



BUSINESS PAPER

Finance and Governance
Committee Meeting

Council Chambers
19 November 2025

5.30pm

BROKEN HILL

CITY COUNCIL

AUSTRALIA'S FIRST
HERITAGE LISTED CITY

MEMBERS OF THE FINANCE AND GOVERNANCE COMMITTEE:

Mayor Kennedy, Councillor Algate (Chairperson), Councillor Boland, Councillor Chandler, Councillor Edgecombe and Councillor Jewitt.

Notice is hereby given, in accordance with the provisions of the *Local Government Act 1993*, that the Finance and Governance Standing Committee of the Broken Hill City Council will be held in the Council Chambers on **Wednesday, 19 November 2025** commencing at **5:30pm** to consider the following business:

AGENDA	
1	Opening the Meeting
2	Apologies
3	Leave of Absence Applications
4	Prayer
5	Acknowledgement of Country
6	Acknowledgement of Broken Hill's Mining History
7	Minutes for Confirmation
8	Disclosure of Interest
9	Reports
10	Confidential Matters
11	Conclusion of the Meeting

STATEMENT OF ETHICAL OBLIGATIONS

All Councillors undertook an Oath or Affirmation at the beginning of their term of office and declared to undertake the duties of the office of Councillor in the best interests of the people of the Broken Hill Local Government Area and the City of Broken Hill; and that they will faithfully and impartially carry out the functions, powers, authorities and discretions vested in them under the *Local Government Act 1993* or any other Act to the best of their ability and judgment.

LIVE STREAMING OF COUNCIL MEETINGS

This Committee Meeting is being livestreamed via YouTube and recorded and published online via Council's website. To those present in the meeting today, by attending in this public meeting you are consenting to your image, voice and comments being recorded and published.

The Chairperson and/or General Manager have the authority to pause the livestream if comments or debate are considered defamatory or otherwise inappropriate for publishing. Participants are advised that they may be subject to legal action if they engage in unlawful behaviour or commentary.

JAY NANKIVELL
GENERAL MANAGER

MINUTES FOR CONFIRMATION

Minutes of the Finance and Governance Committee of the City of Broken Hill held
Wednesday, October 22, 2025.

**MINUTES OF THE FINANCE AND GOVERNANCE COMMITTEE MEETING HELD
WEDNESDAY, OCTOBER 22, 2025 (5:30 PM)**

PRESENT:

Councillor T. Kennedy (Mayor), Councillors B. Algate (Chairperson),
Councillors M. Boland, A. Chandler, and B. Edgecombe.

General Manager, Director Finance and Commercial, Manager
Communications and Marketing and Executive Officer.

Media (Nil), Members of the Public (Nil)

APOLOGIES:

Councillor H Jewitt

Procedural Motion

Moved Mayor Tom Kennedy, Seconded Councillor Alan Chandler

That the apology as submitted on behalf of Councillor Jewitt be accepted.

CARRIED UNANIMOUSLY

**LEAVE OF ABSENCE
APPLICATIONS:**

Nil

PRAYER

Mayor Kennedy delivered the Prayer.

ACKNOWLEDGEMENT OF COUNTRY

Councillor Edgecombe delivered the Acknowledgement of Country.

ACKNOWLEDGEMENT OF BROKEN HILL'S MINING HISTORY

Councillor Chandler delivered the Acknowledgement of Broken Hill's Mining History.

MINUTES FOR CONFIRMATIONRecommendation

Moved Mayor Tom Kennedy, Seconded Councillor Alan Chandler

That the Minutes of the Finance and Governance Committee meeting held Wednesday
September 17, 2025 be confirmed.

CARRIED UNANIMOUSLY

DISCLOSURE OF INTEREST

Nil

REPORTS

1. BROKEN HILL CITY COUNCIL REPORT NO. 190/25 - DATED OCTOBER 02, 2025 - DISCLOSURES BY COUNCILLORS AND DESIGNATED PERSONS RETURNS D25/43262

Recommendation**Moved Mayor Tom Kennedy, Seconded Councillor Michael Boland**

1. That Broken Hill City Council Report No. 190/25 dated October 2, 2025, be received.
2. That Council notes the submission of the required Disclosure Returns by Councillors and Designated Persons of Council, albeit one (1) that was not completed by a contractor (contract Environmental Health Officer), and that the Disclosure Returns be tabled by Council.
3. That public access to Council's Register of Returns of Disclosures by Councillors and Designated Persons be in accordance with the provisions of the *Local Government Act 1993*, *Government Information (Public Access) Act 2009* and *Government Information (Public Access) Regulation 2018* and the Disclosure Returns be published on Council's website accordingly.
4. That the Office of Local Government be notified of the non-compliance of the contractor (contract Environmental Health Officer).

CARRIED UNANIMOUSLY

2. BROKEN HILL CITY COUNCIL REPORT NO. 191/25 - DATED SEPTEMBER 24, 2025 - ADOPTION OF THE REVISED COUNCILLOR SUPPORT POLICY D25/44358

The Chairperson advised that the current adopted policy was attached to the report in error and that members of the Committee had been provided with a copy of the amended policy prior to the meeting. The report will be updated prior to the October Council Meeting with the correct attachment.

Recommendation**Moved Mayor Tom Kennedy, Seconded Councillor Michael Boland**

1. That Broken Hill City Council Report No. 191/25 dated September 24, 2025, be received.
2. That Council notes the minor amendments made to the draft revised Councillor Support Policy to allow for Council to fund the cost of one (1)

alcoholic beverage per Councillor consumed with an evening meal, as a reasonable expense associated with Councillor travel arrangements whilst on Council business.

3. That Council notes that the draft revised Councillor Support Policy is consistent with the requirements of *Local Government Act 1993 sections 252, 253 and 254* and the *Local Government (General) Regulation 2021 clause 403*.
4. That pursuant to the *Local Government Act 1993 Section 253 (3)*, Council adopts the draft revised Councillor Support Policy as a Policy of Council.

CARRIED

For: Mayor Kennedy, Councillors Boland, Chandler, Algate
Against: Councillor Edgecombe

After an extensive discussion on the item, the Mayor called for the vote to be put again.

For: Mayor Kennedy, Councillors, Boland, Chandler and Algate
Against: Councillor Edgecombe
CARRIED

3. BROKEN HILL CITY COUNCIL REPORT NO. 192/25 - DATED OCTOBER 10, 2025 - INVESTMENT REPORT FOR SEPTEMBER 2025 D25/47251

Recommendation

Moved Councillor Michael Boland, Seconded Councillor Alan Chandler

1. That Broken Hill City Council Report No. 192/25 dated October 10, 2025, be received.

CARRIED UNANIMOUSLY

CONFIDENTIAL MATTERS

Nil

There being no further business to consider, the meeting was declared closed at 5:54.pm.

The foregoing minutes were read and confirmed at the Finance and Governance Committee meeting held on 19 November 2025

Chairperson

REPORTS

1. BROKEN HILL CITY COUNCIL REPORT NO. 215/25 - DATED NOVEMBER 10, 2025 - ADOPTION OF THE DRAFT CODE OF MEETING PRACTICE POLICY (D25/45181) 8
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FINANCE AND GOVERNANCE COMMITTEE

November 10, 2025

ITEM 1

BROKEN HILL CITY COUNCIL REPORT NO. 215/25

SUBJECT: ADOPTION OF THE DRAFT CODE OF MEETING PRACTICE
POLICY D25/45181

Recommendation

1. That Broken Hill City Council Report No. 215/25 dated November 10, 2025, be received.
2. That Council notes that as per the requirements of the *Local Government Act 1993*, the Draft Code of Meeting Practice Policy was placed on public exhibition for 28 days, and that Council accepted submissions for a period of 42 days (closing 7 November 2025), during which time Council received nil submissions from the public.
3. That it be noted that a Councillor Workshop was held during the public exhibition/submission period and that Councillors and staff also attended OLG webinars regarding the amendments to the OLG Model Code of Meeting Practice; and that as a result of attending the OLG webinars further amendments have been made to Council's draft Code of Meeting Practice Policy:
 - 1) To allow for a Public Forum Session to be held prior to Ordinary and Extraordinary Council Meetings; and
 - 2) To include a Standing Committee named "Planning Committee" for the conduct of site visits referred to the Committee by Council Resolution.
4. That the Draft Code of Meeting Practice Policy be adopted as a Policy of Council, which will supersede the 2024 Code of Meeting Practice Policy.

Executive Summary:

Pursuant to the *Local Government Act 1993 Chapter 12 Part 2 and Chapter 14 Part 1*, Councils must adopt a Code of Meeting Practice that incorporate the provisions of the OLG Model Code of Meeting Practice for NSW Councils.

The Office of Local Government (OLG) have released Council Circular 25/20 regarding the new 2025 Model Code of Meeting Practice on 29 August 2025.

Council's must adopt a Code of Meeting Practice that incorporates the mandatory provisions (indicated in black font) of the 2025 Model Code of Meeting Practice no later than 31 December 2025.

Transitional provisions in the Regulation will provide that if a Council does not adopt a Code of Meeting Practice that incorporates the mandatory provisions of the 2025 Model Code of Meeting Practice by 31 December 2025, from 1 January 2026, any provision of the Council's Code of Meeting Practice that is inconsistent with a mandatory provision of the 2025 Model

Meeting Code, it will be automatically overridden by the relevant mandatory provision of the 2025 Model Meeting Code.

Under section 361 of the *Local Government Act 1993* (the Act), before adopting a new Code of Meeting Practice, Councils must first exhibit a Draft Code of Meeting Practice for at least 28 days and provide members of the community 42 days in which to comment on the draft Code.

Council considered the Draft Code of Meeting Practice Policy at its Ordinary Meeting held 24 September 2025 and Council resolved to place the Draft Policy on public exhibition for a period of 28 and to accept submissions for up to 42 days (which closed on 7 November 2025) as per the requirements of the *Local Government Act 1993*. During this period Council received nil submissions from the public.

Council also resolved to hold a Councillor Workshop whilst the draft Policy was on public exhibition. The Councillor Workshop was held on Monday 13 October 2025; and Councillors and staff also attended OLG webinars on the new Model Code. As a result the following further amendments are recommended in order to comply with the new mandatory provisions of the OLG Model Code:

1. That one (1) Public Forum Session be held separately prior to Ordinary and Extraordinary Council Meetings commencing at 6:10pm and concluding prior to the commencement of Council Meetings at 6:30pm.
2. That a fourth Standing Committee be introduced to the Council Meeting process and be named the "Planning Committee" for the purpose of conducting site visits, which have been referred to the Committee by Council resolution, on matters relating to Development Applications or other Planning matters.

