



ANNUAL REPORT 2023 / 2024

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MUSWELLBROOK SHIRE COUNCIL RESPECTFULLY
ACKNOWLEDGES THE LOCAL ABORIGINAL PEOPLE WHO ARE THE
TRADITIONAL OWNERS AND CUSTODIANS OF THE LAND

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PRESENTING MUSWELLBROOK SHIRE COUNCIL'S 2023/2024 ANNUAL REPORT

Muswellbrook Shire Council's Annual Report provides a snapshot of the Shire and an update on how Council is progressing plans and projects for the future of the community.

THE FOLLOWING CHAPTERS INCLUDE:

- ▶ an overview of Council's highlights and challenges over the past year
- ▶ a summary of Council's operational performance
- ▶ a detailed analysis of financial performance and expenditure for 2023/2024
- ▶ information prescribed by Local Government (General) Regulation, including a detailed progress report on Council's Delivery Program and Operational Plan

The 2023/2024 Annual Report demonstrates Council's commitment to the Community Strategic Plan 2017-2027, adopted by Council in February 2017, which articulates the community's priorities and aspirations for the Shire.

The goals outlined in the Community Strategic Plan 2017-2027 are aligned with the strategic vision and direction outlined in the Hunter Regional Plan 2041 and NSW Government plans to grow the economy, deliver infrastructure, protect the vulnerable, reduce human impacts on the environment and improve health, education and public services across NSW.

Aligning state and local government strategic planning will support growth and change in the Upper Hunter. Vibrant communities must be supported by a robust economy. The regional plan repositions the Upper Hunter as a diverse energy, innovation and industry centre with efficient freight and transport connections.

Diversifying the economy, with a focus on renewable energy, agriculture, tourism and biodiversity, will deliver greater prosperity to communities across the Upper Hunter, including those in the Muswellbrook Shire.



(02) 6549 3700

(02) 6549 3701

council@muswellbrook.nsw.gov.au

muswellbrook.nsw.gov.au

Campbell's Corner 60-82 Bridge Street Muswellbrook NSW 2333

PO Box 122 Muswellbrook 2333

muswellbrook shire council

ABN 86 864 180 944



DEREK FINNIGAN

A MESSAGE FROM THE GENERAL MANAGER



Muswellbrook Shire Council's 2023/2024 Annual Report provides a snapshot of the Shire and an update on how council is progressing plans and projects vital to the shared vision for the region.

During this reporting period Muswellbrook Shire has continued to develop as an important regional centre providing a wide range of services and support to our vibrant and engaged community.

Economic development continues to be a key strategic focus for Council as we strive to ensure the financial health and sustainability of Council while delivering positively on strategic priorities.

Council's major achievements in 2023/2024 are recorded throughout this Annual Report. I trust you will enjoy reading about the ways Council has collaborated with our community and partners in government and business, to achieve the objectives of the 2023/2024 Operational Plan.

Council will continue to demonstrate strong, positive leadership on the issues the community has nominated as the major challenges and opportunities for the future, including economic diversification and attracting new industry, job creation, making our Shire an appealing and healthy place to live with a focus on the key initiatives of prosperity, sustainability, liveability, and accessibility.

Derek Finnigan
General Manager
Muswellbrook Shire



THE GOVERNING BODY

DEMOCRATIC GOVERNANCE

The governing body of the Council consists of twelve councillors elected for four years. The Mayor and Deputy Mayor are elected by Councillors every two years. The mayor holds a number of Council delegations and statutory responsibilities to make determinations on behalf of the governing body of Council between Council meetings and is responsible to the governing body for the determinations he makes.



CR STEVE REYNOLDS - MAYOR

Second term councillor Steve has been Mayor of Muswellbrook Shire since January 2022 and, as a lifetime local, fully understands the history, spirit and needs of the town, villages and surrounding areas. Steve's priorities include upholding his pledge to improve communication and engagement within the community and to deliver key capital projects with the assistance of a team of dedicated councillors.

Steven.Reynolds@muswellbrook.nsw.gov.au

CR GRAEME MCNEILL - DEPUTY MAYOR

Incumbent councillor Graeme is serving his third term on Council. With a special interest in sport and recreation and long-time involvement with the Olympic Park project, Graeme's priorities include pathways, cycleways, improvements to roads and investment in the Shire's young people. His hope for this term is to build a strong, united Council to drive a strong united community.

Graeme.McNeill@muswellbrook.nsw.gov.au



CR AMANDA BARRY

First term councillor and Denman resident, Amanda wants to be part of a strong council that can be trusted and respected. As an advocate of community engagement, she wants to work towards creating a shared vision for the future, including developing more efficient and effective community services and a focus on the protection and enhancement of the Shire's natural environment.

Amanda.Barry@muswellbrook.nsw.gov.au

CR MARK BOWDITCH

A second term councillor, Mark works in the environmental re-vegetation industry and is involved in running trainee programs for youth with the goal of providing them with the practical skills needed to enhance future opportunities. His priorities during this term of Council are the protection of the environment, transparency, education, the development of employment opportunities, support for homeowners and a focus on listening to residents.

Mark.Bowditch@muswellbrook.nsw.gov.au



THE GOVERNING BODY

THE GOVERNING BODY



CR DE-ANNE DOUGLAS

First term councillor and long-term Muswellbrook resident, De-anne brings a wealth of local knowledge and experience to the role. De-anne is a former manager of the Muswellbrook PCYC and has deep community connections and a strong local voice. Her immediate priorities include improved access to medical services and the delivery of the planned Youth Centre.

De-anne.Douglas@muswellbrook.nsw.gov.au



CR DARRYL MARSHALL

A Shire resident for 56 years, first term councillor Darryl has worked across the wine, agriculture and coal industries and ran his own contracting business for more than 20 years. Now that he is semi-retired, he has the time to make a commitment to Council and pledges to serve the people of the region, work hard for the community and bring a truly local voice to Council.

Darryl.Marshall@muswellbrook.nsw.gov.au

CR JEFFREY DRAYTON

With previous extensive experience on Council Jeffrey wants to see Council refocus on important issues and best outcomes for the community and to respond, react and rectify social issues, such as homelessness, domestic violence, child safety and protection that some in the community are currently dealing with. He would also like to see Council address the benefits the mining industry should be providing to the community, including jobs for residents of the LGA.

Jeff.Drayton@muswellbrook.nsw.gov.au



CR JENNIFER LECKY

As a life member of the Australian Local Government Women's Association (NSW) and many years of experience on Council, Jennifer's passions are her community and supporting women entering politics. During the current term she would like to see revenue contributions from mining companies used to benefit the community and work towards developing a more vibrant region.

Jennifer.Lecky@muswellbrook.nsw.gov.au



CR LOUISE DUNN

Long-term resident, schoolteacher and first term councillor Louise has a strong sense of community and has resolved to bring the Shire back to being caring and compassionate to all. While acknowledging that carbon neutrality and sustainable energy is the way of the future, she also understands that coal mining is vital to the economy and would also like to see more parks and open spaces throughout the LGA.

Louise.Dunn@muswellbrook.nsw.gov.au



CR ROD SCHOLES

Third term councillor and Muswellbrook resident since 1982, Rod and his family have contributed greatly to the Shire community. He has served as deputy mayor and mayor during his time on Council and brings a wealth of experience to the table. During this term he wants to continue to improve the Shire's liveability, infrastructure and services, and advocate for better local health services.

Rod.Scholes@muswellbrook.nsw.gov.au

CR ROHIT MAHAJAN

Born in India, Rohit is now a proud Australian citizen, Muswellbrook resident and successful businessman. Running his own business puts him face-to-face with a wide range of community members on a daily basis and he shares their concerns regarding local business and employment opportunities. With sound relationships in place, he wants to be their voice on Council and believes local government can only be deemed to be successful if the community is happy and contented.

Rohit.Mahajan@muswellbrook.nsw.gov.au



CR BRETT WOODRUFF

With strong connections to the Shire spanning four decades, Denman resident Brett wants to continue to represent the region with both head and heart. Council's longest serving councillor, this is his sixth term, he is determined to provide residents with guidance, support and governance. His mantra is to look back and appreciate the past, enjoy the now and plan for the future.

Brett.Woodruff@muswellbrook.nsw.gov.au



THE LEADERSHIP TEAM



DEREK FINNIGAN - MBA= GENERAL MANAGER

Derek was appointed as General Manager in March 2023 after serving in a variety of roles with Council, including as Deputy General Manager, over a career spanning more than 30 years, focusing primarily on infrastructure services and operational sustainability. Derek has a profound commitment to working positively with the community, Council, and colleagues to ensure Council's financial sustainability, the Shire's economic growth, prosperity, and environmental health, and to continue to improve and promote Muswellbrook Shire as a wonderful place to live, work, and play.

SHARON POPE - PSM (PUBLIC SERVICE MEDAL) DIRECTOR ENVIRONMENT AND PLANNING

Sharon is a Fellow of the Planning Institute of Australia, has a degree in Urban and Regional Planning and has vast experience in Local Government having started her career as a Trainee Town Planner at Greater Taree City Council. Her broad range of experience in strategic land use planning, the development assessment process and community collaboration makes her an invaluable member of Muswellbrook Shire Council leadership team.



MATTHEW LYSAUGHT - DIRECTOR INFRASTRUCTURE AND PROPERTY

Matthew joined Council in 2011 and is responsible for Council's Infrastructure and Property directorate which includes Council's asset and operational teams. He works with a dedicated team responsible for the management, renewal, and construction of community assets, maintenance and operations. Matthew has a Bachelor of Economics, graduate and postgraduate degrees in visual arts, and qualifications in Property Services.

SHAELEE WELCHMAN - DIRECTOR COMMUNITY AND ECONOMY

Shaelee has 25 years' experience in local government in Queensland and NSW as well as in the private sector. She is focused on delivering economic and community development outcomes for the Shire and brings to the role diverse skills in infrastructure, lead industrial and urban precinct development, investment and business attraction, jobs growth and diversification strategies.

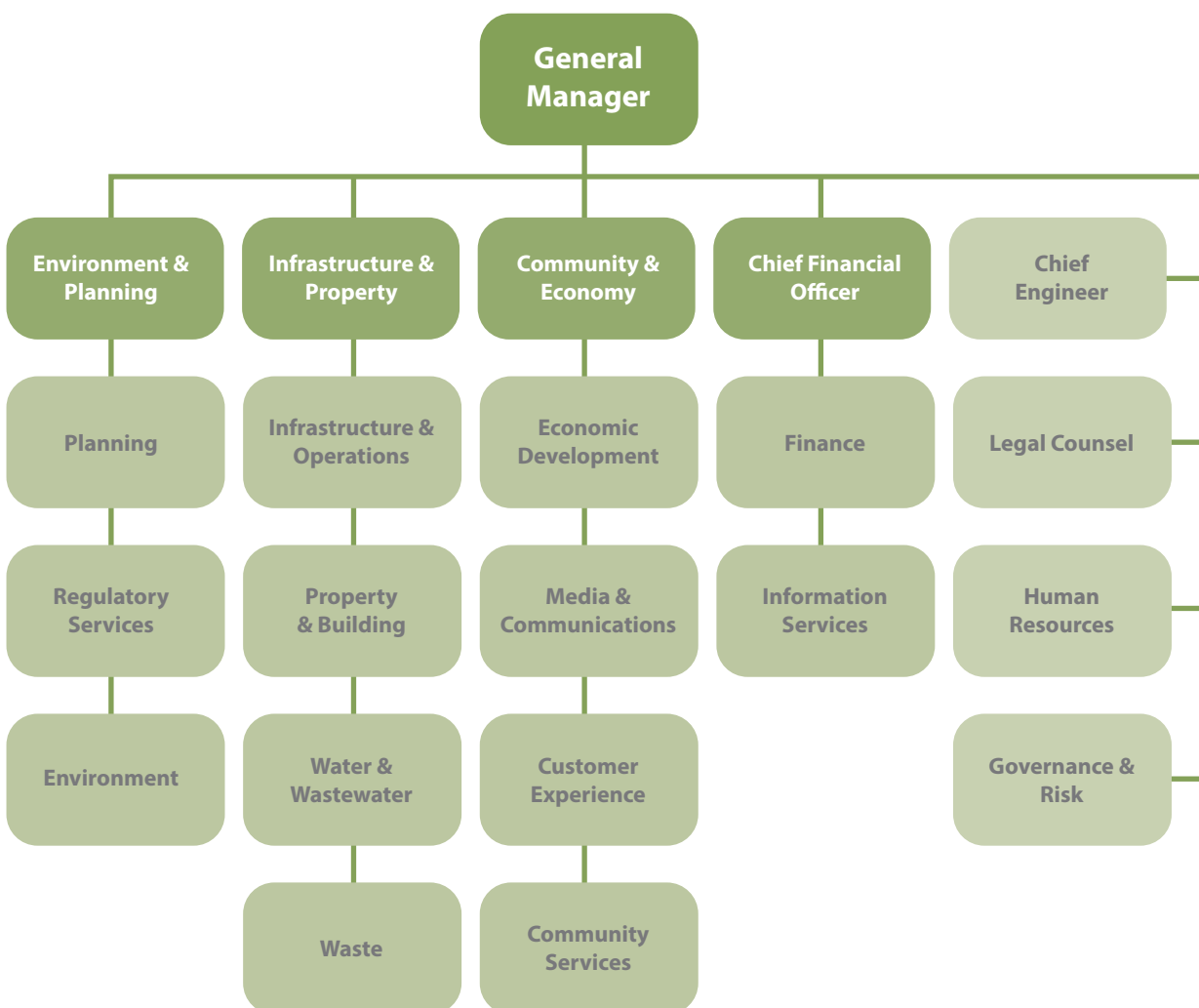


JOSH HOGAN - CHIEF FINANCIAL OFFICER

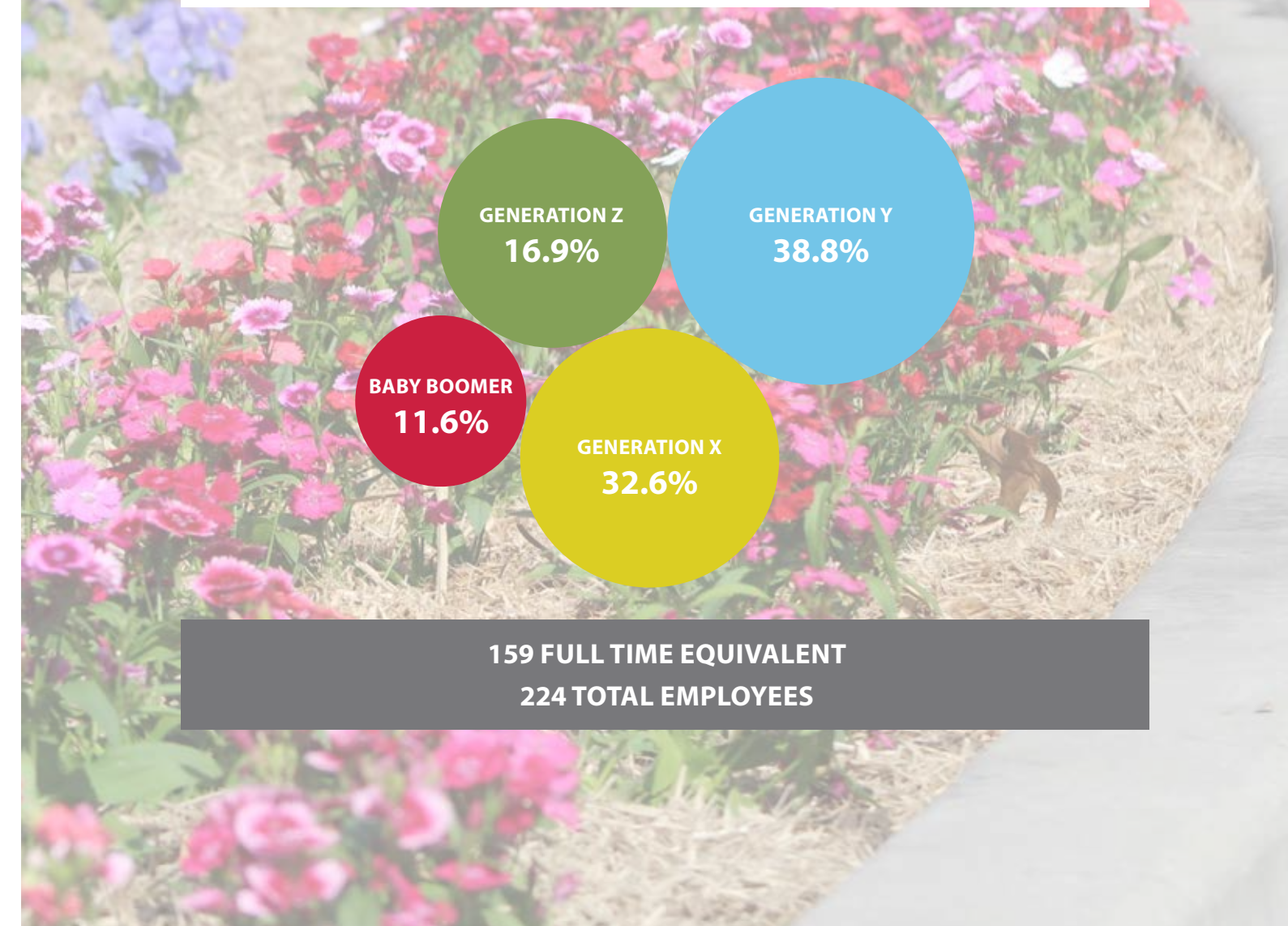
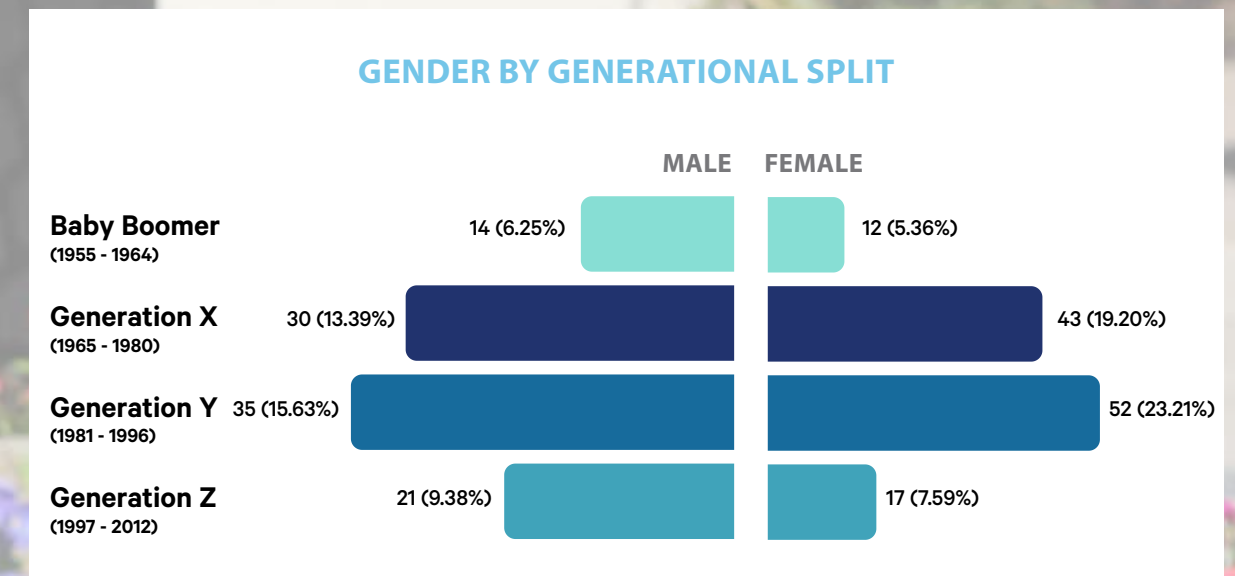
Josh leads Council's Financial Services team, leveraging extensive experience garnered from diverse industries in Australia and internationally. As a Certified Practising Accountant with a Master's in Accounting and a Bachelor's in Forensic and Analytical Chemistry, his interdisciplinary expertise informs strategic financial management across sectors.



ORGANISATIONAL CHART



ORGANISATION'S EMPLOYMENT STATUS



DEMOCRATIC GOVERNANCE

DEMOCRATIC GOVERNANCE

Local Government is the most responsive, agile and community driven level of government in Australia. Council, as the local government authority, is responsible for day-to-day community services and infrastructure, ranging from kerbside bin collection, local roads and the public swimming pools in Denman and Muswellbrook to the provision of water and sewer across the Shire. Council also operates the Regional Arts Centre, the Denman Memorial Hall, Libraries and other cultural activities for residents and visitors alike.

It is important to distinguish between local government and the State and Federal governments that have responsibility for other services. The State Government looks after schools, hospitals, public transport and national parks, whereas the Federal Government is responsible for defence, trade, foreign affairs and the collection and distribution of tax. Councils are not responsible for the decisions of private enterprise, although Muswellbrook Shire Council is committed through its Jobs Fund to support and encourage local businesses to establish, grow and flourish in the Shire.

Muswellbrook Shire Council is a body politic with authority mandated by the Local Government Act 1993 (NSW).

The elected Council of twelve Councillors, are elected by all eligible ratepayers and residents of the Shire every four years for a term of four years. Councillors represent the entirety of the Shire and are not singular to any particular area. During the course of 2023/2024 twelve (12) Ordinary meetings of the Council took place together with four (4) Extra-Ordinary meetings, which were convened by necessity to consider specific matters.

MEETING DATES

25 July, 2023

22 August, 2023

26 September, 2023

24 October, 2023

16 November, 2023

28 November, 2023

19 December, 2023

23 January, 2024

27 February, 2024

14 March, 2024

26 March, 2024

23 April, 2024

14 May, 2024

28 May, 2024

12 June, 2024

COUNCILLOR ATTENDANCE AT MEETINGS

	ORDINARY	EXTRAORDINARY
Cr Amanda Barry	12	3
Cr Mark Bowditch	9	3
Cr De-anne Douglas	11	4
Cr Louise Dunn	12	4
Cr Jeff Drayton	9	3
Cr Jennifer Lecky	11	2
Cr Graeme McNeill	12	4
Cr Rohit Mahajan	12	4
Cr Darryl Marshall	12	4
Cr Steve Reynolds	10	3
Cr Rod Scholes	9	3
Cr Brett Woodruff	12	4

COUNCILLOR INDUCTION & ONGOING PROFESSIONAL TRAINING

During 2023/2024 Muswellbrook Shire Councillors participated in the following training and professional development.

Training Course / Event	Date	Venue	Provider	COUNCILLOR											
				Barry	Bowditch	Douglas	Drayton	Dunn	Lecky	McNeill	Mahajan	Marshall	Reynolds	Scholes	Woodruff
LGNSW Annual Conference	12/10/2023 - 11/11/2023	Council	LGNSW	✗	✗	✗	✗	✓	✗	✗	✗	✗	✓	✗	✓
Code of Meeting Practice	20/01/2024	Council	LGNSW	✓	✗	✓	✗	✓	✗	✗	✓	✓	✓	✓	✗
ALGWA NSW Conference	14/03/2024 - 16/03/2024	Warwick Farm	ALGWA	✗	✗	✗	✗	✗	✓	✗	✗	✗	✗	✗	✗
Rural & Regional Summit	09/05/2024	Pokolbin	LGNSW	✗	✗	✗	✗	✓	✗	✗	✗	✗	✗	✗	✗
Waste 2024 Conference	14/05/2024 - 16/05/2024	Sydney		✗	✗	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Council's independent internal audit program commenced in 2015 with the primary objective of ensuring good governance and continuous business improvement.

Following the conclusion of Council's three year Strategic Internal Audit plan 2015/2018 and the dissolution of Council's Internal Audit Committee in December, 2018, Council adopted a revised Audit, Risk and Improvement Committee (ARIC) Charter in 2020.

The objective of the ARIC is to provide independent review of advice to Council and oversight of various areas of Council's operations. The ARIC Charter lists the Committee's responsibilities under the following headings:

- ▶ Compliance
- ▶ Risk Management
- ▶ Fraud Control
- ▶ Financial Management
- ▶ Governance
- ▶ Implementation of IP&R Strategies and Plans
- ▶ Service Reviews
- ▶ Performance Measurement
- ▶ Business Improvement

The inaugural meeting of the Muswellbrook Shire Council ARIC was held on 20 November 2019.

Amendments were made to the Local Government (General) Regulation 2021 which required each Council, County Council, and Joint Organisation to establish an Audit, Risk, and Improvement Committee, a robust risk management framework, and an effective Internal Audit function by 1 July 2024.

In March, 2024 Council resolved to appoint three independent members, one being the Chair and one Councillor as a non-voting member to ARIC. Council also endorsed the formation of a Joint ARIC with Upper Hunter County Council.

Council's ARIC includes three independent members, and one Councillor member are as follows:

Michael O'Connor – Independent Committee Chair

Jason Masters – Independent Committee Member

Paul Quealey – Independent Committee Member

Cr Rod Scholes – Councillor Representative (since March 2023)

During 2023/2024 the Muswellbrook Shire Council ARIC met on three (3) occasions. The ARIC Charter requires the Committee to meet at least four times per annum. Meetings were held on:

- ▶ 14 September, 2023
- ▶ 17 April, 2024
- ▶ 27 June, 2024

The ARIC were not able to meet the requirements of the Charter due to the amendments to the Local Government Regulations which required recruitment of ARIC Members which were held over December 2023 and January, 2024.

INDEPENDENT MEMBER 1: CHAIR MICHAEL O'CONNOR

Michael is a qualified auditor and experienced manager in the Local Government, financial services, and disability services sector, with experience in performance audit, ISO standards and risk management. He has worked in Local Government (Electricity Supply) for over 25 years.

He is a Graduate Member of the Australian Institute of Company Directors, Fellow of the Australian Institute of Managers and Leaders and a Professional Member of the Institute of Internal Auditors and has completed a Graduate Certificate in Internal Auditing.

Michael has been associated with and a member of Audit Risk & Improvement Committees for eight years. He is now semi-retired and concentrating on his audit risk and improvement committee involvement.



INDEPENDENT MEMBER 2: JASON MASTERS

Jason Masters is a highly regarded professional in the corporate, IT and program governance arena. Running his own business providing strategic advice in this area, he sits on a number of high profile Government Agency Audit and Risk Committees (in the areas of Health, Corruption and Local Government). His consulting has taken him throughout the greater Asia Pacific Region (India, Singapore, China, Korea, Hong Kong, New Zealand, Japan, Australia) and the USA. He is a published author on Computer Security, Internal Audit and Probity, and a contributor to publications on Boards. Jason is an engaging and sought-after public speaker, and has spoken throughout Asia Pacific and the USA. He is the co-sponsor of a network of Independent Members of Audit and Risk Committees to share knowledge and increase the effectiveness of Audit and Risk Committees.

INDEPENDENT MEMBER 3: PAUL QUEALEY, PARTNER – LAMBOURNE PARTNERS

Paul has been in the Audit and Assurance industry for over 19 years and is the Audit and Assurance Partner at Lambourne Partners in Newcastle. Paul is highly experienced in conducting external and internal audits, as well as reviewing internal controls and operating systems. Paul graduated from the University of Newcastle with a Bachelor of Commerce, is a Registered Company Auditor and Registered Self-Managed Superannuation Fund Auditor with ASIC and a member of Chartered Accountants Australia & New Zealand.

Having worked in an international mid-tier accounting firm for over 10 years, along with being the Internal Auditor for the largest building society in Australia, Paul has worked across a range of industry sectors including Local and State Government, manufacturing, retail, engineering, mining and exploration, registered clubs and cooperatives and not-for-profits. In addition to all of this, Paul is also involved in discussions with industry groups and associations about changes to key legislation, auditing standards and financial reporting. Paul currently resides on four Audit, Risk and Improvement Committee's, holding the position as Chairperson for three of those Committee's.



CR ROD SCHOLES - MUSWELLBROOK SHIRE COUNCIL

Rod has been a Muswellbrook Shire Councillor since 2012. An original member of the Muswellbrook ARIC Committee and current non-voting member. Rod has been involved in the mining industry for over 40 years, the last 10 as the principle of his own consulting/contractor company. A member of the Australian Institute of Project Management until retirement and has a Diploma in Extractive Industries Management, many in house management courses within Rio Tinto, also he was an appointed Open Cut Examiner trained as per the Coal Mining and Regulation Act. As a project manager since 1996 he developed and managed large infrastructure projects valued at many millions of dollars. Managing these projects required understanding and managing risks associated with financial, health & safety, fit for purpose and accountability.

HIGHLIGHTS 2023/2024

HIGHLIGHTS 2023/2024

Muswellbrook Shire Council is pleased to report considerable progress towards the realisation of the community's interests and aspirations in 2023/2024.

HIGHLIGHTS INCLUDE:

ECONOMIC PROSPERITY

The Donald Horne Building was officially opened by Prime Minister Anthony Albanese in July. Located within the Hunter Innovation Precinct, the Donald Horne Building (DHB) is home to the STEM Innovation Lab and The Melt Modern Manufacturing Centre. DHB is paving the way to inspire future generations, equip businesses for fresh opportunities, and harness our lifestyle advantages to their fullest potential.

The economic development team worked collaboratively with Federal and State governments and mining companies to prepare for transition from coal and are seeking ways to use current mining land to create future employment.

COMMUNITY LEADERSHIP

A vision to achieve an inclusive, vibrant and sustainable future drives Council's leadership team. In partnership with Federal and State Government, Council continued their collaboration to achieve strategic objectives. Planning priorities for the leadership team include the construction of the Muswellbrook Bypass, activation of Renewable Energy Zones, Coal Road link to the town centre, delivery of housing infrastructure and access to reliable and frequent public transport.

ECONOMIC RESILIENCE

Our economy is changing as the world embraces more sustainable ways of living, reducing our impact on the earth and protecting future generations from the effects of climate change and economic and political conflict. Muswellbrook and the Hunter Region are at the forefront of this economic shift. With a long history in energy generation and coal mining, Muswellbrook Shire Council is committed to broadening the focus of the Shire's economic and employment base as these traditional industries evolve to meet global needs and policy changes. As a Council, we are actively identifying and progressing opportunities to build economic resilience and create jobs by investing in significant projects and initiatives which will inspire future generations, prepare business for new opportunities and leverage our lifestyle advantages. Muswellbrook Shire is well placed to build on our central location, existing infrastructure, workforce capability and enterprising spirit as a key regional centre focused on renewable energy generation, advanced manufacturing, defence, agriculture and tourism as we move towards a net zero economy.

CULTURAL VITALITY

Planning continues on the Regional Entertainment Centre, this regionally significant facility will increase access cultural activities and entertainment in the Shire. C

urated art exhibitions at the Muswellbrook Regional Arts Centre attracted state and national recognition, with the Muswellbrook Art Prize attracting record entries in 2024. Support for Arts Upper Hunter continues to build the arts and cultural industry in the region. Restoration of Loxton House will see tenants return to the important landmark in the town centre.

The Denman & District Heritage Village was opened on the 26 November 2023

SOCIAL EQUITY AND INCLUSION

Council engaged with tertiary institutions, Hunter TAFE and the University of Newcastle Hunter Campus, to increase occupancy of the Hunter Innovation Precinct and further developed a STEM program for local schools - a targeted program focused on the development of technical skills applied to science, technology, engineering and mathematics.

COMMUNITY INFRASTRUCTURE

The new Muswellbrook Animal Care Facility and Sustainability Hub and The Donald Horne Building, home to the Hunter Innovation Precinct and Tarinpa, formerly Hunter Beach, were officially opened. Plans were developed for an extension to the Muswellbrook Regional Arts Centre, including for secure storage for the extensive and valuable Muswellbrook Shire Art Collections. Regular asset inspections in order to maintain and continually improve community infrastructure across the Shire were reported to Council monthly. Capital works programs for roads, drainage and water and wastewater demonstrated continual improvements in regular reports to Council.

ENVIRONMENTAL SUSTAINABILITY

A Catchment Management Plan was developed for Muscle Creek and Possum Gully, supporting Landcare initiatives and activities through grant funding. Council progressed the reclamation of weed-affected riparian zones along Muscle Creek and successfully completed the Hunter Beach project. This project transformed the Karoola Wetlands into a community recreation area, now renamed Tarinpa

ECONOMIC RESILIENCE

ECONOMIC RESILIENCE

The global economy is changing - as is the economy of the Hunter and Muswellbrook Shire.

With a long history in energy generation and coal mining, Muswellbrook Shire Council is committed to broadening the focus of the Shire's economic and employment base as these traditional industries evolve to meet global economic needs and policy changes.

As a Council, we are actively identifying and progressing opportunities to build economic resilience and create jobs. We are making a significant investment in projects and initiatives which will inspire future generations, prepare business for new opportunities and leverage our lifestyle advantages.

Muswellbrook Shire is well placed to build on our central location, existing infrastructure, workforce capability and entrepreneurial spirit as a key regional centre focused on renewable energy generation, advanced manufacturing, defence, agriculture and tourism as we move towards a net zero economy.

Council continues to work in partnership with NSW Government who have committed at least \$25 million through the Royalties for Rejuvenation Fund each year to support coal mining communities in NSW. The funding will ensure that coal mining communities, including Muswellbrook, have the support they need to plan for the future and diversify their economies.

MINING

Muswellbrook Shire's long association with mining began in the late 1800s with the commencement of the first underground coal mine.

Open cut coal mining has had a presence in the Shire since 1944 and remains the largest employer, with over 20 percent of people working and living in the Shire engaged directly in the mining sector.

Muswellbrook Coal commenced operations in 1906 and is Australia's longest continuously operated coal mine and closed its coal mining operations in 2023. Council is working with Muswellbrook Coal to undertake master planning at the site to facilitate post-mining land use with consideration for leveraging existing infrastructure – road, rail and power grid – to support job creation.

Together with approved operations at Mt Arthur, Bengalla, Mangoola, Mt Pleasant and Dartbrook, the mining sector contributes more than \$5 million of the Shire's total regional exports and provides 3,120 jobs.

POWER GENERATION

AGL is one of the country's biggest energy producers. The company's Liddell power station based in the Muswellbrook Shire closed in 2023 with the neighbouring Bayswater power station planned to close in 2032.

Between them, the power stations have historically generated enough electricity to power over three million homes each year and produced around 30 percent of the State's electricity. AGL plans to re-purpose the site as the Hunter Energy Hub, an example of a transition plan in action

VITICULTURE

The local wine is high quality and integral to the Upper Hunter's food and wine offering. While the Upper Hunter viticulture industry is small, it is an internationally acclaimed wine tourism destination renowned for its quality and the volume of wine production and processing.

The earliest evidence of grape growing in the Upper Hunter dates back to 1860 when vines were planted at the confluence of Wybong Creek and Goulburn River. The wine from these grapes gained international recognition and established a proud tradition for the Upper Hunter as a centre for wine production that continues today.

EDUCATION

Muswellbrook, as a regional centre for the Hunter and New England catchments, has established itself as a provider of education and vocational training for both existing and emerging industries.

Council has invested in the Hunter Innovation Precinct as part of the town centre redevelopment as a catalyst for education excellence, innovation and industry linkages. The Precinct includes Hunter TAFE, the University of Newcastle Hunter Campus, Muswellbrook Library, and the Donald Horne building, incorporating the STEM Innovation Lab and Melt Advanced Manufacturing Centre.

Successful economic transitions have been led by investment in STEM education to inspire future generations and equip them with skills for the jobs of the future. The STEM Innovation Lab is a state-of-the-art space with the latest technology accessible to all primary and secondary students.

EQUINE

The origins of the Upper Hunter's thoroughbred breeding industry dates back over 150 years and has earned a global reputation for breeding excellence and performance success. It is one of only three International Centres of Thoroughbred Breeding Excellence in the world. The others are Kentucky, USA and Newmarket, UK.

It is the unique convergence of the Hunter Valley's topography, soil, air, water availability and specialised workforce that makes it an ideal location for the horse breeding industry. With nearly half of all the thoroughbred bloodstock born in Australia coming from the Upper Hunter.

Muswellbrook Shire is home to the largest critical mass of thoroughbred rearing in Australia, located in an arc from Widden Valley through Sandy Hollow to Jerry's Plains. Two of the largest thoroughbred horse studs in the southern hemisphere are located in the Muswellbrook Shire, being Godolphin and Coolmore.

GOVERNMENT SERVICES

As the principal regional centre of the Upper Hunter, Muswellbrook is the location of several regional agency offices of the State and Federal Government including the Hunter New England Local Health District, Corrective Services NSW, Youth Justice NSW, Department of Communities & Justice - Community Services Centre, TAFE NSW Muswellbrook Campus, Service NSW, NSW Police Local Area Command and the Services Australia - Centrelink.

Centrally located between New England and Lower Hunter, Muswellbrook Shire provides an excellent geographical advantage to establish as the regional centre of the Upper Hunter, allowing government agencies to efficiently service the surrounding areas.

