water Augmentation - Mudgee Headworks - Progression of current works indicates River Pump station completion this FY and commencement of further construction works following Safe and Secure Water Program funding gateway progress. The remainder to move to 2023/24. Increase salaries and wages for project officers wages previously recognised under S and W admin and an increase in days from 3 to 4	25,191	-	0	-	0	WATER RESERVE	(25,191)	-	0
Water	Water Management & Administration - Training budget required as HR training budget no longer covers the W&S team training 20k. Insurange lower than originally budgeted 5k. Move staff wages and oncosts over to capital and W&S studies projects 40k. Non-Cash Contributed developer assets and depreciation adjustment \$486.	-31,490	-	0	-	0	-	0	-	0
<b>Total</b>		<b>354,022</b>		<b>(361,480)</b>		<b>0</b>		<b>(25,191)</b>		<b>0</b>

## 2. Cash and Investment Summary

RESERVE	Opening Balance	Current Budgeted Movement	Proposed Budgeted Changes	Revised Budget Movement	Revised Budget Closing Balance	Actual Balance Year To Date
<b>Internal Reserves</b>						
Employee Leave Entitlements	3,195	102	0	102	3,297	3,221
Land Development	3,565	395	1,400	1,795	5,360	3,565
Election	110	80	0	80	190	130
Plant Replacement	9,502	(5,354)	3,111	(2,243)	7,259	8,022
Asset Replacement	4,206	(1,590)	867	(723)	3,483	4,436
Capital Program	6,074	(4,425)	18	(4,407)	1,667	6,293
Livestock Exchange	34	0	0	0	34	34
State Roads Warranty	388	0	0	0	388	388
Future Fund	1,120	350	0	350	1,470	1,208
Community Plan	428	(420)	0	(420)	8	428
Seal Extension Program	2,526	(911)	173	(738)	1,787	2,241
Unspent Loan	3,520	(10,857)	2,000	(8,857)	(5,337)	1,504
Other Internal Restrictions	5,615	(5,615)	0	(5,615)	0	4,211
<b>TOTAL INTERNAL RESERVES</b>	<b>40,284</b>	<b>(28,244)</b>	<b>7,568</b>	<b>(20,676)</b>	<b>19,607</b>	<b>35,681</b>

CORPORATE: FINANCE |

RESERVE	Opening Balance	Current Budgeted Movement	Proposed Budgeted Changes	Revised Budget Movement	Revised Budget Closing Balance	Actual Balance Year To Date
<b>External Reserves</b>						
Waste	3,618	(1,935)	800	(1,135)	2,482	3,822
Sewer	11,362	(4,632)	3,748	(885)	10,477	11,970
Water	8,886	(882)	(43)	(925)	7,961	9,172
Community Services	77	0	0	0	77	77
Community Tenancy Scheme	251	47	0	47	298	251
Family Day Care	176	(43)	0	(43)	133	166
Bequest - Simpkins Park	101	0	0	0	101	101
Community Transport Vehicle Replacement	363	0	(36)	(36)	327	402
Public Road Closure Compensation	1,080	0	0	0	1,080	1,080
Other External Restrictions	45	0	0	0	45	45
Developer Contributions (VPA)	4,180	146	(50)	96	4,276	4,189
Developer Contributions (7.11 & 7.12)	5,626	(376)	95	(281)	5,345	5,695
Developer Contributions (S64 Water)	8,096	(4,029)	3,746	(284)	7,812	8,511
Developer Contributions (S64 Sewer)	4,369	(755)	0	(755)	3,614	4,572
Unspent Grants	871	(342)	(100)	(442)	429	859
Waste Fund Unrestricted Cash	2,612	647	(7)	640	3,252	3,632
Sewer Fund Unrestricted Cash	3,017	(848)	128	(720)	2,297	3,946

CORPORATE: FINANCE |

RESERVE	Opening Balance	Current Budgeted Movement	Proposed Budgeted Changes	Revised Budget Movement	Revised Budget Closing Balance	Actual Balance Year To Date
Water Fund Unrestricted Cash	1,435	(511)	(20)	(531)	904	1,472
Contract Liabilities	12,379		0	0	12,379	12,743
Trust Deposits	713		0	0	713	596
<b>TOTAL EXTERNAL RESERVES</b>	<b>69,257</b>	<b>(13,513)</b>	<b>8,260</b>	<b>(5,253)</b>	<b>64,003</b>	<b>73,301</b>
<b>TOTAL RESERVES</b>	<b>109,540</b>	<b>-41,758</b>	<b>15,828</b>	<b>-25,930</b>	<b>83,611</b>	<b>108,982</b>
Unrestricted Cash	17,970	(4,985)	(130)	(5,115)	12,855	20,459
<b>TOTAL RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS</b>	<b>127,510</b>	<b>(46,743)</b>	<b>15,698</b>	<b>(31,045)</b>	<b>96,466</b>	<b>129,441</b>



### 3. Unrestricted Cash by Fund

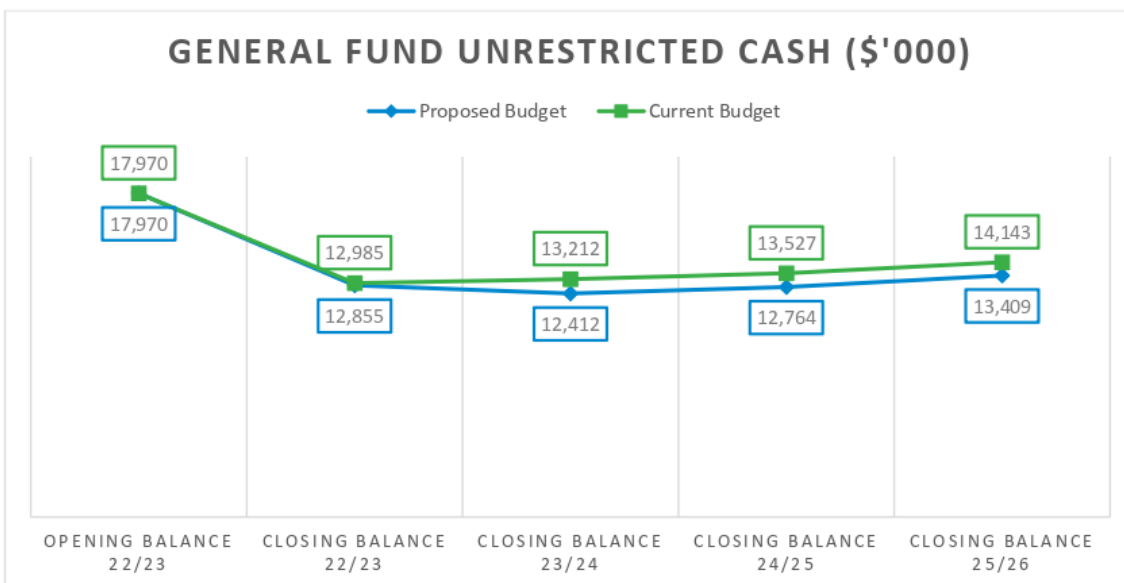
#### 3.1 General Fund

Council finished the 2021/22 financial year with an unrestricted cash balance of \$17.97 million. As adopted by Council the Original Budget projected a decrease to 30 June 2023 of \$2,234 million. Council has since adopted the following budget movements, summarised below.