These changes have been made to Council's Draft Code of Meeting Practice Policy, which is now presented to Council for consideration of adoption.

Report:

Following the Office of Local Government's extensive consultation with Councils, the new 2025 Model Code of Meeting Practice for Local Councils in NSW (2025 Model Meeting Code) has been finalised.

The new 2025 Model Meeting Code has been published in the Government Gazette and is expected to be prescribed under the *Local Government (General) Regulation 2021* (the Regulation) shortly.

Among other changes, the mandatory provisions of the 2025 Model Meeting Code will prohibit pre-Council Meeting briefings.

Councils must also livestream meetings of the Council and Committees comprising wholly of Councillors from 1 January 2026 using an audio-visual recording. Recordings of meetings must be published on the council websites for the balance of the council term or for 12 months, whichever is the later date.

The 2025 Model Meeting Code has two elements:

- mandatory provisions (indicated in black font), and
- non-mandatory provisions (indicated in red font) covering areas of meeting practice that are common to most councils but where there may be a need for some variation in practice between councils based on local circumstances. The non-mandatory provisions also operate to set a benchmark based on

what the Office of Local Government sees as best practice for the relevant area of practice.

The 2025 Model Meeting Code also applies to meetings of the boards of joint organisations and county councils. The provisions that are specific to meetings of boards of joint organisations are indicated in [blue font](#).

A Draft Code of Meeting Practice Policy is attached which is based on the Office of Local Government's 2025 Model Meeting Code and includes in [yellow highlight](#) Broken Hill City Council's intricacies and current meeting practices as last adopted by Council at the commencement of the new Term of Council (December 2024).

Council considered the Draft Code of Meeting Practice Policy at its Ordinary Meeting held 24 September 2025 and Council resolved to place the Draft Policy on public exhibition for a period of 28 days and to accept submissions for 42 days closing at midnight on Friday 7 November 2025. During this period Council received nil submissions from the public.

A Councillor Workshop was also held on 13 October 2025 and Councillors and staff have attend OLG webinars, which has resulted in further amendments regarding the conduct of Public Forum Sessions and the introduction of a fourth Standing Committee for the conduct of site visits requested by Council resolution.

The Draft Code of Meeting Practice Policy is now presented to Council for consideration of adoption.

Community Engagement:

Council's Draft Code of Meeting Practice Policy was placed on public exhibition for 28 days and Council accepted submissions for 42 days.

Strategic Direction:

Key Direction:	4	Our Leadership
Objective:	4.1	Openness and transparency in decision making
Strategy:	4.1.4	Support the organisation to operate its legal framework

Relevant Legislation:

Local Government Act 1993, Chapter 12 Part 2 and Chapter 14 Part 1
Local Government (General) Regulation 2021 Part 8 and Part 10

Financial Implications:

Nil

Attachments

1. [↓](#) Draft Model Code of Meeting Practice

LEISA BARTLETT
EXECUTIVE OFFICER

JAY NANKIVELL
GENERAL MANAGER

DRAFT CODE OF MEETING PRACTICE POLICY

QUALITY CONTROL			
EDMS REFERENCES			
RESPONSIBLE POSITION	<u>General Manager</u>		
APPROVED BY	<u>Council</u>		
REVIEW DATE	<u>Within 12 months after each ordinary election</u>	REVISION NUMBER	
EFFECTIVE DATE	ACTION	MINUTE NUMBER	

**MODEL CODE OF MEETING PRACTICE
FOR LOCAL COUNCILS IN NSW**

2025

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1 INTRODUCTION

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This Model Code of Meeting Practice for Local Councils in NSW (the Model Meeting Code) is prescribed under section 360 of the *Local Government Act 1993* (the Act) and the *Local Government (General) Regulation 2021* (the Regulation).

The Model Meeting Code applies to all meetings of councils and committees of councils of which all the members are councillors (committees of council). Council committees whose members include persons other than councillors may adopt their own rules for meetings unless the council determines otherwise.

Councils must adopt a code of meeting practice that incorporates the mandatory provisions of the Model Meeting Code.

A council's adopted code of meeting practice may also incorporate the non-mandatory provisions of the Model Meeting Code and other supplementary provisions. However, a code of meeting practice adopted by a council must not contain provisions that are inconsistent with the mandatory provisions of this Model Meeting Code.

The provisions of the Model Meeting Code that are not mandatory are indicated in red font.

A council and a committee of the council of which all the members are councillors must conduct its meetings in accordance with the code of meeting practice adopted by the council.

The Model Meeting Code also applies to meetings of the boards of joint organisations and county councils. The provisions that are specific to meetings of boards of joint organisations are indicated in blue font.

In adopting the Model Meeting Code, joint organisations should adapt it to substitute the terms "board" for "council", "chairperson" for "mayor", "voting representative" for "councillor" and "executive officer" for "general manager".

In adopting the Model Meeting Code, county councils should adapt it to substitute the term "chairperson" for "mayor" and "member" for "councillor".

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2 MEETING PRINCIPLES

2.1 Council and committee meetings should be:

Transparent: Decisions are made in a way that is open and accountable.

Informed: Decisions are made based on relevant, quality information.

Inclusive: Decisions respect the diverse needs and interests of the local community.

Principled: Decisions are informed by the principles prescribed under Chapter 3 of the Act.

Trusted: The community has confidence that councillors and staff act ethically and make decisions in the interests of the whole community.

Effective: Meetings are well organised, effectively run and skilfully chaired.

Orderly: Councillors, staff and meeting attendees behave in a way that contributes to the orderly conduct of the meeting.

Note: The Office of Local Government has issued a guideline on free speech in local government in NSW. The Guideline provides practical guidance to councils on what free speech means in the context of NSW local government, including in relation to council meetings. The Guidelines have been issued under section 23A of the Act meaning councils must consider them when exercising their functions at meetings.

3 BEFORE THE MEETING

Timing of ordinary council meetings

- 3.1 The council shall, by resolution, set the frequency, time, date and place of its ordinary meetings.

Ordinary Council Meetings will be held on the last Wednesday of every month of the year with the exception of the December Council Meeting which will be set by Council Resolution each year. The meeting will commence at 6:30pm and be held in the Council Chambers.

Note: Under section 365 of the Act, councils are required to meet at least ten (10) times each year, each time in a different month unless the Minister for Local Government has approved a reduction in the number of times that a council is required to meet each year under section 365A.

Note: Under section 396 of the Act, county councils are required to meet at least four (4) times each year.

Note: Under section 400T of the Act, boards of joint organisations are required to meet at least four (4) times each year, each time in a different quarter of the year.

Note: Under clause 13 of Schedule 11 of the Act, councils that have been designated as a rural and remote council under the Regulation are required to meet at least four (4) times each year, each time in a different quarter of the year.

Extraordinary meetings

- 3.2 If the mayor receives a request in writing, signed by at least two (2) councillors, the mayor must call an extraordinary meeting of the council to be held as soon as practicable, but in any event, no more than fourteen (14) days after receipt of the request. The mayor can be one of the two councillors requesting the meeting.

Note: Clause 3.2 reflects section 366 of the Act.

- 3.3 The mayor may call an extraordinary meeting without the need to obtain the signature of two (2) councillors.

Notice to the public of council meetings

- 3.4 The council must give notice to the public of the time, date and place of each of its meetings, including extraordinary meetings, and of each meeting of committees of the council.

Note: Clause 3.4 reflects section 9(1) of the Act.

3.5 For the purposes of clause 3.4, notice of a meeting of the council and of a committee of council must be published before the meeting takes place. The notice must be published on the council's website, and in such other manner that the council is satisfied is likely to bring notice of the meeting to the attention of as many people as possible.

3.6 For the purposes of clause 3.4, notice of more than one (1) meeting may be given in the same notice.

Notice to councillors of ordinary council meetings

3.7 The general manager must send to each councillor, at least three (3) days before each meeting of the council, a notice specifying the time, date and place at which the meeting is to be held, and the business proposed to be considered at the meeting.

Note: Clause 3.7 reflects section 367(1) of the Act.

3.8 The notice and the agenda for, and the business papers relating to, the meeting may be given to councillors in electronic form, unless the council determines otherwise, but only if all councillors have facilities to access the notice, agenda and business papers in that form.

Note: Clause 3.8 reflects section 367(3) of the Act.

Notice to councillors of extraordinary meetings

3.9 Notice of less than three (3) days may be given to councillors of an extraordinary meeting of the council in cases of emergency.

Note: Clause 3.9 reflects section 367(2) of the Act.

Giving notice of business to be considered at council meetings

3.10 A councillor may give notice of any business they wish to be considered by the council at its next ordinary meeting by way of a notice of motion. To be included on the agenda of the meeting, the notice of motion must be in writing and must be submitted ~~within such reasonable time before the meeting is to be held as determined by the council~~ to the General Manager's Office by 5:00pm two Friday's prior to the Council Meeting.

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3.11 A councillor may, in writing to the general manager, request the withdrawal of a notice of motion submitted by them prior to its inclusion in the agenda and business paper for the meeting at which it is to be considered.

Questions with notice

3.12 A councillor may, by way of a notice submitted under clause 3.10, ask a question for response by the general manager about the performance or operations of the council.

3.13 A councillor is not permitted to ask a question with notice under clause 3.12 that would constitute an act of disorder.

- 3.14 The general manager or their nominee may respond to a question with notice submitted under clause 3.12 by way of a report included in the business papers for the relevant meeting of the council.

Agenda and business papers for ordinary meetings

- 3.15 The general manager must cause the agenda for a meeting of the council or a committee of the council to be prepared as soon as practicable before the meeting.
- 3.16 The general manager must ensure that the agenda for an ordinary meeting of the council states:
- (a) all matters to be dealt with arising out of the proceedings of previous meetings of the council, and
 - (b) if the mayor is the chairperson – any matter or topic that the chairperson proposes, at the time when the agenda is prepared, to put to the meeting, and
 - (c) all matters, including matters that are the subject of staff reports and reports of committees, to be considered at the meeting, and
 - (d) any business of which due notice has been given under clause 3.10.
- 3.17 Nothing in clause 3.16 limits the powers of the mayor to put a mayoral minute to a meeting without notice under clause 9.7.
- 3.18 The general manager must not include in the agenda for a meeting of the council any business of which due notice has been given if, in the opinion of the general manager, the business is, or the implementation of the business would be, unlawful. The general manager must report, without giving details of the item of business, any such exclusion to the next meeting of the council.
- 3.19 Where the agenda includes the receipt of information or discussion of other matters that, in the opinion of the general manager, is likely to take place when the meeting is closed to the public, the general manager must ensure that the agenda of the meeting:
- (a) identifies the relevant item of business and indicates that it is of such a nature (without disclosing details of the information to be considered when the meeting is closed to the public), and
 - (b) states the grounds under section 10A(2) of the Act relevant to the item of business.