MUSWELLBROOK

AT A GLANCE



Population
16,357

Male 51.3%
Female 48.7%



Families
4,222

Average number of children per family for families with children
1.9



All private dwellings
7,298

Average number of people per household
2.5



Median weekly household income
\$1,628



Median monthly mortgage repayments
\$1,517

Median weekly rent
\$300



Average number of motor vehicles per dwelling
1.9



Provided unpaid care for child/children
(during two weeks before Census Night)
27.7% (3,567)

MUSWELLBROOK

AT A GLANCE

Age Report (2021 Census)				
All people	Muswellbrook (A) (2021)	%	New South Wales (2021)	%
Median Age	39	N/A	37	N/A
0-4 years	1,019	6.14%	468,116	5.80%
5-9 years	1,225	7.39%	500,508	6.20%
10-14 years	1,197	7.22%	501,005	6.21%
15-19 years	1,077	6.49%	458,094	5.68%
20-24 years	904	5.45%	496,959	6.16%
25-29 years	1,176	7.09%	557,011	6.90%
30-34 years	1,204	7.26%	586,875	7.27%
35-39 years	1,137	6.86%	580,504	7.19%
40-44 years	1,063	6.41%	523,299	6.48%
45-49 years	1,033	6.23%	517,040	6.41%
50-54 years	1,109	6.69%	500,294	6.20%
55-59 years	1,127	6.80%	490,048	6.07%
60-64 years	876	5.28%	470,592	5.83%
65-69 years	771	4.65%	414,595	5.14%
70-74 years	672	4.05%	370,420	4.59%
75-79 years	458	2.76%	267,482	3.31%
80-84 years	284	1.71%	183,299	2.27%
85-89 years	172	1.04%	110,671	1.37%
90-94 years	67	0.40%	55,758	0.69%
95-99 years	14	0.08%	15,498	0.19%
100 years and over	0	0.00%	1,915	0.02%
Total	16,585	100.00%	8,069,984	100.00%

Social Marital Status (2021 Census)				
Status	Muswellbrook (LGA 15650)	%	New South Wales	%
Married in a registered marriage	4,843	42.44%	2,847,937	47.19%
Not married	4,822	42.25%	2,532,543	41.96%
Married in a de facto marriage	1,725	15.12%	637,050	10.56%
Overseas visitor	21	0.18%	17,458	0.29%
Total	11,412	100.00%	6,034,988	100.00%
Additional cohorts not included in totals				
Not applicable	5,173		2,034,996	

PEOPLE AND POPULATION				
All people	Muswellbrook (LGA 15650)	%	New South Wales	%
Male	8,397	51.3	3,984,166	49.4
Female	7,957	48.7	4,087,995	50.6

Indigenous Status Report (2021 Census)				
All people	Muswellbrook (A) (2021)	%	New South Wales (2021)	%
Non-Indigenous	13,672	82.44%	7,389,317	91.57%
Aboriginal	1,850	11.15%	266,723	3.31%
Both Aboriginal and Torres Strait Islander	27	0.16%	5,813	0.07%
Torres Strait Islander	23	0.14%	5,119	0.06%
Not stated	992	5.98%	385,554	4.78%
Overseas visitor	21	0.13%	17,458	0.22%
Total	16,585	100.00%	8,069,984	100.00%

COUNCIL

AT A GLANCE

COUNCIL

AT A GLANCE



Square metres of roads sealed/ rehabilitated
132,186 m²



Square metres of footpaths works (new & replaced)
512 m²



Dogs and Cats returned home
3 cats & 28 dogs

Dogs and Cats registered
27 cats & 134 dogs

Dogs and Cats rescued
19 cats & 62 dogs



Library visits
Muswellbrook 37,419
Denman 3,309

Library loans Muswellbrook & Denman
47,272

Library Events
456 events &
6,036 attended



Social Media

Council Page
Page new likes 640
Followers 10,931
Organic Reach 166, 748
Ad reach 183,864
Content interactions 16,272

Aquatic Centre Page
Page new likes 280

Libraries
Facebook engagement 70,139
Facebook followers 1,373
Website visits 22,998

Sustainability
Sustainable Futures 1,800 likes
& 2,100 followers

Arts Centre
Facebook visits 8,300 & reach 45,700
Facebook followers 2,563
Instagram visits 6,000 & reach 6,600
Facebook followers 4,114



Council-run Community Events

- The Great Bunny Hop/Easter Family Fun Day
- National Reconciliation Week Aboriginal Flag Raising
- Blue Heeler Film Festival
- Muswellbrook New Years Eve Pool Party
- Australia Day Family Fun Day



Website Page Visits 258,094
User engagements 172,882

Aquatic & Fitness Centre Website hits
27,362



Council Committees
15



Citizenship Ceremonies

- 4 Citizenship Ceremonies were held in 2023/2024
- 11 June 2024 – 10
 - 26 January 2024 – 2
 - 22 November 2023 – 14
 - 20 July 2023 - 13

New Australian Citizens 39



Art Centre Visits
3,868

Muswellbrook Art Prize Entrants
855
Viola Bromley Art Prize Entrants
71
Mullins Conceptual Photography Prize
375



Council Service Requests Lodged
3,571



Aquatic & Fitness Centre Visits

Muswellbrook Aquatic 86,900
Muswellbrook Fitness Centre 17,560
Denman Aquatic 760



Occupation Certificates issued 71

Issued by Council: 22
Issued by Private Certifiers: 49



Development Applications Lodged
147



Fuel used by Council Vehicles
40.3 kilolitres of unleaded fuel
17.1 kilolitres of E10 fuel
257.2 kilolitres of diesel



Chemical Collection Day
Collected 3.1 Tonne
(68 visitors)



Waste Disposed of into Landfill
17,920 Tonnes



Recycling Collected
132 Tonnes

Organics Processed
1,816 Tonnes

Tonnes of e-Waste Collected
22.72 Tonnes



Sustainability Events

National tree Day
160 people planted
1,600 trees/shrubs/grasses

Clean Up Australia Day
160 participants
Waste Collected 400kg

Renewable Energy Target for 2025
40%



Community Complaints

Odour 18
Noise 86
Dust 2
Erosion Sediment 2
Illegal Dumping 50
Wood Smoke 5



Electricity used by Council
6.81 GWH



Water consumed in Muswellbrook Shire
1,632 Megalitres

Water used by Council
183 Megalitres



Approved Mining Developments
Mines in operation 6
Mines in rehabilitation 2



AN OVERVIEW OF MUSWELLBROOK SHIRE

WHAT WE WANT

- ▶ We want wellbeing to be at the heart of everything we do and every decision we make.
- ▶ We want to be inclusive.
- ▶ We want everyone to enjoy full participation in our community.
- ▶ We want to be culturally rich and diverse with our Shire's communities having strong identities and shared 'sense of belonging'.
- ▶ We want a local economy with full employment in a diverse range of high value industries.
- ▶ We want to be leaders in environmental sustainability.



OUR SHIRE

OUR SHIRE

Prior to European settlement, the Muswellbrook Shire was occupied by people of the Wonnarua/ Wanaruah language group. The Wonnarua / Wanaruah people traded and had ceremonial links to their neighbouring tribes such as Awabakal, Darkinjung, Geawegal, Kamilaroi, Wiradjuri and Worimi. The Muswellbrook Shire Local Government area is located within the Wanaruah Local Aboriginal Land Council boundary.

Muswellbrook Shire acknowledges that the local Aboriginal People are the Traditional Owners and Custodians of the land.

The first European settlement occurred in the 1820s and the township of Muswellbrook was gazetted in 1833.

Muswellbrook Shire is centrally located in the Upper Hunter Valley, approximately 130km north-west of Newcastle. By road, Muswellbrook is approximately three hours from Sydney, two hours from Tamworth and around 90 minutes from Newcastle.

The Shire consists of two larger towns, Muswellbrook and Denman, as well as a number of outlying rural communities including Sandy Hollow, Wybong, Baerami, Martindale, McCully's Gap, Widden and Muscle Creek.

The boundaries of the Local Government Area (LGA) are marked by Lake Liddell to the east, Goulburn River National Park to the west, Wollemi National Park to the south and bordering Aberdeen in the north.

A surprising fact to many is that 1,455km – or 43% - of Muswellbrook Shire's 3,402km² land coverage is national park. This includes the World Heritage Wollemi National Park.

MUSWELLBROOK SHIRE

Muswellbrook Shire boasts a welcoming community which offers a wide range of cultural, recreational, educational and community facilities with exciting new developments planned for the future. Is located within the Wonnarua/ Wanaruah Indigenous Nation and Muswellbrook Shire Council acknowledges the traditional owners and custodians of the land.

As the main regional centre of the Upper Hunter, the population is concentrated in Muswellbrook, Denman and Sandy Hollow. The estimated residential population for the local government area in 2021 was 16,778 with a median age of 37 (ABS). Modest population growth is predicted in the short to medium term, largely associated with affordable housing, a diversifying economy and expanding educational opportunities.

Industry in the Shire includes agriculture, viticulture, equine, power generation and coal mining.

However, the economy is changing as the world embraces more sustainable ways of living, reducing the impact on the earth and protecting future generations from the effects of climate change and economic and political conflict.

While there is a long history of energy generation, 2023 saw the closure of AGL's Liddell Power Plant and the final coal extracted from Muswellbrook Coal after 115 years of operation. Other global companies are adjusting their portfolios and operations away from fossil fuel and carbon generation.

As the economy transitions, the Shire is well placed to leverage existing infrastructure, location, industry capability and pioneering spirit to position the region as a key centre of renewable energy production, clean technology, innovation and advanced manufacturing as the country moves towards a Net Zero economy.

Tourism is becoming an increasingly important industry sector. A key location advantage as a tourist destination is its proximity to the already popular tourist destinations such as the Lower Hunter Valley and the Blue Mountains.

The total value of tourism related output for Muswellbrook is estimated at \$45.5m, 1.1 percent of total output. The total tourism related employment estimate for the Shire is 364 jobs which represents 3.6 percent of the workforce. Most visitors to the region are from NSW, with Sydney as the largest source of visitors to the region, followed by regional NSW and Queensland. For each dollar spent by a tourist in Muswellbrook LGA, it is estimated that typically \$0.43 is spent on accommodation and food, and \$0.11 on transport, postal, warehousing and retail.

As a centre of educational excellence, Muswellbrook is strategically positioned for the efficient and effective provision of education and vocational training for both existing and emerging industries.

Council is collaborating closely with Hunter TAFE, the University of Newcastle and industry to promote and provide higher learning pathways. To further facilitate the delivery of higher education, the Tertiary Education Centre has expanded to house the University of Newcastle. The partnerships provide education prospects for local and visiting students and collaborative research opportunities with industry.

Further investment as seen the emergence of the Hunter Innovation Precinct as part of the town centre redevelopment – a catalyst for education excellence, innovation and industry links. The precinct incorporates the Muswellbrook Library and Donald Horne Building, housing the STEM Innovation Lab and Melt Advanced Manufacturing Centre, with the Tertiary Education Centre to present an exciting, vibrant and energetic sector in the centre of town.

While fostering transition towards new industries such as renewable energy, bioresources and smart agriculture Council continues to support the growth of existing viticulture and equine industries.

The Upper Hunter thoroughbred breeding industry is historic – dating back more the 150 years and with a well earned global reputation for excellence. It is one of only three International Centres of Thoroughbred Breeding Excellence, the two others being Kentucky, USA and Newmarket, UK. A critical mass, located in an arc from Widden Valley through Sandy Hollow to Jerry's Plains, two of the largest studs in the southern hemisphere are located in the Shire.

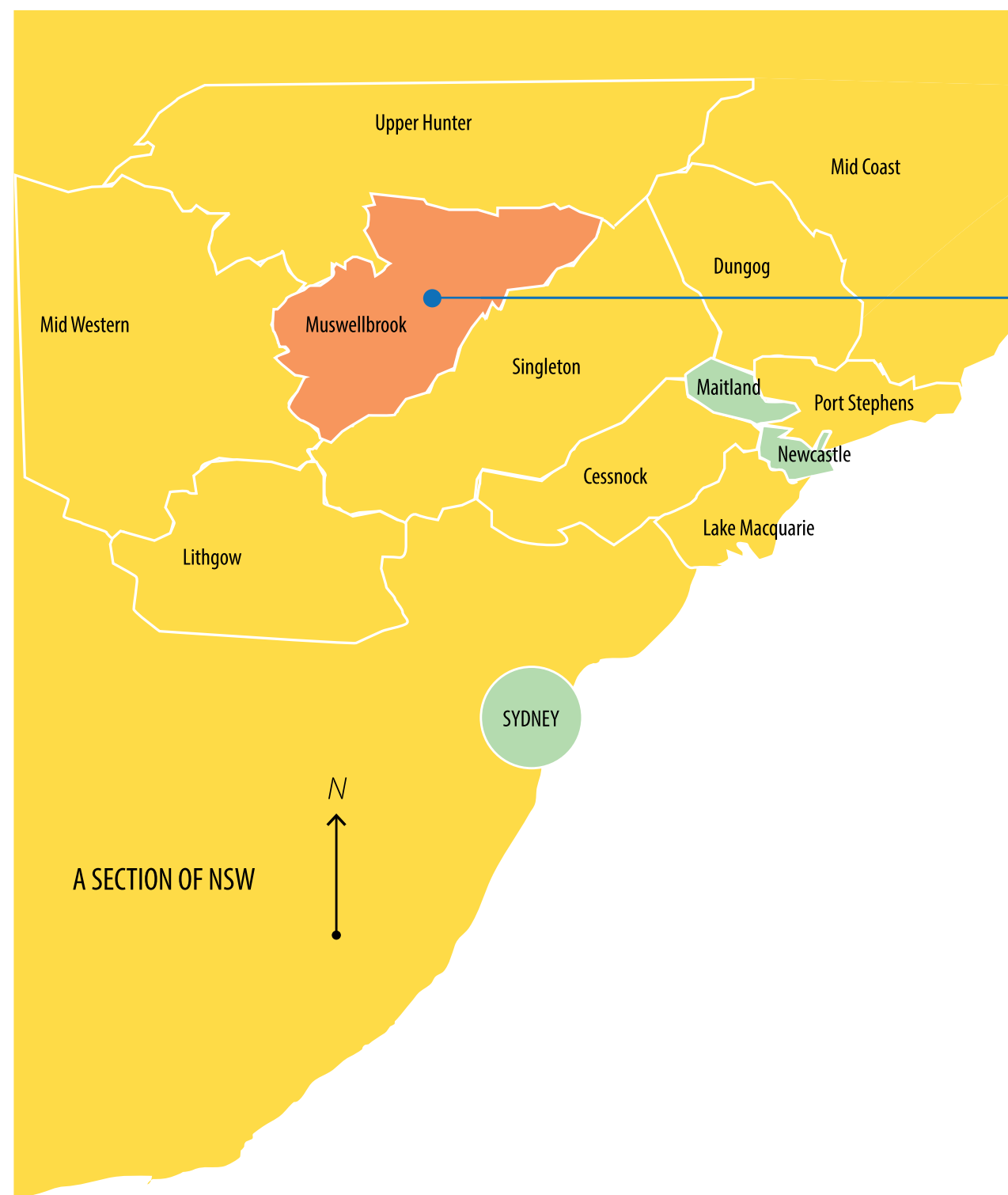
While the Upper Hunter viticulture is small it is an internationally acclaimed and a wine tourist destination renowned for its quality and volume of processing and production. The earliest evidence of grape growing in the Upper Hunter dates back to 1860 when vines were planted at the confluence of Wybong Creek and the Goulburn River. The wine from these grapes established a proud tradition for the Upper Hunter as a centre for wine production that continues today

As the principal regional centre of the Upper Hunter, Muswellbrook is the location of several regional agency offices of the State and Federal Government including the Hunter New England Local Health District, Corrective Services NSW, Youth Justice NSW, Department of Communities & Justice - Community Services Centre, TAFE NSW Muswellbrook Campus, Service NSW, NSW Police Local Area Command and the Services Australia - Centrelink.

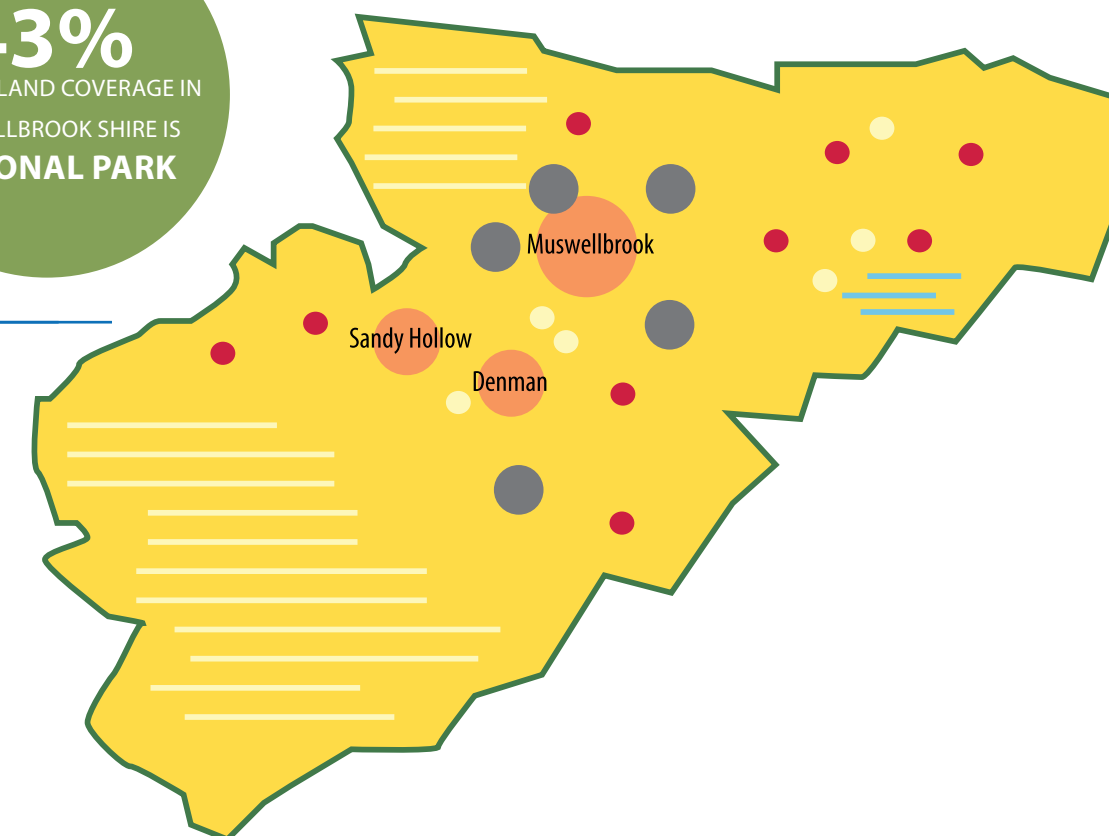
Muswellbrook Shire's central location between New England and the Lower Hunter provides an excellent geographical advantage. This has established it as the regional centre of the Upper Hunter, allowing government agencies to efficiently service the surrounding areas.

WE ARE HERE

WE ARE HERE



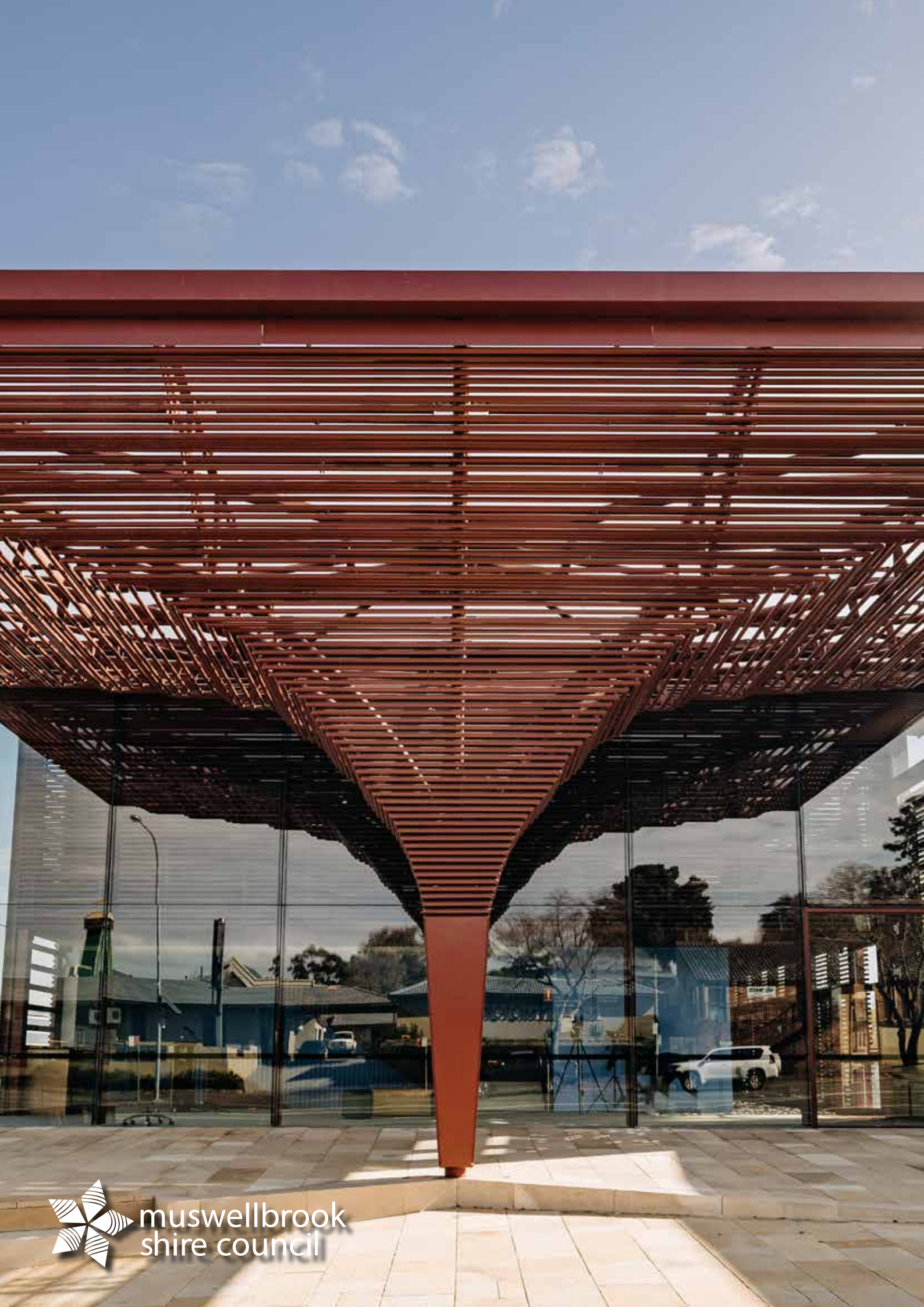
43%
OF TOTAL LAND COVERAGE IN
MUSWELLBROOK SHIRE IS
NATIONAL PARK



MUSWELLBROOK SHIRE TOWNS & DISTRICT AREAS

- | | |
|---------------|--------------------|
| Antiene | Martindale |
| Baerami | McCullys Gap |
| Bureen | Muscle Creek |
| Castle Rock | Muswellbrook |
| Dalswinton | Muswellbrook North |
| Denman | Muswellbrook South |
| Dunbars Creek | Sandy Hollow |
| Giants Creek | Widden |
| Kayuga | Widden Valley |
| Kerrabee | Wybong |
| Manobalai | Yarrawa |

- National Parks
- Mines
- Equine, Viticulture and Cropping
- General Rural
- Environment Management
- Lake Lidell



MUSWELLBROOK LGA OUTPUT JOBS COMPARISON

MUSWELLBROOK (A) (2022 RELEASE 2)

Industry Sector	\$M	%	Jobs	%
Mining	\$8,769.51	68.60%	3,751	33.10%
Electricity, Gas, Water & Waste Services	\$1,517.58	11.90%	869	7.70%
Construction	\$444.61	3.50%	847	7.50%
Manufacturing	\$379.81	3.00%	764	6.70%
Rental, Hiring & Real Estate Services	\$297.99	2.30%	655	5.80%
Agriculture, Forestry & Fishing	\$252.60	2.00%	591	5.20%
Health Care & Social Assistance	\$150.72	1.20%	561	4.90%
Public Administration & Safety	\$134.70	1.10%	556	4.90%
Wholesale Trade	\$107.06	0.80%	493	4.30%
Transport, Postal & Warehousing	\$105.09	0.80%	453	4.00%
Administrative & Support Services	\$101.42	0.80%	446	3.90%
Other Services	\$96.42	0.80%	287	2.50%
Retail Trade	\$96.21	0.80%	272	2.40%
Education & Training	\$89.00	0.70%	250	2.20%
Professional, Scientific & Technical Services	\$81.98	0.60%	244	2.20%
Accommodation & Food Services	\$68.03	0.50%	110	1.00%
Financial & Insurance Services	\$49.63	0.40%	87	0.80%
Information Media & Telecommunications	\$26.44	0.20%	65	0.60%
Arts & Recreation Services	\$17.42	0.10%	40	0.40%
Total	\$12,786.19	100.00%	11,341	100.00%

EMPLOYMENT REPORT

This report shows the number of employees whose place of work is located within Muswellbrook (A). The total employment estimate for Muswellbrook (A) is 11,341 jobs.

OUTPUT REPORT

This report shows the gross revenue generated by businesses and organisations in Muswellbrook (A).

Output data represents the gross revenue generated by businesses/organisations in each of the industry sectors in a defined region. Gross revenue is also referred to as total sales or total income.

The total output estimate for Muswellbrook (A) is \$12,786,190 million.

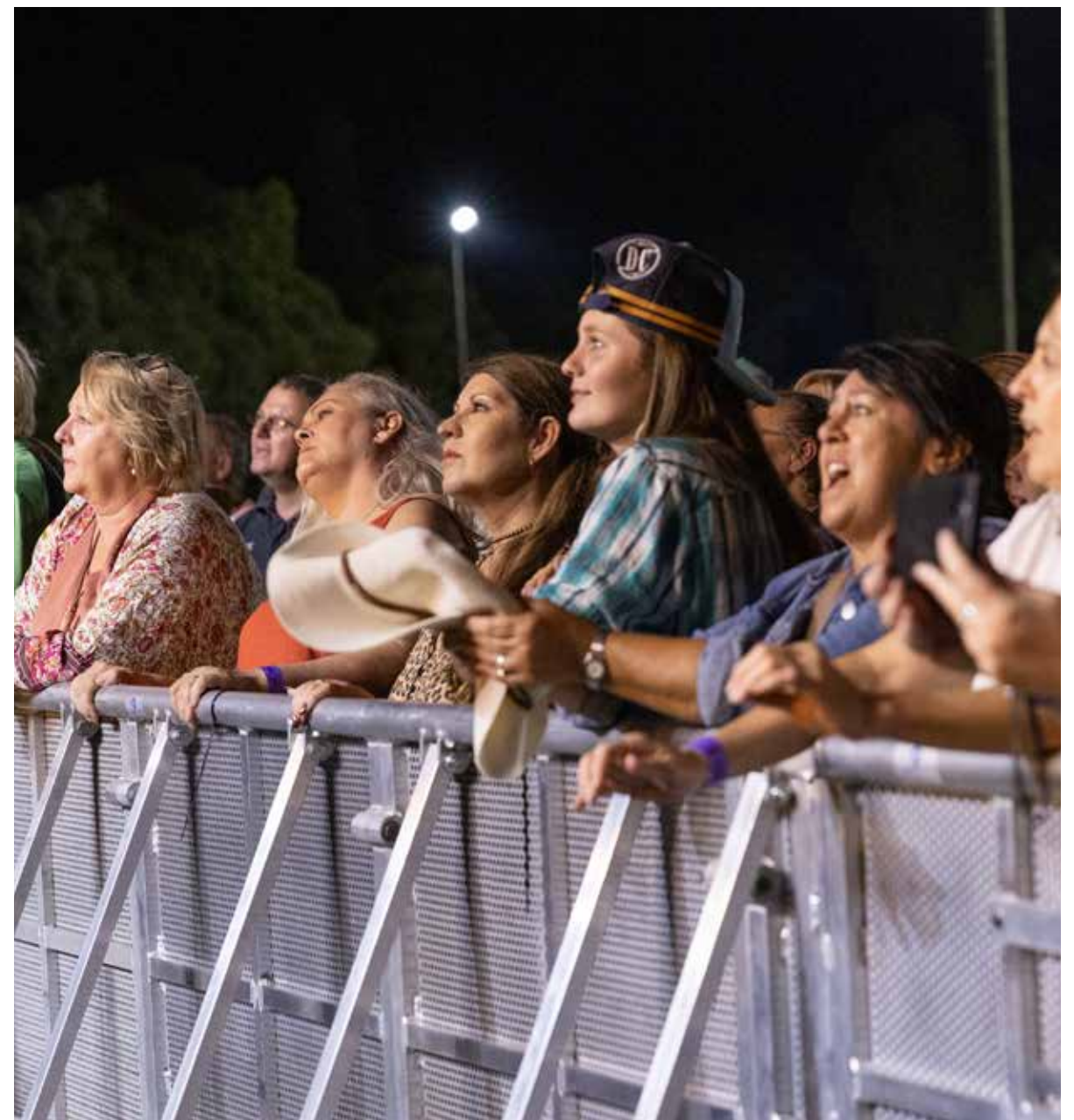
Disclaimer: All figures, data and commentary presented in this report are based on data sourced from the Australian Bureau of Statistics (ABS), most of which relates to the 2021, 2016, 2011, 2006 and 2001 Censuses. Using ABS datasets and an input / output methodology industrial economic data estimates for defined geographic regions are generated. This report is provided in good faith with every effort made to provide accurate data and apply comprehensive knowledge. However, REMPLAN does not guarantee the accuracy of data nor the conclusions drawn from this information. A decision to pursue any action in any way related to the figures, data and commentary presented in this report is wholly the responsibility of the party concerned. REMPLAN advises any party to conduct detailed feasibility studies and seek professional advice before proceeding with any such action and accept no responsibility for the consequences of pursuing any such action.

MUSWELLBROOK TOURISM

Muswellbrook Shire has a flourishing tourism industry building on the unique wine, equine and food industries as well as pristine national parks, mining and industrial history and proximity to already popular tourist destinations such as the Lower Hunter Valley and the Blue Mountains.

The total value of tourism-related output for Muswellbrook is estimated more than \$45.5million, which is 0.5% of total output. This is down from an estimated \$73.7million in 2016. The total tourism related employment estimate for the Shire is 250 jobs which represents 2.5% of the total workforce.

For each dollar spent by a tourist in Muswellbrook LGA, it is estimated that typically \$0.46 is spent on accommodation and food services, and \$0.12 on retail.



COMMUNITY ENGAGEMENT

OUR STAKEHOLDER ENGAGEMENT

COUNCIL IN THE MEDIA

The Muswellbrook community values local news. Local news is relevant, connects and binds communities and provides social context. As an independent civil watchdog, it gives its audience a voice, helps set the agenda in regional communities, provides the most extensive coverage of local, including Council, affairs and supports the community in emergency situations.

Muswellbrook Shire Council enjoys a healthy relationship with local media outlets enabling widespread community consultation on critical issues and collaborates with local media to keep the community informed on council services and facilities.

During any prolonged interruption to services or in an emergency situation Muswellbrook Shire Council is dependent on local media, in conjunction with Council's social media outlets and web site, to keep the community informed and updated of the status of a situation. It is due to this collaboration that Council is able to inform the community immediately.

Muswellbrook Shire Council features regularly in local newspapers and, in addition, Council's Mayor or General Manager submit a fortnightly column to the Hunter River Times newspaper and are interviewed weekly on local radio stations, ensuring the community is well informed regarding Council's activities.

COMMUNITY STRATEGIC PLAN REVIEW

Over the previous term (2017-2022), Council has consulted and engaged with Shire communities and stakeholders to inform the review of the 2017-2027 Community Strategic Plan and the development of the 2022-2032 Community Strategic Plan.

Community members are invited to share attitudes and ideas about a wide range of local issues, including their level of satisfaction with Council's services and facilities and their perceptions of the major challenges and opportunities affecting the region's future via:

- ▶ Random and statistically representative telephone surveys
- ▶ Series of community panels
- ▶ Online survey
- ▶ Regular Listening Posts at Denman Memorial Hall and Muswellbrook Marketplace
- ▶ Regular drop-in sessions at the mayor's office.

WHO WE ENGAGE	HOW WE ENGAGE	WHY WE ENGAGE
Community	<ul style="list-style-type: none"> ▶ Web: www.muswellbrook.nsw.gov.au ▶ Social media ▶ Publications ▶ Community Panel ▶ Events & ceremonies ▶ Council offices 	<p>The community contributes knowledge, cultural experience, resources, ideas and feedback.</p> <p>Council provides leadership, partnership, representation, information and efficient and effective services and facilities.</p>
Ratepayers	<ul style="list-style-type: none"> ▶ Web: www.muswellbrook.nsw.gov.au ▶ Rates notices ▶ Ratepayers Rewards Program ▶ Social media ▶ Publications ▶ Community forums 	<p>Ratepayers contribute knowledge, cultural experience, resources, ideas and feedback.</p> <p>Council generates sustainable growth and return to the community.</p>
Council Staff	<ul style="list-style-type: none"> ▶ General Manager's Newsletter ▶ General Manager's Forums ▶ Manex ▶ Managers' Meetings ▶ Tool box talks ▶ Posters ▶ Intranet ▶ Email ▶ Staff events and training ▶ Staff Awards 	<p>Staff members contribute valuable knowledge, skills and labour for our operations.</p> <p>Council provides employment, training opportunities and flexible and supportive work arrangements.</p>
Community & Sporting Organisations	<ul style="list-style-type: none"> ▶ Web: www.muswellbrook.nsw.gov.au ▶ Social media ▶ Publications ▶ Community Panel ▶ Events & ceremonies ▶ Council offices ▶ Grants programs ▶ Sustainability Hub 	<p>The media raises the community's awareness of services, facilities, events and issues of importance.</p> <p>Council contributes content and comment for publication and broadcast.</p>
Muswellbrook Business and Industry Community	<ul style="list-style-type: none"> ▶ Web: www.muswellbrook.nsw.gov.au ▶ Participation in MCCI breakfasts ▶ Annual Report ▶ Other publications ▶ Meetings 	<p>The local business and industry community provides employment and economic growth.</p> <p>Council provides guidance, support and opportunity.</p>
Visitors	<ul style="list-style-type: none"> ▶ Web: www.muswellbrook.nsw.gov.au ▶ Visitor Information Centre - Denman ▶ Visitor Information Centres - Muswellbrook Library and Muswellbrook Regional Arts Centre ▶ Upper Hunter Country Visitor Guide ▶ Events 	<p>Visitors bring economic benefits to the Shire including more local employment opportunities.</p> <p>Council provides high standard facilities and services.</p>
Government	<ul style="list-style-type: none"> ▶ Web: www.muswellbrook.nsw.gov.au ▶ Formal meetings ▶ Correspondence ▶ Forums and Conferences 	<p>The Federal and NSW State Governments provide partnerships, funding and network opportunities</p> <p>Council provides resources, partnerships and networks.</p>
Media	<ul style="list-style-type: none"> ▶ Media releases ▶ Media alerts and briefings ▶ Social media ▶ Interviews ▶ Paid advertising 	<p>The media raises the community's awareness of services, facilities, events and issues of importance.</p> <p>Council contributes content and comment for publication and broadcast.</p>

OUR STAKEHOLDERS

Council worked with the following corporations, partnerships, trusts, joint ventures, syndicates (or other bodies):

- ▶ 1st Denman Scout Group
- ▶ 2nd Muswellbrook Scouts
- ▶ Arts Upper Hunter
- ▶ Australian Local Government Association
- ▶ Australian Photographic Society
- ▶ Belltrees Public School
- ▶ Community Consultation Groups for the mines in our Shire: Bengalla, Dartbrook Coal Underground, Liddell, Mangoola, Maxwell Underground, Mount Arthur, Mount Pleasant and Muswellbrook Coal.
- ▶ Create NSW
- ▶ Denman & District Senior Cricket Club
- ▶ Denman Amateur Swimming Club
- ▶ Denman Basketball
- ▶ Denman Chamber of Commerce
- ▶ Denman Children's Centre
- ▶ Denman Community Garden
- ▶ Denman Golf Club
- ▶ Denman Junior Cricket Association
- ▶ Denman Junior Rugby League
- ▶ Denman Little Athletics
- ▶ Denman Men's Shed
- ▶ Denman Pony Club
- ▶ Denman Public School
- ▶ Denman Rugby League Club
- ▶ Denman Sandy Hollow JRLC
- ▶ Denman Squash Club
- ▶ Denman St Joseph's Primary School
- ▶ Denman Visitor Information Centre
- ▶ Department of Communities & Justice
- ▶ Destination Sydney Surrounds North
- ▶ Drug & Alcohol Health Services
- ▶ Glen Gallic Shooting Club
- ▶ Hunter Joint Organisation Group Entities (including associated entity Strategic Services Australia)
- ▶ Hunter Region Landcare Network
- ▶ Hunter Research Foundation
- ▶ Hunter Sustainability Landcare TEAM (HSLT)
- ▶ Liddell Transition and Community Dialogue Group
- ▶ Local Buying Foundation Advisory Committee
- ▶ Local Government NSW
- ▶ Local Government Professionals
- ▶ Martindale Creek Catchment Landcare
- ▶ Martindale Public School
- ▶ McCully's Gap Rehabilitation Sustainability Community Group Inc.
- ▶ MOOSH
- ▶ Muscle Creek Landcare
- ▶ Muswellbrook 2nd Scout Group
- ▶ Muswellbrook AFL Club
- ▶ Muswellbrook Amateur Athletics
- ▶ Muswellbrook Amateur Cycle Club
- ▶ Muswellbrook Amateur RSL Youth Swimming
- ▶ Muswellbrook Amateur Theatrical Society
- ▶ Muswellbrook Basketball
- ▶ Muswellbrook Chamber of Commerce and Industry
- ▶ Muswellbrook Childcare Centre
- ▶ Muswellbrook Croquet Club
- ▶ Muswellbrook Girl Guides
- ▶ Muswellbrook Golf Club
- ▶ Muswellbrook High School
- ▶ Muswellbrook Junior Cricket Club

OUR STAKEHOLDERS

- ▶ Muswellbrook Junior Rugby League
- ▶ Muswellbrook Little Athletics Club
- ▶ Muswellbrook Men's Shed
- ▶ Muswellbrook Netball Association
- ▶ Muswellbrook Park Tennis Club
- ▶ Muswellbrook Physical Culture
- ▶ Muswellbrook Preschool
- ▶ Muswellbrook Public School
- ▶ Muswellbrook Senior Rugby League Club
- ▶ Muswellbrook South School
- ▶ Muswellbrook Squash Club
- ▶ Muswellbrook Theatrical Society
- ▶ Muswellbrook Touch Football
- ▶ National General Assembly of Local Government
- ▶ NSW Health and Local Area Health
- ▶ NSW Local Government Association
- ▶ NSW Rural Fire and Emergency Services
- ▶ NSW Sport and Recreation
- ▶ NSW State Emergency Services
- ▶ NSW Water Directorate
- ▶ Olympic Park Tennis Club Inc
- ▶ Pacific Brook Christian School
- ▶ Penguin Community Garden
- ▶ Pine Ridge Landcare
- ▶ Planning Institute of Australia (NSW division)
- ▶ Polly Farmer Foundation - Muswellbrook
- ▶ Regional Arts NSW
- ▶ Resilience NSW
- ▶ Richard Gill School
- ▶ Royal Lifesaving NSW
- ▶ Sandy Hollow Progress Association
- ▶ St Joseph's High School - Aberdeen
- ▶ St Nicholas Early Education
- ▶ Standards Australia
- ▶ State Library NSW
- ▶ StateCover
- ▶ Statewide Mutual
- ▶ TAFE NSW
- ▶ The Brook Cricket Club
- ▶ Tilly's Childcare Centre
- ▶ TransCare Services
- ▶ University of Newcastle
- ▶ University of Newcastle – School of Creative Industries
- ▶ Upper Hunter Community Drug Action Team
- ▶ Upper Hunter Community Services
- ▶ Upper Hunter Conservatorium of Music
- ▶ Upper Hunter Country Tourism
- ▶ Upper Hunter Domestic Violence Service
- ▶ Upper Hunter Economic Development Corporation
- ▶ Upper Hunter Homeless Support
- ▶ Upper Hunter Landcare
- ▶ Upper Hunter Local Drug Action Team
- ▶ Upper Hunter Mining Dialogue (coordinated by NSW Minerals Council)
- ▶ Upper Hunter Show
- ▶ Upper Hunter Water Alliance
- ▶ Upper Hunter Youth Services
- ▶ Valley Mountain Bikers
- ▶ Wanaruah Local Aboriginal Lands Council
- ▶ Warrior Disability Services
- ▶ Westpac Rescue Helicopter
- ▶ Youth CLAN

SUSTAINABILITY ENGAGEMENT

SUSTAINABILITY ENGAGEMENT

Muswellbrook Shire Council's Sustainability Unit largely focus on community education and engagement, programs to reduce council and community energy, water and waste consumption and natural area rehabilitation works.