Variation	Amount (\$'000)	Movement
Original Budget	(2,234)	Decrease
Revotes	(1,442)	Decrease
Approved variations	(1,309)	Decrease
QBR proposed variations	(130)	Decrease
<b>Estimated movement to 30 June 2023</b>	<b>(5,115)</b>	<b>Decrease</b>
<b>Projected balance at 30 June 2023</b>	<b>12,855</b>	

A projected unrestricted cash balance of \$12.855 million represents about 12 weeks of Council's 2022/23 operating expenditure budget. This is a high level of unrestricted cash and is adequate to ensure Council is able to meet its debts and obligations as they fall due.

The General Fund projected unrestricted cash balance over the next four years is shown below.



### 3.2 Water Fund

Council finished the 2021/22 financial year with a Water fund unrestricted cash balance of \$1.435 million. As adopted by Council the Original Budget projected a decrease to 30 June 2023 of \$78 thousand. The budget movements are summarised below.

Variation	Amount (\$'000)	Movement
Original Budget	(78)	Decrease
Revotes	(77)	Decrease
Approved variations	(356)	Decrease
QBR proposed variations	(20)	Decrease
<b>Estimated movement to 30 June 2023</b>	<b>(531)</b>	<b>Decrease</b>
<b>Projected balance at 30 June 2023</b>	<b>905</b>	

### 3.3 Sewer Fund

Council finished the 2021/22 financial year with a Sewer Fund unrestricted cash balance of \$3.017 million. As adopted by Council the Original Budget projected a decrease to 30 June 2023 of \$154k. The budget movements are summarised below.

Variation	Amount (\$'000)	Movement
Original Budget	(154)	Decrease
Revotes	(76)	Decrease
Approved variations	(618)	Decrease
QBR proposed variations	128	Increase
<b>Estimated movement to 30 June 2023</b>	<b>(720)</b>	<b>Decrease</b>
<b>Projected balance at 30 June 2023</b>	<b>2,297</b>	

### 3.4 Waste Fund

Council finished the 2021/22 financial year with a Waste Fund unrestricted cash balance of \$2.612 million. As adopted by Council the Original Budget projected an increase to 30 June 20223of \$657k. The budget movements are summarised below.

Variation	Amount (\$'000)	Movement
Original Budget	657	Increase
Revotes	(10)	Decrease
Approved variations	0	Decrease
QBR proposed variations	(7)	Decrease
<b>Estimated movement to 30 June 2023</b>	<b>640</b>	<b>Increase</b>
<b>Projected balance at 30 June 2023</b>	<b>3,252</b>	

### 3.5 Other Funds

Council maintains a number of other funds including:

- Private Works
- Saleyards
- Mudgee Sports Council
- Gulgong Sports Council
- Rylstone Sports Council

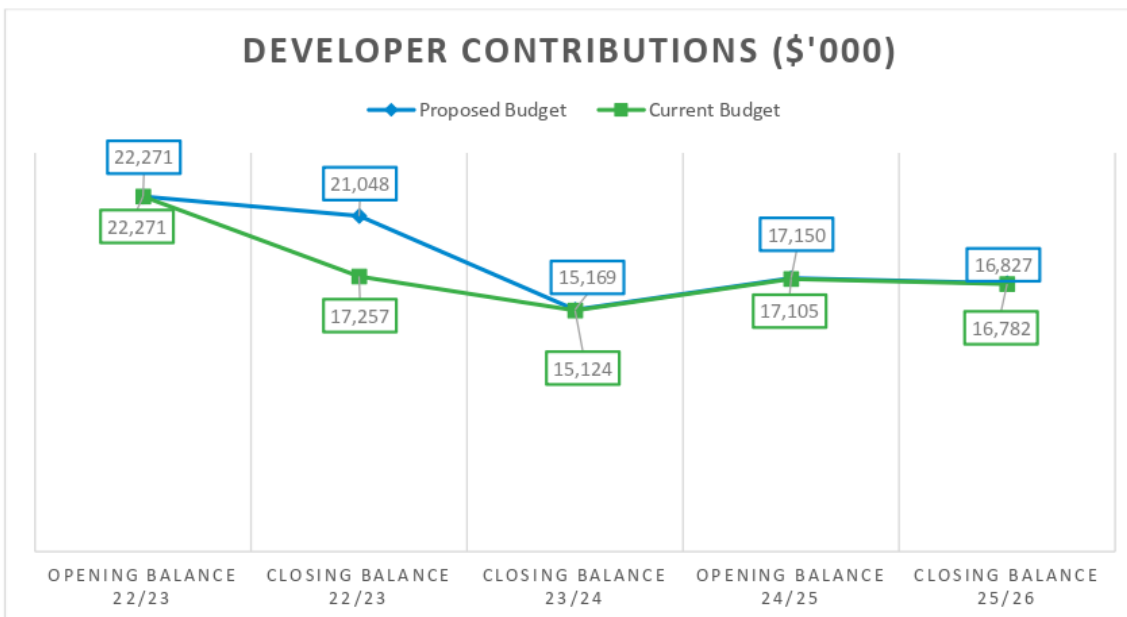
At 30 June of each financial year, the cash balance held in the above Funds forms part of the overall General Fund Unrestricted Cash Balance.

## 4. Developer Contributions – Section 64, 7.11 and 7.12

Council finished the 2021/22 financial year with a Developer Contributions balance of \$22.271 million. As adopted by Council the Original Budget projected a decrease to 30 June 2023 of \$4.671 million. The budget movements are summarised below.