Note: Clause 3.19 reflects section 9(2A)(a) of the Act.

- 3.20 The general manager must ensure that the details of any item of business which, in the opinion of the general manager, is likely to be considered when the meeting is closed to the public, are included in a business paper provided to councillors for the meeting concerned. Such details must not be included in the business papers made available to the public and must not be disclosed by a councillor or by any other person to another person who is not authorised to have that information.

Availability of the agenda and business papers to the public

- 3.21 Copies of the agenda and the associated business papers, such as correspondence and reports for meetings of the council and committees of council, are to be published on the council's website, and must be made available to the public for inspection, or for taking away by any person free of charge at the offices of the council, at the relevant meeting and at such other venues determined by the council.

Note: Clause 3.21 reflects section 9(2) and (4) of the Act.

- 3.22 Clause 3.21 does not apply to the business papers for items of business identified under clause 3.19 as being likely to be considered when the meeting is closed to the public.

Note: Clause 3.22 reflects section 9(2A)(b) of the Act.

- 3.23 For the purposes of clause 3.21, copies of agendas and business papers must be published on the council's website and made available to the public at a time that is as close as possible to the time they are available to councillors.

Note: Clause 3.23 reflects section 9(3) of the Act.

- 3.24 A copy of an agenda, or of an associated business paper made available under clause 3.21, may in addition be given or made available in electronic form unless the council determines otherwise.

Note: Clause 3.24 reflects section 9(5) of the Act.

Agenda and business papers for extraordinary meetings

- 3.25 The council must ensure that the agenda for an extraordinary meeting of the council deals only with the matters stated in the notice of the meeting.
- 3.26 Nothing in clause 3.25 limits the powers of the mayor to put a mayoral minute to an extraordinary meeting without notice under clause 9.7.
- 3.27 Despite clause 3.25, business may be considered at an extraordinary meeting of the council at which all councillors are present, even though due notice has not been given of the business, if the council resolves to deal with the business on the grounds that it is urgent and requires a decision by the council before the next scheduled ordinary meeting of the council. A resolution adopted under this clause must state the reasons for the urgency.
- 3.28 A motion moved under clause 3.27 can be moved without notice but only after the business notified in the agenda for the extraordinary meeting has been dealt with. Despite any other provision of this code, only the mover of a motion moved under clause 3.27, and the chairperson, if they are not the mover of the motion, can speak to the motion before it is put.
- 3.29 If all councillors are not present at the extraordinary meeting, the council may only deal with business at the meeting that councillors have not been given due notice of, where a resolution is adopted in accordance with clause 3.27

and the chairperson also rules that the business is urgent and requires a decision by the council before the next scheduled ordinary meeting.

- 3.30 A motion of dissent cannot be moved against a ruling of the chairperson under clause 3.29 on whether a matter is urgent.

Prohibition of pre-meeting briefing sessions

- 3.31 Briefing sessions must not be held to brief councillors on business listed on the agenda for meetings of the council or committees of the council.

Note: The prohibition on the holding of briefing sessions under clause 3.31 reflects the intent of Chapter 4, Part 1 of the Act which requires business of the council to be conducted openly and transparently at a formal meeting of which due notice has been given and to which the public has access. Pre-meeting briefing sessions are inconsistent with the principles of transparency, accountability and public participation and have the potential to undermine confidence in the proper and lawful decision-making processes of the council.

- 3.32 Nothing in clause 3.31 prevents a councillor from requesting information from the general manager about a matter to be considered at a meeting, provided the information is also available to the public. Information requested under this clause must be provided in a way that does not involve any discussion of the information.

4 PUBLIC FORUMS

4.1 ~~The council may hold a public forum prior to meetings of the council and committees of the council for the purpose of hearing oral submissions from members of the public on items of business to be considered at the meeting. Public forums may also be held prior to meetings of other committees of the council.~~

4.2 ~~The council may determine the rules under which public forums are to be conducted and when they are to be held.~~

4.1 That Council holds one (1) public forum session of 15 minutes duration commencing 20 minutes prior to Ordinary and Extraordinary Council Meetings commencing at 6:10pm and concluding prior to the commencement of an Ordinary or Extraordinary Council Meeting at 6:30pm.

4.2 That the public forum session be held for the purpose of hearing oral submissions from members of the public on items of business to be considered at the meeting only.

4.3 Public forums are to be chaired by the mayor or their nominee.

4.3 The provisions of this code requiring the livestreaming of meetings also apply to public forums.

4.4 To speak at a public forum, a person is encouraged to make an application to the council in the approved form. Applications to speak at the public forum should be delivered to Council's Administrative Centre, Customer Relations Staff, up to 4:00pm on the day of the meeting or handed to a Council staff member 15 minutes prior to the commencement of the Public Forum Session, and must identify the item of business on the agenda of the council meeting the person wishes to speak upon.

The Chairperson will invite members of the public present at the Public Forum to speak. Members of the public will be asked to state their name and verbally identify the item of business on the agenda of the meeting in which they are speaking, and whether they wish to speak 'for' or 'against' the item.

Members of the public will be invited to speak in the following order:

1. Members of the public who have registered to speak either 'for' or 'against' items listed in the meeting agenda.

2. Then if time permits, members of the public who have not registered but wish to speak either 'for' or 'against' items listed in the meeting agenda.

4.5 A person may apply to speak on no more than 2 items of business on the agenda of the council meeting. A person may speak on more than 2 items if approved by the Chairperson.

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- 4.6 Legal representatives acting on behalf of others are not to be permitted to speak at a public forum unless they identify their status as a legal representative when applying to speak at the public forum.
- 4.7 The Chairperson may refuse an application to speak at a public forum. The Chairperson must state reasons for a decision to refuse an application.
- 4.8 No more than 2 speakers are to be permitted to speak 'for' or 'against' each item of business on the agenda for the council meeting.
- 4.9 If more than the permitted number of speakers apply to speak 'for' or 'against' any item of business, the Chairperson may request the speakers to nominate from among themselves the persons who are to address the council on the item of business. If the speakers are not able to agree on whom to nominate to address the council, the Chairperson or their delegate is to determine who will address the council at the public forum.
- 4.10 If more than the permitted number of speakers apply to speak 'for' or 'against' any item of business, the Chairperson may increase the number of speakers permitted to speak on an item of business, where they are satisfied that it is necessary to do so to allow the council to hear a fuller range of views on the relevant item of business.
- 4.11 Speakers at the public forum are to register with the council any written material to be presented in support of their address to the council at the public forum no less than one (1) day before the public forum. The general manager or their delegate may refuse to allow such material to be presented.
- 4.12 The Chairperson is to determine the order of speakers at the public forum.
- 4.13 Each speaker will be allowed 2 minutes to address the council. This time is to be strictly enforced by the chairperson.
- 4.14 Speakers at public forums must not digress from the item on the agenda of the council meeting they have requested to address the council on. If a speaker digresses to irrelevant matters, the chairperson is to direct the speaker not to do so. If a speaker fails to observe a direction from the chairperson, the speaker will not be further heard.
- 4.15 A councillor (including the chairperson) may, through the chairperson, ask questions of a speaker following their address at a public forum. Questions put to a speaker must be direct, succinct and without argument.
- 4.16 Speakers are under no obligation to answer a question put under clause 4.15. Answers by the speaker, to each question are to be limited to 1 minute.
- 4.17 Speakers at public forums cannot ask questions of the council, councillors or council staff.
- 4.18 The general manager or their nominee may, with the concurrence of the chairperson, address the council for up to 2 minutes in response to an address to the council at a public forum after the address and any subsequent questions and answers have been finalised.

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4.19 Where an address made at a public forum raises matters that require further consideration by council staff, the general manager may recommend that the council defer consideration of the matter pending the preparation of a further report on the matters.

4.20 When addressing the council, speakers at public forums must comply with this code and all other relevant council codes, policies and procedures. Speakers must refrain from engaging in disorderly conduct, publicly alleging breaches of the council's code of conduct or making other potentially defamatory statements.

4.21 If the chairperson considers that a speaker at a public forum has engaged in conduct of the type referred to in clause 4.20, the chairperson may request the person to refrain from the inappropriate behaviour and to withdraw and unreservedly apologise for any inappropriate comments. Where the speaker fails to comply with the chairperson's request, the chairperson may immediately require the person to stop speaking.

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4.22 Clause 4.21 does not limit the ability of the chairperson to deal with disorderly conduct by speakers at public forums in accordance with the provisions of Part 15 of this code.

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4.23 Where a speaker engages in conduct of the type referred to in clause 4.20, the Chairperson may refuse further requests from that person to speak at public forums for such a period as the Chairperson considers appropriate.

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4.24 Councillors (including the mayor) must declare and manage any conflicts of interest they may have in relation to any item of business that is the subject of an address at a public forum, in the same way that they are required to do so at a council or committee meeting. The council is to maintain a written record of all conflict of interest declarations made at public forums and how the conflict of interest was managed by the councillor who made the declaration.

5 COMING TOGETHER

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Attendance by councillors at meetings

- 5.1 All councillors must make reasonable efforts to attend meetings of the council and of committees of the council of which they are members.

Note: A councillor may not attend a meeting as a councillor (other than the first meeting of the council after the councillor is elected or a meeting at which the councillor takes an oath or makes an affirmation of office) until they have taken an oath or made an affirmation of office in the form prescribed under section 233A of the Act.

- 5.2 The council may determine standards of dress for councillors when attending meetings.
- 5.3 A councillor cannot participate in a meeting of the council or of a committee of the council unless personally present at the meeting, unless permitted to attend the meeting by audio-visual link under this code.

~~5.4 The board of the joint organisation may, if it thinks fit, transact any of its business at a meeting at which representatives (or some representatives) participate by telephone or other electronic means, but only if any representative who speaks on a matter before the meeting can be heard by the other representatives. For the purposes of a meeting held in accordance with this clause, the chairperson and each other voting representative on the board have the same voting rights as they have at an ordinary meeting of the board.~~

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~~**Note: Clause 5.4 reflects section 397G of the Regulation. Joint organisations may adopt clause 5.4 and omit clause 5.3. Councils must not adopt clause 5.4.**~~

- 5.45 Where a councillor is unable to attend one or more meetings of the council or committees of the council, the councillor should submit an apology for the meetings they are unable to attend, state the reasons for their absence from the meetings and request that the council grant them a leave of absence from the relevant meetings.
- 5.56 The council must not act unreasonably when considering whether to grant a councillor's request for a leave of absence.
- 5.67 Where a councillor makes an apology under clause 5.45, the council must determine by resolution whether to grant the councillor a leave of absence for the meeting for the purposes of section 234(1)(d) of the Act. If the council resolves not to grant a leave of absence for the meeting, it must state the reasons for its decision in its resolution.
- 5.78 A councillor's civic office will become vacant if the councillor is absent from three (3) consecutive ordinary meetings of the council without prior leave of the council, or leave granted by the council at any of the meetings concerned,

unless the holder is absent because they have been suspended from office under the Act, or because the council has been suspended under the Act, or as a consequence of a compliance order under section 438HA.