NET ZERO

Council staff have successfully completed the Net Zero Accelerator course, facilitated by the NSW State Government. This course equipped staff with expert knowledge and best practices to address the challenges of achieving net zero operational emissions. Participants also collaborated with local government regions across the state to advance efforts towards securing a 100% renewable energy contract for large sites.

In addition, Council has upgraded street lighting across the Shire to energy-efficient LED lights and is currently developing a fleet transition strategy to support its net zero goals.

AIR QUALITY

Council's air quality monitor has been regularly checked on a weekly basis, with samples analysed by experts at ANSTO (Australian Nuclear and Science Technology Organisation) to provide reliable air quality data. Over the past 12 months, reports confirmed that fine particle (PM2.5) concentrations at the site remained within acceptable levels, with no exceedances recorded.



NATIONAL TREE DAY

National Tree Day activities were held in Denman and Muswellbrook where volunteers planted over 1600 native seedlings. St Joseph's Primary School Denman, Muswellbrook South Public School, Polly Farmer Foundation and Upper Hunter Youth Services contributed to the day. Council donated native seedlings to Muswellbrook Preschool Kindergarten, St James' Primary School, Muswellbrook and St Joseph's Primary School, Denman



NATURAL AREAS

Council continues to make great progress on the Environmental Trust-funded Restore Muscle Creek through Environmental and Educational Action project. This initiative has included the re-vegetation of over one hectare through weed control and the planting of 1,500 native seedlings. Additionally, a cultural burn was conducted at the former Muswellbrook Common site on Coal Road, an important step in restoring the land.

Across the region, more than 3,000 native seedlings were planted and maintained along Muscle Creek and in Hyde Park, Denman. Council also supported local efforts through LandCare grants, providing funding to Martindale Creek Catchment Landcare Inc. for regenerative agriculture workshops and to McCully's Gap Sustainability and Landcare Group for revegetation works. As part of this focus, 2,000 native seedlings were donated to residents to encourage planting on private properties, fostering a greener community. LandCare events held in Muswellbrook and Denman were well attended and celebrated by the community.

Council also hosted the Hunter Floodplain Red Gum Woodland - Knowledge for Restoration and Seed Collection Project at the Sustainability Hub. This important project collected seeds from local Red Gum trees for genetic testing to ensure diverse and resilient propagation efforts. To further support native species, Council removed invasive weed trees such as cocos palms and privet which can inadvertently be spread by wildlife from public land and held a habitat creation workshop to teach participants how to build habitat for native wildlife.

These initiatives reflect Council's commitment to restoring natural landscapes and supporting sustainable practices across the region.

SUSTAINABILITY ENGAGEMENT

Students and community groups have been busy engaging with local sustainability and education initiatives! Tours of the Muswellbrook Animal Care Facility, Sustainability Hub, and Muswellbrook Waste and Recycling Facility provided hands-on learning experiences for participants of all ages.

Meanwhile, students from the 2nd Muswellbrook Scout Group, Muswellbrook Preschool, Goodstart Early Learning Muswellbrook, Hunter Family Centre, MOOSH, Home-school Group, Muswellbrook South Public School, Muswellbrook Multicultural Group, Upper Hunter Youth Services, and the Polly Farmer Foundation joined forces to help maintain the bush tucker garden at the Sustainability Hub. This collaborative effort continues to nurture community connections and a shared appreciation for our local environment.

CLEAN UP AUSTRALIA DAY ACTIVITIES – DENMAN

Clean Up Australia Day activities were held in Denman and Muswellbrook with 30 volunteers attending. Activities were also held at Denman Public School and St Joseph's School Denman.



SUSTAINABILITY ENGAGEMENT

SUSTAINABILITY ENGAGEMENT



SUSTAINABLE FUTURES NETWORK

The NSW Government's Environmental Trust Funded Muswellbrook Sustainable Future Network project got underway. The project supports schools to undertake sustainable practices with ten educational groups involved so far.

The Sustainability Unit visited Muswellbrook Preschool for talks on local insects and bugs while a group of home-schooled students and families participated in activities at Hyde Park Denman.

Muswellbrook High School students participated in a variety of activities along Muscle Creek. water watch activities were held at Tarinpa and Council facilitated an excursion to Baiame Caves for students from St Joseph's School, Denman and St Joseph's School, Merriwa.



Hunter River Health Check activities saw students from Muswellbrook High School, Muswellbrook South Public School, Denman Public School, St Joseph's School, Denman and Goodstart Learning Early Learning Centre all participated.

Muswellbrook Shire Council awarded Sustainable Education grants to the following groups.

- ▶ Sandy Hollow Public School for bee hives, vegetable gardens and rubbish bins.
- ▶ Muswellbrook Preschool Kindergarten for a bus trip to Tarinpa.
- ▶ Muswellbrook South Public School for a bus trip to Belltrees School and garden supplies.
- ▶ Denman Pony Club for bins for container collection.



University of Newcastle students visited Muswellbrook for a tour of the Sustainability Hub and Muswellbrook. One student assisted with several projects, including developing resources to help protect significant plants in our Shire.

Tours of the Muswellbrook Animal Care Facility and Sustainability Hub, Muswellbrook Waste and Recycling Facility were completed while students from the 2nd Muswellbrook Scout Group, Muswellbrook Preschool, Goodstart Early Learning Muswellbrook, Hunter Family Centre, MOOSH, Home-school Group, Muswellbrook South Public School, Muswellbrook Multicultural Group, Upper Hunter Youth Services and the Polly Farmer Foundation helped maintain the bush tucker garden at the Sustainability Hub.

EVENTS

The Sustainability Unit has been actively engaging with the community through various events, including the Muswellbrook Show, the Great Cattle Dog Muster, the opening of the Donald Horne Building, and Picnic in the Park. They also partnered with the Muswellbrook Netball Association to support fundraising and recycling efforts through container collections at the Muswellbrook Aquatic Centre.

In a meaningful collaboration, Warrior Disability Services and the Sustainability Hub hosted an R U OK? event to promote mental health and community connection. The Sustainability Unit was also recognized for its efforts, winning the Population Category D award at the NSW Tidy Towns Awards.

Nature enthusiasts enjoyed four birdwatching walks along Muscle Creek, organized with members of the Hunter Bird Observers and community participants. Additionally, the Muswellbrook Connect group came together to discuss ways to collaborate for the benefit of all. They successfully organized a food drive in partnership with St Alban's Anglican Church, Muswellbrook South Public School, Muswellbrook Preschool, and the Sustainability Hub, highlighting the power of community spirit.



FOGO

Muswellbrook Preschool students and educators had the opportunity to learn all about FOGO (Food Organics and Garden Organics) through fun and educational activities. Drop-in information sessions at local libraries and shopping centres also helped community members understand how to make the most of the FOGO service.

A big thank you to Warrior Disability Services for their hard work in assembling 6,400 FOGO information packs, which were delivered to residents to support this important initiative.

The popularity of the Sustainable Futures – Muswellbrook Facebook page continues to grow with 1845 page likes and 2,058-page followers recorded.

EVENTS

NATIONAL TREE DAY - JULY 2023



Planet Ark's National Tree Day started in 1996 and has grown into Australia's largest community tree planting and nature care event and is an opportunity for local residents to get their hands dirty and give back to the community. Council is committed to planting more trees and plants to increase our tree canopy and enhance biodiversity by supporting two community planting events.



EVENTS

NAIDOC WEEK - JULY 2023

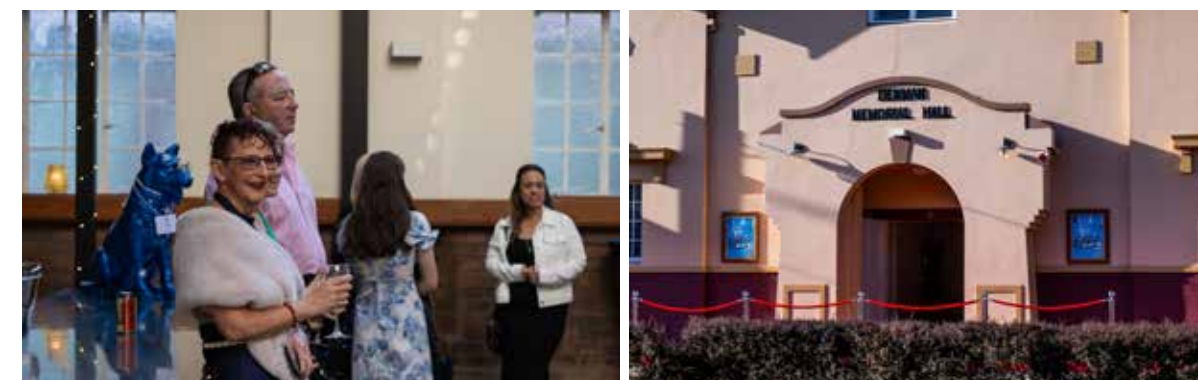
Muswellbrook Shire came alive with vibrant colours and cultural celebrations during Naidoc Week, themed 'For our Elders', the community gathered to celebrate and recognise the history, culture, and achievements of Aboriginal and Torres Strait Islander People and recognised the role Elders have played, and continue to play in our communities and families.

MULLINS CONCEPTUAL PHOTOGRAPHY PRIZE - AUGUST 2023



In 2023 Mullins Conceptual Photography Prize (MCP) has earned its place as a leading art photography prize and, as such, highlighted what photography can be. The competition pushes boundaries into new areas, tests assumptions and explores the photographic visual medium beyond its established boundaries. Following a visually stimulating, emotionally charged and intellectually challenging judiciary process, thirty artworks were bought together for the 2023 exhibition at Muswellbrook Regional Arts Centre. Chris Bowes was the winner of the 2023 MCP with his work SUN KISSED #1-4 and received the 2023 MCP \$25,000 cash prize.

BLUE HEELER FILM FESTIVAL - OCTOBER 2023



The Blue Heeler Film Festival marked an incredible milestone in 2023, celebrating 10 years of creativity and community spirit. Denman Memorial Hall came alive for the Awards Night, where filmmaker Nathan Burney walked away with the prestigious Gold Bluet and a \$10,000 prize for his captivating film Indigo.

This event's success was a true team effort, with hard work and dedication from many Council teams, including Community and Economy, Customer Service, Works, Finance, Media and Communications, Planning, Administration, and our libraries. A heartfelt thank you also goes to Bengalla, the festival's loyal sponsor for a decade, and to all the talented filmmakers who have shared their stories with us over the years.

EVENTS

EVENTS

VIOLA BROMLEY ART PRIZE - NOVEMBER 2023



Painting: Jennifer Stuerzl, 'Rhythms in water and light'

The Viola Bromley Art Prize is a celebration of local art across the disciplines of painting, works on paper, sculpture and photography, and open to all artists resident to the Dungog, Muswellbrook, Singleton and Upper Hunter Shires. The winning acquisitive work from each section is awarded \$1,500 and joins the Muswellbrook Shire Art Collection alongside key local artists including Max Watters, James Clifford and Viola Bromley herself. The winners of 2023 Viola Bromley Art Prize were Painting: Jennifer Stuerzl, Rhythms in water and light, Works on Paper: Maude Butta, Tangles, Sculpture: Simon Barrett, Honest Goodness and Photography: Philip Du Rhone, A Light at the End of the Tunnel.

MUSWELLBROOK REGIONAL ARTS CENTRE PUBLIC PROGRAMS

A diverse and inclusive events and programs for audiences of all ages and abilities take place throughout the year at the arts centre, including the Muswellbrook Art Hunt, an interactive, self-guided walking tour and treasure hunt, Art Detectives, where young art sleuths are awarded official Art Detective badge on competition of a fun, treasure hunt style activity designed to tune observation skills. Open House Tours sees the gallery team conduct free guided tours of current exhibitions, permanent collections and includes a 'back of house' experience.

AUSTRALIA DAY - JANUARY 2024



Australia Day is a day to reflect, respect, and celebrate, providing an unique opportunity for our community to unite and highlight our diverse culture. While Australia Day holds different meanings for everyone, it is a day that welcomes everyone to reflect on their Australian experience—their past, present, and future. The 2024 Australia Day celebrations were held at the Muswellbrook Indoor Sports Centre with a barbecue breakfast, an indigenous smoking ceremony, didgeridoo playing and an Indigenous dance performance by the Waagan Galga Dance Group. The official ceremony included Welcome to Country, Muswellbrook Shire Concert Band, Australia Day Awards Presentation and Citizenship Ceremony.



EVENTS

GREAT EASTER BUNNY HOP - APRIL 2024

The Easter Bunny hopped all over the Shire on Easter Saturday, 30 March 2024 visiting Hunter Park in Muswellbrook, the Tourist Hotel in Sandy Hollow and Ogilvie Street in Denman. A colouring in competition held in conjunction with the "hop" proved popular with youngsters.

MUSWELLBROOK ART PRIZE 2024 - APRIL 2024



Catherine O'Donnell, 'Reflections' 2023

Catherine O'Donnell was the winner of the Muswellbrook Art Prize 2024 for her work *Reflections*. Established in 1958, the prize is one of the richest for painting in regional Australia and focuses on the acquisition of modern and contemporary Australian paintings, works on paper, and ceramics into the Muswellbrook Shire Art Collection. On her winning work, Catherine said: "At the heart of my practice are my interests in minimalist structures, the pictorial power of illusion, and the pursuit of a shared narrative. I combine these elements to reveal narratives within structures and find vitality in simplicity. Using charcoal, I recreate light and shadow, evoking calmness. Sunlight streams through the window, symbolising hope and new beginnings, simultaneously, providing a space for personal reflection and emotional connection to the inherent beauty of everyday moments."





SHARON POPE

Sharon, for those who may not know who you are, can you give a little background on yourself?

I'm an outdoorsy person - my horses, motorbikes, mountain bike and kayak are well used. The love of the outdoors, and the fact I grew up in country NSW, means I have a passion for rural and regional areas and the environment.

What does your role as Muswellbrook Shire Council's Director of Environmental & Planning Services entail?

Working in a Regional Council means I have to be a "jack of all trades". A typical month may include:

- Meeting with mine operators, renewable energy proponents, residential land developers and business owners about their future plans and development proposals.
- Attending Council meetings.
- Speaking with residents about why they got a parking fine.
- Meeting with State Government Agencies or writing submissions to comment on changes to land use policies and legislation.
- Meeting with staff at other councils in the Hunter to try to have a consistent approach on assessing new development and plans for future growth and infrastructure.
- Managing my department's budget and work program; and
- Helping other staff get their job done by making decisions when there could be multiple options and approving budgets for projects and staff recruitment.

What does 'Public Service' mean to you? Why is public service important to you?

To me it means listening to all the different needs and wants of people in the community and making decisions, drafting policies, drafting submissions to, as far as possible, represent and support most people and ensure this is done in a way that treats everyone similarly. It's not easy as everyone has different needs and opinions. Thankfully,

that is when I can go the Councillors or Local Member and ask them to make the final decision, after I've given them all the options and pros and cons.

How did it feel to be awarded the Public Service Medal (PSM) for your outstanding public service to urban and regional planning in Muswellbrook Shire and the surrounding region?

I was really surprised to be considered, I speak with so many hard working and dedicated people in Muswellbrook, and other places, who are also striving for the best outcomes for their communities. It is nice to get recognition for my efforts – in my line of work you never really switch off, news stories may be relevant to what I'm working on, the renewable energy project I'm riding past on my motorbike on the weekend is helping me to formulate the next submission to Council on a renewable energy project in Muswellbrook, popping in to the grocery store on the weekend may mean bumping in to colleague from another council and having a chance to download information on what is happening at the Liddell Power Station site or what we are doing to attract new industry to a mine site that will close in the next few years.

Is there anything else you would like to add or mention?

I started as a trainee at Greater Taree City Council straight out of High School (I studied for my degree online) and worked at several councils before taking on the challenges facing Muswellbrook. I've worked with many great people along the way who gave me the benefit of their knowledge and wisdom, and opportunities to develop my problem-solving skills. Councillors at Muswellbrook are supportive and unified in wanting the best for Muswellbrook. So, while I have the Medal, "the village" made it possible.

TRACY WARD



Tracy brings a wealth of knowledge and passion to her role, backed by a Graduate Certificate in Environmental Science from the University of New England. She completed her studies this year, remotely, attending occasional residential schools, with support from Council and the BHP Future of Work program. This qualification has equipped Tracy with deeper expertise in environmental science, enabling her to better assist her team in tackling sustainability and environmental management challenges.

Tracy's journey with Council began almost 15 years ago in a 5-month maternity relief position - a serendipitous start that has blossomed into a fulfilling career. Fun fact: the colleague she relieved is now her daughter's career advisor at high school!

Today, Tracy is dedicated to supporting Council and the community as they navigate the complexities of climate change and work towards a net zero future. Her commitment to making a positive impact inspires her colleagues and strengthens Council's environmental initiatives



CORPORATE ENTITIES OF THE HUNTER COUNCILS

For nearly 70 years, local government in the Hunter has found significant benefit in working together through positive cooperation and resource sharing.

The ten Hunter councils include:

Cessnock City Council, Dungog Shire Council, Lake Macquarie City Council, Maitland City Council, MidCoast Council, Muswellbrook Shire Council, City of Newcastle, Port Stephens Council, Singleton Council, and Upper Hunter Shire Council.

ARISING FROM THIS COLLABORATION, THE TEN HUNTER COUNCILS COLLECTIVELY OWN AND MANAGE THE FOLLOWING CORPORATE ENTITIES:

HUNTER JOINT ORGANISATION (HJO)

A statutory body under the Local Government Act 1993, established in 2018 to identify, advocate for and collaborate on regional strategic priorities for the Hunter. The Hunter Joint Organisation's statutory mandate includes identifying key regional strategic priorities, advocating for these priorities, and building collaborations around these priorities with other levels of government, industry and the community.

ARROW COLLABORATIVE SERVICES LIMITED (AND ITS WHOLLY OWNED SUBSIDIARY HUNTER COUNCILS LEGAL SERVICES LIMITED)

Companies limited by guarantee under the Corporations Act 2001 and established to improve the quality and efficiency of services provided by Hunter councils and local government more broadly across NSW. The services provided focus on specialised planning and environmental law, and regional purchasing and procurement. Arrow also provides direct support to the operations of the Hunter Joint Organisation.

HUNTER COUNCILS INCORPORATED

An incorporated association under the Associations Incorporation Act 2009 that holds property assets for the Hunter Joint Organisation and Arrow Collaborative Services.

Muswellbrook Shire Council has representation on each entity's board, and shares ownership and governance of the entities with the other nine councils of the Hunter Region.

INTEGRATED PLANNING & REPORTING CYCLE

INTEGRATED PLANNING & REPORTING CYCLE

The Integrated Planning and Reporting (IP&R) framework was established in 2009 by the New South Wales Government.

This legislation requires all Councils to have the following plans developed in consultation with the community:

THE COMMUNITY STRATEGIC PLAN (10 YEAR)

The Community Strategic Plan is an overview document that identifies the community's vision and goals for the future. It covers a minimum time frame of 10 years.

Council's role is initiating, preparing and maintaining the Community Strategic Plan on behalf of the community, however Council is not wholly responsible for its implementation. Other partners, including state agencies, non-government organisations, business and industry, joint organisations and community groups may also have a part to play in enacting the strategies identified within the Plan.

THE DELIVERY PROGRAM (4 YEAR)

The Delivery Program is a four-year plan. It is the point of reference for all activities undertaken by the Council during the Councillors' term of office. The Delivery Program details the activities Council will undertake over a four-year period, which align with and support the goals and strategies identified by the community and outlined in the Community Strategic Plan. The Delivery Program also allocates responsibilities for each activity and it identifies suitable performance measures for determining the effectiveness of the activities undertaken.

RESOURCING STRATEGY

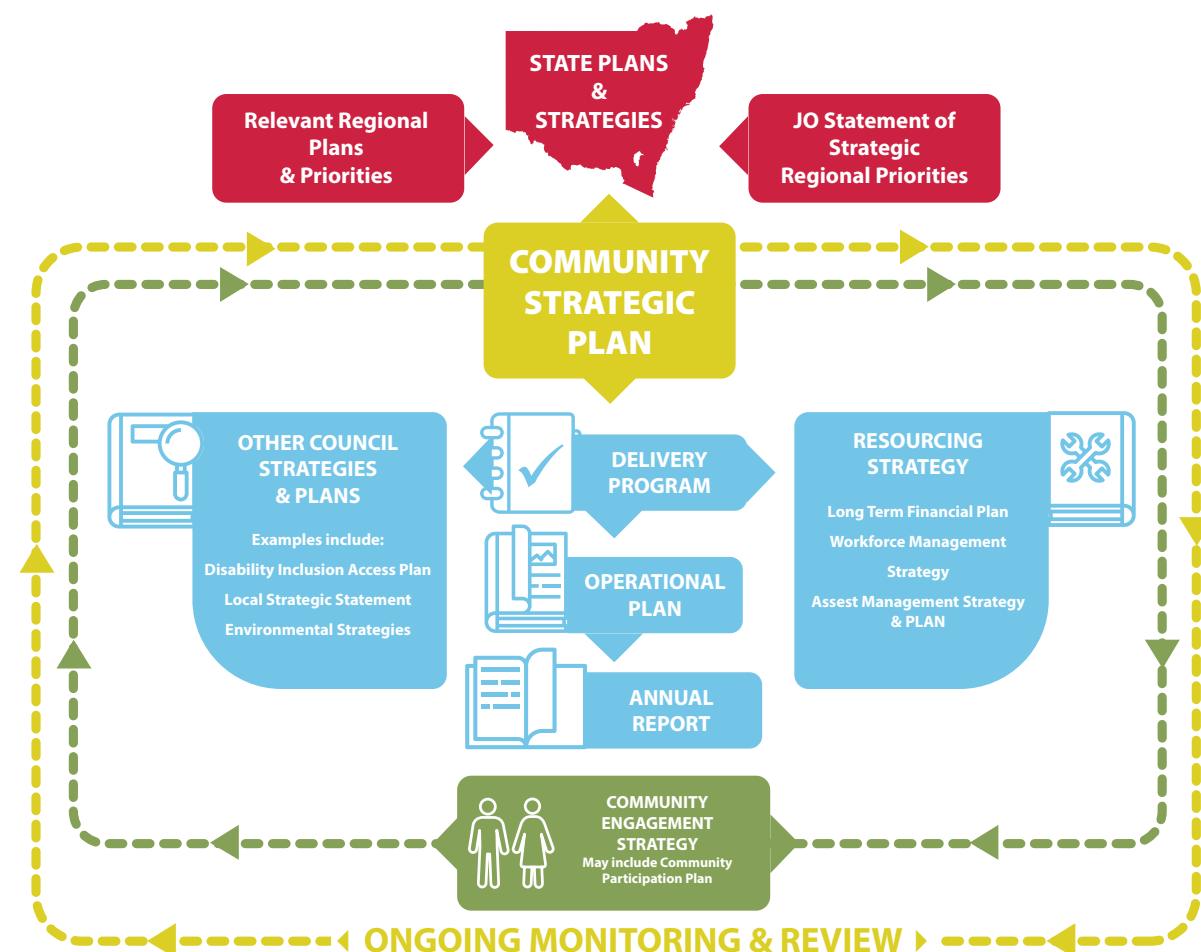
The Resourcing Strategy demonstrates how Council will resource achievement of the Community Strategic Plan and Delivery Program. Council's Long Term Financial Plan, Asset Management Plan and Workforce Management Plan have been developed to explain how Council intends to resource the activities identified in the Delivery Program and the Community Strategic Plan goals.

THE OPERATIONAL PLAN (ANNUAL)

The Operational Plan is a sub-plan of the Delivery Program. It directly addresses the activities outlined in the Delivery Program and identifies specific actions, projects and programs Council will be undertaking within the current financial year and allocates a corresponding budget commitment.

ANNUAL REPORT

The Annual Report is one of the key means by which Council reports on its progress to the community. It focuses on Council's implementation of the Delivery Program and Operational Plan because these are the plans that are wholly Council's responsibility.



2017-2027 COMMUNITY STRATEGIC PLAN

LOCAL ISSUES & GLOBAL MEGA TRENDS IN CONTEXT

The Shire's economy is closely linked to the fortunes of the energy industry and, in particular, the international thermal coal industry and the domestic power industry. Between the extraction of thermal coal, power generation and transmission, the energy industry employs more than 35% of the Shire's workforce and imports labour from neighbouring local government areas – the totality of which means that the Shire is a net importer of labour.

When the previous community strategic plan was adopted, the prevailing focus had been on managing the rapid tripling in size of the thermal coal industry over the forward decade. In addition to the rapid expansion of thermal coal extraction, a concept approval for a third thermal coal base-load power station – to be known as 'Bayswater B' had been granted which would have been a significant driver of employment growth in the Shire had it moved into construction and operation.

The Community's focus had been on air quality and dust management, visual impacts and on other community impacts – such as housing supply, childcare and health services. Council's 2013 Baseline Data Survey indicated that 50% of people requested a reduction in excessive mining noise and dust and 52% wanted improved medical services. Similar data was reflected in other community surveys which also noted a need to focus on housing supply and childcare services.

Much of Council's corporate focus had been on ensuring sufficient revenues were in place to support the growth of the State's energy industry in the Shire culminating in a Mining Affected Road Network Study and a Thomas Mitchell Drive Contributions Plan and, ultimately, a special rate variation in the mining category to bridge the projected shortfall in necessary local road funding.

Council was also focused on hospital expansions, childcare capacity building, and the facilitation of housing development.

Since that time there has been a strong and sustained reversal in the long-term projections for traded thermal coal and substantial local job losses. The closure of Drayton Coal in November 2016 and the planned closures of Muswellbrook Coal and Liddell Coal and Mangoola Coal will have a substantial impact on local employment – although partially offset by the anticipated commencement of mining at Mt Pleasant Coal. Moreover, AGL Macquarie, the owner of the Shire's two existing base load thermal coal stations,

has announced closure dates for both its local stations. The loss of the associated 600 jobs is expected to be a further substantial impact on the local economy.

Indeed, the community's focus has changed markedly to jobs, economic diversification and resilience, transition to a low carbon future, education and skills, and for Muswellbrook to develop and emerge as a Regional Centre.

This has been borne out in a process of extensive and diverse consultations undertaken by Council of its community over the last four years. Residents have been invited to participate on Community Panels, attend community forums, participate in both telephone and face-to-face surveys, and to make submissions in response to strategic documents such as the Denman Town Centre Strategy, the Muswellbrook Town Centre Strategy and the Local Environmental Plan. To inform the ongoing development and review of the 2017-2027 Community Strategic Plan, Council completed a series of community engagement Listening Posts at key locations around the Shire at which the community identified their priorities for the future of economic prosperity, social equity, environmental sustainability, cultural vitality, community infrastructure and community leadership over the next ten years and beyond.

The community has made it clear they are proud to live in Muswellbrook but are concerned about future job opportunities. They believe that Muswellbrook should be the Regional Centre for the Upper Hunter with infrastructure that is matching – such as a Regional Entertainment and Convention Centre, a children's water park and improved sport and recreation facilities. The community is rightly concerned that Council respond rapidly and effectively in its strategic response to these as well as other local issues and/or mega-trends that have been identified via Council's community engagement program or councillor feedback.

2022-2026 DELIVERY PROGRAM

MEETING THE GOALS OF OUR 2022 – 2026 DELIVERY PROGRAM

Council has made significant progress in 2021/2022 towards achievement of the goals outlined in the 2022 – 2026 Delivery Program. As required under the Local Government Act 1993 and the Integrated Planning and Reporting Guidelines, the following section of this annual report describes these achievements.

2023/2024 END OF YEAR POSITION

A snapshot of Council's performance across the strategic directions and focus areas of the Delivery Program and Operational Plan is provided below.

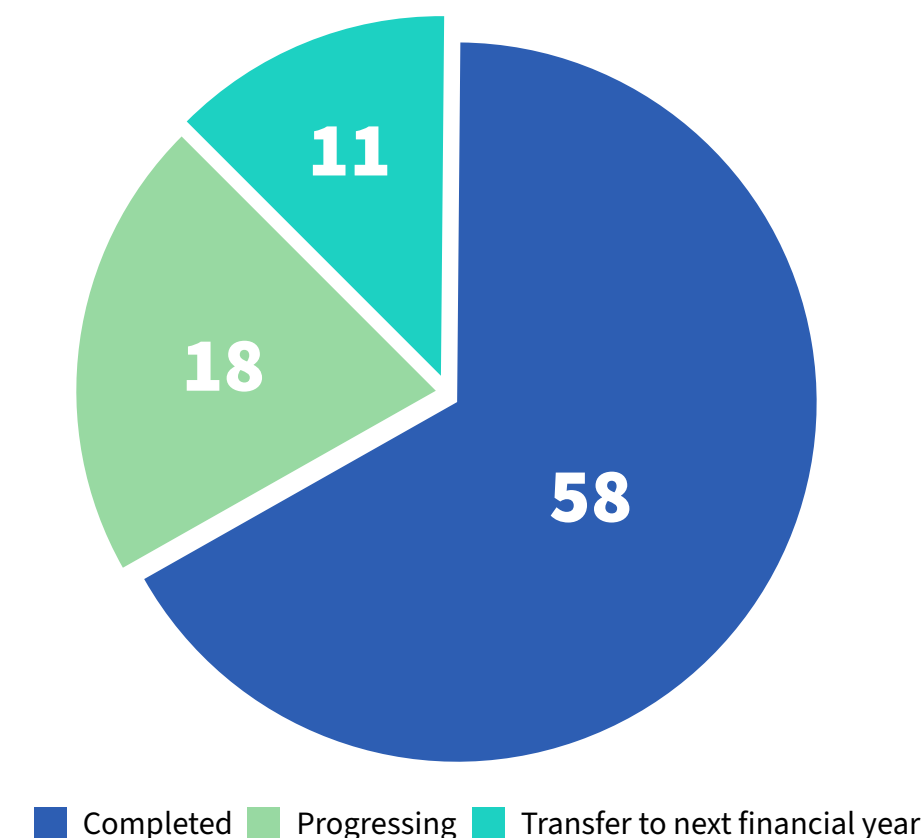
More details of key achievements, challenges and highlights in each area of the program is provided throughout the remainder of this section.

Operational Plan performance snapshot 2023/2024

Of the 87 activities committed to by the Council:

- ▶ 58 were completed
- ▶ 18 are progressing

2023/2024 OPERATIONAL PLAN PERFORMANCE SNAPSHOT



STRATEGIC DIRECTIONS

1. ECONOMIC PROSPERITY

A dynamic local economy with full employment for current and future residents in a diverse range of high value industries

CSP Strategy 1.1: Support job growth within the Shire

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
1.1.1 Facilitate the expansion of existing, and the establishment of new, industries and business	1.1.1.1 Work with Muswellbrook Coal, State Government and other parties to maximise the economic opportunities on the Muswellbrook Coal site.	100%	Meetings are occurring every two months. The main projects being discussed are the Muswellbrook solar project, the Muswellbrook pumped hydro project, as well as site rehabilitation.
	1.1.1.2 Progress the Place - Delivery Group framework, identified in the Hunter Region Plan 2041, for transition of the Liddell Power Station and Muswellbrook Coal Mine site.	100%	The Department of Planning, Housing and Infrastructure is prioritising housing sites in the lower Hunter over the AGL site for Place Delivery. AGL Macquarie and Council staff are continuing to work together to develop an overall site master plan, which will be the basis for rezoning and development applications for additional uses.
	1.1.1.3 Collaboratively progress investment, infrastructure and industry opportunities for the Region.	80%	Council continues to work with government and industry to unlock land for future economic development opportunities. The employment land strategy was endorsed by Council and provided to State Government. Council continues to advocate to the State Government around mining future land use opportunities and working with AGL on land use planning, investment attraction, and grant submissions. Council provided submissions to the Mining land reuse parliamentary enquiry, the Jobs and Investment Authority Issues paper and the Regional Development Roadmap.
	1.1.1.4 Deliver the Welcome Concierge Pilot in partnership with Regional NSW	100%	The Welcome Experience pilot program presented an excellent opportunity for Council, successfully attracting essential workers to the region and increasing local expenditure. Some workers even purchased homes, thereby strengthening their commitment to the community. Local businesses benefited from events that stimulated economic activity, and community groups gained increased visibility through opportunities made available through the program. Moreover, the initiative strengthened existing relationships with government agencies and established new connections. Council has also been successful in its tender application to run the program for an additional two years, extending the service to include both Singleton Council and Upper Hunter Shire Council.
	1.1.1.5 Prepare a Tourism Destination Management plan, including investigate opportunities to allow greater access for the Wollemi National Park	0%	The preparation of a Tourism Destination Management Plan will be progressed during 2024-25.

STRATEGIC DIRECTIONS

CSP Strategy 1.2: Diversify the economy, facilitate the development of intensive agriculture, innovative manufacturing, health services and other growth industries

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
1.2.1 Diversify the economy, facilities the development of intensive agriculture, innovative manufacturing, health services and other growth industries	1.2.1.1 Deliver programs and activities in the Hunter Innovation Precinct as an Exemplar economic diversification initiative for the region	100%	Since the official opening in July 2023, the Science, Technology, Engineering and Mathematics (STEM) Innovation Lab has had over 834 Students engage with the space and its programs. This has included 8 schools from within Muswellbrook Shire, including 425 female students, 98 ATSI students, and 70 teachers. Other key moments include the success of the annual Careers Expo, involvement with the University of Newcastle's Science and Engineering Challenge, and co-hosting events with the NSW Government's Regional Industry Education Partnerships (RIEP) Program. The MELT has held 16 discovery meetings and delivered three programs for startups, innovators, and industry, provided tours of the facility to over 1000 people, and delivered a number of programs for the State Government Clean Tech Accelerator Fund.
	1.2.1.2 Develop an Economic Development Strategy	5%	Due to resource constraints and the need to manage conflicting priorities, the development of an Economic Development Strategy will progress during 2024-25.
	1.2.1.3 Progress opportunities to grow the visitor economy	100%	It has been an exciting year of development for the tourism industry in the Shire, as a key focus of industry diversification. The key highlights have been: <ul style="list-style-type: none">reinvigorating the Upper Hunter Country Tourism Association to include Upper Hunter and Muswellbrook Shire Councils, with support from Destination Sydney Surrounds North;partnering with Upper Hunter Shire Council to deliver a regional place brand for the region;establishing the Community Grants funding program to support grass roots and community events;securing grant funding to bring back the Denman Food and Wine Festival;establishing a temporary events structure to deliver the community's expectations around events to support livability and increase visitation; andre-establishment of the Muswellbrook Visitor Information Centre These actions have set the foundations for industry growth and capacity development to improve the Shire's product offering and ability to attract funding and investment.
	1.2.2 Complete the Employment Landuse Strategy	100%	The Employment Lands Strategy was reported to the 26 March 2024 Ordinary Council Meeting for endorsement. The Strategy contains a list of prioritised actions that provide a focus for ongoing investment and grant funding opportunity. Reports will be provided to Council in relation to the delivery of the prioritised actions.
1.2.3 Review the Local Environmental Plan and Development Control Plan to improve investment certainty for industry	1.2.3.1 Prepare a new section in the Development Control Plan for Agritourism	30%	A first draft has been prepared. Work on this action has been delayed due to staff focusing on matters related to the renewable energy transition in NSW.