Variation	Amount (\$'000)	Movement
Original Budget	(4,671)	Decrease
Revotes	(93)	Decrease
Approved variations	(250)	Decrease
QBR proposed variations	3,791	Increase
<b>Estimated movement to 30 June 2023</b>	<b>(1,223)</b>	<b>Decrease</b>
<b>Projected balance at 30 June 2023</b>	<b>21,048</b>	

The following chart shows the projected balances over a four year period.



CORPORATE: FINANCE |

Detailed Section 64, 7.11 & 7.12 movements and current balances are as follows:

S94/64 Plan Item	Opening Balance	Budget Transfers To	Budget Transfers From	Budget Closing Balance	Current Balance
Traffic Management	1,287	180	98	1,369	1,404
Open Space	2,161	104	80	2,186	2,227
Community Facilities	784	31	335	480	587
Administration	495	42	91	446	512
Civic Improvements	22	0	-	22	23
Car Parking	261	2	-	263	261
S94A Levies	422	41	-	463	440
Drainage – 2A	195	21	100	116	206
<b>Total S94 Contributions</b>	<b>5,626</b>	<b>422</b>	<b>704</b>	<b>5,345</b>	<b>5,660</b>
S64 Sewer	4,369	270	1,025	3,614	4,572
S64 Water	8,096	630	914	7,812	8,508
Voluntary Planning Agreements	4,180	1,057	960	4,276	4,149
<b>Total Developer Contributions</b>	<b>22,271</b>	<b>2,379</b>	<b>3,603</b>	<b>21,047</b>	<b>22,889</b>

## 5. Loan Borrowings

Council's 2022/23 Operational Plan includes the proposed borrowings below.

Project	Fund	Original Budget \$'000	Current Budget \$'000	Proposed Variations \$'000	Proposed Budget \$'000	Actual \$'000
Solar Farm Initiative - Stage 3	General Fund	4,000	4,000	-	4,000	-
New Tip Cell Construction	Waste Services	3,272	3,272	-	2,000	1,272
Mudgee Valley Park Expansion	General Fund	2,400	2,400	-	2,400	-

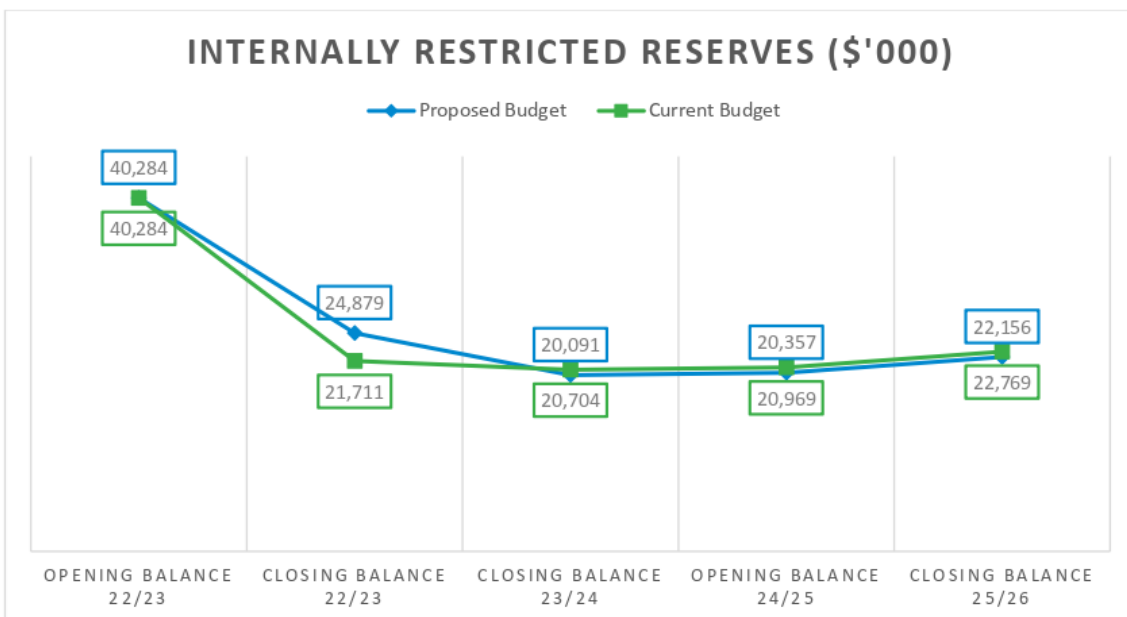
## 6. Reserves

### 6.1 Internally Restricted Reserves

Council finished the 2021/22 financial year with an Internally Restricted Reserve balance of \$40.284 million. As adopted by Council the Original Budget projected a decrease to 30 June 2023 of \$9.669 million. The budget movements are summarised below.

Variation	Amount (\$'000)	Movement
Original Budget	(9,669)	Decrease
Revotes	(8,235)	Decrease
Approved variations	(669)	Decrease
QBR proposed variations	3,168	Increase
<b>Estimated movement to 30 June 2023</b>	<b>(15,405)</b>	<b>Decrease</b>
<b>Projected balance at 30 June 2023</b>	<b>24,879</b>	

The following chart shows the projected balances over a four year period.