Note: Clause 5.78 reflects section 234(1)(d) of the Act.

The quorum for a meeting

5.89 The quorum for a meeting of the council is a majority of the councillors of the council who hold office at that time and are not suspended from office.

Note: Clause 5.89 reflects section 368(1) of the Act.

5.409 Clause 5.9-8 does not apply if the quorum is required to be determined in accordance with directions of the Minister in a performance improvement order issued in respect of the council.

Note: Clause 5.40-9 reflects section 368(2) of the Act.

5.4410 A meeting of the council must be adjourned if a quorum is not present:

- (a) at the commencement of the meeting where the number of apologies received for the meeting indicates that there will not be a quorum for the meeting, or
- (b) within half an hour after the time designated for the holding of the meeting, or
- (c) at any time during the meeting.

5.4211 In either case, the meeting must be adjourned to a time, date, and place fixed:

- (a) by the chairperson, or
- (b) in the chairperson's absence, by the majority of the councillors present, or
- (c) failing that, by the general manager.

5.4312 The general manager must record in the council's minutes the circumstances relating to the absence of a quorum (including the reasons for the absence of a quorum) at or arising during a meeting of the council, together with the names of the councillors present.

5.4413 Where, prior to the commencement of a meeting, it becomes apparent that a quorum may not be present at the meeting, or that the health, safety or welfare of councillors, council staff and members of the public may be put at risk by attending the meeting because of a natural disaster or a public health emergency, the mayor may, in consultation with the general manager and, as far as is practicable, with each councillor, cancel the meeting. Where a meeting is cancelled, notice of the cancellation must be published on the council's website and in such other manner that the council is satisfied is likely to bring notice of the cancellation to the attention of as many people as possible.

5.4514 Where a meeting is cancelled under clause 5.4413, the business to be considered at the meeting may instead be considered, where practicable, at

the next ordinary meeting of the council or at an extraordinary meeting called by the mayor under clause 3.3.

Meetings held by audio-visual link

5.4615 A meeting of the council or a committee of the council may be held by audio-visual link where the mayor determines that the meeting should be held by audio-visual link because of a natural disaster or a public health emergency. The mayor may only make a determination under this clause where they are satisfied that attendance at the meeting may put the health and safety of councillors and staff at risk. The mayor must make a determination under this clause in consultation with the general manager and, as far as is practicable, with each councillor.

5.4716 Where the mayor determines under clause 5.4615 that a meeting is to be held by audio-visual link, the general manager must:

- (a) give written notice to all councillors that the meeting is to be held by audio-visual link, and
- (b) take all reasonable steps to ensure that all councillors can participate in the meeting by audio-visual link, and
- (c) cause a notice to be published on the council's website and in such other manner the general manager is satisfied will bring it to the attention of as many people as possible, advising that the meeting is to be held by audio-visual link and providing information about where members of the public may view the meeting.

5.4817 This code applies to a meeting held by audio-visual link under clause 5.4615 in the same way it would if the meeting was held in person.

Note: Where a council holds a meeting by audio-visual link under clause 5.4615, it is still required under section 10 of the Act to provide a physical venue for members of the public to attend in person and observe the meeting.

Attendance by councillors at meetings by audio-visual link

5.19 Councillors may attend and participate in meetings of the council and committees of the council by audio-visual link with the approval of the council or the relevant committee where they are prevented from attending the meeting in person because of ill-health or other medical reasons or because of unforeseen caring responsibilities.

5.20 Clause 5.19 does not apply to meetings at which a mayoral election is to be held.

5.21 A request by a councillor for approval to attend a meeting by audio-visual link must be made in writing to the general manager prior to the meeting in question and must provide reasons why the councillor will be prevented from attending the meeting in person.

5.22 Councillors may request approval to attend more than one meeting by audio-visual link. Where a councillor requests approval to attend more than one

- meeting by audio-visual link, the request must specify the meetings the request relates to in addition to the information required under clause 5.21.
- 5.23 The council must comply with the Health Privacy Principles prescribed under the *Health Records and Information Privacy Act 2002* when collecting, holding, using and disclosing health information in connection with a request by a councillor to attend a meeting by audio-visual link.
- 5.24 A councillor who has requested approval to attend a meeting of the council or a committee of the council by audio-visual link may participate in the meeting by audio-visual link until the council or committee determines whether to approve their request and is to be taken as present at the meeting. The councillor may participate in a decision in relation to their request to attend the meeting by audio-visual link.
- 5.25 A decision whether to approve a request by a councillor to attend a meeting of the council or a committee of the council by audio-visual link must be made by a resolution of the council or the committee concerned. The resolution must state the meetings the resolution applies to.
- 5.26 If the council or committee refuses a councillor's request to attend a meeting by audio-visual link, their link to the meeting is to be terminated.
- 5.27 A decision whether to approve a councillor's request to attend a meeting by audio-visual link is at the council's or the relevant committee's discretion. The council and committees of the council must act reasonably when considering requests by councillors to attend meetings by audio-visual link.
- 5.28 The council and committees of the council may refuse a councillor's request to attend a meeting by audio-visual link where the council or committee is satisfied that the councillor has failed to appropriately declare and manage conflicts of interest, observe confidentiality or to comply with this code on one or more previous occasions they have attended a meeting of the council or a committee of the council by audio-visual link.
- 5.29 This code applies to a councillor attending a meeting by audio-visual link in the same way it would if the councillor was attending the meeting in person. Where a councillor is permitted to attend a meeting by audio-visual link under this code, they are to be taken as attending the meeting in person for the purposes of the code and will have the same voting rights as if they were attending the meeting in person.
- 5.30 A councillor must give their full attention to the business and proceedings of the meeting when attending a meeting by audio-visual link. The councillor's camera must be on at all times during the meeting except as may be otherwise provided for under this code.
- 5.31 A councillor must be appropriately dressed when attending a meeting by audio-visual link and must ensure that no items are within sight of the meeting that are inconsistent with the maintenance of order at the meeting or that are likely to bring the council or the committee into disrepute.

Entitlement of the public to attend council meetings

- 5.32 Everyone is entitled to attend a meeting of the council and committees of the council. The council must ensure that all meetings of the council and committees of the council are open to the public.

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Note: Clause 5.32 reflects section 10(1) of the Act.

- 5.33 Clause 5.32 does not apply to parts of meetings that have been closed to the public under section 10A of the Act.

- 5.34 A person (whether a councillor or another person) is not entitled to be present at a meeting of the council or a committee of the council if expelled from the meeting:

- (a) by a resolution of the meeting, or
- (b) by the person presiding at the meeting if the council has, by resolution, authorised the person presiding to exercise the power of expulsion.

Note: Clause 5.34 reflects section 10(2) of the Act.

- 5.35 On the adoption of this code and at the commencement of each council term, the council must determine whether to authorise the person presiding at a meeting to exercise a power of expulsion.

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Note: If adopted, clauses 15.15 and 15.16 confer a standing authorisation on all chairpersons of meetings of the council and committees of the council to expel persons from meetings. If adopted, clause 15.15 authorises chairpersons to expel any person, including a councillor, from a council or committee meeting. Alternatively, if adopted, clause 15.16 authorises chairpersons to expel persons other than councillors from a council or committee meeting.

Livestreaming of meetings

- 5.36 Each meeting of the council or a committee of the council is to be recorded by means of an audio-visual device.

- 5.37 At the start of each meeting of the council or a committee of the council, the chairperson must inform the persons attending the meeting that:

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- (a) the meeting is being recorded and made publicly available on the council's website, and
- (b) persons attending the meeting should refrain from making any defamatory statements.

- 5.38 The recording of a meeting is to be made publicly available on the council's website at the same time as the meeting is taking place.

- 5.39 The recording of a meeting is to be made publicly available on the council's website for at least 12 months after the meeting or for the balance of the council's term, whichever is the longer period.

- 5.40 Clauses 5.36 - 5.39 do not apply to any part of a meeting that has been closed to the public in accordance with section 10A of the Act.

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Note: Clauses 5.36 – 5.40 reflect section 236 of the Regulation.

- 5.41 Recordings of meetings may be disposed of in accordance with the *State Records Act 1998*.

~~Note: Joint organisations are not required to livestream their meetings but may choose to do so by adopting clauses 5.36–5.40. Joint organisations that choose not to livestream their meetings may omit clauses 5.36–5.40.~~

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Attendance of the general manager and other staff at meetings

- 5.42 The general manager is entitled to attend, but not to vote at, a meeting of the council or a meeting of a committee of the council of which all of the members are councillors.

Note: Clause 5.42 reflects section 376(1) of the Act.

- 5.43 The general manager is entitled to attend a meeting of any other committee of the council and may, if a member of the committee, exercise a vote.

Note: Clause 5.43 reflects section 376(2) of the Act.

- 5.44 The general manager may be excluded from a meeting of the council or a committee while the council or committee deals with a matter relating to the standard of performance of the general manager or the terms of employment of the general manager.

Note: Clause 5.44 reflects section 376(3) of the Act.

- 5.45 The attendance of other council staff at a meeting, (other than as members of the public) shall be determined by the general manager in consultation with the mayor.

6 THE CHAIRPERSON

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The chairperson at meetings

- 6.1 The mayor, or at the request of or in the absence of the mayor, the deputy mayor (if any) presides at meetings of the council.

Note: Clause 6.1 reflects section 369(1) of the Act.

- 6.2 If the mayor and the deputy mayor (if any) are absent, a councillor elected to chair the meeting by the councillors present presides at a meeting of the council.

Note: Clause 6.2 reflects section 369(2) of the Act.

Election of the chairperson in the absence of the mayor and deputy mayor

- 6.3 If no chairperson is present at a meeting of the council at the time designated for the holding of the meeting, the first business of the meeting must be the election of a chairperson to preside at the meeting.

- 6.4 The election of a chairperson must be conducted:

- (a) by the general manager or, in their absence, an employee of the council designated by the general manager to conduct the election, or
- (b) by the person who called the meeting or a person acting on their behalf if neither the general manager nor a designated employee is present at the meeting, or if there is no general manager or designated employee.

- 6.5 If, at an election of a chairperson, two (2) or more candidates receive the same number of votes and no other candidate receives a greater number of votes, the chairperson is to be the candidate whose name is chosen by lot.