STRATEGIC DIRECTIONS

STRATEGIC DIRECTIONS

Community Strategic Plan 1.2: Diversify the economy, facilitate the development of intensive agriculture, innovative manufacturing, health services and other growth industries

Community Strategic Plan 1.3: Facilitate greater access to higher education

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
1.2.4 Implement the Muswellbrook and Denman Town Centre Masterplans and the Sandy Hollow Village Masterplan	1.2.4.1 Review the development strategy for the Civic Precinct part of the Muswellbrook Town Centre Strategy	100%	Town Centre precinct planning was reported to Council, and endorsed at the September 2023 Ordinary Council meeting, including related milestones, sequencing, budget, and further actions. Council endorsed the pocket park design and a development application is being prepared to construct the park and commence enabling works.
	1.2.4.2 Seek Development Approval for the Town Centre Pocket Park and demolition of redundant buildings	100%	The Development Application for the demolition of 88-108 Bridge Street buildings is approved and detailed design is progressing for the Pocket Park.
	1.2.4.3 Determine the realignment of the lower portion of Possum Gully as part of the current Catchment Management Plan	55%	Council's consultant has completed the Feasibility Design for the Possum Gully Diversion Study and next design stages are in progress towards construction. A workshop presentation and report were provided to Council to demonstrate all inputs and results of the feasibility investigation and next steps. A further report will be submitted to Council in 2024-25 regarding the design of the recommended alignment of the stormwater channel.
	1.2.4.4 Complete construction of an improved pedestrian link between Muswellbrook Marketplace, Bridge Street, and the Civic Precinct	75%	Detailed design is completed for the improved pedestrian link and a construction tender has been awarded subject to private property owners' consent.
	1.2.4.5 Progress detailed designs for Denman Recreation Area Reserve Works	100%	Detailed design for civil work for the Denman Recreation Area Reserve works, including Bell Street, netball courts, and internal roads and drainage, is complete.
1.2.5 Develop a Rural and Environmental Land Strategy	1.2.5.1 Commence preparation of a Rural and Environmental Land Strategy	30%	Staff have been diverted to work on Local Environmental Plan amendments for a range of sites, including the Liddell and Bayswater Power Station sites, where there is a high priority for additional permitted uses to enable development applications for new economic activities at the sites. In the first half of 2024-25, Council will be recruiting a Strategic Planner position, who will provide assistance to develop a Rural and Environmental Land Strategy.
1.2.6 Review the Local Strategic Plan in response to changes to the NSW Planning Act	1.2.6.1 Commence a review of the Muswellbrook Local Strategic Planning Statement following release of the Hunter Regional Plan 2041	100%	A review of the Local Strategic Planning Statement (LSPS) has been carried out. The review identified that an Employment Lands Strategy and a local housing strategy would be required to inform the next update of the LSPS. The Employment Lands Strategy has been completed. Grant funding has been received to complete a Local Housing Strategy. The Strategy is underway and will be completed by April 2025.

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
1.3.1 Advocate to maintain the Hunter TAFE campus and advocate to activate the University of Newcastle Muswellbrook campus	1.3.1.1 Engage with the State Government and tertiary institutions to increase occupancy of the Hunter Innovation Precinct	100%	In its first year of operation the Hunter Innovation Precinct continues to grow, becoming an attractive destination for the community, students, and business. The University of Newcastle is committed to the precinct, increasing its presence and planning to deliver more programs in partnership with industry and Council. Council will continue to pursue other education related tenants and to seek funding to deliver a regional Study Hub. In partnership with the Library, Visitor Information Centre, University, and local business, Council is activating the precinct to support the attraction of new tenants and people as the Muswellbrook Town Centre concept is delivered.
1.4.1 Develop Muswellbrook as a regional centre	1.4.1.1 Deliver consolidated Olympic Park construction program	40%	A consolidated Olympic Park construction programme was reported to Council in May 2024 as part of Council's successful Australian Government Priority Community Infrastructure Program (PCIP) grant application.
	1.4.1.2 Facilitate Olympic Park Development Advisory Committee meetings	100%	Olympic Park Detailed Design is being awarded and the committee will meet as required through the process.

CSP Strategy 1.4: Develop Muswellbrook as a regional centre

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
1.4.2 Advocate for increased medical services in the Shire	1.4.2.1 Advocate for the State Government to provide a level of health care service to the community in line with a regional Hospital specifically focused on Obstetric and Maternity	85%	The pilot phase of The Welcome Experience concluded 30 June 2024. The pilot program managed 361 cases, with 39 people having been here for more than 3 months. Muswellbrook Shire was the only location to settle employees from all five of the targeted State departments. Two couples from the pilot program purchased houses in Muswellbrook and 12 new paramedics joined the Muswellbrook Ambulance Station, enabling, for the first time in several years, a fully staffed station where all staff members live locally. Council has continued to advocate to the State Government on funding for the hospital expansion.

STRATEGIC DIRECTIONS

2. SOCIAL EQUITY & INCLUSION

An inclusive and interconnected community, where everyone enjoys full participation.

Community Strategic Plan 2.1: Improve the affordability, liveability and amenity of Shire communities

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
2.1.1 Implement the funded outcomes of the Recreation Needs Study	2.1.1.1 Report a list of prioritised capital sport and recreation projects	100%	At the 23 July 2024 Ordinary Council Meeting, a list of prioritised capital sport and recreation projects was reported, and Council endorsed the 2023-24 Recreation Needs and Management Study.
	2.1.1.2 Report a list of prioritised capital building and community projects.	100%	The 2023-24 General Building Renewal Programme was reported to the 19 December 2023 Ordinary Council meeting. Council endorsed a list of prioritised minor capital projects to be completed. These works have been carried out during 2023-24.
2.1.2 Promote and facilitate increased participation in active and passive recreation activities	2.1.2.1 Maintain an annual calendar of meetings with user groups	100%	Biannual user group meetings were held in 2023-24, including the triannual Sport and Recreation Committee meetings.
	2.1.2.2 Continue matched funding Sport and Recreation Grants Programmes	100%	The Sport and Recreation small and large capital grants were reported to the November 2023 Ordinary Council meeting.
	2.1.2.3 Provide a range of aquatic and fitness programs at Council's Aquatic Centres	100%	Over the course of 2024-25, Council has progressively improved and extended its offerings and activities, including: The Learn to Swim (LTS) Program is now being delivered to 350 participants with invites being sent to 400 students over 6 days per week. A Holiday Intensive LTS Program was successfully conducted during the April 2024 School Holiday period, with 50 students participating. Aqua Aerobics classes are being delivered twice a week, with an attendance of over 50 participants per week. Council offers boxing classes over two days of the week, attracting close to 25 participants.
2.1.3 Consider and deliver social inclusion principles across Council functions	2.1.3.1 Establish partnerships with other organisations and implement the actions of the Muswellbrook Shire Council Disability Inclusion Action Plan	100%	In 2023-24, The Disability Inclusion Action Plan was adopted by Council and has been made available on Council's website. The Action Plan is being progressed by Council's Community Services team.
2.1.4 Advocate for affordable housing	2.1.4.1 Council understands and advocates for the needs of low to moderate income households	100%	Council has commenced planning and development of a Muswellbrook Shire Council Housing Strategy. The Muswellbrook, Upper Hunter and Singleton Local Government Working Group, in partnership with Upper Hunter Homeless Services, delivered the Homeless in the Upper Hunter Forum in February 2024. The Working Group has met several times post the forum to develop achievable strategies to raise awareness of homelessness and the impact in our local communities.

Community Strategic Plan 2.2: Promote social cohesion and improve connectivity and the delivery of social services within the Shire

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
2.2.1 Advocate for the needs of people in social housing	2.2.1.1 Council meets with local social housing provider(s) and other agencies to understand and improve the wellbeing outcomes for people residing in social housing	100%	Council facilitates the Upper Hunter Community Services Interagency in partnership with Upper Hunter Shire Council. Housing providers and support services are also a part of this network. Improving the wellbeing outcomes for people residing in supported housing is a focus of this forum. Council participation in the Homelessness in the Upper Hunter Forum focused on homelessness in our local community. This forum included strategic partners such as Home & Place, NSW Police, Department of Communities & Justice, and local housing providers.
	2.2.1.2 Conduct a community feedback survey focused on the development of inclusive library programs	100%	Survey finalised and scheduled for release following submission to Council.

STRATEGIC DIRECTIONS

Community Strategic Plan 2.3: Retain and expand quality and affordable childcare services

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
2.3.1 Facilitate investment in childcare services across the Shire	2.3.1.1 Project Manage the construction of the Denman Children's Centre Extension on behalf of the Denman Children's Centre	50%	Council continues to project manage the detailed design and construction of the Denman Children Centre. The construction contract is pending approval by Council.
	2.3.1.2 Assist in the development of a business plan for the future operation of the Muswellbrook Childcare Centre to expand and improve services to the community	100%	Funding has been secured through 2023-24 Voluntary Planning Agreement funding to assist the Muswellbrook Childcare Centre to develop a business plan.

Community Strategic Plan 2.4: Facilitate opportunities to expand seniors living

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
2.4.1 Advocate to enhance the delivery of services to support older people to live in the Muswellbrook Shire	2.4.1.1 Deliver a range of programs and activities to support older people living in the community	100%	The Muswellbrook Seniors Festival Brochure was extensively distributed throughout the community and made available online.

Community Strategic Plan 2.5: Enhance relationships and engagement with the local indigenous communities

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
2.5.1 Raise awareness of the local Aboriginal Community and an appreciation of their long traditions and culture	2.5.1.1 Prepare a reconciliation action plan for the consideration of Council	50%	The Aboriginal Cultural Inclusion Committee formed during 2023-24. The Committee met four times. The Reconciliation Action Plan remains as an outstanding project, and the Committee reviewed its Terms of Reference, planned for Council's annual National Reconciliation Week Aboriginal Flag Raising Ceremony, and celebrated the 20-year anniversary of the Reconciliation Mural. The Committee has provided cultural input into Council's systems and processes, including the Muswellbrook Regional Arts Centre First Nations Artists, labelling and didactics, Library NAIDOC Week Display expression of interest process, and Principles of Effective Engagement with Indigenous Communities, which will provide long term benefits to Council when engaging with local Aboriginal and Torres Strait Islander Peoples.

Community Strategic Plan 2.6: Investigate opportunities to expand services and facilities for youth and children within the Shire

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
2.6.1 Engage with young people in the Shire to better inform projects and programs for youth and children	2.6.1.1 Implement the adopted Youth Engagement Program	90%	The Youth Engagement Strategy will be completed before the commencement of community engagement associated with the review of the Muswellbrook Shire Community Strategic Plan
	2.6.1.2 Construct the new Muswellbrook Youth Venue	50%	The project has progressed with the calling of construction tenders, with the outcome expected to be reported to the November 2024 Ordinary Council Meeting.
	2.6.1.3 Develop a cross Council Child Safe Action Plan in response to Child Safe Standards	100%	The Child Safe Action Plan was adopted this reporting period and the Action Plan is being implemented by an Internal Working group.

STRATEGIC DIRECTIONS

STRATEGIC DIRECTIONS

3. ENVIRONMENTAL SUSTAINABILITY

An environmentally sensitive and sustainable community.

Community Strategic Plan 3.1: Advocate for best practice mined-land rehabilitation to include local workforce participation, progressive, quality final landforms, and fewer and shallower voids

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
3.1.1 Meet with other levels of government to achieve improved rehabilitation outcomes for disused mining lands and ongoing employment for the local workforce	3.1.1.1 Actively engage with Mine Operators and the Natural Resource Regulator to ensure best practice mined land rehabilitation occurs	100%	The Resources Regulator has requested bi-annual meetings due to a preference to have staff working in the field to complete Targeted Assessment Program (TAP) inspections. The most recent meeting was held in April 2024, The next meeting will be conducted in October 2024.

Community Strategic Plan: Improve native vegetation connectivity across the upper hunter region

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
3.2.1 Support Landcare initiatives and advocate for programs to enhance native vegetation connectivity across the Shire and Upper Hunter region	3.2.1.1 Provide funds for local Landcare activities	100%	Successful grant applications were reported to the 24 October 2023 Ordinary Council Meeting. All projects were completed prior to 30 June 2024.
	3.2.1.2 Provide funds to education providers or groups for the purpose of education or training local people about Landcare activities	100%	Successful grant applications were reported to the 24 October 2023 Ordinary Council Meeting and projects were completed prior to 30 June 2024.

Community Strategic Plan 3.3: Enhance our local rivers and creeks to improve environmental outcomes and access for recreation

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
3.3.1 Implement funded actions of the adopted Urban Riparian Masterplan	3.3.1.1 Maintain rehabilitation works along Muscle Creek, Karoola and Denman Wetlands, and recommendations from any adopted Catchment Management Plan	100%	Capacity for the maintenance of rehabilitated areas continues to build with the establishment of a dedicated operational team, including a specialised Technical Officer and Works Operators. The annual program for the maintenance of natural areas was completed for 2023-24.
3.3.2 Develop a Catchment Management Plan for Muscle Creek and Possum Gully	3.3.2.1 Provide guidance and documented plan for the stabilisation, restoration and management of Possum Gully and Muscle Creek	100%	A final draft of the Catchment Management Plan for Muscle Creek and Possum Gully was presented to Council and endorsed for placement on public exhibition.

Community Strategic Plan 3.4: Support initiatives which reduce the community's impact on the environment

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
3.4.1 Continue Community Engagement Program on water, waste and energy efficiency	3.4.1.1 Assist Council, households and businesses to manage waste effectively and use water and energy efficiently	100%	Information on activities aimed at assisting the community to manage waste effectively and to use water and energy efficiently are reported monthly to Council.
3.4.3 Advocate and support Circular Economy principles and Waste Management Initiatives	3.4.3.1 Implement standardised assessment mechanisms for sustainability in Council's formalised Request For Quote (RFQ) and Tendering Process	100%	Council has conducted continual improvement of its procurement processes during 2023-24, including the inclusion of appropriate sustainability criteria in Tenders and Requests for Quotations, as well as improved information on appropriate assessment methodologies.
	3.4.3.2 Council formalises the processes for the Food Organics and Garden Organics (FOGO) Tender and Request For Quote (RFQ)	100%	Formal tender undertaken and contract in place for Food Organics Garden Organics (FOGO) Processing services commencing from 1 July 2024.

Community Strategic Plan 3.5: Support federal and state initiatives to reduce the impacts of climate change

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
3.5.2 Develop a recycled water plan for community parks	3.5.2.1 Implement the funded components of the Strategic Recycled Water Plan	50%	A draft Recycled Water Management Plan (RWMP) for the Recycled Water Treatment Works is underway, in consultation with the NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW). The RWMP will require Section 60 approval from NSW DCCEEW in consultation with NSW Health and the NSW Environment Protection Authority (EPA).



STRATEGIC DIRECTIONS

4. CULTURAL VITALITY

A culturally rich and diverse Community with strong identities, history and sense of belonging

Community Strategic Plan 4.1: Conserve the heritage and history of the Shire

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
4.1.1 Support the conservation and restoration of the Shire's heritage items	4.1.1.1 Make Local Heritage Grants available for owners of heritage listed properties	100%	Successful grant applications were reported to the 28 November Ordinary Council Meeting. All projects were completed prior to 30 April 2024.
	4.1.1.2 Return tenants to Loxton House following refurbishments works	35%	A new approval application for the Loxton House basement has been lodged with the Heritage Council. An integrated development application is also required, which includes a further set of architect design drawings that is subject to revision following a value engineering process.
4.1.2 Ensure sites or artifacts of aboriginal significance are protected where new development proposals are considered	4.2.1.1 Progress resubmission of the Regional Entertainment Centre Development Application	30%	A revised design of the Regional Entertainment Centre (Stage 1 - Theatre) at the new town centre location was presented to the Development Advisory Committee during 2023-24 and costed for a preliminary budget review. The recommendation included engaging a Principal Quantity Surveyor to inform the process of value engineering options to be incorporated into the design to attain efficiencies in functionality whilst meeting the allocated budget.

Community Strategic Plan 4.2: Facilitate options to improve participation in cultural activities in the Shire

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
4.2.1 Progress a Regional Entertainment and Conference Centre	4.2.1.2 Facilitate Regional Entertainment Centre Development Advisory Committee meetings	100%	The Regional Entertainment Centre Development Advisory Committee meetings have been facilitated monthly or as required to progress the development of the project during the 2023-24 year.

Community Strategic Plan 4.3: Host and support a diverse range of cultural activities and events which create a sense of identity and belonging, engage the local community and attract visitors

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
4.3.1 Develop and implement a program of Shire events to engage locals and attract visitors	4.3.1.1 Council works in partnership to deliver events which support the community and attract visitors to the Shire	100%	During 2023-24, Council has delivered a number of events for the community, including: <ul style="list-style-type: none">10th Anniversary of the Blue Heeler Film Festival, in partnership with the University of Newcastle; andNew Years Eve Pool Party at Muswellbrook Aquatic Centre, as well as sponsoring the Cattle Dog Muster and Christmas Spectacular.
4.3.2 Deliver an arts program	4.3.2.1 Develop a 12-month Art Program	100%	The Muswellbrook Regional Arts Centre (MRAC) delivered 18 exhibitions. The Muswellbrook Art Prize and Mullins Conceptual Photography Prize attracted significant national interest, with 855 and 375 submissions received. MRAC delivered programs, including Artist in Residence, workshops, children's activities, small group tours, and all ages events. Exhibitions: <i>Muswellbrook Collections</i> – Message Stick: Works by First Nations Artists; A Field Guide to abstraction in the Muswellbrook Collections; Women's Work: from the Muswellbrook Collections; Art Tracks VII: Not at the Dinner Table; Power Play: from the Collections. Prizes – Mullins Conceptual Photography Prize, Viola Bromley Art Prize, Muswellbrook Art Prize. Community – Goodstart Early Learning, Muswellbrook; Blue Heeler Film Festival; Muswellbrook Camera Club; Upper Hunter Youth Services; Warrior Disability Services; Muswellbrook Preschool. Exhibiting Artists + Projects – Hanna Kay; Henry Lewis; Michelle Earl; LiddellWORKS.
4.3.3 Support Arts Upper Hunter as the peak organisation of Artist endeavour	4.3.3.1 Work with Arts Upper Hunter to increase participate in the Country Arts Support Program	100%	Arts Upper Hunter administered the 2023 Country Arts Support Program funding scheme. Local groups were informed of the funding scheme, and one group in the Muswellbrook Local Government Area secured funds and delivered a Musica Viva event to over 500 students. The Arts Upper Hunter Funding Deed has been executed.

5. COMMUNITY INFRASTRUCTURE

Effective and efficient infrastructure that is appropriate to the needs of our community.

Community Strategic Plan 5.1: Construct and maintain well-planned community infrastructure that is safe, reliable, and provides agreed levels of service

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
5.1.2 Maintain and continually improve asset management	5.1.2.1 Review Strategic Asset Management Plan	10%	Further action towards this item will be commenced following other key asset tasks progression, including condition assessments and valuations required for the conduct of the 2023-24 Audit.
	5.1.2.2 Regularly review Asset Management Plans in collaboration with Key Asset Managers	60%	During 2023-24, draft Road Asset Management and Sewer and Water Asset Management Plans have been completed. NSW Public Works Advisory was engaged to assist Council with a review of Council's asset management maturity.
	5.1.2.3 Prepare a Roads Asset Management Plan for the consideration of Council	75%	A draft Road Asset Management Plan has been completed, and is currently under review, with the assistance of Public Works Advisory.
5.1.3 Facilitate investment in high quality community infrastructure necessary to a Regional Centre	5.1.3.1 Progress the extension to the Muswellbrook Regional Art Centre including solutions identified for an environmentally controlled and secured storage for the collections	35%	Development Application and Coordination meetings progressing and planning phase is underway with some funding secured.
5.1.4 Maintain and continually improve community infrastructure across the Shire	5.1.4.1 Prioritise Capital works programmes prioritised to demonstrate continual improvement in community infrastructure	100%	The prioritised 2023-24 Capital work programme endorsed by Council were reported monthly to Council and have now been completed.
	5.1.4.2 Conduct regular asset condition assessment inspections	100%	The 2023-24 road condition assessment program has been completed, including inspections of all road and footpath assets. Bridge condition assessment and stormwater condition assessment are in progress.

Community Strategic Plan 5.2: Improve all abilities access to Council facilities

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
5.2.1 Facilitate and implement improved all abilities access and inclusion across the Shire	5.2.1.1 Undertake an access audit of Council owned buildings and public spaces	50%	Access Audit to be undertaken early 2024-25 to inform the 2024-25 and future capital works programs.

CSP Strategy 5.3: Provide safe, secure and reliable water supply and sewer services

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
5.3.1 Water and wastewater services are provided in compliance with regulatory requirements	5.3.1.1 Ensure legislative compliance with Health Guidelines and Environment Protection Authority (EPA) Licence requirements	100%	Annual Licence Returns for Environment Protection Licences 1593 (Muswellbrook) and 5059 (Denman) have been completed and submitted to the NSW Environment Protection Authority within the required timeframes..
	5.3.1.2 Ensure performance monitoring of water supply and sewage services aligns with the new NSW Dept of Planning and Environment (DPE) Regulatory and Assurance Framework for Local Water Utilities	100%	Quarterly update reports have been submitted to Council during 2023-24. The LWU Benchmarking Report for 2023-24 is due on 4 October 2024.

CSP Strategy 5.4: Ensure road, footpath and cycleway networks are integrated and allow for the safe movement of residents and visitors

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
5.4.1 Maintain and continually improve the Shire's shared pathway networks to increase connectivity	5.4.1.1 Implement priority funded portions of the Walk and Cycle Plan and Supplementary Active Transport Plan	100%	The 2023-24 Capital Program priority funded portions of new paths in Maitland Street, Muswellbrook, and Turtle Street, Denman (Paxton to Denman Creek) were constructed in 2023-24.



STRATEGIC DIRECTIONS

6. COMMUNITY LEADERSHIP

Collaborative and responsive leadership that meets the expectations and anticipates the needs of the community

Community Strategic Plan 6.1: Enable genuine and well-informed community participation in decision making

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
6.1.1 Engage with the community and other stakeholders to determine service level expectations and appropriate measures	6.1.1.1 Facilitate an annual Community Satisfaction Survey	100%	Micromex Research and Consulting was the successful vendor in conducting the 2024 Muswellbrook Shire Community Satisfaction Survey. The survey was conducted from 22 July 2024 to 7 August 2024, involving interviews with 220 residents. The 2023 survey replicated a baseline study conducted in 2021 and 2023 to ensure comparability over time.
	6.1.1.2 Implement a community engagement plan in alignment with Council's Service Review Program to establish agreed levels of service between Council and the community	50%	Work has commenced on this project, and will continue in the first and second quarter of 2024-25.
6.1.2 Utilise best practice models of community engagement to ensure decision making is meeting the expectations of the community	6.1.2.1 Monitor and report on the implementation of the adopted Muswellbrook Shire Council Community Engagement Strategy 2022	100%	Throughout 2023-24, community engagement activities were regularly reported to Council and the Grants Review Committee.
	Throughout 2023-24, community engagement activities were regularly reported to Council and the Grants Review Committee.	100%	In late Quarter 3 of 2023-24, workflows for Works, specifically Works Civil and Parks and Reserves, were reviewed, leading to a significant improvement in Quarter 4. During this period, 66% of Customer Requests (CRMs) were completed within the target timeframe, with 34% overdue, compared to Quarter 3's averages of 19% completed on time and 81% overdue. The cross function collaboration that enabled this improvement will continue and will be expanded during 2024-25.
6.1.3 Enhance Council's communication with the community to build awareness and understanding of Council's activities and Community needs	6.1.3.1 Implement Council's Digital Media Strategy	100%	Muswellbrook Shire Council's digital media platforms have expanded to include Instagram and Linked In. Community engagement has increased in line with this expansion. Council's Digital Media Strategy has been incorporated into Council's adopted Communications and Media Policy.
	6.1.3.2 Report Council's progress in implementing the Delivery Program and Operational Plan to the community and other stakeholders	100%	During 2023-24, all Integrated Planning & Reporting Reports have been completed on time and within the guidelines set by the Office of Local Government. Council and the Audit, Risk and Improvement Committee receive quarterly progress reports on the status of implementing the Delivery Program and Operational Plan. The 2023-24 Annual Report to the Community was submitted to the 28 November 2023 Ordinary Council Meeting and later adopted in 2024 after returning from the Auditor's office. The 2024/2025 Operational Plan was adopted at the 23 June 2024 Ordinary Council Meeting.
	6.1.3.3 Update Council's Community Participation Plan	75%	The current plan has been reviewed to identify the changes that will be required to reflect current legislation. Staff have had to delay work on this project to focus on resolving matters related to the renewable energy transition in NSW. The Community Participation Plan will be reviewed and reported to Council in 2024-25.
	6.1.3.4 Develop and deliver supplier training for small and medium-sized enterprises (SMEs) and Local Suppliers on how to engage with Council	30%	The project is progressing. The facilitation of supplier workshops was deferred to ensure Council addresses current process issues first in order to provide the best experience to suppliers engaged proactively. In the interim, as a test scenario, an extensive workshop was held in 2023-24 for the Trade Services panel contract to increase local participation.

STRATEGIC DIRECTIONS

Community Strategic Plan 6.2: Ensure Council is well managed, appropriately resourced, effective, efficient, accountable and responsive to its communities and stakeholders

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
6.2.1 Maintain a strong focus on financial discipline to enable Council to properly respond to the needs of the communities it serves	6.2.1.1 Provide transparent reporting to the community about Council's finances	100%	Muswellbrook Shire Council financial reporting processes are being enhanced to provide greater transparency, increase efficiency and accountability, and facilitate optimal strategic and operational decision making. Throughout 2023-24, monthly financial management reports have been reported to Council and the community. The reports will continually be refined to ensure the relevant information is provided in an accessible format.
	6.2.1.2 Seek funding opportunities to support the interests and aspirations of the Shire identified by the Community Strategic Plan and Delivery Program	100%	Council has successfully secured several grants during 2023-24, funding projects that align with the goals of the Community Strategic Plan and Delivery Program. These funds have supported initiatives that address the Shire's key interests and priorities. Throughout 2023-24, regular Grant Review Committee meetings have been conducted with Councillors.
6.2.2 Develop and implement a Service Review Program	6.2.2.1 A service review to be conducted on Public toilets in accordance with the Service Review Plan	50%	The service review of Public Toilets will be transferred to the 2024-25 financial year. The review has not progressed due the appointment of a new Audit, Risk and Improvement Committee. The Committee will consider the priorities and set the Audit Plan for the consideration and approval of Council.
6.2.3 Implement an Internal Audit Program in consultation with the Audit Risk and Improvement Committee	6.2.3.1 Internal Audits to be conducted in accordance with the adopted annual internal audit plan	100%	There were five audits scheduled and successfully undertaken for 2023/2024: 1. Fraud and Corruption Health Check Audit; 2. Aquatic and Fitness Centre Audit; 3. Grant Management Audit; 4. Information and Communication Technology and Cyber Security Audit; and 5. Water and Sewer Audit. This aligned with the number of audits required in the Internal Audit Plan endorsed by the Audit, Risk and Improvement Committee.
	6.2.3.2 Prioritise the review of Open Management letter and Internal audit actions	100%	During 2023-24, Council effectively implemented 28 out of the 70 actions outlined in various audit reports, which include those from Internal Audit, Service Delivery Review, and External Audit. Additionally, two internal audits related to grant management and information technology were conducted.
6.2.4 Regulatory activities undertaken to maintain public safety and companion animal wellbeing	6.2.4.1 Swimming Pool Safety Fence inspections	100%	During 2023-24, Council employed 1 Full Time staff member to undertake pool inspections. 60 certificates were issued and compliance was 25.27%. 104 compliance inspections were carried out to achieve this. In 2024-25, it is anticipated that the recruitment of a trainee building surveyor will assist in improving these numbers.
	6.2.4.2 Food shops are inspected on an annual basis	100%	For most of 2023-24, Council employed 1 full time staff member working in environmental health. A contractor was required to allow all food shops to be inspected. Council's annual reporting requirement to the NSW Food Authority has been successfully fulfilled. The recruitment of an Assistant Environmental Health Officer is intended to facilitate Council to complete this function without requiring a contractor in 2024-25.

STRATEGIC DIRECTIONS

Community Strategic Plan6.2: Ensure Council is well managed, appropriately resourced, effective, efficient, accountable and responsive to its communities and stakeholders

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
6.2.5 Implement a comprehensive and targeted business improvement program	6.2.5.1 Monitor and review Council's Procurement and Tendering System, associated policies and procedures	10%	The annual procurement audit was delayed due to the number of large scale procurement requirements throughout 2023-24. The audit will be completed in the first quarter of 2024-25.
	6.2.5.2 Develop and review policies in accordance with statutory and operational requirements	100%	During 2023-24, 24 policies were reviewed and adopted by Council or Manex. 6 policies were rescinded by Council due to being outdated, no longer applicable or covered by another policy. Progress on the implementation of Council's Policy Framework was reported to Council's Audit, Risk & Improvement Committee (ARIC) on 14 September 2023 and 27 June 2024. Policies will continue to be developed and reviewed in accordance with statutory and operational requirements.
	6.2.5.3 Increase effectiveness of Council's ICT systems	80%	Extensive effort and resources have been committed to improving Council's Information and Communication Technology (ICT) environment and risks. An external consultant has undertaken an audit of Council's network infrastructure, cyber security, policies and procedures, software, and assets. A new ICT Manager has been appointed. This will significantly assist to improve efficiencies and productivity. Priorities for this role include enhancing ICT policies, processes and procedures, improving ICT asset management, and responding to other risk areas identified in the recently completed audit.
	6.2.5.4 Develop, implement and monitor a calendar of compliance to support Council's statutory reporting obligations	100%	A Compliance Calendar was established which incorporated key dates. The Calendar is continually monitored and updated accordingly.
	6.2.5.5 Provide governance support services for the elected Council and executive	100%	Governance support was provided for the Elected Council and executive over the year, with training being organised for Councillors on the Code of Meeting Practice, as well as Councillor attendance at the NSW Local Government Conference, the Australian Local Government Women's Association Conference, the Waste Management Conference, and the National General Assembly.
	6.2.5.6 Facilitate Council's participation in the Local Government Professionals/ Price Waterhouse Coopers Performance Excellence Program	0%	The Local Government Professionals/Price Waterhouse Coopers Performance Excellence Programme is no longer in existence.



STRATEGIC DIRECTIONS

Community Strategic Plan 6.3: Ensure Council is a best practice employer providing a safe, happy, suitably resourced and productive workplace

Delivery Program Activity	2023/2024 Operational Plan Action	Completion Status	Annual Comment
6.3.1 Continue to prioritise safety and risk management initiatives and upgrades to Council facilities	6.3.1.1 New Works Depot – tender for works called	75%	The Principal Design Consultant has prepared the detailed concept design and is proceeding to submit the Development Application for the new Works Depot.
	6.3.1.2 FOGO facility concept design to council	10%	With the tender processes for FOGO processing completed in 2023-24, the resolution of a Waste Processing Facility is to be further progressed in 2024-25.
6.3.2 Continue to prioritise employee welfare initiatives	6.3.2.1 Council's Wellbeing Program and antibullying training program delivered	100%	Council has completed the 2023-24 Staff satisfaction survey. The results will be submitted to Council in the first quarter of 2024-25.

SPIRIT VALUES

Council staff members work by Council's Code of Conduct and Organisational Values, which provide a framework for how staff should treat each other, our customers and other stakeholders at work. We use the word **SPIRIT** to identify the six values that we consider to be meaningful and important. **The six values are Safety, Pride, Integrity, Respect, Innovation and Teamwork.**



Safety

ABOVE THE LINE

- We look after each other
- We advocate and apply safe work practices
- We are positive with one another
- We ask for help when we need it

BELOW THE LINE

- Using unsafe work practices
- Taking shortcuts
- Not being supportive
- Not looking after ourselves and each other



Pride

ABOVE THE LINE

- We lead the way
- We communicate our goals
- We encourage the heart
- We stay the course

BELOW THE LINE

- Lack of clarity on direction
- Poor planning and resourcing
- Poor leadership



Integrity

ABOVE THE LINE

- We are accountable and take responsibility
- We do what we say
- We are transparent in our decision making processes
- We are honest with each other

BELOW THE LINE

- Making decisions for personal gain
- Blaming others or hiding mistakes
- Avoiding responsibility



Respect

ABOVE THE LINE

- We embrace diversity
- We listen to the opinions of others
- We listen and communicate with each other honestly
- We show our appreciation

BELOW THE LINE

- Favouring, bullying or discriminating
- Not being on time for meetings
- Yelling or foul language



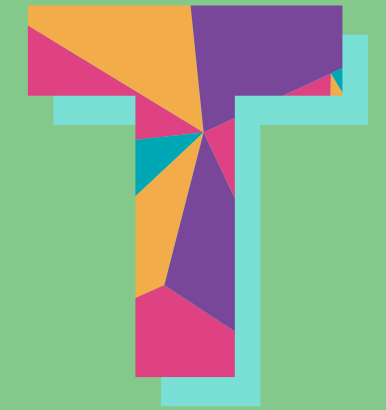
Innovation

ABOVE THE LINE

- We value new ideas and ways of thinking
- We work smarter
- We learn from our mistakes
- We seek improvement

BELOW THE LINE

- Stifling new ideas
- Being close minded
- Being negative or dismissive



Teamwork

ABOVE THE LINE

- We work together to achieve outcomes
- We celebrate our achievements
- We embrace diversity
- We collaborate

BELOW THE LINE

- Excluding others or their contribution
- Working in isolation of teammates
- Undermining each other



MODERN SLAVERY STATEMENT

INTRODUCTION

This Modern Slavery Statement is provided by Muswellbrook Shire Council in accordance with Section 428 (4) of the NSW Local Government Act 1993.

This statement outlines Muswellbrook Shire Council’s commitment to combating modern slavery and the measures implemented during this reporting period to reduce the risk of Council’s procurement activities resulting in or contributing to human rights violations.

The Anti-Slavery Commissioner did not raise any issues in relation to Council’s operations in Financial Year 2023/2024.

ORGANISATIONAL STRUCTURE AND SUPPLY CHAIN

Muswellbrook Shire Council’s procurement structure is centre-led, with an organisational change creating two additional positions within the procurement team.

This change will allow Council to place greater emphasis on its procurement and contract management activities, ensuring efficient expenditure of public funds whilst ensuring compliance and transparency is maintained. Procurement below the tendering threshold is largely undertaken by Council Staff throughout the organisation, through utilisation of an electronic Go-to-Market platform. The procurement function maintains the policy and procedure framework, delivers staff training and facilitates all tendering activity undertaken by Council.

Council’s procurement spend was approximately \$42 million across capital and operating expenditure with construction related spend accounting for approximately 37% of total spend. Other categories of significant spend include Facilities Management, Electricity Supply, Waste Collection Services, Professional Services (Consulting) and IT (Hardware and Software).

The spend can be categorised in accordance with GRS Due Diligence Level as follows:

GRS Due Diligence Level	Identified procurement spend	Categories procured
Heightened	Approximately \$2.3 million	Cleaning; Cleaning Supplies; End User Devices; Food Catering and Consumables; Heavy Vehicle Types; Security Services; Uniform and Workwear
Standard	Approximately \$1.1 million	Chemicals & Reagents; Couriers; Tier 2 (Construction)
Light	Approximately \$9 million	Roadworks; Tier 1 (Construction)
Minimal	Approximately \$27.3 million	Accommodation; Advertising Agency; Audit, Quality Assurance, Probity and Risk; Building and Grounds; Charity Organizations; Community Grants; Council Waste Services; Design Management; Electric Utilities; External Building Materials; Fire Service and Maintenance; Fuels and Lubes; Heating, Ventilation, Air Conditioning, HVAC; Implementation services (IT); Industrial Equipment & Construction Equipment Hire; Inspections and Other Remedial; Landscaping and Arborists; Legal Support Services; Liability Insurances; Office Equipment General & Accessories; On premise - Software licensing; Operational Telco and Radio; Real Estate Management Services; Records Management; Signage; Support Services; Sustainability; Taxes; Traffic Management; Training Expenses; Vehicle Repairs and Maintenance

MODERN SLAVERY STATEMENT

POLICY

Muswellbrook Shire Council addresses its Modern Slavery obligations and Council’s commitment to preventing and addressing modern slavery in all its procurement activities in the Procurement Policy. A copy of this policy is included in Appendix A. A revision of the Procurement Policy and associated procedures to improve contract management at Council and expand on Modern Slavery mitigation measures is planned for FY 24-25.

OUTCOMES

Implementation of the above policy has resulted in the following actions undertaken and future initiatives planned in relation to Council’s procurement processes.

Activity	Description	Status	Actions Taken	Future Initiatives
Staff Awareness and Training	Staff awareness of modern slavery and Council’s policy and expectations	Actioned	An overview of Modern Slavery and Council’s obligations was delivered in an all-staff Forum on the 19th of January 2024, this information session was recorded and is available to staff on demand from the Procurement intranet page.	Inclusion of a Modern Slavery awareness module for new staff in Council’s onboarding process.
	Staff training	Partially actioned	Implementation training for the new procurement policy and procedures delivered throughout quarters 3 and 4 of FY 23-24 included information on actions required from any staff carrying out procurement processes for the purposes of Modern Slavery mitigation.	Implementation of annual procurement refresher training for any staff carrying out procurement activities, including a Modern Slavery awareness module.
Supplier engagement	Awareness of Council’s policy and expectations	Partially actioned	Revision of the ‘Doing Business with Council’ website completed including information on Council’s procurement objectives including Modern Slavery mitigation. Modern Slavery schedules included in tenders and high value RFQ’s.	Further revision of Council’s website to include links to resources for suppliers to better understand what modern slavery is and how to prevent it in their own supply chain. Establishment of a supplier code of conduct.
	Supplier training	Partially actioned	All pre-tender meetings now include an overview of what Modern Slavery is, what Council’s obligations are and what is expected of Council’s suppliers. For heightened due diligence procurements this includes an information on particular risk areas of the proposed procurement.	Workshops with suppliers on how to engage with Council have been postponed to FY 24-25, precedent work to provide written guidance in form of a supplier code of conduct in progress.
	Supplier self-assessment questionnaire (SAQ)	Partially actioned	A supplier self-assessment questionnaire has been included in all tender processes, to ensure capability assessment prior to engagement. A questionnaire has been included in the Creditor Details form, required for creditor set-up in the finance system, irrespective of engagement value.	Distribution of a survey to all current suppliers planned in conjunction with implementation of new Contract and Contractor Management Systems in FY 24-25.
	High risk supplier engagement	Partially actioned	Implementation of a standardised contract document suite with modern slavery clauses complete. The contract suite was created bespoke for Council and includes standard contracts for construction, services, professional services and supply of goods.	Review of the contract document suite to incorporate the clauses included in the GRS planned for FY 24-25.