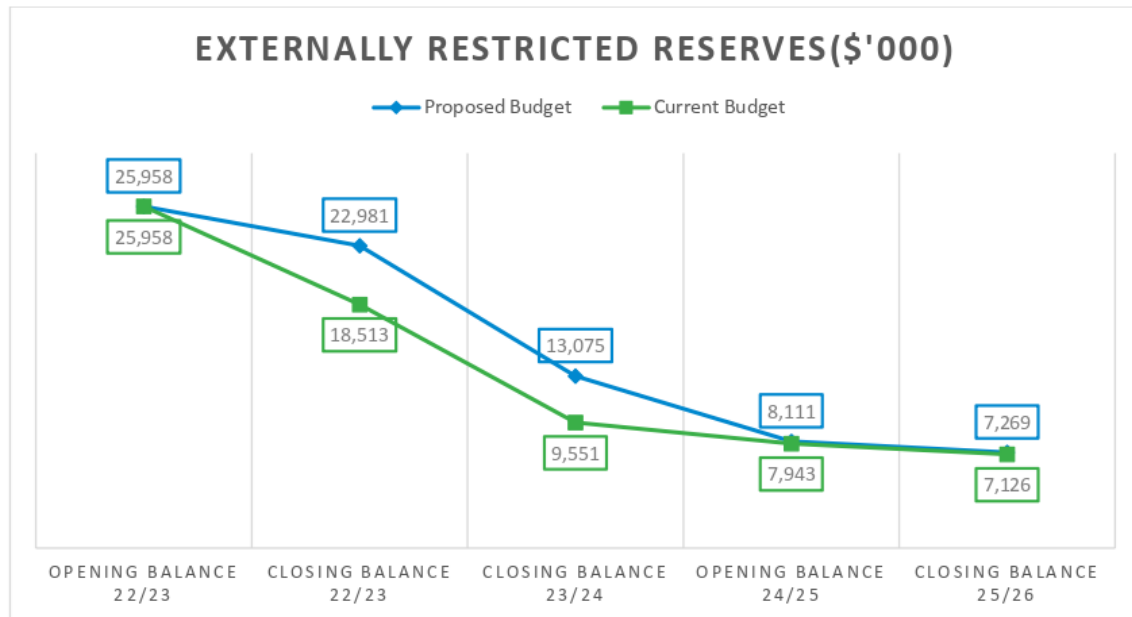


## 6.2 Externally Restricted Reserves

Council finished the 2022/23 financial year with an Externally Restricted Reserve balance of \$25.958 million. As adopted by Council the Original budget projected an increase to 30 June 2023 of \$7.035 million. The budget movements are summarised below.

Variation	Amount (\$'000)	Movement
Original Budget	(7,035)	Decrease
Revotes	(410)	Decrease
Approved variations	0	Decrease
QBR proposed variations	4,468	Increase
<b>Estimated movement to 30 June 2023</b>	<b>(2,977)</b>	<b>Decrease</b>
<b>Projected balance at 30 June 2023</b>	<b>22,981</b>	

The following chart shows the projected balances over a four year period.





## 7. Unspent Grants and Contributions

Council finished the 2021/22 financial year with unspent grants and contributions of \$0.87 million. As adopted by Council the Original Budget projected an increase of \$7k to 30 June 2023. The budget movements are summarised below.

Variation	Amount (\$'000)	Movement
Original Budget	7	Increase
Revotes	(349)	Decrease
Approved variations	0	Decrease
QBR proposed variations	(100)	Decrease
<b>Estimated movement to 30 June 2023</b>	<b>(442)</b>	<b>Decrease</b>
<b>Projected balance at 30 June 2023</b>	<b>429</b>	

## 8. Contract liabilities

The majority of Council's externally restricted contract liabilities are grants whereby payment has been received ahead of the grant agreement performance obligations being met. In other words Council has an obligation to spend the grant funds received in accordance with the agreement, but has not yet done so and cannot recognise the revenue until this occurs.

The **balance at 30 September 2022 is \$12.74 million**. This is all restricted to the General Fund.

The largest amounts held at the end of the quarter are:

- Ulan Road Strategy \$3.2 million
- Fixing Local Roads Program \$1.63 million
- Local Roads and Community Infrastructure Grant \$1.45 million
- Resources for Regions \$1.3 million
- Disaster Recovery Funding grant \$993 million
- Regional Housing Fund for Saleyards Lane \$700 million

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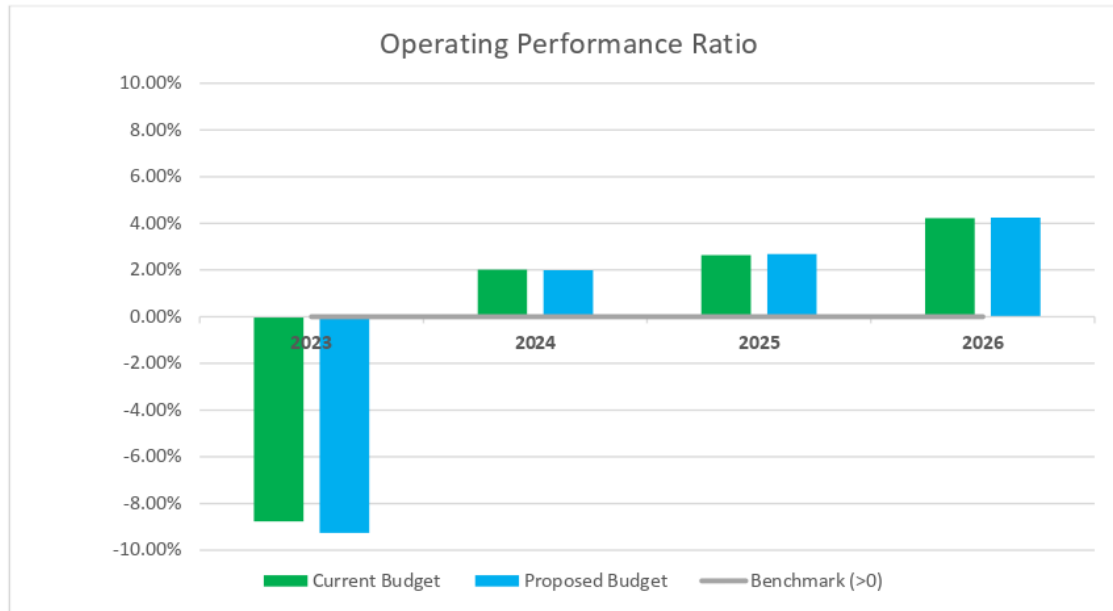
## 9. Consolidated Balance Sheet and Income Statement

Balance Sheet		
\$'000	ACTUAL YTD	ACTUAL 30 JUNE 2022
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash & Cash Equivalents	4,438	5,343
Investments	78,994	83,427
Receivables	31,682	7,792
Inventories	1,640	1,640
Contract Assets	-	3,819
Current Assets classified as 'held for sale'	-	-
Other	108	291
<b>Total Current Assets</b>	<b>116,862</b>	<b>102,312</b>
<b>Non-Current Assets</b>		
Investments	46,000	39,000
Receivables	-	-
Infrastructure, Property, Plant & Equipment	1,127,259	1,123,576
Investment Property	8,709	8,709
Intangible Assets	339	339
Right of use assets	476	476
<b>Total Non-Current Assets</b>	<b>1,182,783</b>	<b>1,172,100</b>
<b>TOTAL ASSETS</b>	<b>1,299,645</b>	<b>1,274,412</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Payables	3,624	8,962
Contract liabilities	12,761	12,826
Lease liabilities	74	74
Borrowings	1,940	1,940
Employee benefit provisions	7,427	7,427
Provisions	2,461	2,467
<b>Total Current Liabilities</b>	<b>28,287</b>	<b>33,696</b>
<b>Non-Current Liabilities</b>		
Lease liabilities	430	430
Borrowings	14,333	14,333
Employee benefit provisions	565	565
Provisions	1,130	1,130
<b>Total Non-Current Liabilities</b>	<b>16,458</b>	<b>16,458</b>
<b>Total LIABILITIES</b>	<b>44,745</b>	<b>50,154</b>
<b>Net Assets</b>	<b>1,254,900</b>	<b>1,224,258</b>
<b>EQUITY</b>		
Retained Earnings	577,539	546,897
Revaluation Reserves	677,361	677,361
Other Reserves	-	-
<b>Total Equity</b>	<b>1,254,900</b>	<b>1,224,258</b>