- 6.6 For the purposes of clause 6.5, the person conducting the election must:

- (a) arrange for the names of the candidates who have equal numbers of votes to be written on similar slips, and
- (b) then fold the slips so as to prevent the names from being seen, mix the slips and draw one of the slips at random.

- 6.7 The candidate whose name is on the drawn slip is the candidate who is to be the chairperson.

- 6.8 Any election conducted under clause 6.3, and the outcome of the vote, are to be recorded in the minutes of the meeting.

Chairperson to have precedence

- 6.9 When the chairperson rises or speaks during a meeting of the council:

- |
- (a) any councillor then speaking or seeking to speak must cease speaking and, if standing, immediately resume their seat, and
 - (b) every councillor present must be silent to enable the chairperson to be heard without interruption.

7 MODES OF ADDRESS

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- 7.1 Where physically able to, councillors and staff should stand when the mayor enters the chamber and when addressing the meeting.
- 7.2 If the chairperson is the mayor, they are to be addressed as 'Mr Mayor', 'Madam Mayor' or 'Mayor'.
- 7.3 If the chairperson is the deputy mayor, they are to be addressed as 'Mr Deputy Mayor', or 'Madam Deputy Mayor' or 'Deputy Mayor'.
- 7.4 Where the chairperson is not the mayor or deputy mayor, they are to be addressed as either 'Mr Chairperson' or 'Madam Chairperson' or 'Chair'.
- 7.5 A councillor is to be addressed as 'Councillor [surname]'.
- 7.6 A council officer is to be addressed by their official designation or as Mr/Ms/Mx [surname].

8 ORDER OF BUSINESS FOR ORDINARY COUNCIL MEETINGS

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- 8.1 At a meeting of the council, the general order of business ~~is as fixed by resolution of the council~~ shall be:

01 Opening Meeting

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02 Apologies and Leave of Absence

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03 Prayer

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04 Acknowledgement of Country

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05 Acknowledgement of Broken Hill's Mining History

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06 Confirmation of Minutes

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07 Disclosures of Interest

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08 Mayoral Minute(s)

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09 Notices of Motion

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10 Notices of Rescission

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11 Reports from Delegates

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12 Committee Reports

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a) Infrastructure and Environment Committee

b) Corporate and Community Development Committee

c) Finance and Governance Committee

d) Planning Committee (site visits)

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13 Further Reports

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14 Questions on Notice

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15 Questions for Next Meeting

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16 Confidential Matters

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17 Conclusion of the meeting

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Note: Wording of the Prayer shall be: "Almighty God, we ask you to invoke your blessing upon this Council. Direct and prosper our deliberations to the advancement and true welfare of the people of the Council area, our State and Australia. AMEN"

Note: Wording of the Acknowledgement of Country shall be: "We acknowledge the traditional owners of the land upon which we meet today and pay our respects to their elders: past, present and emerging."

Note: Wording of the Acknowledgement of Broken Hill's Mining History shall be: "We take time to reflect, remember and honour the over 800 miners that lost their lives and those that were crippled or maimed on the Line of Lode. We thank the brave miners and their wives who were part of the 1919-1920 strike that lasted over 500 days and delivered a 35 hour working week. Mining is our past and future."

- 8.2 The order of business as fixed under clause 8.1 may be altered for a particular meeting of the council if a motion to that effect is passed at that meeting. Such a motion can be moved without notice.

Note: If adopted, Part 13 allows council to deal with items of business by exception.

- 8.3 Despite any other provision of this code, only the mover of a motion referred to in clause 8.2 and the chairperson, if they are not the mover of the motion, can speak to the motion before it is put.

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9 CONSIDERATION OF BUSINESS AT COUNCIL MEETINGS

Business that can be dealt with at a council meeting

- 9.1 The council must not consider business at a meeting of the council:
- (a) unless a councillor has given notice of the business, as required by clause 3.10, and
 - (b) unless notice of the business has been sent to the councillors in accordance with clause 3.7 in the case of an ordinary meeting or clause 3.9 in the case of an extraordinary meeting called in an emergency.
- 9.2 Clause 9.1 does not apply to the consideration of business at a meeting, if the business:
- (a) is already before, or directly relates to, a matter that is already before the council, or
 - (b) is the election of a chairperson to preside at the meeting, or
 - (c) is a matter or topic put to the meeting by way of a mayoral minute, or
 - (d) is a motion for the adoption of recommendations of a committee of the council.
- 9.3 Despite clause 9.1, business may be considered at a meeting of the council at which all councillors are present even though due notice has not been given of the business to councillors, if the council resolves to deal with the business on the grounds that it is urgent and requires a decision by the council before the next scheduled ordinary meeting. A resolution adopted under this clause must state the reasons for the urgency.
- 9.4 A motion moved under clause 9.3 can be moved without notice. Despite any other provision of this code, only the mover of a motion referred to in clause 9.3 and the chairperson, if they are not the mover of the motion, can speak to the motion before it is put.
- 9.5 If all councillors are not present at a meeting, the council may only deal with business at the meeting that councillors have not been given due notice of, where a resolution is adopted in accordance with clause 9.3, and the chairperson also rules that the business is urgent and requires a decision by the council before the next scheduled ordinary meeting.
- 9.6 A motion of dissent cannot be moved against a ruling by the chairperson under clause 9.5.

Mayoral minutes

- 9.7 The mayor may, by minute signed by the mayor, put to the meeting without notice any matter or topic that the mayor determines should be considered at the meeting.

9.8 A mayoral minute, when put to a meeting, takes precedence over all business on the council's agenda for the meeting. The mayor may move the adoption of a mayoral minute without the motion being seconded.

9.9 A recommendation made in a mayoral minute put by the mayor is, so far as it is adopted by the council, a resolution of the council.

Staff reports

9.10 A recommendation made in a staff report is, so far as it is adopted by the council, a resolution of the council.

Reports of committees of council

9.11 The recommendations of a committee of the council are, so far as they are adopted by the council, resolutions of the council.

9.12 If in a report of a committee of the council distinct recommendations are made, the council may make separate decisions on each recommendation.

Questions

9.13 A question must not be asked at a meeting of the council unless it concerns a matter on the agenda of the meeting or notice has been given of the question in accordance with clauses 3.10 and 3.12, unless the council determines otherwise in accordance with this code.

9.14 A councillor may, through the chairperson, ask another councillor about a matter on the agenda.

9.15 A councillor may, through the mayor, ask the general manager about a matter on the agenda. The general manager may request another council employee to answer the question.

9.16 A councillor or council employee to whom a question is put is entitled to be given reasonable notice of the question and, in particular, sufficient notice to enable reference to be made to other persons or to information. Where a councillor or council employee to whom a question is put is unable to respond to the question at the meeting at which it is put, they may take it on notice and report the response to the next meeting of the council.

9.17 Councillors must ask questions directly, succinctly, and without argument.

9.18 The chairperson must not permit discussion on any reply to, or refusal to reply to, a question put to a councillor or council employee.

10 RULES OF DEBATE

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Motions to be seconded

- 10.1 Unless otherwise specified in this code, a motion or an amendment cannot be debated unless or until it has been seconded.

Notices of motion

- 10.2 A councillor who has submitted a notice of motion under clause 3.10 is to move the motion the subject of the notice of motion at the meeting at which it is to be considered.
- 10.3 If a councillor who has submitted a notice of motion under clause 3.10 wishes to withdraw it, they may request its withdrawal at any time. If the notice of motion is withdrawn after the agenda and business paper for the meeting at which it is to be considered have been sent to councillors, the chairperson is to note the withdrawal of the notice of motion at the meeting unless the council determines to consider the notice of motion at the meeting.
- 10.4 In the absence of a councillor who has placed a notice of motion on the agenda for a meeting of the council:
- (a) any other councillor may, with the leave of the chairperson, move the motion at the meeting, or
 - (b) the chairperson may defer consideration of the motion until the next meeting of the council.

Chairperson's duties with respect to motions

- 10.5 It is the duty of the chairperson at a meeting of the council to receive and put to the meeting any lawful motion that is brought before the meeting.
- 10.6 The chairperson must rule out of order any motion or amendment to a motion that is unlawful or the implementation of which would be unlawful.
- 10.7 Before ruling out of order a motion or an amendment to a motion under clause 10.6, the chairperson is to give the mover an opportunity to clarify or amend the motion or amendment.

Amendments to motions

- 10.8 An amendment to a motion must be moved and seconded before it can be debated.
- 10.9 An amendment to a motion must relate to the matter being dealt with in the original motion before the council and must not be a direct negative of the original motion. An amendment to a motion which does not relate to the matter being dealt with in the original motion, or which is a direct negative of the original motion, must be ruled out of order by the chairperson.

- 10.10 The mover of an amendment is to be given the opportunity to explain any uncertainties in the proposed amendment before a seconder is called for.
- 10.11 If an amendment has been lost, a further amendment can be moved to the motion to which the lost amendment was moved, and so on, but no more than one (1) motion and one (1) proposed amendment can be before council at any one time.
- 10.12 While an amendment is being considered, debate must only occur in relation to the amendment and not the original motion. Debate on the original motion is to be suspended while the amendment to the original motion is being debated.
- 10.13 If the amendment is carried, it becomes the motion and is to be debated. If the amendment is lost, debate is to resume on the original motion.
- 10.14 An amendment may become the motion without debate or a vote where it is accepted by the councillor who moved the original motion.

Limitations on the number and duration of speeches

- 10.15 A councillor who, during a debate at a meeting of the council, moves an original motion, has the right to speak on each amendment to the motion and a right of general reply to all observations that are made during the debate in relation to the motion, and any amendment to it at the conclusion of the debate before the motion (whether amended or not) is finally put.
- 10.16 A councillor, other than the mover of an original motion, has the right to speak once on the motion and once on each amendment to it.
- 10.17 A councillor must not, without the consent of the council, speak more than once on a motion or an amendment, or for longer than five (5) minutes at any one time.
- 10.18 Despite clause 10.17, the chairperson may permit a councillor who claims to have been misrepresented or misunderstood to speak more than once on a motion or an amendment, and for longer than five (5) minutes on that motion or amendment to enable the councillor to make a statement limited to explaining the misrepresentation or misunderstanding.
- 10.19 Despite clauses 10.15 and 10.16, a councillor may move that a motion or an amendment be now put:
- (a) if the mover of the motion or amendment has spoken in favour of it and no councillor expresses an intention to speak against it, or
 - (b) if at least two (2) councillors have spoken in favour of the motion or amendment and at least two (2) councillors have spoken against it.
- 10.20 The chairperson must immediately put to the vote, without debate, a motion moved under clause 10.19. A seconder is not required for such a motion.
- 10.21 If a motion that the original motion or an amendment be now put is passed, the chairperson must, without further debate, put the original motion or

amendment to the vote immediately after the mover of the original motion has exercised their right of reply under clause 10.15.