MODERN SLAVERY STATEMENT

Activity	Description	Status	Actions Taken	Future Initiatives
Risk Assessment	Inherent risk assessment at a category level	Partially actioned	Procurement in categories with heightened due diligence such as IT procurement are restricted to specific teams to ensure the required due diligence is undertaken.	Further risk assessment per category to be actioned once the supplier survey has been completed.
	Pre-purchase checklist to identify higher risk procurements	Partially actioned	Modern slavery risk assessment included in procurement plans (applicable to procurements \$150,000 incl. GST and above).	Assessment in accordance with IRIT tool to be formalised in procurement procedures.
	Supplier risk assessment – existing suppliers	Yet to be actioned		Supplier maturity to be assessed once supplier survey has been completed. Modern Slavery mitigation maturity ratings to be implemented once the new Contract and Contractor Management systems have been implemented.
	Supplier risk assessment – new and potential suppliers	Partially actioned	Standardised Creditor Details Form with modern slavery maturity questionnaire implemented.	Framework determining grounds for not engaging a supplier based on Modern Slavery risk to be developed and adopted.
Tendering and contracting	Modern slavery tender criteria	Actioned	Mandatory Modern Slavery information tender schedule implemented.	Framework determining grounds for not engaging a supplier based on Modern Slavery risk to be developed and adopted.
	Procurement process/ procedure includes the requirement to assess that the tendered price allows for at least the minimum level of wages and other entitlements required by law.	Partially actioned	Detailed financial review undertaken for some projects comparing information provided on the industrial relations schedule, size of the proposed project team and pricing components between tenderers to uncover particular areas of risk, determine clarifications required and develop mitigation measures as required.	Template price schedules to be developed further to consistently request relevant information enabling this assessment.
	Modern slavery contract clauses	Partially actioned	Modern Slavery clauses included in all tendered for contracts.	Revision of the contract document suite to replace current Modern slavery clauses with the GRS Model Clauses.
	Supplier Code of Conduct	Action planned		Development of a supplier code of conduct planned for FY 24-25.
Reporting and Grievance Mechanisms	Confidential reporting mechanism/process for staff, contractors, community to report concerns related to modern slavery.	Action planned		To be outlined in the standalone Modern Slavery Policy to be developed in the planned Procurement Policy revision FY 24-25.
Response and Remedy Framework	Response and remedy framework involving actions, such as facilitation of access to health, legal or psychosocial services, financial compensation, and prevention of future harm.	Yet to be actioned		Framework to be developed in conjunction with Modern Slavery Policy.
Monitoring and Review	Monitoring and review of the effectiveness of modern slavery related processes.	Yet to be actioned		To be developed, once Modern Slavery Policy has been implemented.

MODERN SLAVERY STATEMENT

MANAGEMENT OF HIGH-RISK CATEGORIES

Category	Due Diligence Measure	Status	Action taken	Planned
ICT Hardware	Supplier engagement	Partially actioned	Utilisation of procurement aggregator contracts where possible to minimise workload whilst ensuring Modern Slavery due diligence has been undertaken.	SAQ for existing suppliers.
	Modern slavery risk assessment of suppliers	Partially actioned	ICT procurement centralised in the IT function, to ensure purchasing staff have the required knowledge and only utilise approved procurement pathways.	ICT specific pre-purchase risk assessment to be developed.
	Modern slavery tender criteria	Partially actioned	Modern Slavery criteria included in tender schedules and high-value RFQ's.	Implementation of supplier modern slavery risk rating in conjunction with implementation of a new Contract Management System.
	Modern slavery contract clauses	Partially actioned	Standardised Purchase Order for Goods includes Modern Slavery clauses.	Modern Slavery clause in Purchase Order for Goods to be amended to GRS Model Clause.
	Supplier Code of Conduct	Action planned		Supplier code of conduct to be developed in FY 24-25.
	Contract KPIs in relation to modern slavery in place	Yet to be actioned		
	KPI measurement	Yet to be actioned		
Cleaning services	Supplier engagement	Actioned	A new cleaning contract was entered into during the reporting period. The mandatory pre-tender meeting provided information to suppliers on Council's Modern Slavery obligations.	
	Modern slavery risk assessment of suppliers	Actioned	The Request for Tender assessment included scoring for modern slavery mitigation maturity, as well as a schedule to ascertain if employees are paid under an award. The Request for Tender did not allow subcontracting of the core scope to facilitate for transparency on employee treatment and rates of pay.	
	Modern slavery tender criteria	Actioned	Included in all future tenders.	
	Modern slavery contract clauses	Partially actioned	Modern Slavery contract clauses included, however drafted prior to the GRS being published.	Alignment of Modern Slavery contract clauses prior to award of next cleaning contract.
	Supplier Code of Conduct	Action planned		Development of supplier code of conduct planned for FY 24-25.
	Contract KPIs in relation to modern slavery in place	Not yet actioned		
	KPI measurement	Not yet actioned		

FRAUD AND CORRUPTION CONTROL

FINANCIAL REPORTING

Council received no reports of fraud or corruption during the 2023/2024 reporting period.

Council's Fraud and Corruption Control Policy was adopted by Council at the 29 June 2021 Ordinary Meeting and is scheduled for review during the current term of Council as part of the Policy Review Framework. During 2021/2022 key staff participated in Fraud and Corruption and Public Interest Disclosures webinars, education and training workshops delivered by the Independent Commission Against Corruption and the NSW Ombudsman, including:

- ▶ Maximising the impact of your corruption prevention education program
- ▶ Slavery - the lesser known form of corruption;
- ▶ Understanding the range of potential procurement related corrupt conduct;
- ▶ Business Ethics Decoded – Is that Business with Ethics, or as an extra?;
- ▶ ICAC Corruption Prevention Forum 2021;
- ▶ Update on corruption prevention-related standards;
- ▶ Public Interest Disclosures Management. Council staff are to undertake annual e-learning training and assessment against the Code of Conduct.

This section includes:

- ▶ Statement by Councillors and Management (signed by GM, Mayor, Deputy Mayor, Responsible Accounting Officer)
- ▶ Income Statement
- ▶ Statement of Comprehensive Income
- ▶ Statement of Financial Position
- ▶ Statement of Changes in Equity
- ▶ Statement of Cash Flows
- ▶ Independent Auditors Report (Auditor General)
- ▶ Report of the Conduct of the Audit (Auditor General)



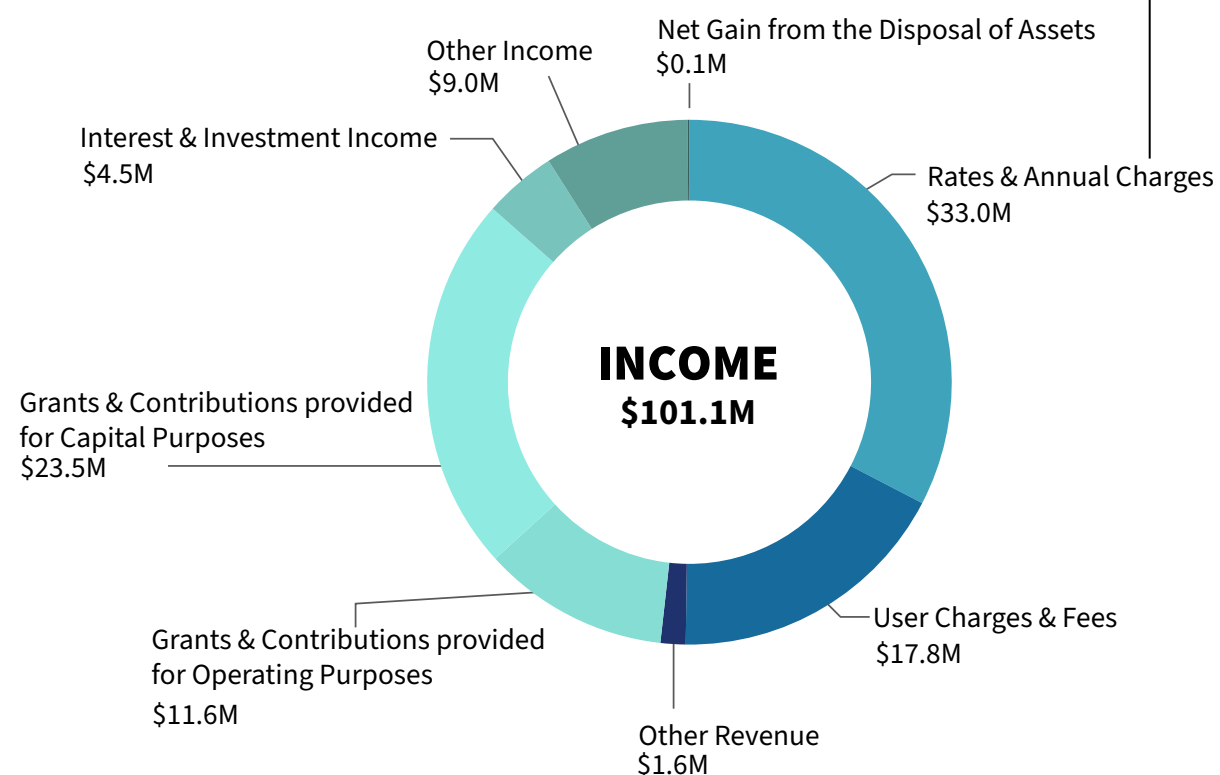
WHERE DOES OUR MONEY COME FROM AND HOW IS IT SPENT?

WHERE DOES OUR MONEY COME FROM AND HOW IS IT SPENT?

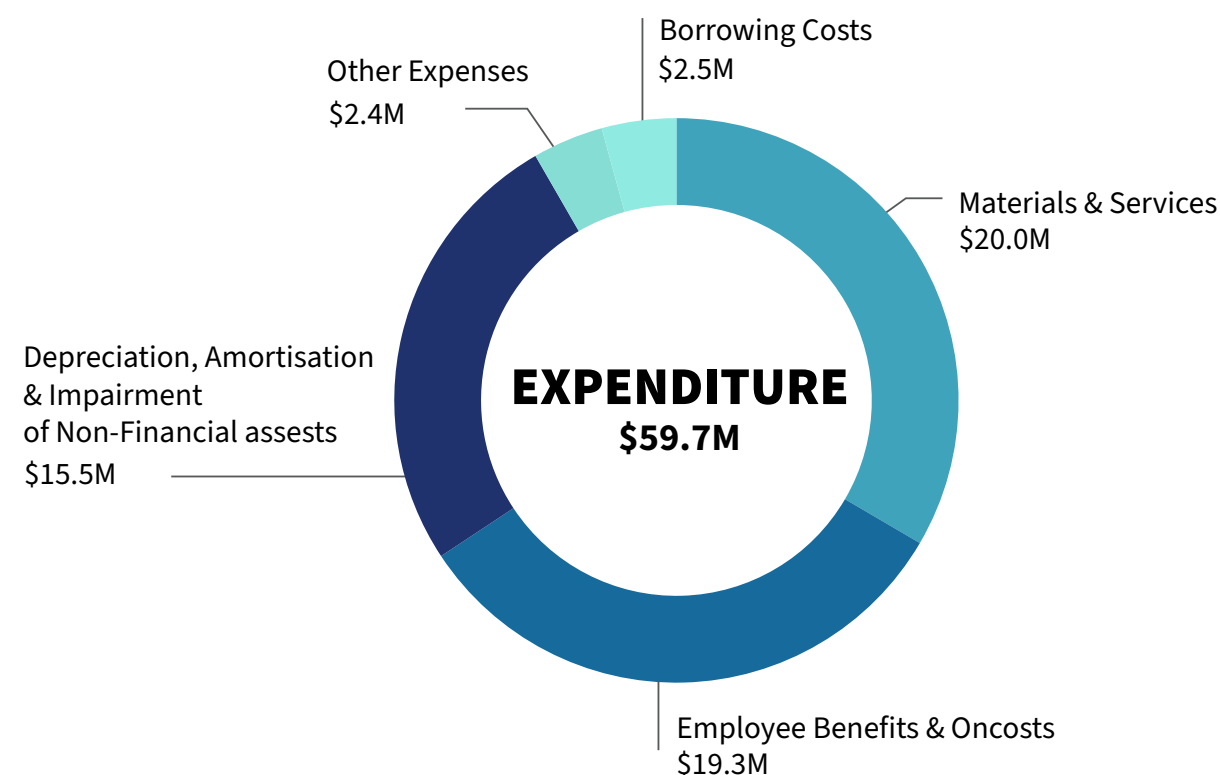
The \$9.7M decrease in comprehensive income compared to the prior year is due to:

- \$9.7M decline in the revaluation outcome for infrastructure, property, plant & equipment from \$87.9M in 2021/2022 to \$78.2M in 2022/2023

RATES & ANNUAL CHARGES BREAKDOWN	
Residential	\$ 6.2M
Farmland	\$ 1.5M
Mining	\$ 12.1M
Business	\$ 1.7M
Sewerage	\$ 6.0M
Stormwater	\$ 0.2M
Waste Management	\$ 3.1M
Water Supply	\$ 2.2M
Total	\$ 33.0M



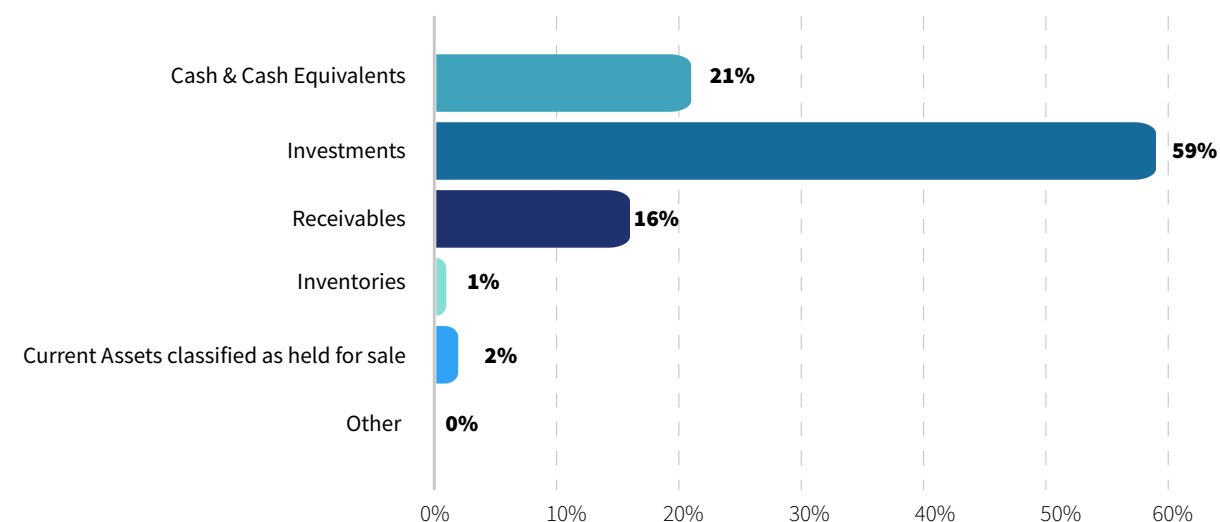
COUNCIL'S EXPENSES, AMOUNTING TO \$59.7M, ARE BROKEN DOWN AS FOLLOWS:



STATEMENT OF FINANCIAL POSITION

Council's total assets increased by \$92.9M to \$1,119.4M compared to the prior year, primarily due to infrastructure, property, plant and equipment revaluations.

Council's current assets, amounting to \$50.9M are comprised as follows:





UNDERSTANDING COUNCIL'S FINANCIAL STATEMENTS

Each year, individual local governments across New South Wales are required to present a set of 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 2024.

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

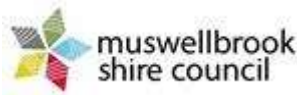


FINANCIAL STATEMENTS

Muswellbrook Shire Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2024

*To do what is best for our community through leadership,
excellent service and encouragement of sustainable
development.*



Muswellbrook Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024

*To do what is best for our community through leadership,
excellent service and encouragement of sustainable
development.*



Muswellbrook Shire Council

General Purpose Financial Statements
for the year ended 30 June 2024

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Overview

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

Muswellbrook Shire Council Administration Centre
Campbell's Corner 60-82 Bridge St, Muswellbrook NSW 2333

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.muswellbrook.nsw.gov.au.

Muswellbrook Shire Council

General Purpose Financial Statements
for the year ended 30 June 2024

Statement by Councillors and Management

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

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

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

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


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

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

Signed in accordance with a resolution of Council made on 23 July 2024.


Jeff Drayton
Mayor
30 October 2024


De-Anne Douglas
Deputy Mayor
30 October 2024


Derek Finnigan
General Manager
30 October 2024


Josh Hogan
Responsible Accounting Officer
30 October 2024

INCOME STATEMENT

STATEMENT OF COMPREHENSIVE INCOME

Muswellbrook Shire Council | Income Statement | for the year ended 30 June 2024

Muswellbrook Shire Council

Income Statement
for the year ended 30 June 2024

Original unaudited budget 2024 \$ '000		Notes	Actual 2024 \$ '000	Actual 2023 \$ '000
Income from continuing operations				
34,162	Rates and annual charges	B2-1	32,983	29,336
12,261	User charges and fees	B2-2	17,793	15,010
1,087	Other revenues	B2-3	1,561	1,195
6,584	Grants and contributions provided for operating purposes	B2-4	11,616	10,846
18,056	Grants and contributions provided for capital purposes	B2-4	23,495	19,395
1,028	Interest and investment income	B2-5	4,524	2,463
6,400	Other income	B2-6	9,007	6,977
—	Net gain from the disposal of assets	B4-1	115	—
79,578	Total income from continuing operations		101,094	85,222
Expenses from continuing operations				
19,410	Employee benefits and on-costs	B3-1	19,264	17,886
19,466	Materials and services	B3-2	19,960	22,278
2,576	Borrowing costs	B3-3	2,549	1,960
15,580	Depreciation, amortisation and impairment of non-financial assets	B3-4	15,505	14,951
2,322	Other expenses	B3-5	2,422	2,756
—	Net loss from the disposal of assets	B4-1	—	101
59,354	Total expenses from continuing operations		59,700	59,932
20,224	Operating result from continuing operations		41,394	25,290
20,224	Net operating result for the year attributable to Council		41,394	25,290
Net operating result for the year before grants and contributions provided for capital purposes				
2,191			17,899	5,895

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

Muswellbrook Shire Council | Statement of Comprehensive Income | for the year ended 30 June 2024

Muswellbrook Shire Council

Statement of Comprehensive Income
for the year ended 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
Net operating result for the year – from Income Statement		41,394	25,290
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	55,331	78,454
Other movements		(253)	(266)
Total items which will not be reclassified subsequently to the operating result		55,078	78,188
Total other comprehensive income for the year		55,078	78,188
Total comprehensive income for the year attributable to Council		96,472	103,478

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

FINANCIAL POSITION

CHANGES IN EQUITY

Muswellbrook Shire Council

Statement of Financial Position
as at 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	10,871	7,856
Investments	C1-2	30,000	32,500
Receivables	C1-4	8,378	6,960
Inventories	C1-5	337	281
Current assets classified as held for sale	C1-6	1,114	1,114
Other	C1-9	250	196
Total current assets		50,950	48,907
Non-current assets			
Investments	C1-2	52,677	33,772
Infrastructure, property, plant and equipment (IPPE)	C1-7	946,163	877,029
Investment property	C1-8	69,650	66,807
Total non-current assets		1,068,490	977,608
Total assets		1,119,440	1,026,515
LIABILITIES			
Current liabilities			
Payables	C3-1	9,304	8,869
Contract liabilities	C3-2	12,214	12,844
Borrowings	C3-3	4,645	6,588
Employee benefit provisions	C3-4	3,896	3,005
Provisions	C3-5	1,000	1,000
Total current liabilities		31,059	32,306
Non-current liabilities			
Borrowings	C3-3	47,852	50,720
Employee benefit provisions	C3-4	371	323
Provisions	C3-5	10,290	9,770
Total non-current liabilities		58,513	60,813
Total liabilities		89,572	93,119
Net assets		1,029,868	933,396
EQUITY			
Accumulated surplus	C4-1	482,413	441,019
IPPE revaluation reserve	C4-1	547,455	492,377
Council equity interest		1,029,868	933,396
Total equity		1,029,868	933,396

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

Muswellbrook Shire Council
Statement of Changes in Equity
for the year ended 30 June 2024

	2024		2023	
	Accumulated surplus \$ '000	IPPE revaluation reserve \$ '000	Accumulated surplus \$ '000	IPPE revaluation reserve \$ '000
Opening balance at 1 July	441,019	492,377	415,729	414,189
Net operating result for the year	41,394	-	25,290	-
Other comprehensive income				
Gain (loss) on revaluation of infrastructure, property, plant and equipment	-	55,331	-	78,454
Other reserves movements	-	(253)	-	(266)
Other comprehensive income	-	55,078	-	78,188
Total comprehensive income	41,394	55,078	25,290	78,188
Closing balance at 30 June	482,413	547,455	441,019	492,377

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

CASH FLOWS

FINANCIAL STATEMENT NOTES CONTENTS

Muswellbrook Shire Council | Statement of Cash Flows | for the year ended 30 June 2024

Muswellbrook Shire Council

Statement of Cash Flows
for the year ended 30 June 2024

Original unaudited budget 2024 \$ '000		Notes	Actual 2024 \$ '000	Actual 2023 \$ '000
Cash flows from operating activities				
<i>Receipts:</i>				
35,000	Rates and annual charges		32,928	29,555
18,690	User charges and fees		18,268	14,450
1,028	Interest received		4,046	1,707
33,042	Grants and contributions		24,791	35,808
—	Bonds, deposits and retentions received		279	1,026
1,666	Other		9,384	7,830
<i>Payments:</i>				
(17,030)	Payments to employees		(18,174)	(15,975)
(18,511)	Payments for materials and services		(23,963)	(23,701)
(2,576)	Borrowing costs		(2,209)	(1,960)
—	Bonds, deposits and retentions refunded		(532)	—
(7,055)	Other		(2,150)	(2,088)
44,254	Net cash flows from operating activities	G1-1	42,668	46,652
Cash flows from investing activities				
<i>Receipts:</i>				
10,000	Sale of investments		3	—
—	Redemption of term deposits		9,250	—
—	Sale of real estate assets		—	267
—	Proceeds from sale of IPPE		117	494
<i>Payments:</i>				
(10,000)	Purchase of investments		(25,655)	(4,507)
—	Acquisition of term deposits		—	(7,500)
—	Purchase of investment property		(240)	(1,345)
(39,360)	Payments for IPPE		(18,317)	(28,968)
(39,360)	Net cash flows from investing activities		(34,842)	(41,559)
Cash flows from financing activities				
<i>Payments:</i>				
(5,370)	Repayment of borrowings		(4,811)	(6,060)
(5,370)	Net cash flows from financing activities		(4,811)	(6,060)
(476)	Net change in cash and cash equivalents		3,015	(967)
7,714	Cash and cash equivalents at beginning of year		7,856	8,823
7,238	Cash and cash equivalents at end of year	C1-1	10,871	7,856
65,000	plus: Investments on hand at end of year	C1-2	82,677	66,272
72,238	Total cash, cash equivalents and investments		93,548	74,128

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

Muswellbrook Shire Council | Notes to the Financial Statements 30 June 2024

Muswellbrook Shire Council

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Muswellbrook Shire Council

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ABOUT COUNCIL & THESE FINANCIAL STATEMENTS

Muswellbrook Shire Council | Notes to the Financial Statements 30 June 2024

A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 23 July 2024. Council has the power to amend and reissue these financial statements. In cases where critical information is received from public submissions or where the Office of Local Government directs Council to amend the Financial Statements.

The material accounting policy information related to these consolidated financial statements are set out below. Accounting policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (Act)* and *Local Government (General) Regulation 2021 (Regulation)*, and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not for-profit entity. The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Historical cost convention

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

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 properties – refer Note C1-8
- (ii) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-7
- (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.

Monies and other assets received by Council

The Consolidated Fund

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

The Consolidated Fund has been included in the Financial Statements of NSW Council.

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

- General Purpose Operations
- Water Supplies
- Sewerage Services

A1-1 Basis of preparation (continued)

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 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.

Volunteer services

Council's dependence on volunteer services received is not material.

New accounting standards and interpretations issued but not yet effective

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

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

New accounting standards adopted during the year

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

- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- Equivalent standard for JO's is AASB 2021-6 Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards

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

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

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

Reclassification of Comparatives

Some notes throughout the financial statements for the 2023 comparative financial year have been reclassified to better reflect the nature of the transactions.

B Financial Performance
B1 Functions or activities
B1-1 Functions or activities – income, expenses and assets

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Functions or activities										
Economic Prosperity	8,775	6,970	5,068	4,659	3,707	2,311	2,492	749	73,151	70,256
Social Equity and Inclusion	662	1,017	1,976	1,916	(1,314)	(899)	89	340	42,346	38,758
Environmental Sustainability	1,282	966	1,848	1,696	(566)	(730)	624	133	591	601
Cultural Vitality	1,970	1,680	4,985	5,079	(3,015)	(3,399)	1,613	2,228	89,518	83,989
Community Infrastructure	56,626	45,885	36,970	38,092	19,656	7,803	24,548	20,508	816,091	753,244
Community Leadership	31,779	28,704	8,853	8,500	22,926	20,204	5,745	6,283	97,743	79,667
Total functions and activities	101,094	85,222	59,700	59,932	41,394	25,290	35,111	30,241	1,119,440	1,026,515

COMPONENTS OF FUNCTIONS OR ACTIVITIES

B1-2 Components of functions or activities

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

Economic Prosperity

Plan for Local Economic Prosperity 1. Support Job growth. 2. Diversify the economy, facilitate the development of intensive agriculture and other growth industries, make the Shire a more attractive place to invest and do business. 3. Facilitate greater access to higher education and participation in the knowledge and creativity economy. 4. Develop Muswellbrook as a Regional Centre.

Social Equity and Inclusion

Access to a wide range of community and government agencies appropriate for their age and needs. 5. Continue to improve the affordability, liveability and amenity of the Shire's. 6. Stabilise the tenancy turnover in the Shire's social housing. 7. Build social inclusion and improve the delivery of social services. 8. Retention and expansion of quality and affordable child care services. 9. Facilitate opportunities to expand senior's living. 10. Further the process of reconciliation in the Shire.

Environmental Sustainability

Environmental Sustainability to focus on the regeneration of mined land and urban riparian areas, increase our use of renewable energy and to monitor and manage our use of natural resources. 11. Higher quality final landforms with shallower voids and more emphasis on progressive rehabilitation with local workforce participation. 12. Enhance native vegetation connectivity across the Upper Hunter. 13. Our local rivers and creeks are enhanced, utilised and valued. 14. Support initiatives which reduce the community's impact on the environment. 15. Support Federal and State initiatives to reduce the human impact on climate change.

Cultural Vitality

Increase the local variety, availability and access to the arts and cultural experiences. 16. Conserve the heritage and history of the Shire. 17. Facilitate options to improve cultural activities in the Shire. 18. Facilitate cultural activities and events which engage the community and visitors and which create a 'sense of place' and identity.

Community Infrastructure

Expand on the infrastructure required for Muswellbrook to realise Regional Centre status, improve community facilities and improve accessibility to community facilities. 19. Our community's infrastructure is planned well, is safe and reliable and provides required levels of service. Utility services are operated as distinct business units within Council. 20. A safe, secure and reliable water supply and sewerage services are provided to all residents that will ensure public health. 21. The road, footpath and cycleway networks are integrated and allow for the safe movement of residents around the Shire.

Community Leadership

To improve the community's participation in decision making and implement business improvement initiatives to improve service delivery. 22. Collaborative and responsive community leadership that meets the expectations and anticipates the needs of the community. 23. Genuine and well informed community participation in decision making. 24. A Council that is well managed, efficient and properly resourced and that is responsive to its communities and stakeholders. 25. A sustainable Council that is best practice employer providing safe, happy and productive workplace.

SOURCES OF INCOME

B2 Sources of income

B2-1 Rates and annual charges

	2024 \$ '000	2023 \$ '000
Ordinary rates		
Residential	6,170	5,301
Farmland	1,522	1,439
Mining	12,111	11,186
Business	1,728	1,744
Less: pensioner rebates (mandatory)	(156)	(157)
Less: pensioner rebates (Council policy)	(28)	(30)
Rates levied to ratepayers	21,347	19,483
Pensioner rate subsidies received	86	86
Total ordinary rates	21,433	19,569
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	3,072	2,757
Stormwater management services	159	159
Water supply services	2,242	1,970
Sewerage services	5,983	4,806
Waste management services (non-domestic)	197	177
Less: pensioner rebates (mandatory)	(228)	(228)
Annual charges levied	11,425	9,641
Pensioner annual charges subsidies received:		
– Water	40	41
– Sewerage	41	41
– Domestic waste management	44	44
Total annual charges	11,550	9,767
Total rates and annual charges ¹	32,983	29,336

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

Material accounting policy information

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

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area.

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

⁽¹⁾ The breakdown of Rates and Annual Charges for 2023, has been reclassified within the note, to represent the nature of the transactions more clearly.

USER CHARGES & FEES

OTHER REVENUES

B2-2 User charges and fees

	2024 \$ '000	2023 \$ '000
Specific user charges (per s502 - specific 'actual use' charges)		
Water supply services	4,698	3,059
Sewerage services	1,010	810
Total specific user charges	5,708	3,869
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s608)		
Building regulation	126	118
Inspection services	27	31
Private works – section 67	7	39
Regulatory/ statutory fees	53	66
Section 10.7 certificates (EP&A Act)	63	113
Section 603 certificates	46	53
Town planning	38	39
DECCW levy recovered	1,179	1,320
Development/building control	357	383
Water and sewer related sales	696	725
Total fees and charges – statutory/regulatory	2,592	2,887
(ii) Fees and charges – other (incl. general user charges (per s608))		
Cemeteries	50	101
Community centres	22	27
Leaseback fees – Council vehicles	13	13
Leisure centre	34	38
Library and art gallery	77	72
Park rents	56	34
Restoration charges	–	1
Transport for NSW works (state roads not controlled by Council)	5,363	5,084
Swimming centres	627	411
Waste disposal tipping fees	2,991	2,252
Gym centre	164	96
Road vehicle permits	68	123
Other	28	2
Total fees and charges – other	9,493	8,254
Total other user charges and fees	12,085	11,141
Total user charges and fees	17,793	15,010
Total user charges and fees	17,793	15,010

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

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

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

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

B2-3 Other revenues

	2024 \$ '000	2023 \$ '000
Rental Income - Other Council Properties	775	846
Fines	18	56
Legal fees recovery – rates and charges (extra charges)	127	–
Legal fees recovery – other	450	108
Insurance rebates	49	121
Insurance claims recoveries	16	4
Other	126	60
Total other revenue	1,561	1,195
Total other revenue	1,561	1,195

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

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

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

GRANTS & CONTRIBUTIONS

Muswellbrook Shire Council | Notes to the Financial Statements 30 June 2024

B2-4 Grants and contributions

	Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
General purpose grants and non-developer contributions (untied)				
General purpose (untied)				
Current year allocation				
Financial assistance – general component	210	731	–	–
Financial assistance – local roads component	35	368	–	–
Payment in advance - future year allocation				
Financial assistance – general component	3,065	3,366	–	–
Financial assistance – local roads component	1,006	1,140	–	–
Amount recognised as income during current year	4,316	5,605	–	–
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Water supplies	–	6	98	438
Bushfire and emergency services	222	199	851	–
Community care	85	349	–	–
Economic development	516	481	54	146
Employment and training programs	38	34	–	–
Environmental programs	95	157	4	136
Library	49	87	45	49
Recreation and culture	363	96	3,726	5,417
Storm/flood damage	–	–	–	1,000
Planning	174	7	–	–
Waste management	49	37	–	8
Transport (roads to recovery)	–	–	578	198
Transport (other roads and bridges funding)	115	1,493	1,054	4,620
Drainage	–	–	875	33
Transport for NSW contributions (regional roads, block grant)	1,850	340	576	613
Other contributions	–	2	–	5
Total special purpose grants and non-developer contributions – cash ¹	3,556	3,288	7,861	12,663
Non-cash contributions				
Bushfire services	–	–	–	954
Roads and bridges	–	–	8,105	1,909
Sewerage (excl. section 64 contributions)	–	–	1,778	228
Water supplies (excl. section 64 contributions)	–	–	1,113	155
Other	–	–	–	158
Total other contributions – non-cash	–	–	10,996	3,404
Total special purpose grants and non-developer contributions (tied)	3,556	3,288	18,857	16,067
Total grants and non-developer contributions	7,872	8,893	18,857	16,067
Comprising:				
– Commonwealth funding	4,361	5,635	1,525	487
– State funding	3,300	2,912	6,333	12,682
– Other funding	211	346	10,999	2,898
	7,872	8,893	18,857	16,067

(1) Recreation & Culture and Transport, under 2023 Capital, has been reclassified to more accurately reflect the nature of the underlying transactions within this note.

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GRANTS & CONTRIBUTIONS

Muswellbrook Shire Council | Notes to the Financial Statements 30 June 2024

B2-4 Grants and contributions (continued)

Developer contributions				
	Operating 2024 Notes \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):				
G4				
Cash contributions				
S 7.4 – contributions using planning agreements	3,734	1,227	2,862	1,542
S 7.11 – contributions towards amenities/services	10	726	239	202
S 7.12 – fixed development consent levies	–	–	102	71
S 64 – water supply contributions	–	–	689	781
S 64 – sewerage service contributions	–	–	626	652
S 64 – stormwater contributions	–	–	113	76
Other developer contributions	–	–	7	3
Developer provided infrastructure roads/drainage	–	–	–	1
Total developer contributions – cash	3,744	1,953	4,638	3,328
Total developer contributions	3,744	1,953	4,638	3,328
Total contributions	3,744	1,953	4,638	3,328
Total grants and contributions	11,616	10,846	23,495	19,395
Grants and contributions recognised over time (1)	458	2,040	7,785	11,937
Grants and contributions recognised at a point in time (2)	11,158	8,806	15,710	7,458
Total grants and contributions	11,616	10,846	23,495	19,395

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GRANTS & CONTRIBUTIONS

Muswellbrook Shire Council | Notes to the Financial Statements 30 June 2024

B2-4 Grants and contributions (continued)

Unspent grants and contributions

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

	Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
Unspent grants and contributions				
Unspent funds at 1 July	1,183	626	14,111	3,750
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	6,317	569	41	1,000
Add: Funds received and not recognised as revenue in the current year	62	328	2,414	11,984
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(394)	–	(8)	–
Less: Funds received in prior year but revenue recognised and funds spent in current year	(425)	(340)	(2,681)	(2,623)
Unspent funds at 30 June	6,743	1,183	13,877	14,111
Unspent funds at 1 July	17,422	19,593	–	–
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	6,591	2,411	–	–
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	(112)	(4,582)	–	–
Unspent contributions at 30 June ¹	23,901	17,422	–	–

(1) Reclassification of 2023 Operating & Capital for Unspent Grants & Contributions has been made to better clarify the alignment of transactions.

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

The performance obligations vary according to the agreement but include e.g. fees for development applications, user fees and charges and Transport for NSW revenue. 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.

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GRANTS & CONTRIBUTIONS

Muswellbrook Shire Council | Notes to the Financial Statements 30 June 2024

B2-4 Grants and contributions (continued)

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

	2024 \$ '000	2023 \$ '000
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	227	125
– Cash and investments	4,297	2,326
– Other	–	12
Total interest and investment income	4,524	2,463

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OTHER INCOME

Muswellbrook Shire Council | Notes to the Financial Statements 30 June 2024

B2-6 Other income

		2024	2023
	Notes	\$ '000	\$ '000
Fair value increment on investment properties			
Fair value increment on investment properties		2,603	222
Total fair value increment on investment properties	C1-8	2,603	222
Rental income			
Investment properties			
Lease income (excluding variable lease payments not dependent on an index or rate)		6,404	6,123
Total Investment properties		6,404	6,123
Total rental income	C2-1	6,404	6,123
Other			
Recognition of Asset		–	632
Total other		–	632
Total other income		9,007	6,977

COSTS OF PROVIDING SERVICES

Muswellbrook Shire Council | Notes to the Financial Statements 30 June 2024

B3 Costs of providing services

B3-1 Employee benefits and on-costs

	2024	2023
	\$ '000	\$ '000
Salaries and wages ¹	16,143	15,553
Travel expenses	350	369
Employee leave entitlements (ELE)	2,218	1,551
Superannuation	1,678	1,492
Workers' compensation insurance	371	468
Fringe benefit tax (FBT)	124	90
Payroll tax	51	44
Training costs (other than salaries and wages)	173	131
Other	51	68
Total employee costs	21,159	19,766
Less: capitalised costs	(1,895)	(1,880)
Total employee costs expensed	19,264	17,886

Material accounting policy information
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.

(1) \$1.9m disclosed in 2023, under Employee Benefits & Oncosts has been reclassified from Note B3-2 Materials & Services to more accurately reflect the nature of the underlying transactions.

MATERIALS & SERVICES

BORROWING COSTS

Muswellbrook Shire Council | Notes to the Financial Statements 30 June 2024

B3-2 Materials and services *

	Notes	2024 \$ '000	2023 \$ '000
Consultancy costs		45	29
Raw materials and consumables ¹		13,239	15,667
Audit Fees	F2-1	238	193
Previously other expenses:			
Councillor and Mayoral fees and associated expenses	F1-2	268	206
Advertising		32	31
Bank charges		65	66
Electricity and heating		1,962	2,025
Insurance		1,135	1,029
Postage		52	49
Printing and stationery		12	16
Street lighting		437	438
Telephone and communications		96	85
Valuation fees		69	64
Legal expenses:			
– Legal expenses: other		938	1,004
Operating lease rentals: minimum lease payments		41	56
Waste collection		1,331	1,320
Total materials and services		19,960	22,278
Total materials and services		19,960	22,278

(1) \$1.9m disclosed in 2023, under Materials & Services has been reclassified from note B3-1 Employee Benefits & Oncosts to more accurately reflect the nature of the underlying transactions.