Income Statement								
\$'000	ORIGINAL ANNUAL BUDGET	APPROVED VARIATIONS	REVISED ANNUAL BUDGET	ACTUAL YTD	% REVISED BUDGET	PROPOSED VARIATIONS	PROJECTED ANNUAL BUDGET	% PROJECTED ANNUAL BUDGET
<b>INCOME</b>								
Rates & Annual Charges	44,657	135	44,792	44,592	100%	38	44,830	99%
User Charges & Fees	16,740	5,125	21,865	2,056	9%	316	22,181	9%
Interest & Investment Revenue	754	-	754	521	69%	-	754	69%
Other Revenues	3,646	-	3,646	454	12%	-	3,646	12%
Grants & Contributions Operating	9,928	2,170	12,098	2,605	22%	1,765	13,863	19%
Grants & Contributions Capital	39,299	(358)	38,941	(166)	0%	628	39,569	0%
<b>Total Income</b>	<b>115,024</b>	<b>7,072</b>	<b>122,096</b>	<b>50,062</b>	<b>41%</b>	<b>2,747</b>	<b>124,843</b>	<b>40%</b>
<b>EXPENDITURE</b>								
Employee Benefits & Oncosts	31,891	55	31,946	7,170	22%	1,560	33,506	21%
Borrowing Costs	651	-	651	162	25%	-	651	25%
Materials & Contracts	26,089	8,743	34,832	7,428	21%	1,584	36,416	20%
Depreciation & Amortisation	19,502	-	19,502	-	0%	1,109	20,611	0%
Other Expenses	1,575	760	2,335	51	2%	-	2,335	2%
Loss on Disposal of Assets	(637)	-	(637)	(88)	14%	1,388	751	-12%
<b>Total Expenditure</b>	<b>79,071</b>	<b>9,558</b>	<b>88,629</b>	<b>14,723</b>	<b>17%</b>	<b>5,641</b>	<b>94,270</b>	<b>16%</b>
<b>Net Result</b>	<b>35,953</b>	<b>(2,486)</b>	<b>33,467</b>	<b>35,339</b>		<b>(2,894)</b>	<b>30,573</b>	
<b>Net Result before Capital Items</b>	<b>(3,346)</b>	<b>(2,128)</b>	<b>(5,474)</b>	<b>35,505</b>		<b>(3,522)</b>	<b>(8,996)</b>	

Note: at the time of this report, the quarterly depreciation has not been processed due to audit delays.

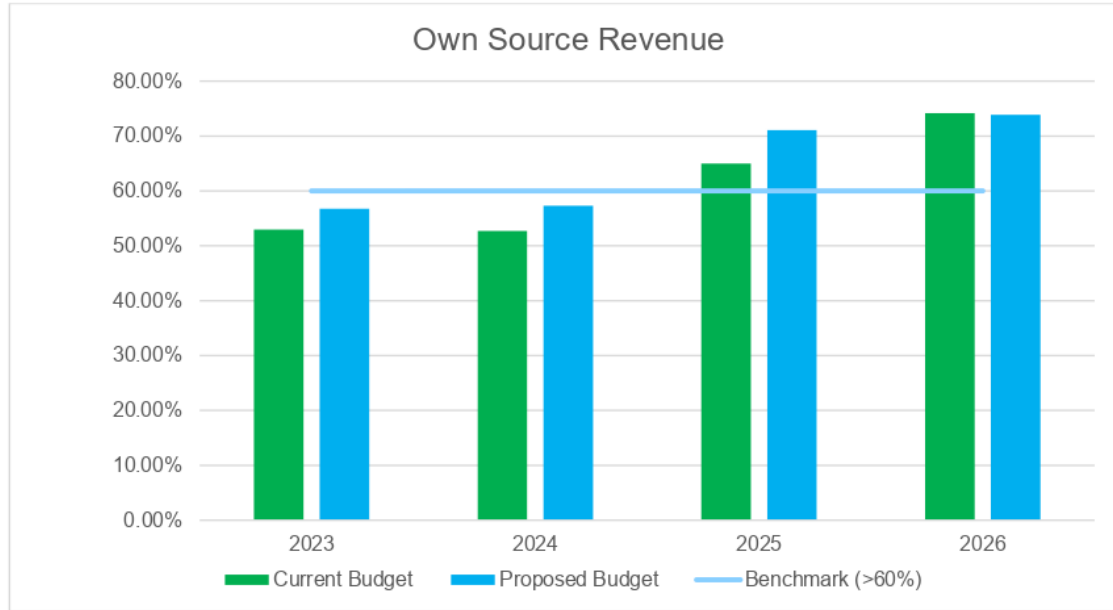
## 10. Key Financial Indicators



Note: Excludes Water & Sewer Fund

Measures Council's ability to keep operating expenses, including depreciation, within its continuing revenue.