- 10.22 If a motion that the original motion or an amendment be now put is lost, the chairperson must allow the debate on the original motion or the amendment to be resumed.
- 10.23 All councillors must be heard without interruption and all other councillors must, unless otherwise permitted under this code, remain silent while another councillor is speaking.
- 10.24 Once the debate on a matter has concluded and a matter has been dealt with, the chairperson must not allow further debate on the matter.
- 10.25 Clause 10.24 does not prevent a further motion from being moved on the same item of business where the original motion is lost provided the motion is not substantially the same as the one that is lost.

~~Participation by non-voting representatives in joint organisation board meetings~~

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~~10.26 Non-voting representatives of joint organisation boards may speak on but must not move, second or vote on any motion or an amendment to a motion.~~

~~Note: Under section 400T(1)(c) of the Act, non-voting representatives of joint organisation boards may attend but are not entitled to vote at a meeting of the board.~~

~~Note: Joint organisations must adopt clause 10.26. Councils must not adopt clause 10.26.~~

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11 VOTING

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Voting entitlements of councillors

- 11.1 Each councillor is entitled to one (1) vote.

Note: Clause 11.1 reflects section 370(1) of the Act.

~~Note: Under section 400T(1) of the Act, voting representatives of joint organisation boards are entitled to one (1) vote each at meetings of the board.~~

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- 11.2 The person presiding at a meeting of the council has, in the event of an equality of votes, a second or casting vote.

Note: Clause 11.2 reflects section 370(2) of the Act.

- 11.3 Where the chairperson declines to exercise, or fails to exercise, their second or casting vote, in the event of an equality of votes, the motion being voted upon is lost.

- ~~11.4 A motion at a meeting of the board of a joint organisation is taken to be lost in the event of an equality of votes.~~

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~~Note: Clause 11.4 reflects section 397E of the Regulation. Joint organisations must adopt clause 11.4 and omit clauses 11.2 and 11.3. Councils must not adopt clause 11.4.~~

~~Note: Under section 400U(4) of the Act, joint organisations may specify more stringent voting requirements for decisions by the board such as a 75% majority or consensus decision making. Where a joint organisation's charter specifies more stringent voting requirements, clause 11.4 must be adapted to reflect those requirements.~~

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Voting at council meetings

- 11.54 A councillor who is present at a meeting of the council but who fails to vote on a motion put to the meeting is taken to have voted against the motion.

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- 11.65 If a councillor who has voted against a motion put at a council meeting so requests, the general manager must ensure that the councillor's dissenting vote is recorded in the council's minutes.

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- 11.76 The decision of the chairperson as to the result of a vote is final unless the decision is immediately challenged and not fewer than two (2) councillors rise and call for a division.

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- 11.87 When a division on a motion is called, the chairperson must ensure that the division takes place immediately. The general manager must ensure that the names of those who vote for the motion and those who vote against it are recorded in the council's minutes for the meeting.

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11.98 When a division on a motion is called, any councillor who fails to vote will be recorded as having voted against the motion in accordance with clause 11.64 of this code.

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11.409 Voting at a meeting, including voting in an election at a meeting, is to be by open means (such as on the voices, by show of hands or by a visible electronic voting system). However, the council may resolve that the voting in any election by councillors for mayor or deputy mayor is to be by secret ballot.

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11.4410 All voting at council meetings, (including meetings that are closed to the public), must be recorded in the minutes of meetings with the names of councillors who voted for and against each motion or amendment (including the use of the casting vote) being recorded.

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Note: If clause 11.4410 is adopted, clauses 11.65 – 11.98 and clause 11.4514 may be omitted.

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Voting on planning decisions

11.4211 The council or a council committee must not make a final planning decision without receiving a staff report containing an assessment and recommendation in relation to the matter put before the council for a decision.

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11.4312 Where the council or a council committee makes a planning decision that is inconsistent with the recommendation made in a staff report, it must provide reasons for its decision and why it did not adopt the staff recommendation.

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11.4413 The general manager must keep a register containing, for each planning decision made at a meeting of the council or a council committee (including, but not limited to a committee of the council), the names of the councillors who supported the decision and the names of any councillors who opposed (or are taken to have opposed) the decision.

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11.4514 For the purpose of maintaining the register, a division is taken to have been called whenever a motion for a planning decision is put at a meeting of the council or a council committee.

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11.4615 Each decision recorded in the register is to be described in the register or identified in a manner that enables the description to be obtained from another publicly available document.

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11.4716 Clauses 11.4413–11.4615 apply also to meetings that are closed to the public.

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Note: Clauses 11.4413–11.4716 reflect section 375A of the Act.

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Note: The requirements of clause 11.4413 may be satisfied by maintaining a register of the minutes of each planning decision.

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12 COMMITTEE OF THE WHOLE

- 12.1 The council may resolve itself into a committee to consider any matter before the council.

Note: Clause 12.1 reflects section 373 of the Act.

- 12.2 All the provisions of this code relating to meetings of the council, so far as they are applicable, extend to and govern the proceedings of the council when in committee of the whole, except the provisions limiting the number and duration of speeches and encouraging councillors and staff to stand when addressing the meeting.

Note: Clauses 10.15 – 10.25 limit the number and duration of speeches.

Note: Clause 7.1 encourages councillors and staff to stand when addressing the meeting where they can.

- 12.3 The general manager or, in the absence of the general manager, an employee of the council designated by the general manager, is responsible for reporting to the council the proceedings of the committee of the whole. It is not necessary to report the proceedings in full, but any recommendations of the committee must be reported.
- 12.4 The council must ensure that a report of the proceedings (including any recommendations of the committee) is recorded in the council's minutes. However, the council is not taken to have adopted the report until a motion for adoption has been made and passed.

13 DEALING WITH ITEMS BY EXCEPTION

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- 13.1 The council or a committee of council may, at any time, resolve to adopt multiple items of business on the agenda together by way of a single resolution where it considers it necessary to expedite the consideration of business at a meeting.
- 13.2 Before the council or committee resolves to adopt multiple items of business on the agenda together under clause 13.1, the chairperson must list the items of business to be adopted and ask councillors to identify any individual items of business listed by the chairperson that they intend to vote against the recommendation made in the business paper or that they wish to speak on.
- 13.3 The council or committee must not resolve to adopt any item of business under clause 13.1 that a councillor has identified as being one they intend to vote against the recommendation made in the business paper or to speak on.
- 13.4 Where the consideration of multiple items of business together under clause 13.1 involves a variation to the order of business for the meeting, the council or committee must resolve to alter the order of business in accordance with clause 8.2.
- 13.5 A motion to adopt multiple items of business together under clause 13.1 must identify each of the items of business to be adopted and state that they are to be adopted as recommended in the business paper.
- 13.6 Items of business adopted under clause 13.1 are to be taken to have been adopted unanimously.
- 13.7 Councillors must ensure that they declare and manage any conflicts of interest they may have in relation to items of business considered together under clause 13.1.

14 CLOSURE OF COUNCIL MEETINGS TO THE PUBLIC

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Grounds on which meetings can be closed to the public

- 14.1 The council or a committee of the council may close to the public so much of its meeting as comprises the discussion or the receipt of any of the following types of matters:
- (a) personnel matters concerning particular individuals (other than councillors),
 - (b) the personal hardship of any resident or ratepayer,
 - (c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business,
 - (d) commercial information of a confidential nature that would, if disclosed:
 - (i) prejudice the commercial position of the person who supplied it, or
 - (ii) confer a commercial advantage on a competitor of the council, or
 - (iii) reveal a trade secret,
 - (e) information that would, if disclosed, prejudice the maintenance of law,
 - (f) matters affecting the security of the council, councillors, council staff or council property,
 - (g) advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege,
 - (h) information concerning the nature and location of a place or an item of Aboriginal significance on community land,
 - (i) alleged contraventions of the council's code of conduct.

Note: Clause 14.1 reflects section 10A(1) and (2) of the Act.

- 14.2 The council or a committee of the council may also close to the public so much of its meeting as comprises a motion to close another part of the meeting to the public.

Note: Clause 14.2 reflects section 10A(3) of the Act.

Matters to be considered when closing meetings to the public

- 14.3 A meeting is not to remain closed during the discussion of anything referred to in clause 14.1:
- (a) except for so much of the discussion as is necessary to preserve the relevant confidentiality, privilege or security, and
 - (b) if the matter concerned is a matter other than a personnel matter concerning particular individuals, the personal hardship of a resident or ratepayer or a trade secret – unless the council or committee concerned is satisfied that discussion of the matter in an open meeting would, on balance, be contrary to the public interest.

Note: Clause 14.3 reflects section 10B(1) of the Act.

- 14.4 A meeting is not to be closed during the receipt and consideration of information or advice referred to in clause 14.1(g) unless the advice concerns legal matters that:

- (a) are substantial issues relating to a matter in which the council or committee is involved, and
- (b) are clearly identified in the advice,
- (c) are fully discussed in that advice, and
- (d) are subject to legal professional privilege.

Note: Clause 14.4 reflects section 10B(2) of the Act.

- 14.5 If a meeting is closed during the discussion of a motion to close another part of the meeting to the public (as referred to in clause 14.2), the consideration of the motion must not include any consideration of the matter or information to be discussed in that other part of the meeting other than consideration of whether the matter concerned is a matter referred to in clause 14.1.

Note: Clause 14.5 reflects section 10B(3) of the Act.

- 14.6 For the purpose of determining whether the discussion of a matter in an open meeting would be contrary to the public interest, it is irrelevant that:

- (a) a person may misinterpret or misunderstand the discussion, or
- (b) the discussion of the matter may:
 - (i) cause embarrassment to the council or committee concerned, or to councillors or to employees of the council, or
 - (ii) cause a loss of confidence in the council or committee.

Note: Clause 14.6 reflects section 10B(4) of the Act.

- 14.7 In deciding whether part of a meeting is to be closed to the public, the council or committee concerned must consider any relevant guidelines issued by the Departmental Chief Executive of the Office of Local Government.

Note: Clause 14.7 reflects section 10B(5) of the Act.

Notice of likelihood of closure not required in urgent cases

- 14.8 Part of a meeting of the council, or of a committee of the council, may be closed to the public while the council or committee considers a matter that has not been identified in the agenda for the meeting under clause 3.19 as a matter that is likely to be considered when the meeting is closed, but only if:

- (a) it becomes apparent during the discussion of a particular matter that the matter is a matter referred to in clause 14.1, and
- (b) the council or committee, after considering any representations made under clause 14.9, resolves that further discussion of the matter:
 - (i) should not be deferred (because of the urgency of the matter), and
 - (ii) should take place in a part of the meeting that is closed to the public.