Muswellbrook Shire Council | Notes to the Financial Statements 30 June 2024

B3-3 Borrowing costs

	Notes	2024 \$ '000	2023 \$ '000
(i) Interest bearing liability costs			
Interest on loans		2,282	1,817
Total interest bearing liability costs		2,282	1,817
Total interest bearing liability costs expensed		2,282	1,817
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	C3-5	267	143
Total other borrowing costs		267	143
Total borrowing costs expensed		2,549	1,960

DEPRECIATION, AMORISATION & IMPAIRMENT OF NON-FINANCIAL ASSETS

Muswellbrook Shire Council | Notes to the Financial Statements 30 June 2024

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

	Notes	2024 \$ '000	2023 \$ '000
Depreciation and amortisation			
Plant and equipment		1,276	1,366
Office equipment		165	162
Furniture and fittings		97	95
Land improvements (depreciable)		287	97
Infrastructure:	C1-7		
– Buildings – specialised		2,206	1,884
– Other structures		618	498
– Roads		4,581	4,625
– Bridges		428	479
– Footpaths		451	423
– Stormwater drainage		884	850
– Water supply network		2,036	1,985
– Sewerage network		2,227	2,191
Other assets:			
– Other		54	60
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C3-5,C1-7	195	236
Total gross depreciation and amortisation costs		15,505	14,951
Total depreciation and amortisation costs		15,505	14,951
Total depreciation, amortisation and impairment for non-financial assets		15,505	14,951

Material accounting policy information

Depreciation and amortisation

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

Impairment of non-financial assets

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

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

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

OTHER EXPENSES

Muswellbrook Shire Council | Notes to the Financial Statements 30 June 2024

B3-5 Other expenses

	Notes	2024 \$ '000	2023 \$ '000
Impairment of receivables			
User charges and fees		66	150
Other		(136)	294
Total impairment of receivables	C1-4	(70)	444
Other			
Contributions/levies to other levels of government			
– Emergency services levy (includes FRNSW, SES, and RFS levies)		75	44
– NSW fire brigade levy		64	55
– NSW rural fire service levy		572	571
– Upper Hunter Weeds Authority		108	104
– Waste levy		1,555	1,434
Donations, contributions and assistance to other organisations (Section 356)		118	104
Total other		2,492	2,312
Total other expenses		2,422	2,756

GAINS OR LOSSES

PERFORMANCE AGAINST BUDGET

B4 Gains or losses

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

	Notes	2024 \$ '000	2023 \$ '000
Gain (or loss) on disposal of plant and equipment	C1-7		
Proceeds from disposal – plant and equipment		117	252
Less: carrying amount of plant and equipment assets sold/written off		(5)	(72)
Gain (or loss) on disposal		112	180
Gain (or loss) on disposal of infrastructure	C1-7		
Proceeds from disposal – infrastructure		–	242
Less: carrying amount of infrastructure assets sold/written off		–	(634)
Gain (or loss) on disposal		–	(392)
Gain (or loss) on disposal of real estate assets held for sale	C1-5		
Proceeds from disposal – real estate assets		–	267
Less: carrying amount of real estate assets sold/written off		–	(155)
Gain (or loss) on disposal		–	112
Gain (or loss) on disposal of investments	C1-2		
Proceeds from disposal/redemptions/maturities – investments		3	–
Gain (or loss) on disposal		3	–
Other Assets			
Less: carrying amount of Other Assets sold/written off		–	(1)
Gain (or loss) on disposal		–	(1)
Net gain (or loss) from disposal of assets		115	(101)

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 27 June 2023 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Revenues				
Rates and annual charges	34,162	32,983	(1,179)	(3)% U
User charges and fees	12,261	17,793	5,532	45% F
A favourable variance was realised due to the additional Transport for NSW works; higher income from waste disposal tipping fees, water supply services and sewerage services all contributed to a larger income than originally budgeted.				
Other revenues	1,087	1,561	474	44% F
Higher legal fees recovered has resulted in a positive variance against budget. This is due to an outstanding settlement.				
Operating grants and contributions	6,584	11,616	5,032	76% F
Favourable variance involved additional revenues received for the Financial Assistance Grant with 85% received in advance for the 2025 financial year. In addition, not all monies for voluntary planning agreement were budgeted.				
Capital grants and contributions	18,056	23,495	5,439	30% F
Favourable variance due to non-cash contributions for subdivisions not budgeted.				
Interest and investment revenue	1,028	4,524	3,496	340% F
Interest rates have successively increased during the reporting period. Council also had a larger investment portfolio balance due to additional operational grant funding and the timing of capital works expenditure.				
Net gains from disposal of assets	–	115	115	∞ F
Other income	6,400	9,007	2,607	41% F
New valuations for investment properties have increased due to favourable market conditions in real estate.				

MATERIAL BUDGET VARIATIONS

FINANCIAL POSITION

B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----		
Expenses					
Employee benefits and on-costs	19,410	19,264	146	1%	F
Materials and services	19,466	19,960	(494)	(3)%	U
Borrowing costs	2,576	2,549	27	1%	F
Depreciation, amortisation and impairment of non-financial assets	15,580	15,505	75	0%	F
Other expenses	2,322	2,422	(100)	(4)%	U
Net losses from disposal of assets	–	–	–	∞	F
Statement of cash flows					
Cash flows from operating activities	44,254	42,668	(1,586)	(4)%	U
Cash flows from investing activities	(39,360)	(34,842)	4,518	(11)%	F
Favourable variance due to a decrease in payments for investing activities compared to budget.					
Cash flows from financing activities	(5,370)	(4,811)	559	(10)%	F

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

	2024 \$ '000	2023 \$ '000
Cash assets		
Cash on hand and at bank	149	118
Cash equivalent assets		
– Deposits at call	10,722	7,738
Total cash and cash equivalents	10,871	7,856

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	10,871	7,856
Balance as per the Statement of Cash Flows	10,871	7,856

C1-2 Financial investments

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Debt securities at amortised cost				
Long term deposits	17,250	7,000	27,500	6,000
NCD's, FRN's (with maturities > 3 months)	12,750	45,677	5,000	27,772
Total	30,000	52,677	32,500	33,772
Total financial investments	30,000	52,677	32,500	33,772
Total cash assets, cash equivalents and investments	40,871	52,677	40,356	33,772

Material accounting policy information

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.

FINANCIAL INVESTMENTS

RESTRICTED & ALLOCATED CASH, CASH EQUIVALENTS & INVESTMENTS

C1-2 Financial investments (continued)

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.

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

	2024 \$ '000	2023 \$ '000
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	93,548	74,128
Less: Externally restricted cash, cash equivalents and investments	(50,791)	(38,791)
Cash, cash equivalents and investments not subject to external restrictions	42,757	35,337
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended loans – general	–	30
External restrictions – included in liabilities	–	30
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	9,604	4,745
Developer contributions – water fund	9,892	8,725
Developer contributions – sewer fund	5,068	4,252
Specific purpose unexpended grants (recognised as revenue) – general fund	15,507	13,500
Water fund	6,254	4,517
Sewer fund	3,283	1,950
Domestic waste management	1,138	1,027
Bengalla Coal Community Fund	45	45
External restrictions – other	50,791	38,761
Total external restrictions	50,791	38,791

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.

	2024 \$ '000	2023 \$ '000
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	42,757	35,337

RESTRICTED & ALLOCATED CASH, CASH EQUIVALENTS & INVESTMENTS

Muswellbrook Shire Council | Notes to the Financial Statements 30 June 2024

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

	2024 \$ '000	2023 \$ '000
Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
Plant and vehicle replacement	2,773	2,187
Infrastructure (Road Assets) replacement	2,227	1,900
Employees leave entitlement	1,252	654
Deposits, retentions and bonds	5,224	5,473
Risk Management	78	78
Legal Matters	1,250	1,050
Stormwater management	1,348	1,189
Financial Assistance Grant	4,072	4,506
Waste management centre	6,777	6,058
Drainage	143	143
Future Fund	1,876	1,565
Election	50	–
Natural Disasters	806	882
Other	1,229	737
Mine Affected Roads	1,371	1,371
Carryover Works	3,055	2,149
Net Zero	631	363
SRV Reserve	4,516	3,020
Road Reserve	912	912
Economic Development	392	965
Insurances	100	40
Financial Sustainability Reserve	2,000	–
ICT Reserve	200	–
Mine Affected Roads Study	70	70
Total internal allocations	42,352	35,312

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

RECEIVABLES

Muswellbrook Shire Council | Notes to the Financial Statements 30 June 2024

C1-4 Receivables

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Rates and annual charges	2,397	–	2,281	–
User charges and fees	1,852	–	1,264	–
Accrued revenues				
– Interest on investments	1,377	–	899	–
Government grants and subsidies	198	–	934	–
Net GST receivable	331	–	373	–
Waste depot charges	758	–	500	–
Commercial Properties – Rental	683	–	587	–
TfNSW	418	–	479	–
Other debtors	687	–	94	–
Total	8,701	–	7,411	–
Less: provision for impairment				
User charges and fees	(232)	–	(202)	–
Other debtors	(91)	–	(249)	–
Total provision for impairment – receivables	(323)	–	(451)	–
Total net receivables	8,378	–	6,960	–

	2024 \$ '000	2023 \$ '000
Movement in provision for impairment of receivables		
Balance at the beginning of the year	451	363
+ new provisions recognised during the year	–	88
– amounts already provided for and written off this year	(128)	–
Balance at the end of the year	323	451

RECEIVABLES

C1-4 Receivables (continued)

Material accounting policy information

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

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

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

When considering the ECL for rates debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rates debtors, Council uses the presumption that an asset which is more than 90 days past due has seen a significant increase in credit risk.

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

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

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

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

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

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

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

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

Rates and annual charges outstanding are secured against the property.

INVENTORIES

C1-5 Inventories

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
(i) Inventories at cost				
Stores and materials	337	–	281	–
Total inventories at cost	337	–	281	–
Total inventories	337	–	281	–

Material accounting policy information

Raw materials and stores, work in progress and finished goods
Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs.

NON-CURRENT ASSETS
CLASSIFIED AS HELD FOR SALE

Muswellbrook Shire Council | Notes to the Financial Statements 30 June 2024

C1-6 Non-current assets classified as held for sale

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Non-current assets held for sale				
Land	1,114	-	1,114	-
Total non-current assets held for sale	1,114	-	1,114	-
Total non-current assets classified as held for sale	1,114	-	1,114	-

INFRASTRUCTURE, PROPERTY,
PLANT & EQUIPMENT

Muswellbrook Shire Council | Notes to the Financial Statements 30 June 2024

C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023						At 30 June 2024					
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Transfers from/to IPPE Asset classes	Revaluation increments/(decrements) to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	11,441	-	11,441	760	3,112	-	-	(6,325)	-	-	6,988	-
Plant and equipment	20,246	(13,467)	6,779	1,248	72	(5)	(1,276)	-	-	-	21,074	(14,230)
Office equipment	3,904	(3,322)	582	153	9	-	(165)	-	-	-	4,065	(3,487)
Furniture and fittings	1,270	(882)	388	-	3	-	(97)	-	-	-	1,273	(978)
Land:												
- Operational land	14,909	-	14,909	-	-	-	-	-	-	-	14,909	-
- Community land	16,161	-	16,161	-	-	-	-	-	79	-	16,240	-
- Land improvements – depreciable	10,174	(1,308)	8,866	49	7	-	(287)	1,108	(79)	383	11,637	(1,595)
Infrastructure:												
- Buildings – non-specialised	97	-	97	-	-	-	-	-	(97)	-	-	-
- Buildings – specialised	115,465	(36,107)	79,358	542	2,445	-	(2,206)	5,246	97	7,893	131,702	(38,313)
- Other structures	22,455	(5,069)	17,386	78	275	-	(618)	-	-	677	23,476	(5,685)
- Roads	476,048	(89,614)	386,434	5,142	6,286	-	(4,581)	752	-	29,943	518,175	(94,194)
- Bridges	80,073	(10,205)	69,868	12	-	-	(428)	1,219	-	5,105	86,409	(10,633)
- Footpaths	28,804	(9,346)	17,458	180	725	-	(451)	-	-	855	28,565	(9,797)
- Stormwater drainage	96,010	(27,039)	68,971	8	2,837	-	(884)	-	-	3,062	101,918	(27,922)
- Water supply network	109,253	(47,509)	61,744	1,065	1,213	-	(2,036)	-	-	5,561	117,053	(49,545)
- Sewerage network	135,653	(34,827)	101,026	1,121	1,778	-	(2,227)	-	-	6,890	145,642	(37,055)
Other assets:												
- Heritage collections	5,529	-	5,529	-	70	-	-	-	-	-	5,600	-
- Other	1,553	(1,435)	118	-	87	-	(54)	-	-	-	1,640	(1,489)
Reinstatement, rehabilitation and restoration assets (refer Note 15):												
- Tip assets	12,568	(2,654)	9,914	-	-	-	(195)	-	-	(5,038)	10,727	(6,046)
Total infrastructure, property, plant and equipment	1,159,813	(282,784)	877,029	10,358	18,919	(5)	(15,505)	-	-	55,331	1,247,133	(300,970)

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

INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

C1-7 Infrastructure, property, plant and equipment (continued)

	Asset movements during the reporting period						At 30 June 2023		
	At 1 July 2022			Revaluation			At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Carrying value of disposals	Depreciation expense	WIP transfers	Disposal Depreciation	Tits from/(to) IPPE classes & investment properties	Revaluation increments/(decrements) to equity (ARR)
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
By aggregated asset class									
Capital work in progress	27,222	-	27,222	-	-	(22,169)	-	-	-
Plant and equipment	19,073	(12,636)	6,437	(618)	(1,366)	-	546	-	11,441
Office equipment	3,749	(3,160)	589	-	(162)	-	-	-	20,246
Furniture and fittings	1,240	(788)	452	-	(95)	-	-	-	3,904
Land:									1,270
- Operational land	10,241	-	10,241	-	-	-	-	-	14,909
- Community land	13,541	-	13,541	(450)	-	-	-	(1,922)	16,161
Land improvements – depreciable	4,606	(1,211)	3,395	-	(97)	-	-	1,922	10,174
Infrastructure:									
- Buildings – non-specialised	97	-	97	-	-	-	-	-	97
- Buildings – specialised	84,681	(31,167)	53,514	-	(1,864)	16,333	-	6,480	115,465
- Other structures	19,441	(4,615)	14,826	-	(488)	-	-	-	22,455
- Roads	438,701	(86,886)	351,805	(700)	(4,625)	3,972	310	-	476,048
- Bridges	72,289	(8,891)	63,398	(255)	(479)	1,864	68	-	80,073
- Footpaths	23,214	(8,237)	14,977	(61)	(423)	-	7	-	26,804
- Stormwater drainage	87,541	(26,190)	61,351	(6)	(850)	-	3	-	96,010
- Water supply network	99,541	(45,522)	54,019	(1,678)	(1,965)	-	-	-	109,253
- Sewerage network	125,021	(32,641)	92,380	-	(2,191)	-	-	-	135,853
Other assets:									
- Heritage collections	5,457	-	5,457	-	-	-	-	-	5,529
- Other	1,503	(1,391)	112	(17)	(60)	-	16	-	1,553
Reinstatement, rehabilitation and restoration assets (refer Note 15):									
- Tip assets	5,334	(2,028)	3,306	-	(236)	-	-	-	12,568
Total Infrastructure, property, plant and equipment	1,042,492	(265,373)	777,119	(2,107)	(14,951)	-	950	6,480	1,159,813
									(282,784)
									877,029

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

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C1-7 Infrastructure, property, plant and equipment (continued)

Material accounting policy information
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:

IPPE Asset Classes	Useful lives
Plant, equipment, furniture and fittings	5-20 years
Land improvements	25-50 years
Infrastructure:	
- Buildings and other structures	20 to 100 years
- Roads, bridges and footpaths	20 to 100 years
- Bulk earthworks	infinite
- Stormwater drainage	50 to 100 years
- Water supply network	15 to 100 years
- Sewerage network	15 to 100 years
- Open space / recreational assets	20 to 30 years
- Other infrastructure	20 to 50 years
Other assets	10 years
Tip and quarry assets	50-60 years

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

continued on next page ...

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INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

C1-7 Infrastructure, property, plant and equipment (continued)

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.

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.

Where the Crown reserves are under a lease arrangement they are accounted for under AASB 16 Leases, refer to C2-1.

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.

INVESTMENTS PROPERTIES

C1-8 Investment properties

	2024	2023
	\$ '000	\$ '000

Owned investment property

Investment property on hand at fair value	69,650	66,807
Total owned investment property	69,650	66,807

Owned investment property

Reconciliation of annual movement:

Opening balance at 1 July	66,807	71,720
Acquisitions	–	997
Capitalised subsequent expenditure	–	348
Net gain/(loss) from fair value adjustments	2,603	222
Other movements	240	–
Transfer from/(to) infrastructure (C1-8)	–	(6,480)
Closing balance at 30 June	69,650	66,807

Material accounting policy information

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council.

C1-9 Other

Other assets

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Prepayments	250	–	196	–
Total other assets	250	–	196	–

LEASING ACTIVITIES

COUNCIL AS A LESSOR

C2 Leasing activities

C2-1 Council as a lessor

(a) Operating leases

	2024	2023
	\$ '000	\$ '000

(i) Assets held as investment property

Council holds a range of commercial properties for generating income.

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)	6,399	6,123
Lease income relating to variable lease payments not dependent on an index or a rate	5	—
Total income relating to operating leases for investment property assets	6,404	6,123

Operating lease expenses

Investment properties

Direct operating expenses that generated rental income	1,258	1,210
Total expenses relating to operating leases	1,258	1,210

(ii) Assets held as property, plant and equipment

Council provides operating leases on Council buildings for the purpose of providing service to the community for educational and essential services the table below relates to operating leases on assets disclosed in C1-7.

Lease income (excluding variable lease payments not dependent on an index or rate)	443	198
Lease income relating to variable lease payments not dependent on an index or a rate	332	324
Total income relating to operating leases for Council assets	775	522

Other leased assets expenses

Other	198	189
Total expenses relating to other leases assets	198	189

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

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

< 1 year	6,791	7,262
1–2 years	6,939	6,791
2–3 years	7,105	6,937
3–4 years	7,261	7,105
4–5 years	7,410	7,261
> 5 years	7,576	7,410
Total undiscounted lease payments to be received	43,082	42,766

(b) Finance leases

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

Finance income on the net investment in the lease	20	20
Total Income relating to finance leases	20	20

continued on next page ...

C2-1 Council as a lessor (continued)

	2024	2023
	\$ '000	\$ '000

Maturity analysis of undiscounted lease payments to be received after reporting date for finance leases:

< 1 year	22	21
1–2 years	22	22
2–3 years	22	22
3–4 years	23	22
4–5 years	23	23
> 5 years	24	23
Total lease payments receivable	136	133

Discounted unguaranteed residual value	(136)	(133)
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LIABILITIES OF COUNCIL

Muswellbrook Shire Council | Notes to the Financial Statements 30 June 2024

C3 Liabilities of Council

C3-1 Payables

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Goods and services ¹	2,077	–	2,374	–
Accrued expenses:				
– Borrowings	340	–	–	–
– Salaries and wages	237	–	–	–
– Other expenditure accruals ²	475	–	160	–
Security bonds, deposits and retentions	5,215	–	5,468	–
Prepaid rates	624	–	563	–
Other	1	–	11	–
Prepaid Water Charges	177	–	184	–
Prepaid Debtors	158	–	109	–
Total payables	9,304	–	8,869	–

(1) Goods & Services in 2023 were separated for operating & capital expenditure, the amounts have been combined.

(2) Other accruals in 2023 were incorporated under Goods & Services.

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

	2024 \$ '000	2023 \$ '000
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	2,607	3,094
Total payables	2,607	3,094

LIABILITIES OF COUNCIL

Muswellbrook Shire Council | Notes to the Financial Statements 30 June 2024

C3-2 Contract Liabilities

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Notes				
Grants and contributions received in advance:				
Unexpended capital grants (to construct Council controlled assets) (i)	11,962	–	12,325	–
Unexpended operating grants (received prior to performance obligation being satisfied) (ii)	252	–	519	–
Total grants received in advance	12,214	–	12,844	–
Total contract liabilities	12,214	–	12,844	–

Notes

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

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

Revenue recognised that was included in the contract liability balance at the beginning of the period

	2024 \$ '000	2023 \$ '000
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	2,681	2,547
Operating grants (received prior to performance obligation being satisfied)	425	340
Total revenue recognised that was included in the contract liability balance at the beginning of the period	3,106	2,887

LIABILITIES OF COUNCIL

Muswellbrook Shire Council | Notes to the Financial Statements 30 June 2024

C3-3 Borrowings

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Loans – secured ¹	4,645	47,852	6,588	50,720
Total borrowings	4,645	47,852	6,588	50,720

(1) Loans are secured over the general rating income of Council.
Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note E1.1

(a) Changes in liabilities arising from financing activities

	2023		Non-cash movements				2024
	Opening Balance \$ '000	Cash flows \$ '000	Acquisitions \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	57,308	(4,811)	–	–	–	–	52,497
Total liabilities from financing activities	57,308	(4,811)	–	–	–	–	52,497

	2022		Non-cash movements				2023
	Opening Balance \$ '000	Cash flows \$ '000	Acquisitions \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	63,368	(6,060)	–	–	–	–	57,308
Total liabilities from financing activities	63,368	(6,060)	–	–	–	–	57,308

continued on next page ...

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LIABILITIES OF COUNCIL

Muswellbrook Shire Council | Notes to the Financial Statements 30 June 2024

C3-3 Borrowings (continued)

(b) Financing arrangements	2024 \$ '000	2023 \$ '000
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Total facilities

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

Bank overdraft facilities ¹	750	750
Credit cards/purchase cards	62	62
Total financing arrangements	812	812

Drawn facilities

Financing facilities drawn down at the reporting date are:

Undrawn facilities

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

– Bank overdraft facilities	750	750
– Credit cards/purchase cards	62	62
Total undrawn financing arrangements	812	812

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.

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LIABILITIES OF COUNCIL

Muswellbrook Shire Council | Notes to the Financial Statements 30 June 2024

C3-4 Employee benefit provisions

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Annual leave	1,643	–	1,370	–
Long service leave	2,160	371	1,578	323
Other leave	93	–	57	–
Total employee benefit provisions	3,896	371	3,005	323

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

	2024 \$ '000	2023 \$ '000
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The following provisions, even though classified as current, are not expected to be settled in the next 12 months.

Provisions – employees benefits	379	2,276
	379	2,276

Material accounting policy information Other long-term employee benefit obligations

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

LIABILITIES OF COUNCIL

Muswellbrook Shire Council | Notes to the Financial Statements 30 June 2024

C3-5 Provisions

	2024 Current \$ '000	2024 Non-Current \$ '000	2023 Current \$ '000	2023 Non-Current \$ '000
Other provisions				
Legal Provisions	1,000	–	1,000	–
Sub-total – other provisions	1,000	–	1,000	–
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	10,290	–	9,770
Sub-total – asset remediation/restoration	–	10,290	–	9,770
Total provisions	1,000	10,290	1,000	9,770

Description of and movements in provisions

	Other provisions		
	Asset remediation \$ '000	Legal \$ '000	Total \$ '000
2024			
At beginning of year	9,770	1,000	10,770
Unwinding of discount for remediation	520	–	520
Total other provisions at end of year	10,290	1,000	11,290
2023			
At beginning of year	9,360	1,000	10,360
Unwinding of discount for remediation	410	–	410
Total other provisions at end of year	9,770	1,000	10,770

Nature and purpose of provisions

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

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

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

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

Asset remediation – tips and quarries
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.

LIABILITIES OF COUNCIL

COUNCIL STRUCTURE

C3-5 Provisions (continued)

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.

Legal
Legal provisions represent an estimate of potential expenses related to previous litigation.

C4 Reserves

C4-1 Nature and purpose of reserves

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

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

	General 2024 \$ '000	Water 2024 \$ '000	Sewer 2024 \$ '000
Income from continuing operations			
Rates and annual charges	24,866	2,193	5,924
User charges and fees	10,681	5,746	1,366
Interest and investment revenue	3,357	773	394
Other revenues	1,561	–	–
Grants and contributions provided for operating purposes	11,614	–	2
Grants and contributions provided for capital purposes	19,191	1,900	2,404
Net gains from disposal of assets	106	9	–
Other income	9,007	–	–
Total income from continuing operations	80,383	10,621	10,090
Expenses from continuing operations			
Employee benefits and on-costs	17,395	993	876
Materials and services	14,560	3,167	2,233
Borrowing costs	1,899	14	636
Depreciation, amortisation and impairment of non-financial assets	11,120	2,100	2,285
Other expenses	1,340	387	695
Total expenses from continuing operations	46,314	6,661	6,725
Operating result from continuing operations	34,069	3,960	3,365
Net operating result for the year	34,069	3,960	3,365
Net operating result attributable to each council fund	34,069	3,960	3,365
Net operating result for the year before grants and contributions provided for capital purposes	14,878	2,060	961

COUNCIL STRUCTURE

Muswellbrook Shire Council | Notes to the Financial Statements 30 June 2024

D1-2 Statement of Financial Position by fund

	General 2024 \$ '000	Water 2024 \$ '000	Sewer 2024 \$ '000
ASSETS			
Current assets			
Cash and cash equivalents	10,871	—	—
Investments	19,297	7,054	3,649
Receivables	5,449	2,080	849
Inventories	202	135	—
Other	250	—	—
Non-current assets classified as held for sale	1,114	—	—
Total current assets	37,183	9,269	4,498
Non-current assets			
Investments	38,883	9,092	4,702
Receivables	—	848	—
Infrastructure, property, plant and equipment	764,300	70,327	111,536
Investment property	69,650	—	—
Total non-current assets	872,833	80,267	116,238
Total assets	910,016	89,536	120,736
LIABILITIES			
Current liabilities			
Payables	9,127	177	—
Contract liabilities	12,214	—	—
Borrowings	3,828	—	817
Employee benefit provision	3,790	105	1
Provisions	1,000	—	—
Total current liabilities	29,959	282	818
Non-current liabilities			
Borrowings	36,131	—	12,569
Employee benefit provision	363	8	—
Provisions	10,290	—	—
Total non-current liabilities	46,784	8	12,569
Total liabilities	76,743	290	13,387
Net assets	833,273	89,246	107,349
EQUITY			
Accumulated surplus	378,289	44,695	59,429
Revaluation reserves	454,984	44,551	47,920
Council equity interest	833,273	89,246	107,349
Total equity	833,273	89,246	107,349

COUNCIL STRUCTURE

Muswellbrook Shire Council | Notes to the Financial Statements 30 June 2024

D1-3 Details of internal loans

(in accordance with s410(3) of the <i>Local Government Act 1993</i>)	
	Council ID / Ref
Details of individual internal loans	
Borrower (by purpose)	General Fund
Lender (by purpose)	Water Fund
Date of Minister's approval	09/08/2010
Date raised	30/06/2010
Term years	25 Years
Dates of maturity	30/06/2035
Rate of interest (%)	6%
Amount originally raised (\$'000)	1,750

D2 Interests in other entities

D2-1 Interests in joint arrangements

Summarised financial information for joint ventures

Summarised financial information for individually immaterial joint ventures

Council is a member of the Upper Hunter Weeds Authority Council, a body corporate established under the Local Government Act 1993 (NSW) to the control of Noxious Weeds. Council is one of three constituent members and does not control the County Council. Accordingly, the County Council has not been consolidated in the financial statements.

Council is of the opinion that it does not control the above county council/s and accordingly these entities have not been consolidated or otherwise included within these financial statements.

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

Financial risk management is carried out by the finance team under policies approved by the Councillors.

	Carrying value 2024 \$ '000	Carrying value 2023 \$ '000	Fair value 2024 \$ '000	Fair value 2023 \$ '000
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	10,871	7,856	10,871	7,856
Receivables	8,378	6,578	8,378	6,675
Investments				
– Debt securities at amortised cost	82,677	66,272	82,677	66,817
Total financial assets	101,926	80,706	101,926	81,348
Financial liabilities				
Payables	9,304	8,013	9,304	7,987
Loans/advances	52,497	57,308	52,497	57,308
Total financial liabilities	61,801	65,321	61,801	65,295

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

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

Council's finance area manages the cash and Investments portfolio with the assistance of independent advisors.

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 it's 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 there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.

RISKS & ACCOUNTING UNCERTAINTIES

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

• **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.

Council also seeks advice from independent advisers before placing any funds in cash equivalents and investments.

(a) Market risk – interest rate and price risk

	2024 \$ '000	2023 \$ '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	935	741
Impact of a 10% movement in price of investments		
– Equity / Income Statement	9,355	7,413

(b) Credit risk

Credit risk profile

Receivables – rates and annual charges

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

The major risk associated with these receivables is credit risk - the risk that debts due and payable to Council may not be repaid in full.

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures. It also encourages ratepayers to pay their rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of Council to secure a charge over the land relating to the debts – 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 the payment of debt.

	Not yet overdue \$ '000	overdue rates and annual charges < 5 years \$ '000	≥ 5 years \$ '000	Total \$ '000
2024				
Gross carrying amount	–	2,133	264	2,397
2023				
Gross carrying amount	–	2,058	223	2,281

RISKS & ACCOUNTING UNCERTAINTIES

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

Receivables - non-rates and annual charges and contract assets

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

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

	Not yet overdue \$ '000	0 - 30 days \$ '000	Overdue debts 31 - 60 days \$ '000	61 - 90 days \$ '000	> 91 days \$ '000	Total \$ '000
2024						
Gross carrying amount	4,855	582	86	154	627	6,304
ECL provision	–	–	2	10	311	323
Expected loss rate (%)	0.00%	0.00%	1.80%	6.30%	49.60%	5.11%
2023						
Gross carrying amount	2,952	497	92	290	1,299	5,130
ECL provision	–	–	1	17	640	658
Expected loss rate (%)	0.00%	0.00%	1.30%	5.80%	49.30%	12.83%

(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	≤ 1 Year \$ '000	payable in: 1 - 5 Years \$ '000	> 5 Years \$ '000	Total cash outflows \$ '000	Actual carrying values \$ '000
2024							
Payables	0.00%	5,215	4,089	–	–	9,304	9,304
Loans and advances – fixed	3.91%	–	4,645	22,299	25,553	52,497	52,497
Total financial liabilities		5,215	8,734	22,299	25,553	61,801	61,801
2023							
Payables	0.00%	5,468	–	–	–	5,468	8,869
Loans and advances – fixed	3.08%	–	4,797	19,175	33,336	57,308	57,308
Total financial liabilities		5,468	4,797	19,175	33,336	62,776	66,177

RISKS & ACCOUNTING UNCERTAINTIES

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

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

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

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

Fair value measurement hierarchy							
\$ '000	Notes	Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023
Investment property	C1-8						
Investment Properties		69,650	66,807	—	—	69,650	66,807
Total investment property		69,650	66,807	—	—	69,650	66,807
Infrastructure, property, plant and equipment	C1-7						
Operational Land		14,909	14,909	—	—	14,909	14,909
Community Land		—	—	16,240	16,161	16,240	16,161
Depreciable Land Improvements		—	—	10,042	8,866	10,042	8,866
Buildings – Non-Specialised		—	—	—	97	—	97
Buildings – Specialised		—	—	93,389	79,358	93,389	79,358
Other Structures		—	—	17,791	17,386	17,791	17,386
Roads		—	—	423,981	386,434	423,981	386,434
Bridges		—	—	75,776	69,868	75,776	69,868
Footpaths		—	—	18,768	17,458	18,768	17,458
Stormwater Drainage		—	—	73,996	68,971	73,996	68,971
Water Supply Network		—	—	67,548	61,744	67,548	61,744
Sewerage Network		—	—	108,587	101,026	108,587	101,026
Heritage Collections		—	—	5,600	5,529	5,600	5,529
Other		—	—	151	118	151	118
Tip Asset		—	—	4,681	9,914	4,681	9,914
Total infrastructure, property, plant and equipment		14,909	14,909	916,550	850,679	931,459	865,588

continued on next page ...

RISKS & ACCOUNTING UNCERTAINTIES

E2-1 Fair value measurement (continued)

Valuation techniques

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

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

Investment property

The key unobservable input is the estimated lease returns in which the valuations are based.

The fair value is determined by an independent local real estate agent with the appropriate level of experience and a solid understanding of the market for local properties of this type, There has been no change to the valuation process during the reporting period.

Infrastructure, property, plant and equipment (IPPE)

Plant and Equipment, Office Equipment and Furniture and Fittings.

Plant and Equipment, Office Equipment and Furniture and Fittings are valued at cost and this is disclosed as the fair value in the Notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items.

The key unobservable inputs into the valuation are the remaining useful life and any residual value. Council reviews the value of these assets by taking into account the pattern of consumption, estimated remaining useful life and any residual value. There has been no change to the valuation process during the reporting period.

Operational Land

This asset class comprises all of Council's land classified as Operational Land under the NSW Local Government Act 1993. The key unobservable input to the valuation is the price per square metre. The last valuation was undertaken at 30 June 2023 and was performed by Asset Val.

Generally, fair value is the most advantageous price reasonably obtainable by the seller and the most advantageous price reasonably obtained by the buyer. This is not necessarily the market selling price of the asset, rather, it is regarded as the maximum value that Council would rationally pay to acquire the asset if it did not hold it, taking into account quoted market price in an active and liquid market, the current market price of the same or similar asset, the cost of replacing the asset, if management intend to replace the asset, the remaining useful life and condition of the asset; and cash flows from the future use and disposal. There has been no change to the valuation process during the reporting period.

Community Land

Valuations of all Council's Community Land and Council managed land were based on the Unimproved Capital Value as provided by the Valuer-General. As these rates were not considered to be observable market evidence they have been classified as Level 3. There has been no change to the valuation process during the reporting period.

Depreciable Land Improvements.

This asset class comprises land improvements such as spectator mounds, swales, berms, gardens, mulched areas, streetscaping and landscaping. These assets may be located on parks, reserves and also within road reserves. 'Land Improvements' were valued in-house using the current replacement cost approach by experienced Council Engineers and Asset Management Staff.

The cost approach has been utilised whereby the replacement cost was estimated for each asset by taking into account a range of factors. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such, these assets were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

Buildings - Non specialised and Specialised.

Buildings were valued by Asset Val in June 2023 using the cost approach. The approach estimated the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While all buildings were physically inspected, inputs such as estimates of residual value and pattern of consumption required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using Level 3 valuation inputs.

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RISKS & ACCOUNTING UNCERTAINTIES

E2-1 Fair value measurement (continued)

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

Other Structures.

This asset class comprises infrastructure such as dog leash free areas, ancillary waste facilities, fences, carpark and skateparks.

The cost approach has been utilised whereby the replacement cost was estimated for each asset by taking into account a range of factors. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such, these assets were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

Roads, Bridges and Footpaths

This asset class comprises infrastructure including the Road Carriageway, Footpaths, Guardrails, Kerb and Gutter, Retaining walls, Bridges and Traffic facilities. The road carriageway is defined as the trafficable portion of a road, between but not including the kerb and gutter. The 'Cost Approach' using Level 3 inputs was used to value the road carriageway and other infrastructure within this class. APV performed the valuation as at 30 June 2020.

Drainage Infrastructure

Assets within this class comprise pits, pipes, open channels, headwalls and various types of water quality devices. The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. The Level of componentisation adopted by Council is in accordance with Office of Local Government Circular 09-09 and the Institute of Public Works Engineers Australia's International Infrastructure Management Manual (IIMM). Inputs such as estimates of the pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impact significantly on the final determination of fair value.

APV performed the valuation as at 30 June 2020.

Water Supply and Sewerage Network

Assets within these classes include the mains, pump stations, access pits, reservoirs and treatment plants which enable the treatment and reticulation of potable water and the collection and treatment of waste water. Mains are valued in accordance with the NSW Reference Rates Manual issued by the NSW Office of Water, which is based on extensive data collected in relation to expected replacement cost of water and sewer mains. All other items are valued in accordance with their replacement cost. Valuations are undertaken externally. Inputs such as estimates of the pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impact significantly on the final determination of fair value.

Heritage Assets

Assets within this class comprise of Council's Art Collection. The collection is independently valued with the most recent valuation being completed in 2022.

RISKS & ACCOUNTING UNCERTAINTIES

E2-1 Fair value measurement (continued)

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.

	Fair value (30/6/24) 2024 \$ '000	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment			
Community Land	16,240	Market Approach	Land Value, Land area.
Depreciable land improvements	10,042	Cost Approach	Current Replacement Cost. Asset Condition. Remaining Useful Life.
Buildings non-specialised	—	Cost Approach	Current Replacement Cost. Remaining Useful Life. Asset Condition.
Building specialised	93,389	Cost Approach	Current Replacement Cost. Remaining Useful Life. Asset Condition.
Other structures	17,791	Cost Approach	Current Replacement Cost. Remaining Useful Life. Asset Condition.
Roads	423,981	Cost Approach	Current Replacement Cost, Remaining Useful Life, Asset Condition.
Bridges	75,776	Cost Approach	Current Replacement Cost, Remaining Useful Life, Asset Condition.
Footpaths	18,768	Cost Approach	Current Replacement Cost, Remaining Useful Life, Asset Condition.
Stormwater drainage	73,996	Cost Approach	Current Replacement Cost, Remaining Useful Life, Asset Condition.
Water supply network	67,548	Cost Approach	Current Replacement Cost, Remaining Useful Life, Asset Condition.
Sewerage network	108,587	Cost Approach	Current Replacement Cost, Remaining Useful Life, Asset Condition.
Other minor classes	5,751	Cost Approach	Current Replacement Cost, Remaining Useful Life, Asset Condition.
Tip Asset	4,681	Cost Approach	Current Replacement Cost, Remaining Useful Life, Asset Condition.