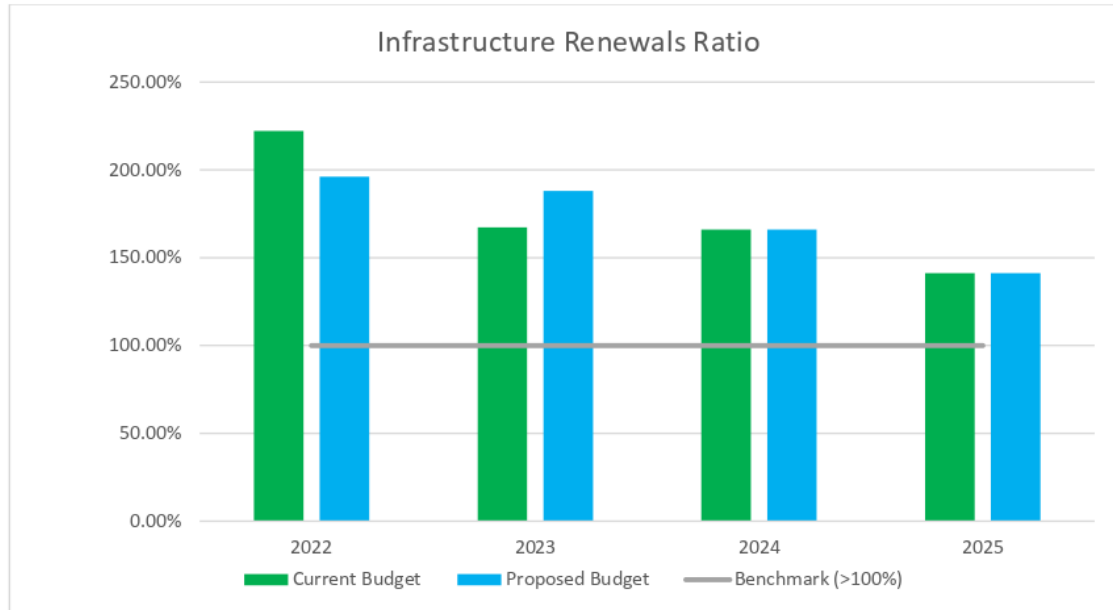
The main reason for a decrease in the ratio for 2023 is the increase in the non-cash movement for the book value of the Saleyard Lane Development sales and the increase in drainage maintenance budget.



Note: Excludes Water & Sewer Fund

Measures Council's degree of reliance on external funding

The main reason for an increase in this ratio for 2023-2025 is due to the Dixon's Long point Crossing project being cancelled which was budgeted for a total of \$6.2 million in 2023, \$12 million in 2024 and \$7 million in 2025.



Note: Excludes Water & Sewer Fund

The rate at which assets are being renewed against the rate of depreciation

The main reason for the decrease in 2023 and increase in 2024 for this ratio is due plant delivery delays and the delay of the BVW upgrade into the 2023 financial year.

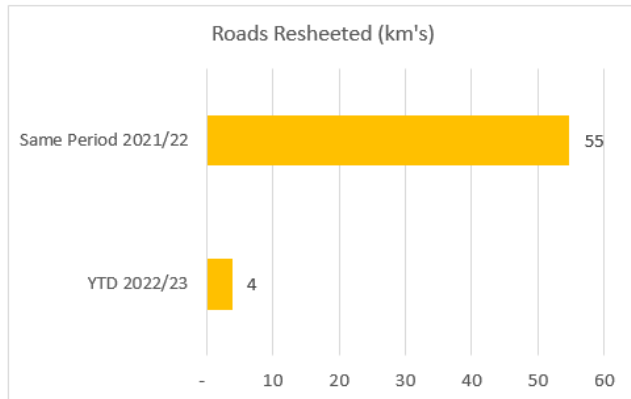
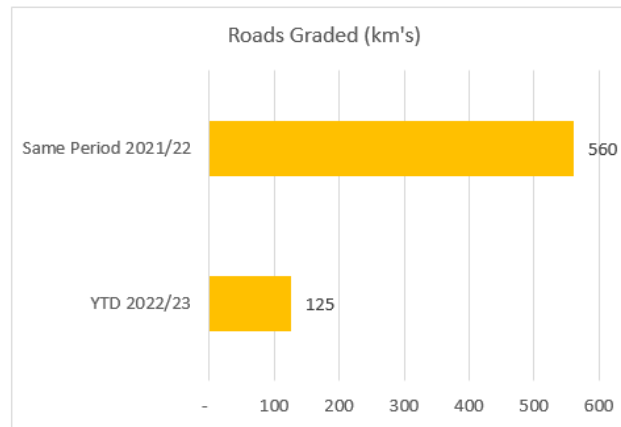
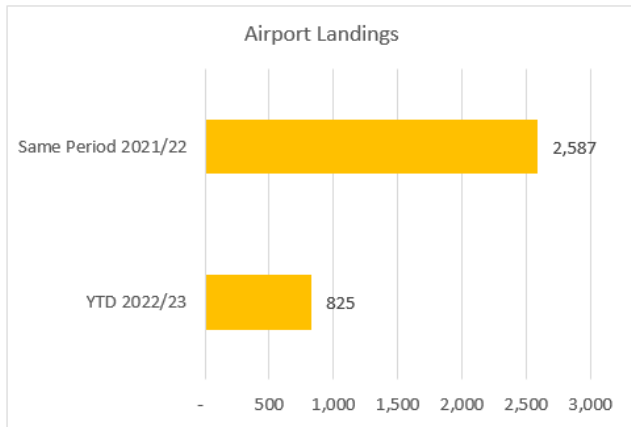
## 11. Capital Budget Funding

Capital Funding (\$ '000)	ORIGINAL ANNUAL BUDGET	APPROVED VARIATIONS	CURRENT ANNUAL BUDGET	PROPOSED VARIATIONS	PROPOSED ANNUAL BUDGET	ACTUAL YTD	ACTUAL YTD/ PROPOSED ANNUAL BUDGET
Capital Grants & Contributions	(40,946)	933	(40,013)	9,815	(30,198)	956	-3%
Loans	(9,672)	0	(9,672)	4,400	(5,272)	0	0%
External Restrictions							
S94 Developer Contributions - General	(454)	0	(454)	0	(454)	(186)	41%
S64 Developer Contributions - Water Fund	(4,625)	(34)	(4,659)	3,746	(914)	(2)	0%
S64 Developer Contributions - Sewer Fund	(1,025)	0	(1,025)	0	(1,025)	0	0%
S93F Developer Contributions	(494)	(350)	(844)	(50)	(894)	(5)	1%
Specific Purpose Unexpended Grants	0	(192)	(192)	(100)	(292)	0	0%
Reserves - Water	(2,067)	(315)	(2,382)	457	(1,925)	(89)	5%
Reserves - Sewerage Services	(7,109)	(23)	(7,132)	3,748	(3,385)	(17)	0%
Reserves - Domestic Waste Management	(2,763)	(72)	(2,835)	800	(2,035)	(21)	1%
Internal Restrictions			0		0		0%
Reserves - Plant & Vehicle Replacement	(6,270)	(2,910)	(9,180)	3,024	(6,156)	(1,895)	31%
Reserves - Asset Replacement	(2,951)	(534)	(3,486)	819	(2,667)	(264)	10%
Reserves - Capital Program	(4,450)	(1,433)	(5,883)	18	(5,865)	(154)	3%
Reserves - Land Development	(40)	(2,396)	(2,436)	1,400	(1,036)	(0)	0%
Reserves - Seal Extension	(685)	(226)	(911)	173	(738)	(284)	39%
Income from Sale of Assets			0		0		
General Purpose Revenue	(7,539)	(2,916)	(10,454)	(2,022)	(12,477)	(6,909)	55%
<b>Total Capital Funding</b>	<b>(91,091)</b>	<b>(10,469)</b>	<b>(101,560)</b>	<b>26,225</b>	<b>(75,334)</b>	<b>(8,870)</b>	<b>12%</b>