Note: Clause 14.8 reflects section 10C of the Act.

Representations by members of the public

- 14.9 The council, or a committee of the council, may allow members of the public to make representations to or at a meeting, before any part of the meeting is closed to the public, as to whether that part of the meeting should be closed.

Note: Clause 14.9 reflects section 10A(4) of the Act.

- 14.10 A representation under clause 14.9 is to be made after the motion to close the part of the meeting is moved and seconded.
- 14.11 Despite clauses 14.9 and 14.10, the council may resolve to close the meeting to the public in accordance with this Part to hear a representation from a member of the public as to whether the meeting should be closed to consider an item of business where the representation involves the disclosure of information relating to a matter referred to in clause 14.1.
- 14.12 Where the matter has been identified in the agenda of the meeting under clause 3.19 as a matter that is likely to be considered when the meeting is closed to the public, in order to make representations under clause 14.9, members of the public must first make an application to the council in ~~a manner determined by the council, the approved form.~~ **Applications must be received by 5:00pm no less than three (3) days before the meeting at which the matter is to be considered.**

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Expulsion of non-councillors from meetings closed to the public

- 14.13 If a meeting or part of a meeting of the council or a committee of the council is closed to the public in accordance with section 10A of the Act and this code, any person who is not a councillor and who fails to leave the meeting when requested, may be expelled from the meeting as provided by section 10(2)(a) or (b) of the Act.
- 14.14 If any such person, after being notified of a resolution or direction expelling them from the meeting, fails to leave the place where the meeting is being held, a police officer, or any person authorised for the purpose by the council or person presiding, may, by using such force as is reasonably necessary, remove the first-mentioned person from that place and, if necessary restrain that person from re-entering that place for the remainder of the meeting.

Note: Failure to comply with a direction to leave a meeting is an offence under section 660 of the Act carrying a maximum penalty of 20 penalty units.

Obligations of councillors attending meetings by audio-visual link

- 14.15 Councillors attending a meeting by audio-visual link must ensure that no other person is within sight or hearing of the meeting at any time that the meeting is closed to the public under section 10A of the Act.

Information to be disclosed in resolutions closing meetings to the public

- 14.16 The grounds on which part of a meeting is closed must be stated in the decision to close that part of the meeting and must be recorded in the minutes of the meeting. The grounds must specify the following:
- (a) the relevant provision of section 10A(2) of the Act,
 - (b) the matter that is to be discussed during the closed part of the meeting,
 - (c) the reasons why the part of the meeting is being closed, including (if the matter concerned is a matter other than a personnel matter concerning particular individuals, the personal hardship of a resident or ratepayer or a trade secret) an explanation of the way in which discussion of the matter in an open meeting would be, on balance, contrary to the public interest.

Note: Clause 14.16 reflects section 10D of the Act.

Resolutions passed at closed meetings to be made public

- 14.17 If the council passes a resolution during a meeting, or a part of a meeting, that is closed to the public, the chairperson must make the resolution public as soon as practicable after the meeting, or the relevant part of the meeting, has ended, and the resolution must be recorded in the publicly available minutes of the meeting.
- 14.18 Resolutions passed during a meeting, or a part of a meeting, that is closed to the public must be made public by the chairperson under clause 14.17 during a part of the meeting that is livestreamed where practicable.
- 14.19 The general manager must cause business papers for items of business considered during a meeting, or part of a meeting, that is closed to public, to be published on the council's website as soon as practicable after the information contained in the business papers ceases to be confidential.
- 14.20 The general manager must consult with the council and any other affected persons before publishing information on the council's website under clause 14.19 and provide reasons for why the information has ceased to be confidential.

15 KEEPING ORDER AT MEETINGS

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Points of order

- 15.1 A councillor may draw the attention of the chairperson to an alleged breach of this code by raising a point of order. A point of order does not require a seconder.
- 15.2 A point of order must be taken immediately it is raised. The chairperson must suspend the business before the meeting and permit the councillor raising the point of order to state the provision of this code they believe has been breached. The chairperson must then rule on the point of order – either by upholding it or by overruling it.

Questions of order

- 15.3 The chairperson, without the intervention of any other councillor, may call any councillor to order whenever, in the opinion of the chairperson, it is necessary to do so.
- 15.4 A councillor who claims that another councillor has committed an act of disorder, or is out of order, may call the attention of the chairperson to the matter.
- 15.5 The chairperson must rule on a question of order immediately after it is raised but, before doing so, may invite the opinion of the council.
- 15.6 The chairperson's ruling must be obeyed unless a motion dissenting from the ruling is passed.

Motions of dissent

- 15.7 A councillor can, without notice, move to dissent from a ruling of the chairperson on a point of order or a question of order. If that happens, the chairperson must suspend the business before the meeting until a decision is made on the motion of dissent.
- 15.8 If a motion of dissent is passed, the chairperson must proceed with the suspended business as though the ruling dissented from had not been given. If, as a result of the ruling, any motion or business has been rejected as out of order, the chairperson must restore the motion or business to the agenda and proceed with it in due course.
- 15.9 Despite any other provision of this code, only the mover of a motion of dissent and the chairperson can speak to the motion before it is put. The mover of the motion does not have a right of general reply.

Acts of disorder

- 15.10 A councillor commits an act of disorder if the councillor, at a meeting of the council or a committee of the council:

- (a) contravenes the Act, the Regulation or this code, or
- (b) assaults or threatens to assault another councillor or person present at the meeting, or
- (c) moves or attempts to move a motion or an amendment that has an unlawful purpose or that deals with a matter that is outside the jurisdiction of the council or the committee, or addresses or attempts to address the council or the committee on such a motion, amendment or matter, or
- (d) uses offensive or disorderly words, or
- (e) makes gestures or otherwise behaves in a way that is sexist, racist, homophobic or otherwise discriminatory, or, if the behaviour occurred in the Legislative Assembly, would be considered disorderly, or
- (f) imputes improper motives to or unfavourably personally reflects upon any other council official, or a person present at the meeting, except by a motion, or
- (g) says or does anything that would promote disorder at the meeting or is otherwise inconsistent with maintaining order at the meeting.

Note: Clause 15.10 reflects section 182 of the Regulation.

Note: The Legislative Assembly's Speaker's Guidelines state that "Members are not to use language, make gestures, or behave in any way in the Chamber that is sexist, racist, homophobic or otherwise exclusionary or discriminatory. Such conduct may be considered offensive and disorderly, in accordance with Standing Order 74".

- 15.11 The chairperson may require a councillor:
- (a) to apologise without reservation for an act of disorder referred to in clauses 15.10(a), (b), (d), (e), or (g), or
 - (b) to withdraw a motion or an amendment referred to in clause 15.10(c) and, where appropriate, to apologise without reservation, or
 - (c) to retract and apologise without reservation for any statement that constitutes an act of disorder referred to in clauses 15.10(d), (e), (f) or (g).

Note: Clause 15.11 reflects section 233 of the Regulation.

- 15.12 A failure to comply with a requirement under clause 15.11 constitutes a fresh act of disorder for the purposes of clause 15.10.
- 15.13 Where a councillor fails to take action in response to a requirement by the chairperson to remedy an act of disorder under clause 15.11 at the meeting at which the act of disorder occurred, the chairperson may require the councillor to take that action at each subsequent meeting until such time as the councillor complies with the requirement. If the councillor fails to remedy the act of disorder at a subsequent meeting, they may be expelled from the meeting under clause 15.18.

How disorder at a meeting may be dealt with

- 15.14 If disorder occurs at a meeting of the council, the chairperson may adjourn the meeting for a period of not more than fifteen (15) minutes and leave the chair.

The council, on reassembling, must, on a question put from the chairperson, decide without debate whether the business is to be proceeded with or not. This clause applies to disorder arising from the conduct of members of the public as well as disorder arising from the conduct of councillors.

Expulsion from meetings

~~15.15 All chairpersons of meetings of the council and committees of the council are authorised under this code to expel any person, including any councillor, from a council or committee meeting, for the purposes of section 10(2)(b) of the Act.~~

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15.16 All chairpersons of meetings of the council and committees of the council are authorised under this code to expel any person other than a councillor, from a council or committee meeting, for the purposes of section 10(2)(b) of the Act. Councillors may only be expelled by resolution of the council or the committee of the council.

Note: Councils may use either clause 15.15 or clause 15.16.

15.17 Clause ~~15.15/15.16~~ ~~delete whichever is not applicable~~ does not limit the ability of the council or a committee of the council to resolve to expel a person, including a councillor, from a council or committee meeting, under section 10(2)(a) of the Act.

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15.18 A councillor may, as provided by section 10(2)(a) or (b) of the Act, be expelled from a meeting of the council for having failed to comply with a requirement under clause 15.11 or clause 15.13. The expulsion of a councillor from the meeting for that reason does not prevent any other action from being taken against the councillor for the act of disorder concerned.

Note: Clause 15.18 reflects section 233(2) of the Regulation.

15.19 A member of the public may, as provided by section 10(2)(a) or (b) of the Act, be expelled from a meeting of the council for engaging in or having engaged in disorderly conduct at the meeting.

15.20 Members of the public attending a meeting of the council:

- (a) must remain silent during the meeting unless invited by the chairperson to speak,
- (b) must not bring flags, signs or protest symbols to the meeting, and
- (c) must not disrupt the meeting.

15.21 Without limiting clause 15.19, a contravention of clause 15.20 or an attempt to contravene that clause, constitutes disorderly conduct for the purposes of clause 15.19. Members of the public may, as provided by section 10(2) of the Act, be expelled from a meeting for a breach of clause 15.20.

15.22 Where a councillor or a member of the public is expelled from a meeting, the expulsion and the name of the person expelled, if known, are to be recorded in the minutes of the meeting.

- 15.23 If a councillor or a member of the public fails to leave the place where a meeting of the council is being held immediately after they have been expelled, a police officer, or any person authorised for the purpose by the council or person presiding, may, by using such force as is reasonably necessary, remove the councillor or member of the public from that place and, if necessary, restrain the councillor or member of the public from re-entering that place for the remainder of the meeting.

Note: Failure to comply with a direction to leave a meeting is an offence under section 660 of the Act carrying a maximum penalty of 20 penalty units.

How disorder by councillors attending meetings by audio-visual link may be dealt with

- 15.24 Where a councillor is attending a meeting by audio-visual link, the chairperson or a person authorised by the chairperson may mute the councillor's audio link to the meeting for the purposes of enforcing compliance with this code.
- 15.25 If a councillor attending a meeting by audio-visual link is expelled from a meeting for an act of disorder, the chairperson of the meeting or a person authorised by the chairperson, may terminate the councillor's audio-visual link to the meeting.