RISKS & ACCOUNTING UNCERTAINTIES

Muswellbrook Shire Council | Notes to the Financial Statements 30 June 2024

E2-1 Fair value measurement (continued)

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

	Operational Land		Community Land		Depreciable land improvements		Buildings non-specialised	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Opening balance	–	–	16,161	13,541	8,866	3,395	97	97
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	–	–	79	(1,922)	(79)	1,922	(97)	–
Purchases (GBV)	–	–	–	632	56	3,326	–	–
Disposals (WDV)	–	–	–	(450)	–	–	–	–
Depreciation and impairment	–	–	–	–	(287)	(97)	–	–
Revaluation Increments	–	–	–	4,360	383	320	–	–
Work in progress transfers	–	–	–	–	1,108	–	–	–
Closing balance	–	–	16,240	16,161	10,047	8,866	–	97

	Building specialised		Other structures		Roads		Bridges	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Opening balance	79,358	53,514	17,386	14,826	386,434	351,805	69,868	63,398
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	97	6,480	–	–	–	–	–	–
Purchases (GBV)	2,987	1,552	353	1,778	11,428	8,091	12	581
Disposals (WDV)	–	–	–	–	–	(390)	–	(187)
Depreciation and impairment	(2,206)	(1,884)	(618)	(498)	(4,581)	(4,625)	(428)	(479)
Revaluation Increments	7,893	3,363	677	1,280	29,943	27,581	5,105	4,691
Work in progress transfers	5,246	16,333	–	–	752	3,972	1,219	1,864
Closing balance	93,375	79,358	17,798	17,386	423,976	386,434	75,776	69,868

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RISKS & ACCOUNTING UNCERTAINTIES

Muswellbrook Shire Council | Notes to the Financial Statements 30 June 2024

E2-1 Fair value measurement (continued)

	Footpaths		Stormwater drainage		Water supply network		Sewerage network	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Opening balance	17,458	14,977	68,971	61,351	61,744	54,019	101,026	92,380
Total gains or losses for the period								
Other movements								
Purchases (GBV)	905	1,188	2,845	2,207	2,278	2,036	2,899	1,199
Disposals (WDV)	–	(54)	–	(3)	–	–	–	–
Depreciation and impairment	(451)	(423)	(884)	(850)	(2,036)	(1,985)	(2,227)	(2,191)
Revaluation Increments	855	–	3,062	6,266	5,561	7,674	6,890	9,638
Work in progress transfers	–	1,770	–	–	–	–	–	–
Closing balance	18,767	17,458	73,994	68,971	67,547	61,744	108,588	101,026

	Other minor classes		Tip asset		Total	
	2024	2023	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Opening balance	5,647	5,569	9,914	3,306	842,930	732,178
Transfers from/(to) another asset class	–	–	–	–	–	6,480
Purchases (GBV)	158	139	–	–	23,921	22,729
Disposals (WDV)	–	(1)	–	–	–	(1,085)
Depreciation and impairment	(54)	(60)	(195)	(236)	(13,967)	(13,328)
Revaluation Increments	–	–	(5,038)	6,844	55,331	72,017
Work in progress transfers	–	–	–	–	8,325	23,939
Closing balance	5,751	5,647	4,681	9,914	916,540	842,930

Highest and best use

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

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RISKS & ACCOUNTING UNCERTAINTIES

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 AASB 119 *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 formula and without regard to the sponsoring employer.
- The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

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

Description of the funding arrangements.

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

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

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

* For 180 Point Members, Employers are required to contribute 8.5% of salaries for the year ending 30 June 2024 (increasing to 9.0% 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 \$20.0 million per annum for 1 January 2022 to 31 December 2024, apportioned according to each employer’s share of the accrued liabilities as at 30 June 2023. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

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

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

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

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

There is no provision for allocation of any surplus which may be present at the date of withdrawal of an employer.

RISKS & ACCOUNTING UNCERTAINTIES

E3-1 Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2024 was \$87,575.29. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2024.

Council’s expected contribution to the plan for the next annual reporting period is \$53,668.24.

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

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

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

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

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

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

* Plus promotional increases

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

Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review, which will be a triennial actuarial investigation will be completed by December 2024.

(ii) Statewide Limited

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

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

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

An indication of the level of participation of the entity in the plan compared with other participating entities.

An employer’s past service contribution per annum 0.23% as a percentage of the total past service contributions for all Pooled Employers (of \$40m for each year from 1 July 2019 to 31 December 2021 and \$20m for each year from 1 January 2022 to 31 December 2024) provides an indication of the level of participation of that employer compared with other employers in the Pooled Employer sub-group.

(iii) StateCover Limited

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

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

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

RISKS & ACCOUNTING UNCERTAINTIES

E3-1 Contingencies (continued)

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

(iv) Other guarantees

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

2. Other liabilities

(i) Third party claims

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

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

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

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

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

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

(iii) Legal Contingencies

Council has no other legal contingencies other than those already provided for.

(iv) Fines and Penalties

Council received a show cause letter by the NSW Environmental Protection Authority (EPA) in October 2024, in response to a self-reported ferric sulphate leak incident at the Muswellbrook Water Treatment plant in March 2024. Council is unclear whether the EPA will impose a penalty for this incident and what the possible financial liability maybe incurred. This investigation is still ongoing.

ASSETS NOT RECOGNISED

(i) Land under roads

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

(ii) Infringement notices/fines

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

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

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

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

Related Assets and Liabilities Not Recognised

Council has obligations to undertake road work on Thomas Mitchell Drive through the Thomas Mitchell Drive Contribution Study Update 2021 developed in-line with the planning and approval conditions related to five (5) mines associated with the direct use of the road;

- Mount Arthur Coal (BHP) (MP09-0062)
- Bengalla (New Hope) (SSD 5170)
- Mangoola (Glencore) (MP06 – 0014)
- Mount Pleasant (MACH Energy) (DA 92-97)
- Maxwell Underground (Malabar Coal) (SSD 95260)

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RISKS & ACCOUNTING UNCERTAINTIES

E3-1 Contingencies (continued)

The road works refer to periodic capital works required to achieve the nominated design life. It does not include routine maintenance such as cleaning or vegetation management. Typical roadwork actives include the following regime:

– Pavement resealed every eight years or so.

– Possible pavement rehabilitation between 20 to 25 years. Rehabilitation would include pavement work to achieve the required design life and possible improvement to safety barriers, pavement drainage or other road infrastructure necessary to satisfy standards or safety requirements of the time. Council will be undertaking the remaining works to be upgraded.

Therefore, two reseals to be planned for the years (or nearest to) 2023 and 2031) then one rehabilitation. Following this, the pavement would either be reconstructed, or maintenance continued beyond the 30-year design life. The design life is consistent with the current planned horizon of mining operations and work beyond 30 years is therefore not considered as part of this study.

The contributions plan proposes, each mine fund the road works as they arise. This ensures:

- Funding is used for the maintenance of the road
- Work is correctly funded, rather than attempting to estimate future works in 2021 dollars
- New developments or expanded operations can be included in the contributions model
- Ceased operations would not be required to fund activity and obligations redistribution between remaining mines

The costs of these works was estimated at \$11.7M in 2021 dollars, however the contribution plan requires that once the works are undertaken, the mines deemed to be the contributors to the need for the works are required to make monetary contribution toward the works. In total, these mines are required to pay 40.6% for the actual road maintenance costs. This total percentage is broken down to individual mine contributions based on Equivalent Standard Axels /km. In summary as the works are completed the effected coal mines will be invoiced for their contributions as determined by the Thomas Mitchell Drive Contribution Plan based upon the costs of the work.

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:

	2024 \$ '000	2023 \$ '000
Compensation:		
Short-term benefits	1,236	1,206
Post-employment benefits	170	161
Other long-term benefits	32	264
Total	1,438	1,631

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

Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of KMP using Council services (e.g. access to library or Council swimming pool) will not be disclosed.

Nature of the transaction	Transactions during the year \$ '000	Outstanding balances including commitments \$ '000	Terms and conditions	Impairment provision on outstanding balances \$ '000	Impairment expense \$ '000
2024					
Upper Hunter Weeds Authority – Contribution ¹	108	–	– Annually	–	–
Contribution from Upper Hunter Weeds Authority	16	–	– Annually	–	–
Local Government Training Institute – Training Services ²	–	–	– 7 days	–	–
FYFE Survey ³	148	–	– 30 days	–	–
2023					
Upper Hunter Weeds Authority – Contribution ¹	103	–	– Annually	–	–
Contribution from Upper Hunter Weeds Authority	16	5	Annually	–	–
Local Government Training Institute – Training Services ²	19	–	– 7 days	–	–
FYFE Survey ³	38	4	4 30 days	–	–

(1) Council is a member. The activities are not controlled by any one council.

(2) Entity of Arrow Collaborative Services. The activities are not controlled by any one council.

(3) Council uses these surveying services.

F1-2 Councillor and Mayoral fees and associated expenses

	2024	2023
	\$ '000	\$ '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	38	28
Councillors' fees	212	152
Other Councillors' expenses (including Mayor)	18	26
Total	268	206

F2 Other relationships

F2-1 Audit fees

	2024	2023
	\$ '000	\$ '000
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
Auditors of the Council - NSW Auditor-General:		
(i) Audit and other assurance services		
Audit and review of financial statements	230	181
Remuneration for audit and other assurance services	230	181
Total Auditor-General remuneration	230	181
Non NSW Auditor-General audit firms		
(i) Audit and other assurance services		
– Other audit and assurance services: Internal Auditor	8	12
Remuneration for audit and other assurance services	8	12
Total remuneration of non NSW Auditor-General audit firms	8	12
Total audit fees	238	193

G Other matters

G1-1 Statement of Cash Flows information

(a) Reconciliation of Operating Result

	2024 \$ '000	2023 \$ '000
Net operating result from Income Statement	41,394	25,290
Add / (less) non-cash items:		
Depreciation and amortisation	15,505	14,951
(Gain) / loss on disposal of assets	(115)	101
Non-cash capital grants and contributions	(10,996)	(3,404)
Reversal of prior year IPP&E revaluation decrements / impairment previously costed direct to the P&L	(253)	(266)
Losses/(gains) recognised on fair value re-measurements through the P&L: – Investment property	(2,603)	(222)
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(1,290)	(400)
Increase / (decrease) in provision for impairment of receivables	(128)	88
(Increase) / decrease of inventories	(56)	125
(Increase) / decrease of other current assets	(54)	118
Increase / (decrease) in payables	(297)	332
Increase / (decrease) in accrued interest payable	340	–
Increase / (decrease) in other accrued expenses payable	552	–
Increase / (decrease) in other liabilities	(160)	1,030
Increase / (decrease) in contract liabilities	(630)	8,468
Increase / (decrease) in employee benefit provision	939	31
Increase / (decrease) in other provisions	520	410
Net cash flows from operating activities	42,668	46,652

(b) Non-cash investing and financing activities

Developer contributions 'in kind'	10,996	3,404
Total non-cash investing and financing activities	10,996	3,404

G2-1 Commitments

Capital commitments (exclusive of GST)

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

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

Property, plant and equipment		
Buildings	241	8,301
Plant and equipment	–	1,607
Road Infrastructure	–	5,370
Land	–	19
Sewerage Infrastructure	–	1,999
Land Improvements	–	6,271
Water Infrastructure	107	1,588
Other	–	276
Stormwater Drainage	841	615
Other Structures	1,024	4,144
Total commitments	2,213	30,190
Within the next year	2,213	30,190
Total payable	2,213	30,190
Future grants and contributions	1,539	9,902
Section 7.11 and 64 funds/reserves	567	–
Unexpended grants	–	8,337
Externally restricted reserves	107	6,210
Internally restricted reserves	–	4,130
Unexpended loans	–	30
New loans (to be raised)	–	1,581
Total sources of funding	2,213	30,190

Details of capital commitments

Projects that have not been completed in the 2023/24 financial year but have capital commitments.

G3-1 Events occurring after the reporting date

The Muswellbrook LGA has experienced several earthquakes from August 2024. Council has engaged structural engineers to assess damage to Council's assets. This will assist Council in assessing the financial impact of the earthquakes. At this stage, Council does not believe there will be a significant financial impact on the 2024-2025 financial statements.

Subsequent to the reporting date, Muswellbrook Shire Council has been invited to Show Cause by the NSW Environmental Protection Authority (EPA) on 3 October 2024, for a self-reported ferric sulphate leak Incident at the Muswellbrook Water Treatment plant, that occurred on 28 March 2024.

G4-2 Developer contributions by plan

	Opening balance at 1 July 2023 \$ '000	Cash \$ '000	Non-cash Land \$ '000	Non-cash Other \$ '000	Interest and investment income earned \$ '000	Amounts expended \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2024 \$ '000	Cumulative balance of internal borrowings (to)/from \$ '000
CONTRIBUTION PLAN									
Drainage	256	113	-	-	19	-	-	388	-
Roads	541	21	-	-	29	-	-	591	-
Parking	2	-	-	-	-	-	-	2	-
Open space	274	7	-	-	14	-	-	295	-
Community facilities	16	-	-	-	1	-	-	17	-
Tourism	39	-	-	-	2	-	-	41	-
Bushfire	145	10	-	-	8	-	-	163	-
Social Infrastructure	247	218	-	-	24	-	-	489	-
Total	1,520	369	-	-	97	-	-	1,986	-

S7.12 Levies – under a plan

CONTRIBUTION PLAN									
SS94A Levies	253	102	-	-	18	-	-	373	-
Total	253	102	-	-	18	-	-	373	-

G4-3 Contributions not under plans

VOLUNTARY PLANNING AGREEMENTS									
Environment	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

OTHER MATTERS

G4 Statement of developer contributions

G4-1 Summary of developer contributions

	Opening balance at 1 July 2023 \$ '000	Contributions received during the year		Non-cash Other \$ '000	Interest and investment income earned \$ '000	Amounts expended \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2024 \$ '000	Cumulative balance of internal restricted borrowings (to)/from \$ '000
		Cash \$ '000	Non-cash Land \$ '000						
Drainage	256	113	-	-	19	-	-	388	-
Roads	541	21	-	-	29	-	-	591	-
Parking	2	-	-	-	-	-	-	2	-
Open space	274	7	-	-	14	-	-	295	-
Community facilities	16	-	-	-	1	-	-	17	-
Tourism	39	-	-	-	2	-	-	41	-
Bushfire	145	10	-	-	8	-	-	163	-
Social Infrastructure	247	218	-	-	24	-	-	489	-
S7.11 contributions – under a plan	1,520	369	-	-	97	-	-	1,986	-
S7.12 levies – under a plan	253	102	-	-	18	-	-	373	-
Total S7.11 and S7.12 revenue under plans	1,773	471	-	-	115	-	-	2,359	-
S7.4 planning agreements	2,972	6,596	-	-	-	(2,323)	-	7,245	-
S.64 contributions	12,977	1,315	-	-	726	(58)	-	14,960	-
Total contributions	17,722	8,382	-	-	841	(2,381)	-	24,564	-

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.

OTHER MATTERS

G4-4 S7.4 planning agreements

	Opening balance at 1 July 2023 \$ '000	Contributions received during the year		Non-cash Other \$ '000	Interest and investment income earned \$ '000	Amounts expended \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2024 \$ '000	Cumulative balance of internal restricted borrowings (to)/from \$ '000
		Cash \$ '000	Non-cash Land \$ '000						
VPA's									
Roads	120	1,014	-	-	-	(1,134)	-	-	-
Community facilities	2,146	4,634	-	-	-	(994)	-	5,786	-
Tonnage	180	77	-	-	-	-	-	257	-
Recreation	365	677	-	-	-	-	-	1,042	-
Environment	161	194	-	-	-	(195)	-	160	-
Total	2,972	6,596	-	-	-	(2,323)	-	7,245	-

G4-5 S64 contributions

S64 contributions									
Water	8,725	689	-	-	478	-	-	9,892	-
Sewer	4,252	626	-	-	248	(58)	-	5,068	-
Total	12,977	1,315	-	-	726	(58)	-	14,960	-

OTHER MATTERS

OTHER MATTERS

G5 Statement of performance measures

G5-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023 2022		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	15,111	20.18%	9.48%	8.34%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	74,881				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	63,265	64.31%	64.42%	63.53%	> 60.00%
Total continuing operating revenue ¹	98,376				
3. Unrestricted current ratio					
Current assets less all external restrictions	47,751	1.77x	1.66x	1.98x	> 1.50x
Current liabilities less specific purpose liabilities	26,973				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	33,165	4.51x	2.88x	3.20x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	7,360				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	2,397	6.73%	7.15%	7.70%	< 10.00%
Rates and annual charges collectable	35,618				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	35,121	8.13	9.97	9.65	> 3.00
Monthly payments from cash flow of operating and financing activities	4,320	months	months	months	months

(1) Excludes fair value increments on investment properties, reversal of revaluation decrements, reversal of impairment losses on receivables, net gain on sale of assets and net share of interests in joint ventures and associates using the equity method and includes pensioner rate subsidies

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

G5-2 Statement of performance measures by fund

\$ '000	General Indicators ³ 2024 2023	Water Indicators 2024 2023	Sewer Indicators 2024 2023	Benchmark
1. Operating performance ratio				
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	20.68%	11.65%	23.62%	3.13%
Total continuing operating revenue excluding capital grants and contributions ¹				> 0.00%
2. Own source operating revenue ratio				
Total continuing operating revenue excluding capital grants and contributions ¹	60.34%	60.25%	82.11%	86.92%
Total continuing operating revenue ¹				> 60.00%
3. Unrestricted current ratio				
Current assets less all external restrictions	1.77x	1.66x	32.87x	3.73x
Current liabilities less specific purpose liabilities				> 1.50x
4. Debt service cover ratio				
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	3.74x	2.47x	298.14x	4.68x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)				> 2.00x
5. Rates and annual charges outstanding percentage				
Rates and annual charges outstanding	5.89%	6.52%	6.16%	10.93%
Rates and annual charges collectable				< 10.00%
6. Cash expense cover ratio				
Current year's cash and cash equivalents plus all term deposits	8.13	9.97		
Monthly payments from cash flow of operating and financing activities	months	months		> 3.00 months

(1) - (2) Refer to Notes at Note G5-1 above.

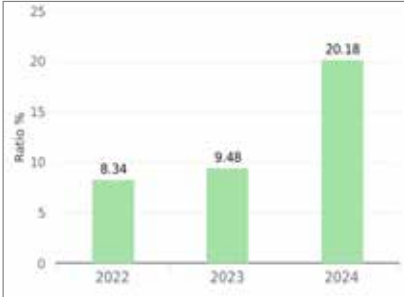
(3) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

ADDITIONAL COUNCIL DISCLOSERS

H Additional Council disclosures (unaudited)

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

1. Operating performance ratio



Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Purpose of operating performance ratio

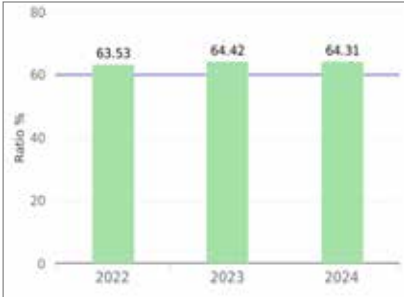
This ratio measures Council's achievement of containing operating expenditure within operating revenue.

Commentary on 2023/24 result

2023/24 ratio	20.18%
Significantly higher revenue from grants, voluntary agreement contributions, interest on investments, user fees and charges and revaluation for commercial property offset by lower than anticipated operating expenditure has resulted in a large operating surplus.	

Ratio achieves benchmark
Ratio is outside benchmark

2. Own source operating revenue ratio



Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Purpose of own source operating revenue ratio

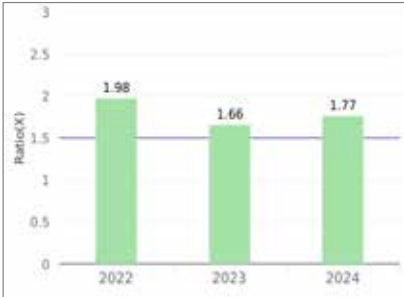
This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

Commentary on 2023/24 result

2023/24 ratio	64.31%
Council's own source of operating revenue has slightly exceeded the OLG benchmark of 60% during the reporting period and is consistent with the previous three years of results.	

Ratio achieves benchmark
Ratio is outside benchmark

3. Unrestricted current ratio



Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Purpose of unrestricted current ratio

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

Commentary on 2023/24 result

2023/24 ratio	1.77x
Council continues to have sufficient liquidity and is able to satisfy its short-term obligations as they fall due.	

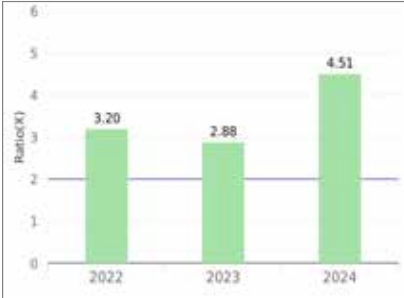
Ratio achieves benchmark
Ratio is outside benchmark

continued on next page ...

ADDITIONAL COUNCIL DISCLOSERS

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

4. Debt service cover ratio



Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Purpose of debt service cover ratio

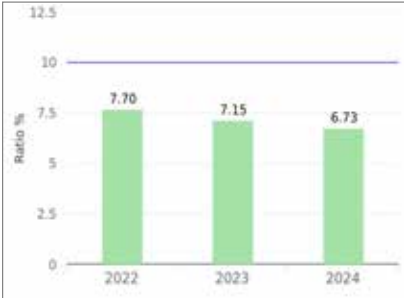
This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

Commentary on 2023/24 result

2023/24 ratio	4.51x
Council's debt service cover ratio has increased compared to the previous three years due to its higher operating cash reserves.	

Ratio achieves benchmark
Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Purpose of rates and annual charges outstanding percentage

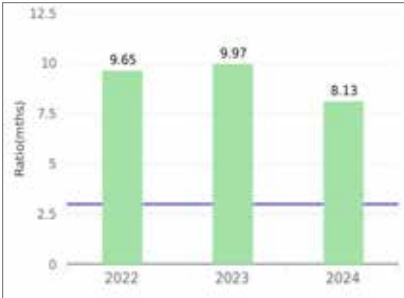
To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

Commentary on 2023/24 result

2023/24 ratio	6.73%
Uncollected rates and annual charges have been improving over the past three years as a result of an active debt collection effort.	

Ratio achieves benchmark
Ratio is outside benchmark

6. Cash expense cover ratio



Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Purpose of cash expense cover ratio

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

Commentary on 2023/24 result

2023/24 ratio	8.13 months
Council has approximately eight months of cash to meet its immediate expenditure without additional cash inflow.	

Ratio achieves benchmark
Ratio is outside benchmark

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INDEPENDENT AUDITOR’S REPORT

Report on the general purpose financial statements

Muswellbrook Shire Council

To the Councillors of the Muswellbrook Shire Council

Opinion

I have audited the accompanying financial statements of the Muswellbrook Shire Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2024, the Statement of Financial Position as at 30 June 2024, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In my opinion:

- the Council’s accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
 - have been prepared, in all material respects, in accordance with the requirements of this Division
 - are consistent with the Council’s accounting records
 - present fairly, in all material respects, the financial position of the Council as at 30 June 2024, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

The Council’s annual report for the year ended 30 June 2024 includes other information in addition to the financial statements and my Independent Auditor’s Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor’s Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors’ Responsibilities for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

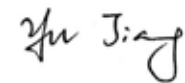
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A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

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

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



Reiky Jiang
Delegate of the Auditor-General for New South Wales

31 October 2024
SYDNEY



Mr Jeffrey Drayton
Mayor
Muswellbrook Shire Council
PO Box 122
MUSWELLBROOK NSW 2333

Contact: Reiky Jiang
Phone no: 02 9275 7281
Our ref: R008-2124742775-8265

31 October 2024

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2024
Muswellbrook Shire Council**





I have audited the general purpose financial statements (GPFS) of the Muswellbrook Shire Council (the Council) for the year ended 30 June 2024 as required by section 415 of the *Local Government Act 1993* (the Act).

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

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2024 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

	2024	2023	Variance
	\$m	\$m	%
Rates and annual charges revenue	33.0	29.3	 12.6
Grants and contributions revenue	35.1	30.2	 16.2
Operating result from continuing operations	41.4	25.3	 63.6
Net operating result before capital grants and contributions	17.9	5.9	 203

Level 19, Darling Park Tower 2, 201 Sussex Street, Sydney NSW 2000
GPO Box 12, Sydney NSW 2001 | t 02 9275 7101 | mail@audit.nsw.gov.au | audit.nsw.gov.au

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REPORT ON THE CONDUCT OF THE AUDIT

Rates and annual charges revenue (\$33.0 million) increased by \$3.7 million (12.6 per cent) in 2023–24 due to:

- rate peg increase of 3.7 per cent during 2023-24
- increased residential ratepayers due to the newly subdivided Eastbrook Links and Ironbark Ridge Estates
- Valuer-General's valuation led to an increase in mining rates for underground mine
- increased in sewerage services of \$1.1 million compared to prior year.

Grants and contributions revenue (\$35.1 million) increased by \$4.9 million (16.2 per cent) in 2023–24 due to:

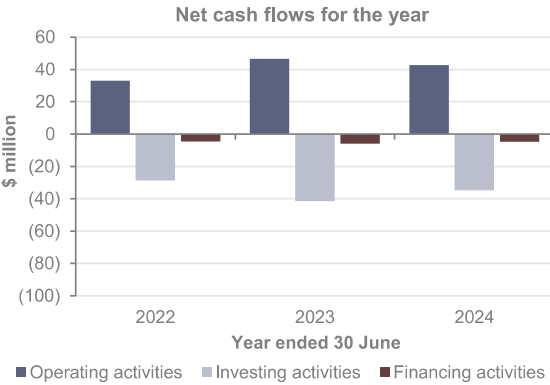
- increase of \$7.6 million in non-cash contributions recognised during the year
- increase of \$3.1 million in developer contributions
- the above are offset by decrease in grants for Transport (other roads and bridges funding) of \$4.9 million and recreation and culture of \$1.4 million.

Council’s operating result from continuing operations (\$41.4 million including depreciation, amortisation and impairment expense of \$15.5 million) was \$16.1 million higher than the 2022–23 result. This is because the expenses remained relatively stable whereas total income increased by \$15.9 million.

The net operating result before capital grants and contributions (\$17.9 million) was \$12.0 million higher than the 2022–23 result. This was primarily due to the increase in total income excluding grants and contributions provided for capital purpose of \$11.8 million while the total expenses remained stable.

STATEMENT OF CASH FLOWS

- Council's cash and cash equivalents was \$10.9 million at 30 June 2024 (\$7.9 million as at 30 June 2023), a net increase of \$3.0 million from prior year.
- Net cash inflows from operating activities decreased by \$4.0 million, mainly due to a reduction in grants and contributions received of \$11.0 million, partially offset by the increase in receipts from rates and annual charges (\$3.4 million) and user charges and fees (\$3.8 million).
- Net cash outflows from investing activities decreased by \$6.7 million, due to the increase in purchase of investment of \$21.1 million, partially offset by the decrease in payment for Infrastructure, Property, Plant and Equipment of \$10.7 million.
- Net cash outflows from financing activities decreased by \$1.2 million due to lower repayment of borrowings during 2023-24.



REPORT ON THE CONDUCT OF THE AUDIT

FINANCIAL POSITION

Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	93.5	74.1	<ul style="list-style-type: none">• Externally restricted balances comprise mainly of specific purpose unexpended grants – general fund, developer contributions, water and sewer funds.
Restricted and allocated cash, cash equivalents and investments:			The increase in externally restricted fund is mainly due to the increase in developer contributions of \$6.8 million, water and sewer funds of \$3.1 million, and specific purpose unexpended grant – general fund of \$2.0 million.
• External restrictions	50.8	38.8	
• Internal allocations	42.4	35.3	<ul style="list-style-type: none">• Internal allocations are determined by council policies or decisions, which are subject to change. Significant internal allocations include waste management centre of \$6.8 million, deposits, retentions and bonds of \$5.2 million, SRV Reserve of \$4.5 million and financial assistance grant of \$4.1 million.

Debt

At 30 June 2024, Council had:

- \$52.5 million in secured loans (\$57.3 million in 2022-23)
- \$750,000 in approved overdraft facility with \$nil drawn down
- \$62,000 in credit card facility with \$nil used.

PERFORMANCE

Performance measures

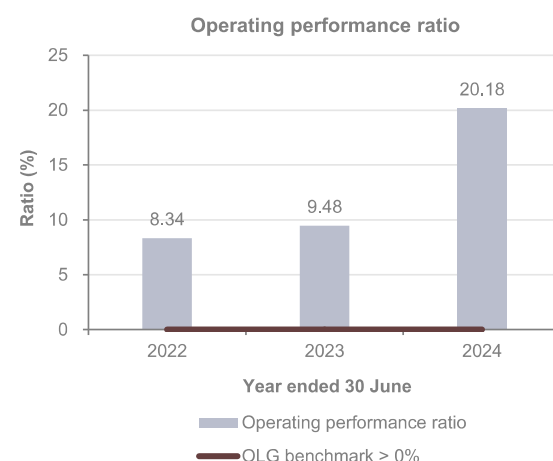
The following section provides an overview of the Council’s performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning, Housing and Infrastructure.

REPORT ON THE CONDUCT OF THE AUDIT

Operating performance ratio

Council exceeded the benchmark for the current reporting period.

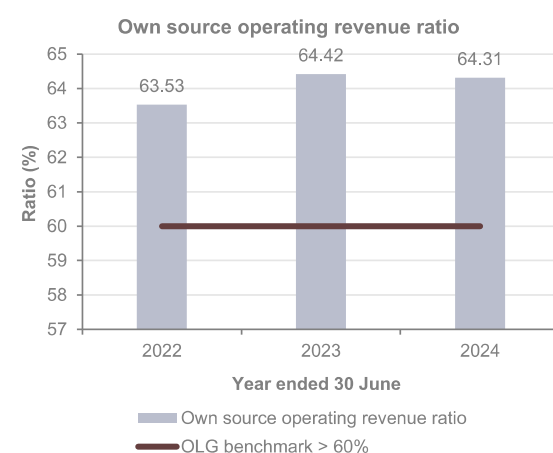
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



Own source operating revenue ratio

Council met the benchmark for the current reporting period.

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

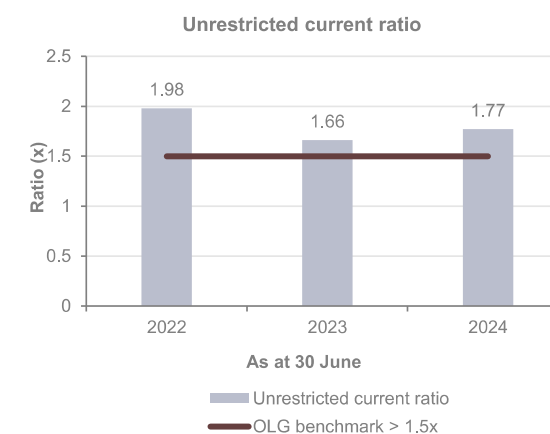


REPORT ON THE CONDUCT OF THE AUDIT

Unrestricted current ratio

Council met the benchmark for the current reporting period.

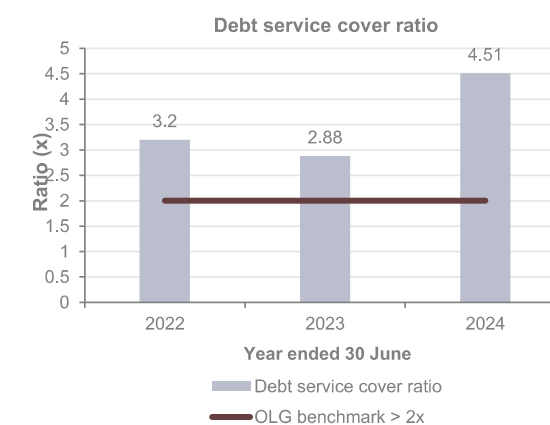
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

Council met the benchmark for the current reporting period.

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



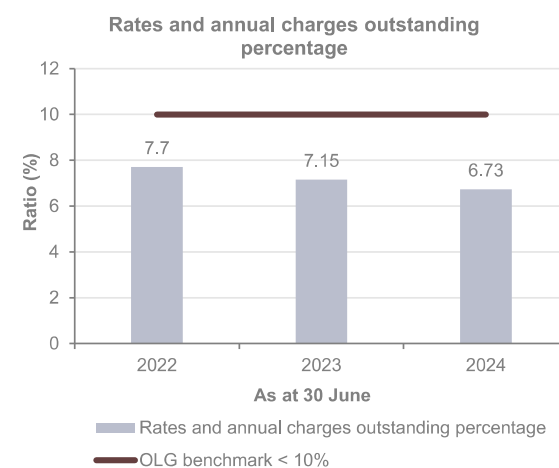
REPORT ON THE CONDUCT OF THE AUDIT

REPORT ON THE CONDUCT OF THE AUDIT

Rates and annual charges outstanding percentage

Council met the benchmark for the current reporting period.

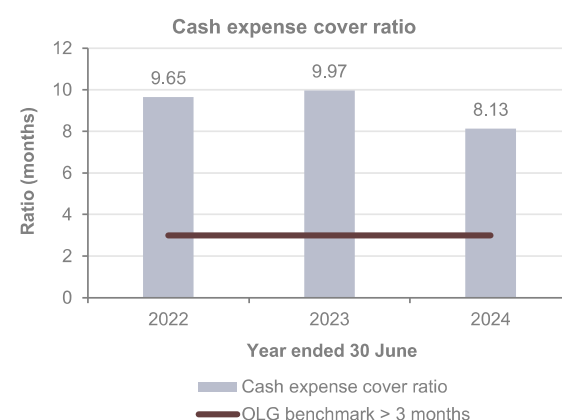
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.



Cash expense cover ratio

Council exceeded the benchmark for the current reporting period.

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



Infrastructure, property, plant and equipment renewals

Council renewed \$10.4 million of infrastructure, property, plant and equipment during the 2023-24 financial year. This was mainly spent on roads and water and sewer assets. A further \$18.9 million was spent on new assets including work-in-progress, roads, buildings and other infrastructures.

OTHER MATTERS

Legislative compliance

My audit procedures did not identify any instances of material non-compliance with the financial reporting requirements in Chapter 13, Part 3, Division 2 of the LG Act and the associated regulation or a material deficiency in the Council's accounting records or financial statements. The Council's:

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

Reiky Jiang
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

Muswellbrook Shire Council
SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024

To do what is best for our community through leadership,
excellent service and encouragement of sustainable
development.



Muswellbrook Shire Council

Special Purpose Financial Statements
for the year ended 30 June 2024

Contents	Page
Statement by Councillors and Management	3
Special Purpose Financial Statements:	
Income Statement of water supply business activity	4
Income Statement of sewerage business activity	5
Income Statement of Commercial Buildings	6
Statement of Financial Position of water supply business activity	7
Statement of Financial Position of sewerage business activity	8
Statement of Financial Position of Commercial Buildings	9
Note – Material accounting policy information	10
Auditor's Report on Special Purpose Financial Statements	13

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).

SPECIAL PURPOSE FINANCIAL STATEMENTS

Muswellbrook Shire Council | Special Purpose Financial Statements 2024

Muswellbrook Shire Council

Special Purpose Financial Statements
for the year ended 30 June 2024

Statement by Councillors and Management

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

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

- NSW Government Policy Statement, *Application of National Competition Policy to Local Government*
- Division of Local Government Guidelines, *Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality*
- The Local Government Code of Accounting Practice and Financial Reporting
- Sections 3 and 4 of the NSW Department of Climate Change, Energy, the Environment and Water's (DCCEEW) *Regulatory and assurance framework for local water utilities*, July 2022

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

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

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

Signed in accordance with a resolution of Council made on 23 July 2024.


Jeff Drayton
Mayor
30 October 2024


De-Anne Douglas
Deputy Mayor
30 October 2024


Derek Finnigan
General Manager
30 October 2024


Josh Hogan
Responsible Accounting Officer
30 October 2024

SPECIAL PURPOSE FINANCIAL STATEMENTS

Muswellbrook Shire Council | Income Statement of water supply business activity | for the year ended 30 June 2024

Muswellbrook Shire Council

Income Statement of water supply business activity
for the year ended 30 June 2024

	2024 \$ '000	2023 \$ '000
Income from continuing operations		
Access charges	2,193	1,896
User charges	5,746	3,514
Interest and investment income	773	576
Grants and contributions provided for operating purposes	—	47
Net gain from the disposal of assets	9	—
Other income	—	367
Total income from continuing operations	8,721	6,400
Expenses from continuing operations		
Employee benefits and on-costs	993	1,301
Borrowing costs	14	37
Materials and services	3,167	2,697
Depreciation, amortisation and impairment	2,100	2,045
Other expenses	387	472
Total expenses from continuing operations	6,661	6,552
Surplus (deficit) from continuing operations before capital amounts	2,060	(152)
Grants and contributions provided for capital purposes	1,900	1,374
Surplus (deficit) from continuing operations after capital amounts	3,960	1,222
Surplus (deficit) from all operations before tax	3,960	1,222
Less: corporate taxation equivalent (25%) [based on result before capital]	(515)	—
Surplus (deficit) after tax	3,445	1,222
Plus accumulated surplus	40,879	39,657
Less: other adjustments	(144)	—
Plus adjustments for amounts unpaid:		
— Corporate taxation equivalent	515	—
Closing accumulated surplus	44,695	40,879
Return on capital %	2.9%	(0.2)%
Subsidy from Council	950	2,700
Calculation of dividend payable:		
Surplus (deficit) after tax	3,445	1,222
Less: capital grants and contributions (excluding developer contributions)	(97)	(1,374)
Surplus for dividend calculation purposes	3,348	—
Potential dividend calculated from surplus	1,674	—

SPECIAL PURPOSE FINANCIAL STATEMENTS

Muswellbrook Shire Council | Income Statement of sewerage business activity | for the year ended 30 June 2024

Muswellbrook Shire Council

Income Statement of sewerage business activity for the year ended 30 June 2024

	2024 \$ '000	2023 \$ '000
Income from continuing operations		
Access charges	5,924	4,731
User charges	1,366	732
Liquid trade waste charges	–	78
Interest and investment income	394	182
Grants and contributions provided for operating purposes	2	41
Other income	–	398
Total income from continuing operations	7,686	6,162
Expenses from continuing operations		
Employee benefits and on-costs	876	743
Borrowing costs	636	664
Materials and services	2,233	1,595
Depreciation, amortisation and impairment	2,285	2,252
Other expenses	695	715
Total expenses from continuing operations	6,725	5,969
Surplus (deficit) from continuing operations before capital amounts	961	193
Grants and contributions provided for capital purposes	2,404	880
Surplus (deficit) from continuing operations after capital amounts	3,365	1,073
Surplus (deficit) from all operations before tax	3,365	1,073
Less: corporate taxation equivalent (25%) [based on result before capital]	(240)	(48)
Surplus (deficit) after tax	3,125	1,025
Plus accumulated surplus	56,081	55,008
Less: other adjustments	(17)	–
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	240	48
Closing accumulated surplus	59,429	56,081
Return on capital %	1.4%	0.8%
Subsidy from Council	3,199	3,322
Calculation of dividend payable:		
Surplus (deficit) after tax	3,125	1,025
Less: capital grants and contributions (excluding developer contributions)	–	(881)
Surplus for dividend calculation purposes	3,125	144
Potential dividend calculated from surplus	1,562	72

SPECIAL PURPOSE FINANCIAL STATEMENTS

Muswellbrook Shire Council | Income Statement of Commercial Buildings | for the year ended 30 June 2024

Muswellbrook Shire Council

Income Statement of Commercial Buildings for the year ended 30 June 2024

	2024 ¹ Category 1 \$ '000	2023 Category 1 \$ '000
Income from continuing operations		
Interest and investment income	–	8
Other income	–	6,783
Total income from continuing operations	–	6,791
Expenses from continuing operations		
Employee benefits and on-costs	–	251
Borrowing costs	–	988
Materials and services	–	1,245
Depreciation, amortisation and impairment	–	614
Other expenses	–	978
Total expenses from continuing operations	–	4,076
Surplus (deficit) from continuing operations before capital amounts	–	2,715
Surplus (deficit) from continuing operations after capital amounts	–	2,715
Surplus (deficit) from all operations before tax	–	2,715
Less: corporate taxation equivalent (25%) [based on result before capital]	–	(679)
Surplus (deficit) after tax	–	2,036
Plus accumulated surplus	–	50,157
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	–	679
Add:		
– Subsidy paid/contribution to operations	–	(754)
Closing accumulated surplus	–	52,118
Return on capital %	0.0%	15.0%

⁽¹⁾ A Council resolution was passed in May 2024 to remove Commercial Buildings from the Special Purpose Financial Statements from 2023-24.