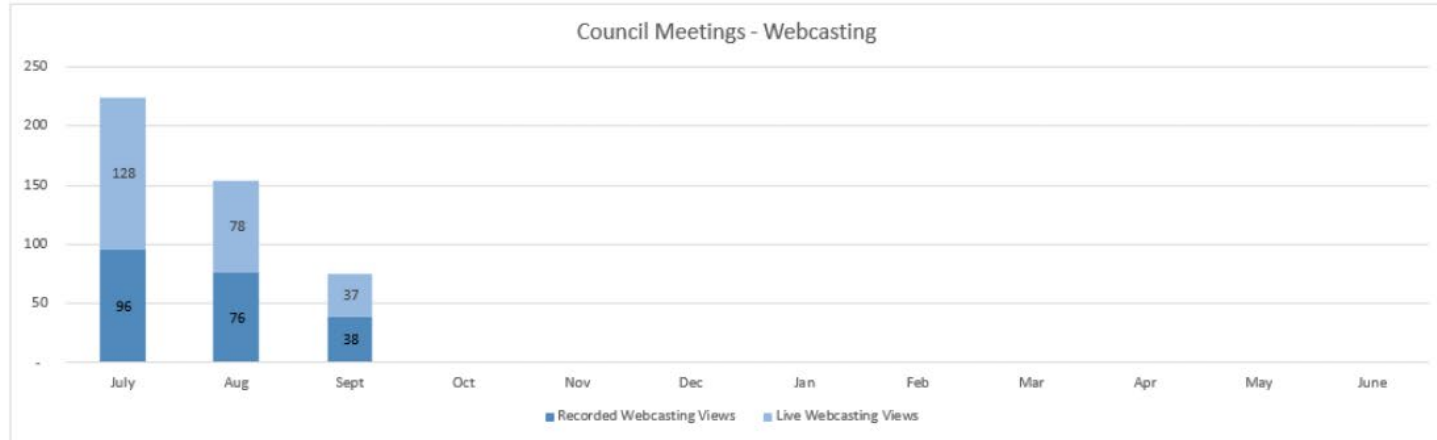


## 12. Key Performance Indicators

### 12.1 Connecting Our Region



12.2 Good Government

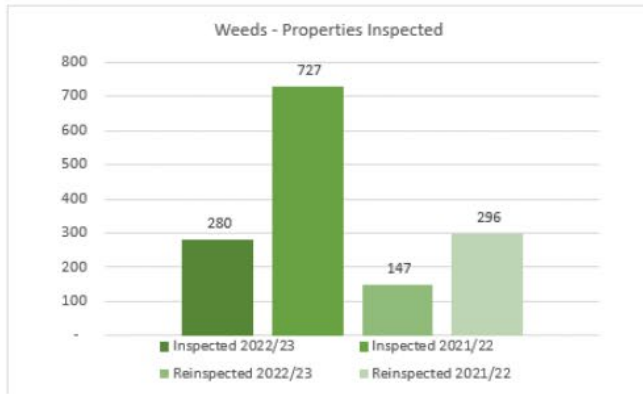
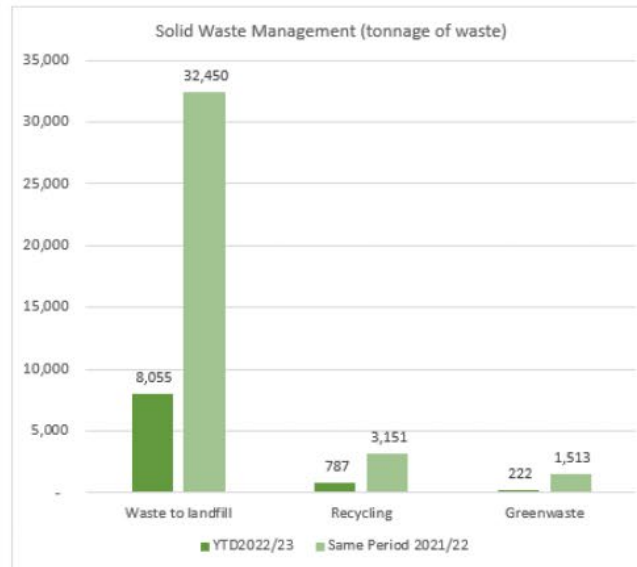
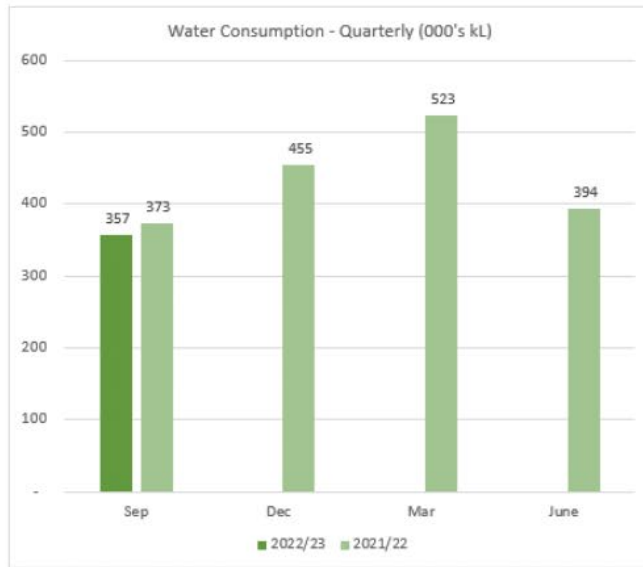