SPECIAL PURPOSE FINANCIAL STATEMENTS

Muswellbrook Shire Council | Statement of Financial Position of water supply business activity | as at 30 June 2024

Muswellbrook Shire Council

Statement of Financial Position of water supply business activity
as at 30 June 2024

	2024 \$ '000	2023 \$ '000
ASSETS		
Current assets		
Investments	7,054	6,494
Receivables	2,080	1,991
Inventories	135	1
Total current assets	9,269	8,486
Non-current assets		
Investments	9,092	6,748
Receivables	848	994
Infrastructure, property, plant and equipment	70,327	64,313
Total non-current assets	80,267	72,055
Total assets	89,536	80,541
LIABILITIES		
Current liabilities		
Payables	177	306
Borrowings	—	277
Employee benefit provisions	105	233
Total current liabilities	282	816
Non-current liabilities		
Employee benefit provisions	8	—
Total non-current liabilities	8	—
Total liabilities	290	816
Net assets	89,246	79,725
EQUITY		
Accumulated surplus	44,695	40,735
Revaluation reserves	44,551	38,990
Total equity	89,246	79,725

SPECIAL PURPOSE FINANCIAL STATEMENTS

Muswellbrook Shire Council | Statement of Financial Position of sewerage business activity | as at 30 June 2024

Muswellbrook Shire Council

Statement of Financial Position of sewerage business activity
as at 30 June 2024

	2024 \$ '000	2023 \$ '000
ASSETS		
Current assets		
Investments	3,649	3,041
Receivables	849	1,545
Total current assets	4,498	4,586
Non-current assets		
Investments	4,702	3,161
Infrastructure, property, plant and equipment	111,536	103,963
Total non-current assets	116,238	107,124
Total assets	120,736	111,710
LIABILITIES		
Current liabilities		
Payables	—	365
Borrowings	817	778
Employee benefit provisions	1	88
Total current liabilities	818	1,231
Non-current liabilities		
Borrowings	12,569	13,387
Total non-current liabilities	12,569	13,387
Total liabilities	13,387	14,618
Net assets	107,349	97,092
EQUITY		
Accumulated surplus	59,429	56,065
Revaluation reserves	47,920	41,027
Total equity	107,349	97,092

SPECIAL PURPOSE FINANCIAL STATEMENTS

Muswellbrook Shire Council | Statement of Financial Position of Commercial Buildings | as at 30 June 2024

Muswellbrook Shire Council

Statement of Financial Position of Commercial Buildings as at 30 June 2024

	2024 ¹ Category 1 \$ '000	2023 Category 1 \$ '000
ASSETS		
Current assets		
Investments	–	767
Receivables	–	587
Non-current assets classified as held for sale	–	1,114
Total current assets	–	2,468
Non-current assets		
Investments	–	798
Infrastructure, property, plant and equipment	–	24,606
Investment property	–	66,807
Total non-current assets	–	92,211
Total assets	–	94,679
LIABILITIES		
Current liabilities		
Payables	–	114
Borrowings	–	3,232
Total current liabilities	–	3,346
Non-current liabilities		
Borrowings	–	35,149
Total non-current liabilities	–	35,149
Total liabilities	–	38,495
Net assets	–	56,184
EQUITY		
Accumulated surplus	–	56,184
Total equity	–	56,184

(1) A Council resolution was passed in May 2024 to remove Commercial Buildings from the Special Purpose Financial Statements from 2023-24.

SPECIAL PURPOSE FINANCIAL STATEMENTS

Muswellbrook Shire Council | Special Purpose Financial Statements 2024

Note – Material accounting policy information

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

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

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

The disclosures in these special purpose financial statements have been prepared in accordance with the *Local Government Act 1993* (Act), the *Local Government (General) Regulation 2021* (Regulation) and the Local Government Code of Accounting Practice and Financial Reporting.

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

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

National Competition Policy

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

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

Declared business activities

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

Category 1

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

a. Water Supplies

Provision of portable water for the communities of Muswellbrook, Denman and Sandy Hollow.

b. Sewerage Services

Provision of sewerage treatment of the communities of Muswellbrook and Denman.

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%** (LY 25%)

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

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

SPECIAL PURPOSE FINANCIAL STATEMENTS

Note – Material accounting policy information (continued)

In accordance with DCCEEW's regulatory and assurance framework, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the regulatory and assurance framework as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the Act.

Achievement of substantial compliance to DCCEEW's regulatory and assurance framework is not a prerequisite for the payment of the tax equivalent charges; however the payment must not exceed \$3 per assessment.

Income tax

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

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

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 25%.

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

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

The rate applied of 25% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

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

Loan and debt guarantee fees

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

(i) Subsidies

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

(ii) Return on investments (rate of return)

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

Funds are subsequently available for meeting commitments or financing future investment strategies. The rate of return is disclosed for each of Council's business activities on the Income Statement.

The rate of return is calculated as follows:

Operating result before capital income + interest expense

Written down value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 4.37% at 30 June 2024.

SPECIAL PURPOSE FINANCIAL STATEMENTS

Note – Material accounting policy information (continued)

(iii) Dividends

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

A local government water supply and sewerage business is permitted to pay annual dividends from their water supply or sewerage business surpluses. Each dividend must be calculated and approved in accordance with DCCEEW's regulatory and assurance framework and must not exceed 50% of the relevant surplus in any one year, or the number of water supply or sewerage assessments at 30 June 2024 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with DCCEEW's regulatory and assurance framework, statement of compliance and statement of dividend payment, dividend payment form and unqualified independent financial audit report are submitted to DCCEEW.

OFFICIAL



INDEPENDENT AUDITOR’S REPORT

Report on the special purpose financial statements

Muswellbrook Shire Council

To the Councillors of the Muswellbrook Shire Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of the Muswellbrook Shire Council’s (the Council) Declared Business Activities, which comprise the Statement by Councillors and Management, the Income Statement of each Declared Business Activity for the year ended 30 June 2024, the Statement of Financial Position of each Declared Business Activity as at 30 June 2024 and the Material accounting policy information note.

The Declared Business Activities of the Council are:

- water supply
- sewerage.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council’s declared Business Activities as at 30 June 2024, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in the Material accounting policy information note and the Local Government Code of Accounting Practice and Financial Reporting 2023–24 (LG Code).

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

Basis for Opinion

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

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

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

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

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

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

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

OFFICIAL

OFFICIAL

Emphasis of Matter - Basis of Accounting

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

Other Information

The Council’s annual report for the year ended 30 June 2024 includes other information in addition to the financial statements and my Independent Auditor’s Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor’s Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors’ Responsibilities for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

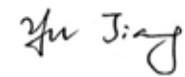
A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor’s report.

OFFICIAL

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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.



Reiky Jiang
Delegate of the Auditor-General for New South Wales

31 October 2024
SYDNEY

Muswellbrook Shire Council

SPECIAL SCHEDULES

for the year ended 30 June 2024

*To do what is best for our community through leadership,
excellent service and encouragement of sustainable
development.*



OFFICIAL

Muswellbrook Shire Council

Special Schedules
for the year ended 30 June 2024

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OFFICIAL
Muswellbrook Shire Council | Permissible income for general rates | for the year ended 30 June 2024



INDEPENDENT AUDITOR’S REPORT
Special Schedule – Permissible income for general rates
Muswellbrook Shire Council

To the Councillors of the Muswellbrook Shire Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of the Muswellbrook Shire Council (the Council) for the year ending 30 June 2025.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting 2023–24 (LG Code) and is in accordance with the books and records of the Council.

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

The Council's annual report for the year ended 30 June 2024 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2024'.

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

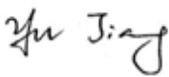
- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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

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

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

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



Reiky Jiang
Delegate of the Auditor-General for New South Wales

31 October 2024
SYDNEY

Muswellbrook Shire Council
Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost to bring to the standard		2023/24 Required maintenance ^(a)		2023/24 Actual maintenance		Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000			1	2	3	4	5
Buildings	Other	13,432	26,863	1,862	564	564	93,389	135,392	46.0%	21.0%	14.0%	13.0%	6.0%	
	Sub-total	13,432	26,863	1,862	564	564	93,389	135,392	46.0%	21.0%	14.0%	13.0%	6.0%	
Other structures	Other structures	357	713	400	255	255	17,791	35,270	34.0%	47.0%	16.0%	3.0%	0.0%	
	Sub-total	357	713	400	255	255	17,791	35,270	34.0%	47.0%	16.0%	3.0%	0.0%	
Roads	Other	47,280	94,559	3,039	2,484	2,484	518,525	446,551	33.0%	25.0%	32.0%	6.0%	4.0%	
	Sub-total	47,280	94,559	3,039	2,484	2,484	518,525	446,551	33.0%	25.0%	32.0%	6.0%	4.0%	
Water supply network	Other	14,980	7,490	1,321	2,026	2,026	67,548	117,773	16.0%	38.0%	33.0%	12.0%	1.0%	
	Sub-total	14,980	7,490	1,321	2,026	2,026	67,548	117,773	16.0%	38.0%	33.0%	12.0%	1.0%	
Sewerage network	Other	9,996	4,998	1,198	1,651	1,651	108,587	145,756	54.0%	24.0%	15.0%	4.0%	3.0%	
	Sub-total	9,996	4,998	1,198	1,651	1,651	108,587	145,756	54.0%	24.0%	15.0%	4.0%	3.0%	
Stormwater drainage	Other	27,880	55,760	129	48	48	73,996	102,889	9.0%	16.0%	21.0%	22.0%	32.0%	
	Sub-total	27,880	55,760	129	48	48	73,996	102,889	9.0%	16.0%	21.0%	22.0%	32.0%	
Total – all assets		113,925	190,383	7,949	7,028	7,028	879,836	983,631	33.4%	25.7%	25.4%	9.0%	6.5%	

(a) Required maintenance is the amount identified in Council's asset management plans.

Infrastructure asset condition assessment 'key'

#	Condition	Integrated planning and reporting (IP&R) description
1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Muswellbrook Shire Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023 2022		Benchmark
Buildings and infrastructure renewals ratio					
Asset renewals ¹	8,148	60.67%	63.17%	68.33%	> 100.00%
Depreciation, amortisation and impairment	13,431				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	113,925	12.85%	2.42%	2.13%	< 2.00%
Net carrying amount of infrastructure assets	886,824				
Asset maintenance ratio					
Actual asset maintenance	7,028	88.41%	61.06%	53.41%	> 100.00%
Required asset maintenance	7,949				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	190,383	19.36%	6.73%	5.75%	
Gross replacement cost	983,631				

(*) 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.

Muswellbrook Shire Council
Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (by fund)						
\$ '000	General fund		Water fund		Sewer fund	
	2024	2023	2024	2023	2024	2023
Buildings and infrastructure renewals ratio						
Asset renewals ⁽¹⁾						
Depreciation, amortisation and impairment	65.03%	63.04%	52.31%	84.53%	50.34%	44.32%
						> 100.00%
Infrastructure backlog ratio						
Estimated cost to bring assets to a satisfactory standard	12.52%	2.01%	22.18%	4.86%	9.21%	3.55%
Net carrying amount of infrastructure assets						< 2.00%
Asset maintenance ratio						
Actual asset maintenance	61.71%	48.74%	153.37%	154.04%	137.81%	62.89%
Required asset maintenance						> 100.00%
Cost to bring assets to agreed service level						
Estimated cost to bring assets to an agreed service level set by Council	24.70%	5.81%	6.36%	12.97%	3.43%	7.24%
Gross replacement cost						

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



STATUTORY REPORT

STATUTORY REPORT

Under the Local Government Act, 1993 ("The Act") and other legislation, Council is required to provide a range of information to the community. The information contained in this section of Council's Annual Report supplements information provided elsewhere in the report to provide additional transparency in our reporting and our operations more broadly.

Council's general reporting requirements are set out in section 428 of the Act and Clause 217(1) of the Local Government (General) Regulation 2005 ("the Regulation"). To access copies of the Act and Regulation visit: www.legislation.nsw.gov.au

COUNCILLORS' EXPENSES

The following allowances, fees and expenses have been provided to Councillors during the 2023/2024 period and are detailed hereunder in accordance with the Regulation:

Expense Type	2023 / 2024 Total Actuals
Mayoral Fees	\$37,925.00
Councillor Fees	\$239,668.00
Telephone Calls	\$4,949.00
Conference & Seminars	\$4,159.00
Training & Skills Development	\$12,370.00
Interstate Visits	\$2,435.00
Catering	\$4,933.00
Child Care	\$220.00
Other	\$11,739.00
Insurance	\$71,592.00
TOTAL	\$395,522.00

INTERSTATE AND OVERSEAS TRAVEL

No overseas travel was undertaken by Councillors in 2023/2024.

The Mayor travelled to Canberra to attend the National General Assembly, Tuesday 2 July - Thursday 4 July.

LEGAL EXPENSES

Legal expenses for the 2023/2024 comprised of the following.

Item	Expense
Planning and Development	\$377,625.34
Other	\$302,381.10
TOTAL	\$680,033.44

2023/2024 WORKS CARRIED OUT ON PRIVATE LAND

Private work rates are detailed in Council's Fees and Charges, which is available on Council's website. Members of the public requesting private works to be undertaken by Council are charged at those adopted rates.

Council did not carry out private works for an approved fee or resolve to carry out private works for a fee that was fully or partially subsidised by the Council.

CONTRIBUTIONS GRANTED UNDER SECTION 356 OF THE LOCAL GOVERNMENT ACT 1993

During the year 2023/2024, Council made contributions, under section 356 of the Act in the total amount of \$90,579.

Council introduced a new program of Community Grants in 2019/2020, which encourages community organisations to make applications for funds to support a range of initiatives and events with small matched contributions, together with its regular allocation of funds to schools and program of events. The program will continue in future years.

Organisations receiving contributions of \$1,000 or more were:

Row Labels	Sum of Total Value
Armidale Regional Council	\$ 5,000
Coalition of Regional Energy Mayors	\$ 5,000
Hope City Church	\$ 1,706
Harmony Day	\$1,706
Hunter Joint Organisation	\$ 53,573
Annual Subscription to Core Funding - Hunter Joint Organisation	\$ 34,895
Annual Subscription to Core Funding - Regional Program and Policy Division	\$ 18,678
Muswellbrook Chamber of Commerce	\$ 10,000
Great Cattle Dog Muster	\$ 7,500
Sponsorship for Muswellbrook Business Awards 2024	\$ 2,500
NSW Rural Doctors Network	\$ 3,000
Bush Bursary Sponsorship	\$ 3,000
Radio Hunter Valley P/L	\$ 7,500
2023 Upper Hunter Christmas Spectacular	\$ 7,500
Upper Hunter Conservatorium	\$ 6,000
Muswellbrook Shire Band - Directors Fee 2022/2023	\$ 6,000
UHCM Sponsorship - 2024	\$ 2,800
	\$ 2,800
Wanaruah Aboriginal Land Council	\$ 1,000
Naidoc Awards	\$ 1,000
GRAND TOTAL	\$ 90,579

STATUTORY REPORT

STATUTORY REPORT

EXERCISE OF COUNCIL FUNCTIONS BY EXTERNAL BODIES

The following organisations exercised functions delegated by Council during the 2023/2024 year:

Organisation	Function
Upper Hunter Weeds Authority	Control of noxious weeds
Upper Hunter Regional Library Network	Library service
Senior Citizens and Community Centre Management Committee	Control and operate the Muswellbrook Senior Citizens Centre

CORPORATIONS, PARTNERSHIPS, TRUSTS, JOINT VENTURES, SYNDICATES AND OTHER BODIES

Council is a partner with other Hunter Region councils in the Strategic Services Australia Ltd joint venture, which has been established to improve the quality and efficiency of local government services throughout the Hunter Region. The activities of the joint venture are not controlled by any one council. Strategic Services Australia Ltd provides a purpose-built training facility, negotiates bulk purchasing arrangements and provides legal services for member councils.

Council is a member of the Upper Hunter Weeds Authority Council ("the County Council"), a body corporate established under the Local Government Act 1993 for the control of noxious weeds. Council is one of three constituent council members and does not control the County Council.

Council has no interest in any other corporation, partnership, trust, joint venture or syndicate.

EQUAL EMPLOYMENT OPPORTUNITY MANAGEMENT PLAN

Section 345 of the Local Government Act details the requirements for Councils Equal Employment Opportunity (EEO) Management Plan. Council sought expressions of interest from all staff members to fill voluntary Council EEO Officer roles.

Equal Opportunity Officer's have completed Domestic Violence Training and Mental Health First Aid Training. HR will continue to seek ongoing training to assist these employees in their roles as EEO Officer's. An EEO Officer contact list is made available to all Council staff.

Human Resources (HR) has updated all grievance and dispute resolution policies, procedures and forms.



SENIOR STAFF AND REMUNERATION PACKAGE FOR SENIOR STAFF

In accordance with the Local Government General Regulations clause 217(1)(b)(i), (ii), (iii), (iv), (v), the General Manager's total remuneration package as at 30 June 2024 was \$312,000.

In accordance with the definitions outlined in Section 332 and 334 of the Local Government Act 1993 and in accordance with the Local Government General Regulations clause 217(1)(c)(i), (ii), (iii), (iv), (v) during 2023/2023 there were no staff members on a Senior Contract.

This includes the:

- ▶ total value of salary components of each package
- ▶ total amount of any bonus, performance or other payments that do not form part of salary components of their packages
- ▶ total amount payable by the council by way of the employer's contribution or salary sacrifice to any
- ▶ superannuation scheme to which any of the above may be a contributor
- ▶ total value of any non-cash benefits for which any of them may elect under the package
- ▶ total amount payable by way of fringe benefits tax for any such non-cash benefits.

AWARDED CONTRACTS

Following are details of each contract awarded by Council during the year 2023/2024 excluding:

- ▶ Employment contracts (that is, contracts of service but not contracts for services); and
- ▶ Contracts for less than \$150,000 or such other amount as may be prescribed by the regulations.

Contractor	Purpose	Value
Austek Constructions Pty Ltd t/as Austek Play	Upgrade of playground equipment and facilities at Simpson Park, Muswellbrook	\$228,706.71 excl GST
Shay Brennan Construction Pty Ltd 26-09	Design and construction of the RFS Kayuga Fire Station	\$722,727.00 excl GST
Hunter Wide Civil Pty Ltd	Construction of a new shared path in Turtle St, Denman	\$244,682.00 excl GST
Haydjack Pty Ltd t/as O'Brien Electrical Dubbo	Supply and installation of Sportsfield Lighting and Solar at Highbrook Park and Weeraman Fields	\$905,960.00 excl GST
Common Ground Trails Pty Ltd	Design and construction of the Pump Track as part of the Adventure Playground Wollombi Park	\$399,900.00 excl GST
Dalski Pty Ltd	Facility renovations in Victoria Park, Muswellbrook	\$154,813.23 incl GST
Sustainable Business Energy Solutions Pty Ltd	Design and construction of ground level solar PV at the RWTW	\$673,380.63 incl GST
CCG Architects Pty Ltd	Principal Design Consultant for the CI Depot	\$611,500.00 excl GST
KCE Pty Ltd	Upgrade of Road and Drainage in Merton St, Denman	\$1,527,600.00 excl GST

STATUTORY REPORT

STATUTORY REPORT

COMPANION ANIMALS ACT AND REGULATION

Council is required to provide a detailed statement in accordance with the Guideline on the Exercise of Functions under the Companion Animals Act and the regulations under that Act.

Lodgment of animal impoundment data collection returns with the Office of Local Government	Done
Lodgment of data about dog attacks with the Office of Local Government	13 reported to OLG 38 CRMs taken
Cost of Council's companion animal management and activities	\$301,966.00
Companion animal community education programs carried out and strategies Council has in place to promote and assist the desexing of dogs and cats	In preparation for July's National Desexing Month, in June information for the desexing program and parvo virus was handed out to the areas where strays, non-desexed animals and parvovirus is a problem. Muswellbrook Council has engaged with the National Desexing Network to provide financial assistance to cat owners wanting to desex their cats. Since Opening the Muswellbrook Animal Care and Sustainability Hub, Council has engaged with schools (pre-school to primary) to provide an animal safety and welfare education programme. The Hub has a facebook page "Muswellbrook Animal Shelter" where responsible animal ownership information is blogged. The Hub also has a TikTok page "Muswellbrook.Hub" where adoption animals and education is vlogged. The Hub provides a ton of brochures to the community and provides brochures and factsheets to community members after their animal has been reclaimed from Council's care
Council's strategies for complying with the requirement under section 64 of the Act to seek alternatives to euthanasia for unclaimed animals	Council use Animal rescue organisations to rehome animals, when animals who are in the adoption line have not had any adoption interest.
Off leash areas provided in the council area	Council maintains two off leash areas within the Shire: one in Karoola Park, Muswellbrook and the other in Arbour Park, Denman.

	Dogs	Cats
Incoming	109	52
Released to Owner	28	3
Sold/Adopted	11	13
Rescue	62	19
Euthanised	7	13

STORMWATER MANAGEMENT SERVICES

In 2023/2024, Council in accordance with section 496A of the Act, levies an annual charge for the provision of stormwater management services for each parcel of rateable land for which the service is available. Stormwater Management Services were charged at the following rates;

Residential Property		\$25.00
Residential Strata Unit		\$12.50
Non-Residential Impervious Land	0 – 1199sqm	\$25.00
	1200 – 4999sqm	\$100.00
	5000 – 9999sqm	\$375.00
	> 10,000sqm	\$725.00

The funds raised from the levy were spent exclusively on stormwater and related infrastructure. In 2023/2024 the transactions that occurred in relation to the funding are outline below;

Opening Balance (funds unspent from previous allocation)	\$1,189
Funds Raised	\$159,000
Allocation Spent	0
Available to Spend	\$1,348,000

RATES & CHARGES WRITTEN OFF

Council wrote off or abandoned the following amounts during 2023/2024 in rates and annual charges. All abandonments were made either under the General Manager's delegated authority or Council resolutions.

Undetected Water Leaks (in accordance with Council Policy W5/4 - Water Management Policy - Undetected Water Leak	\$18,671.59
CFO Approved - Dirty Water	\$37.70
Rates EOY Sml Debt Writeoff	\$758.13
Water EOY Sml Debt Writeoff	\$428.83
Writeoff Interest Charges	\$138.61
Writeoff Legal Charges	\$908.20
Writeoff Rates as Adj for Pens Rebate	\$159.65
Total	\$21,102.71

PUBLIC INTEREST DISCLOSURES

Council is committed to the objectives of the Public Interest Disclosures Act 1994 (the PID Act) and encourages the reporting of any allegations of suspected wrongdoing, including instances of corrupt conduct, maladministration, serious and substantial waste and government information contravention. Council has in place a framework to support staff who report suspected wrongdoing.

For the reporting period ending 30 June 2024, Muswellbrook Shire Council received zero (0) disclosure made under the PID Act.

STATUTORY REPORT

GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009

In accordance with the Government Information (Public Access) Act 2009 the following Annual Report of statistics relating to applications for information is provided:

Clause 8A: Details of the review carried out by the agency under section 7 (3) of the Act during the reporting year and the details of any information made publicly available by the agency as a result of the review

Reviews carried out by the agency	Yes
Information made publicly available by the agency	N/A

Clause 8B: The total number of access applications received by the agency during the reporting year (including withdrawn applications but not including invalid applications)

Total number of applications received	7
---------------------------------------	---

Clause 7C: The total number of access applications received by the agency during the reporting year that the agency refused either wholly or partly, because the application was for the disclosure of information referred to in Schedule 1 to the Act (information for which there is conclusive presumption of overriding public interest against disclosure)

NUMBER OF APPLICATIONS REFUSED	WHOLLY	PARTLY	TOTAL
	0	0	0
% of total	0%	0%	

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										
Members of Parliament										
Private Sector Business										
Not for profit organisations or community groups										
Members of the Public (by legal representative)					3					42.86%
Members of the Public (other)	4								4	57.14%
TOTAL	4				3				7	100%
% of TOTAL	57.14%				42.86%					

* 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.

STATUTORY REPORT

TABLE B:

NUMBER OF APPLICATIONS BY TYPE OF APPLICATION 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*	3				3				6	85.71%
Access Applications (other than personal information applications)	1								1	14.29%
Access Applications that are partly personal information applications and partly other										
TOTAL	4				3				7	
% of TOTAL	57.14%				42.86%					

* 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%
Total number of invalid applications received	0	0%
Invalid applications that subsequently became valid applications	0	0%
TOTAL	0	0%

STATUTORY REPORT

STATUTORY REPORT

TABLE D:

CONCLUSIVE PRESUMPTION OF OVERRIDING PUBLIC INTEREST AGAINST DISCLOSURE: MATTERS LISTED IN SCHEDULE 1 OF ACT

	Number of times consideration used*	% of total
Overriding secrecy laws	0	0%
Cabinet information	0	0%
Executive Council information	0	0%
Contempt	0	0%
Legal professional privilege	0	0%
Excluded information	0	0%
Documents affecting law enforcement and public safety	0	0%
Transport safety	0	0%
Adoption	0	0%
Care and protection of children	0	0%
Ministerial code of conduct	0	0%
Aboriginal and environmental heritage	0	0%
Privilege generally - Sch 1(5A)	0	0%
Information provided to High Risk Offenders Assessment Committee	0	0%
TOTAL	0	0%

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

TABLE E:

OTHER PUBLIC INTEREST CONSIDERATIONS AGAINST DISCLOSURE: MATTERS LISTED IN TABLE TO SECTION 14 OF ACT

	Number 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	0	0%
Business Interests of Agencies and Other Persons	0	0%
Environment, Culture, Economy and General Matters	0	0%
Secrecy Provisions	0	0%
Exempt Documents Under Interstate Freedom of Information Legislation	0	0%
TOTAL	0	0%

TABLE F:

TIMELINESS

	Number of times consideration used*	% of total
Decided within the Statutory Timeframe (20 days plus any extensions)	0	0%
Decided after 35 days (by agreement with applicant)	7	100%
Not decided withing time (deemed refusal)	0	0%
TOTAL	7	100%

TABLE G:

NUMBER OF APPLICATIONS REVIEWED UNDER PART 5 OF THE ACT (BY TYPE OF REVIEW AND OUTCOME)

	Decision Varied	Decision Upheld	Total	% of Total
Internal Review	0	0	0	0%
Review by Information Commissioner*	0	0	0	0%
Internal Review following recommendation under Section 93 of Act	0	0	0	0%
Review by NCAT	0	0	0	0%
TOTAL	0	0	0	0%
% of TOTAL	0	0	0	0%

*The Information Commissioner does not have the authority to vary decisions but can make 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)

	Number of Applications for review	% of total
Applications by access applicants	0	0%
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0	0%
TOTAL	0	0%

TABLE I:

APPLICATIONS TRANSFERRED TO OTHER AGENCIES.

	Number of Applications for Transferred	% of total
Agency - Initiated Transfers	0	0%
Applicant - Initiated Transfers	0	0%
TOTAL	0	0%

STATUTORY REPORT

STATUTORY REPORT

CAPITAL WORKS PROJECTS

Work continued on the development of the following projects, for which Council has prepared Capital Expenditure Reviews. These have each been reviewed by the Office of Local Government.

Project	Status
Muswellbrook Regional Entertainment Centre	The location of the proposed Muswellbrook Regional Entertainment Centre has been moved to the centre of the Muswellbrook Town Centre, Central Business District block. The application of the design to the new location is underway together with value managing the design and staging of work within the available budget.
Olympic Park Precinct Master Plan	Council is continuing the detailed design for Olympic Park Amenities and Grandstand with many of the precinct works completed. The design consultant is currently preparing design and cost options for renewal and new components of the existing grandstand for Council's consideration.

STATEMENT OF THE TOTAL NUMBER OF PERSONS WHO PERFORMED PAID WORK FOR MUSWELLBROOK SHIRE COUNCIL ON WEDNESDAY 23 NOVEMBER 2022

In their 2022/2023 annual reports, councils must publish a statement of the total number of persons who performed paid work for them on Wednesday 14 February 2024 including, in separate statements, the total number of the following:

- ▶ the number of persons directly employed by the council:
 - on a permanent full-time basis
 - on a permanent part-time basis
 - on a casual basis, and
 - under a fixed-term contract
- ▶ the number of persons employed by the council who are "senior staff" for the purposes of the Local Government Act 1993
- ▶ the number of persons engaged by the council, under a contract or other arrangement with the person's employer, that is wholly or principally for the labour of the person, and
- ▶ the number of persons supplied to the council, under a contract or other arrangement with the person's employer, as an apprentice or trainee

Total number of persons directly employed by Muswellbrook Shire Council who performed paid work on 14/02/2024	161
Permanent Full time	121
Permanent Part time	13
Casual	12
Contract	14
The number of persons employed by the council who are "senior staff" for the purposes of the Local Government Act 1993	1

PRIVATE SWIMMING POOL INSPECTIONS

Pursuant to section 22F(2) of the Swimming Pools Act 1992 and Regulation, the following table provides details of inspections of private swimming pools undertaken by Council:

Inspections of Tourist and Visitor Accommodation	1
Inspections of Premises on which there are more than two dwellings	1
Compliance Certificates Issued	44
Non-Compliance Certificates Issued	3

STATUTORY REPORT

DISABILITY INCLUSION ACTION PLAN (2022-2026)

PLANNING AGREEMENTS

Pursuant to section 7.5(5) of the Environmental Planning and Assessment Act 1979, the following table details compliance with planning agreements to which Council is a party. It is noted that each of the agreements were complied with in full.

Entity	Planning Agreement Project	Proposed Spend	Actuals
AGL	STEM Program 2024	\$ 175,000	\$ 75,164
	STEM Program 2025	\$ -	\$ 123,182
	Melt Contract (Advanced Manufacturing Centre)	\$ 341,500	\$ 323,016
	Economic Development Program - Local Development Activities	\$ 405,000	\$ 550,271
	Economic Development Program - Local Development Activities	\$ -	\$ 66,714
	Tourism Industry Development	\$ 100,000	\$ -
Bengalla	Economic Development	\$ 250,000	\$ -
	Excess Funding	\$ 27,204	\$ -
	Simpson Park Softfall	\$ 150,000	\$ -
	Muswellbrook Youth Centre	\$ 250,000	\$ -
	Art Centre Storage & Preservation of Collection	\$ 150,000	\$ -
	Revenue Community - Capital Expenditure	\$ -	\$ 75,000
	Revenue Environmental - Expenditure allocated	\$ -	\$ 20,170
	Revenue Roads - Expenditure allocated	\$ -	\$ 168,248
Dartbrook	Muscle Creek Emergency Stabilisation	\$ 250,000	\$ -
	Revenue Environmental - Expenditure allocated	\$ -	\$ 50,365
	Revenue Roads - Expenditure allocated	\$ -	\$ 25,182
Malabar	Grants Community, Sport and Recreation Programmes - Sponsorships	\$ 75,000	\$ 15,000
	Revenue Environmental - Expenditure allocated	\$ -	\$ 43,735
	Grants Community, Sport and Recreation Programmes - Sponsorships	\$ 150,000	\$ 1,706
Mangoola	Mangoola Rec Assets Renewal	\$ 101,577	\$ -
	Mangoola Employment	\$ 161,500	\$ -
	Denman Tourist Park Amenities	\$ 254,427	\$ -
	Denman Tourist Park Structures	\$ 150,000	\$ -
	Denman CBD car parking design	\$ 50,000	\$ -
	Revenue Environmental - Expenditure allocated	\$ -	\$ 26,666
	Revenue Roads - Expenditure allocated	\$ -	\$ 294,535
	Revenue Roads - Wybong - Expenditure allocated	\$ -	\$ 68,428
Mt Arthur	Muswellbrook Youth Centre	\$ 300,000	\$ -
	Muswellbrook Youth Centre	\$ 302,870	\$ -
	Karoola Park Pathways	\$ 7,222	\$ 7,222
	Racecourse Contribution. (Funding may be allocated elsewhere)	\$ 300,000	\$ -
	Excess Funding	\$ 18,210	\$ -
	Community Events	\$ 250,000	\$ -
	Revenue Roads - Expenditure allocated	\$ -	\$ 146,094
	Revenue Environmental - Expenditure allocated	\$ -	\$ 26,902
Mt Pleasant	Economic Development	\$ 250,000	\$ -
	Excess Funding	\$ 14,715	\$ -
	Muswellbrook Town Centre - Design, beautification, and street improvements (post bypass planning)	\$ 584,471	\$ -
	Economic Development Program Equipment replacement	\$ 105,000	\$ -
	Revenue Environmental - Expenditure allocated	\$ -	\$ 27,074
	Revenue Roads - Expenditure allocated	\$ -	\$ 311,266
Ridgeland	Regional Entertainment Centre	\$ 500,000	\$ -
	Denman Childrens Centre	\$ 415,308	\$ 46,601
Liddell	Liddell - Community Facilities	\$ 23,200	\$ -

Muswellbrook Shire Council's Disability Inclusion Action Plan vision is 'Engaging with our community to achieve an inclusive, vibrant and sustainable future'. Council actively encourages positive actions and behaviours in our communities to create inclusive spaces that ensure participation and opportunities for people of all abilities.

During this reporting period the Disability Inclusion Action Plan achievements include:

BUILDING POSITIVE ATTITUDES AND BEHAVIOURS

Wider Promotion events and activities including the livestreaming of significant events such as Australia Day, ANZAC Ceremony, Art Exhibition openings, Blue Heeler Film Festival and recording and posting of the Councils monthly Meetings this provides access for people of all abilities to enjoy and connect with events and participate in local decision making.

Provision of accessible events, Australia Day Citizenship & Community Awards, Australia Day Family Fun Day, Citizenship Ceremonies, annual Reconciliation Week Aboriginal Flag Raising event, Easter Family Fun Day activities, Blue Heeler Film Festival, New Years Fireworks Event, Muswellbrook Regional Arts Centre Exhibition openings and workshops, Sustainability Hub activities, Library activities in Muswellbrook and Denman, Arts Station at the Muswellbrook Regional Arts Centre, workshops and activities delivered by the Innovation Centre

People with disabilities volunteer at the Muswellbrook Library, volunteers are tasked with meaningful work and volunteer work contributes positively to our community.

CREATING LIVEABLE COMMUNITIES

Installation of an all-abilities playground in one of Councils premier parks, Simpson Park is a central park that is used by local residents and people travelling through the area. The playground is accessible all year round and incorporated into the playground area including a mobility swing.

Design and construction of accessible community assets such as Hunter Beach recreational area, local bus shelters, the Donald Horne Building which incorporates The Melt and the STEM Innovation Centre, Karoola Park reserve and netball park accessibility project.

Council provides support and subsidy to a Learn to Swim Swimming Club that provides people with disabilities weekly LTS lessons, Council provides a designated lane

during a quiet period with a view to provide optimal conditions and opportunities for young people with disabilities

Footpath renewal programs in Muswellbrook and Denman has enabled the redesign of footpaths and the provision of pram ramps this has provided people with disabilities connectivity and ease to move about their community independently.

SUPPORTING ACCESS TO MEANINGFUL EMPLOYMENT

Provision of flexible working arrangements enables our employees with disabilities to maintain a good work life balance, if required relevant equipment is provided to ensure that this is achievable.

Ensuring that buildings and workplaces are accessible for people with disabilities Council spaces are physically accessible by the installation of ramps, elevators, toilet facilities.

Council has developed partnerships with a local disability service provider to deliver hospitality services at local community events such as the Local Connect activities.

IMPROVING ACCESS TO SERVICES THROUGH BETTER SYSTEMS AND PROCESSES


Muswellbrook Shire Council Community Services Team convene and facilitate the Upper Hunter Community Services Interagency, government and non-government service providers including disability service providers participate in the network, the aim of the network is to improve referral processes for vulnerable individuals and families. The networks meet 6 times per year;


Provision of information through the Muswellbrook Shire Council Facebook and website about events and activities encouraging participation

Provision of information to community members about emergencies such as fires and flooding events.







 (02) 6549 3700


 (02) 6549 3701

 council@muswellbrook.nsw.gov.au

 muswellbrook.nsw.gov.au

 Campbell's Corner 60-82 Bridge Street Muswellbrook NSW 2333

 PO Box 122 Muswellbrook 2333

   [muswellbrook shire council](#)

ABN 86 864 180 944