### 12.3 Looking after Our Community

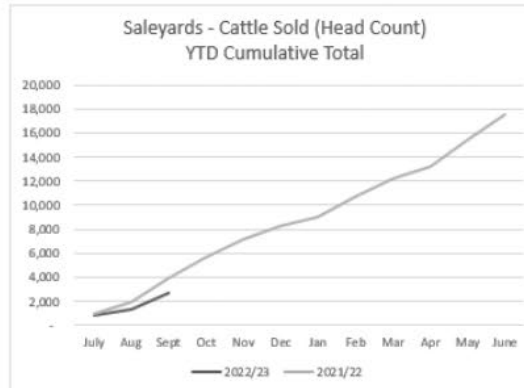
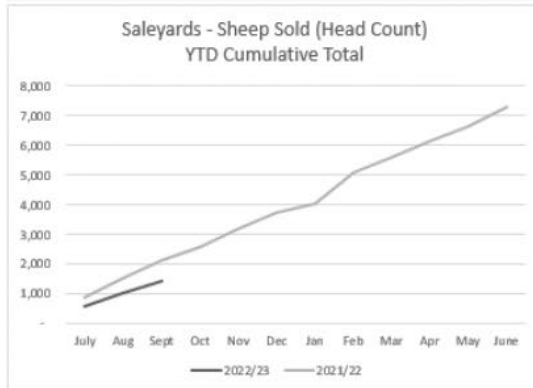
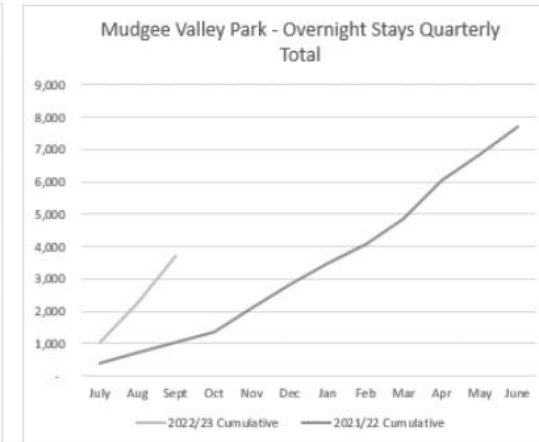
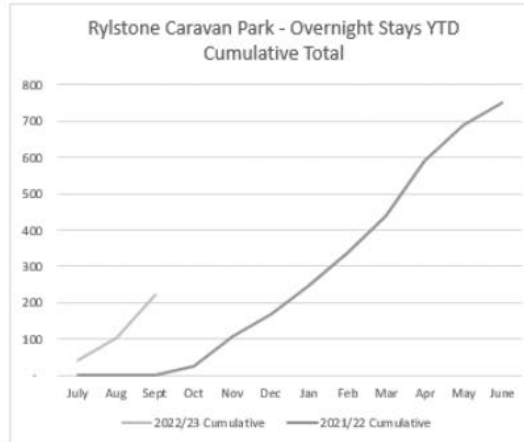
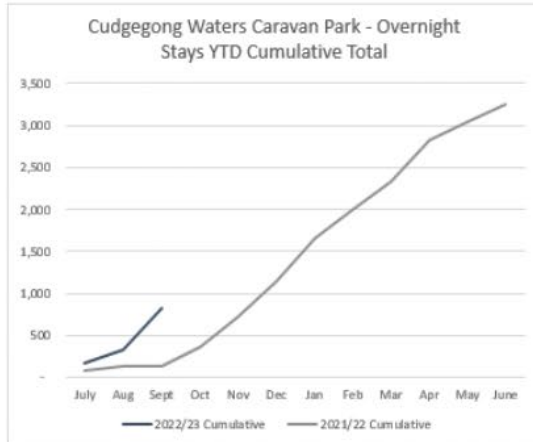


Note: Statistics unavailable for pools and library at the time of this report

12.4 Protecting our Natural Environment



## 12.5 Building a Strong Local Economy



## 13. Contract, Legal and Consultant Expenses

### CONTRACTS > \$50,000

The following contracts with a value greater than \$50,000 were entered into during the period 1 July 2022 to 30 September 2022 and have yet to be fully performed.

Note that individual Panel Tender appointments are not included in the table below. For example, provision of general contractor services. Council creates panels of preferred suppliers from the tender responses received. Purchases are then made from the preferred supplier lists, and purchase decisions may vary for particular works depending upon availability and location.

Contractor	Contract Detail/Purpose	Contract Value (\$)	Commencement Date	Duration (Months)	Budgeted (Y/N)
Mudgee Region Tourism Incorporated	Tourism and Visitor Information Services	\$760,000.00	01/07/2022	35	Y

### LEGAL EXPENSES

This financial year to date, Council has incurred \$85,102 of legal expenses. The primary areas of expenditure are:

- Facility Lease
- Road land matters
- Corporate Governance
- Development Control
- Cudgegong Waters Caravan Park - Potable Water Supply
- Sewer Management Studies

## CONSULTANCIES

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high level specialist or professional advice to assist decision making by management. Generally, it is the advisory nature of the work that differentiates a consultant from other contractors.

This financial year to date, Council has incurred \$113,684 of consultancy expenses. The primary areas of expenditure are:

- Munghorn Gap Realignment
- Water management Studies
- Sewer Augmentation at Kandos and Rylstone
- New Tip Cell Construction

## 14. Councillor Fees and Expenses Paid or Reimbursed as at 30 September 2022

Councillor Expenses											
	General Operations	Cr Cavalier	Cr Karavas	Cr Kennedy	Cr Paine	Cr Shelley	Cr Thompson	CR Stoddart	CR Palmer	CR Dicker	TOTAL
Councillor Fees	4,269.12	7,033.32	7,033.32	7,033.32	7,033.32	7,033.32	7,033.32	7,033.32	7,033.32	7,033.32	67,569.00
Mayoral Fees	-	-	-	11,469.34	3,877.30	-	-	-	-	-	15,346.64
Council Meeting Expenses (accommodation, travel and meals)	2,562.14	-	-	-	-	-	-	-	-	561.31	3,123.45
Conferences, Seminars and Representational/Lobbying Expenses (accommodation, travel and meals)	-	-	-	-	-	-	-	-	-	-	-
Provision of Vehicle	-	-	-	510.72	-	-	-	-	-	-	510.72
Miscellaneous expenses (meals, sundries, stationery, etc)	68,378.58	-	-	-	-	2.69	-	-	-	-	68,381.27
Entertainment	-	-	-	-	-	-	-	-	-	-	-
Provision of office equipment, such as laptop computer and telephones	-	44.77	44.77	135.21	44.77	223.76	55.76	31.34	31.34	31.34	643.06
Training and provision of skill development for Councillors	-	-	-	-	-	-	-	-	-	-	-
Care and Other related expenses	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>75,209.84</b>	<b>7,078.09</b>	<b>7,078.09</b>	<b>19,148.59</b>	<b>10,955.39</b>	<b>7,259.77</b>	<b>7,089.08</b>	<b>7,064.66</b>	<b>7,064.66</b>	<b>7,625.97</b>	<b>155,574.14</b>