Use of mobile phones and the unauthorised recording of meetings

- 15.26 Councillors, council staff and members of the public must ensure that mobile phones are turned to silent during meetings of the council and committees of the council.
- 15.27 A person must not live stream or use an audio recorder, video camera, mobile phone or any other device to make a recording of the proceedings of a meeting of the council or a committee of the council without the prior authorisation of the council or the committee.
- 15.28 Without limiting clause 15.19, a contravention of clause 15.27 or an attempt to contravene that clause, constitutes disorderly conduct for the purposes of clause 15.19. Any person who contravenes or attempts to contravene clause 15.27, may, as provided for under section 10(2) of the Act, be expelled from the meeting.
- 15.29 If any such person, after being notified of a resolution or direction expelling them from the meeting, fails to leave the place where the meeting is being held, a police officer, or any person authorised for the purpose by the council or person presiding, may, by using such force as is reasonably necessary, remove the first-mentioned person from that place and, if necessary, restrain that person from re-entering that place for the remainder of the meeting.

Note: Failure to comply with a direction to leave a meeting is an offence under section 660 of the Act carrying a maximum penalty of 20 penalty units.

16 CONFLICTS OF INTEREST

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- 16.1 All councillors and, where applicable, all other persons, must declare and manage conflicts of interest they have in matters being considered at meetings of the council and committees of the council in accordance with the council's code of conduct. All declarations of conflicts of interest must be recorded in the minutes of the meeting at which the declaration was made.
- 16.2 Councillors attending a meeting by audio-visual link must declare and manage any conflicts of interest they have in matters being considered at the meeting in accordance with the council's code of conduct. Where a councillor has declared a conflict of interest in a matter being discussed at the meeting, the councillor's audio-visual link to the meeting must be suspended or terminated and the councillor must not be in sight or hearing of the meeting at any time during which the matter is being considered or discussed by the council or committee, or at any time during which the council or committee is voting on the matter.

17 DECISIONS OF THE COUNCIL

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Council decisions

- 17.1 A decision supported by a majority of the votes at a meeting of the council at which a quorum is present is a decision of the council.

Note: Clause 17.1 reflects section 371 of the Act in the case of councils and section 400T(8) in the case of joint organisations.

~~Note: Under section 400U(4) of the Act, joint organisations may specify more stringent voting requirements for decisions by the board such as a 75% majority or consensus decision making. Where a joint organisation's charter specifies more stringent voting requirements, clause 17.1 must be adapted to reflect those requirements.~~

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- 17.2 Decisions made by the council must be accurately recorded in the minutes of the meeting at which the decision is made.

Rescinding or altering council decisions

- 17.3 A resolution passed by the council may not be altered or rescinded except by a motion to that effect of which notice has been given in accordance with this code.

Note: Clause 17.3 reflects section 372(1) of the Act.

- 17.4 If a notice of motion to rescind a resolution is given at the meeting at which the resolution is carried, the resolution must not be carried into effect until the motion of rescission has been dealt with.

Note: Clause 17.4 reflects section 372(2) of the Act.

- 17.5 If a motion has been lost, a motion having the same effect must not be considered unless notice of it has been duly given in accordance with this code.

Note: Clause 17.5 reflects section 372(3) of the Act.

- 17.6 A notice of motion to alter or rescind a resolution, and a notice of motion which has the same effect as a motion which has been lost, must be signed by three (3) councillors if less than three (3) months has elapsed since the resolution was passed, or the motion was lost.

Note: Clause 17.6 reflects section 372(4) of the Act.

- 17.7 If a motion to alter or rescind a resolution has been lost, or if a motion which has the same effect as a previously lost motion is lost, no similar motion may be brought forward within three (3) months of the meeting at which it was lost. This clause may not be evaded by substituting a motion differently worded, but in principle the same.

Note: Clause 17.7 reflects section 372(5) of the Act.

- 17.8 The provisions of clauses 17.5–17.7 concerning lost motions do not apply to motions of adjournment.

Note: Clause 17.8 reflects section 372(7) of the Act.

- 17.9 A notice of motion submitted in accordance with clause 17.6 may only be withdrawn under clause 3.11 with the consent of all signatories to the notice of motion.

- 17.10 A notice of motion to alter or rescind a resolution relating to a development application must be submitted to the general manager no later than 4 days 5:00pm 2 business days after the meeting at which the resolution was adopted.

- 17.11 A motion to alter or rescind a resolution of the council may be moved on the report of a committee of the council and any such report must be recorded in the minutes of the meeting of the council.

Note: Clause 17.11 reflects section 372(6) of the Act.

- 17.12 Subject to clause 17.7, in cases of urgency, a motion to alter or rescind a resolution of the council may be moved at the same meeting at which the resolution was adopted, where:

- (a) a notice of motion signed by three councillors is submitted to the chairperson at the meeting, and
- (b) the council resolves to deal with the motion at the meeting on the grounds that it is urgent and requires a decision by the council before the next scheduled ordinary meeting of the council.

- 17.13 A motion moved under clause 17.12(b) can be moved without notice. Despite any other provision of this code, only the mover of a motion referred to in clause 17.12(b) and the chairperson, if they are not the mover of the motion, can speak to the motion before it is put.

- 17.14 A resolution adopted under clause 17.12(b) must state the reasons for the urgency.

Recommitting resolutions to correct an error

- 17.15 Despite the provisions of this Part, a councillor may, with the leave of the chairperson, move to recommit a resolution adopted at the same meeting:

- (a) to correct any error, ambiguity or imprecision in the council's resolution, or
- (b) to confirm the voting on the resolution.

- 17.16 In seeking the leave of the chairperson to move to recommit a resolution for the purposes of clause 17.15(a), the councillor is to propose alternative wording for the resolution.

- 17.17 The chairperson must not grant leave to recommit a resolution for the purposes of clause 17.15(a), unless they are satisfied that the proposed alternative wording of the resolution would not alter the substance of the resolution previously adopted at the meeting.
- 17.18 A motion moved under clause 17.15 can be moved without notice. Despite any other provision of this code, only the mover of a motion referred to in clause 17.15 and the chairperson, if they are not the mover of the motion, can speak to the motion before it is put.
- 17.19 A motion of dissent cannot be moved against a ruling by the chairperson under clause 17.15.
- 17.20 A motion moved under clause 17.15 with the leave of the chairperson cannot be voted on unless or until it has been seconded.

18. TIME LIMITS ON COUNCIL MEETINGS

- 18.1 Meetings of the council and committees of the council are to conclude ~~at a time the council may from time to time determine, no later than 10:00pm~~ **at a time**
- 18.2 If the business of the meeting is unfinished at ~~the time the council has determined 10:00pm~~, and the council does not resolve to extend the meeting, the chairperson must either:
- (a) defer consideration of the remaining items of business on the agenda to the next ordinary meeting of the council, or
 - (b) adjourn the meeting to a time, date and place fixed by the chairperson.
- 18.3 Clause 18.2 does not limit the ability of the council or a committee of the council to resolve to adjourn a meeting at any time. The resolution adjourning the meeting must fix the time, date and place that the meeting is to be adjourned to.
- 18.4 Where a meeting is adjourned under clause 18.2 or 18.3, the general manager must:
- (a) individually notify each councillor of the time, date and place at which the meeting will reconvene, and
 - (b) publish the time, date and place at which the meeting will reconvene on the council's website and in such other manner that the general manager is satisfied is likely to bring notice of the time, date and place of the reconvened meeting to the attention of as many people as possible.

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19 AFTER THE MEETING

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Minutes of meetings

- 19.1 The council is to keep full and accurate minutes of the proceedings of meetings of the council.

Note: Clause 19.1 reflects section 375(1) of the Act.

- 19.2 At a minimum, the general manager must ensure that the following matters are recorded in the council's minutes:

- (a) the names of councillors attending a council meeting and whether they attended the meeting in person or by audio-visual link,
- (b) details of each motion moved at a council meeting and of any amendments moved to it,
- (c) the names of the mover and seconder of the motion or amendment,
- (d) whether the motion or amendment was passed or lost, and
- (e) such other matters specifically required under this code.

- 19.3 The minutes of a council meeting must be confirmed at a subsequent meeting of the council.

Note: Clause 19.3 reflects section 375(2) of the Act.

- 19.4 Any debate on the confirmation of the minutes is to be confined to whether the minutes are a full and accurate record of the meeting they relate to.

- 19.5 When the minutes have been confirmed, they are to be signed by the person presiding at the subsequent meeting.

Note: Clause 19.5 reflects section 375(2) of the Act.

- 19.6 The confirmed minutes of a meeting may be amended to correct typographical or administrative errors after they have been confirmed. Any amendment made under this clause must not alter the substance of any decision made at the meeting.

- 19.7 The confirmed minutes of a council meeting must be published on the council's website. This clause does not prevent the council from also publishing unconfirmed minutes of its meetings on its website prior to their confirmation.

Access to correspondence and reports laid on the table at, or submitted to, a meeting

- 19.8 The council and committees of the council must, during or at the close of a meeting, or during the business day following the meeting, give reasonable access to any person to inspect correspondence and reports laid on the table at, or submitted to, the meeting.

Note: Clause 19.8 reflects section 11(1) of the Act.

- 19.9 Clause 19.8 does not apply if the correspondence or reports relate to a matter that was received or discussed or laid on the table at, or submitted to, the meeting when the meeting was closed to the public.

Note: Clause 19.9 reflects section 11(2) of the Act.

- 19.10 Clause 19.8 does not apply if the council or the committee resolves at the meeting, when open to the public, that the correspondence or reports are to be treated as confidential because they relate to a matter specified in section 10A(2) of the Act.

Note: Clause 19.10 reflects section 11(3) of the Act.

- 19.11 Correspondence or reports to which clauses 19.9 and 19.10 apply are to be marked with the relevant provision of section 10A(2) of the Act that applies to the correspondence or report.

Implementation of decisions of the council

- 19.12 The general manager is to implement, without undue delay, lawful decisions of the council.

Note: Clause 19.12 reflects section 335(b) of the Act.

20 COUNCIL COMMITTEES

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Application of this Part

- 20.1 This Part only applies to committees of the council whose members are all councillors.

Council committees whose members are all councillors

- 20.2 The council may, by resolution, establish such committees as it considers necessary.
- 20.3 A committee of the council is to consist of the mayor and such other councillors as are elected by the councillors or appointed by the council.
- 20.4 The quorum for a meeting of a committee of the council is to be:
- (a) such number of members as the council decides, or
 - (b) if the council has not decided a number – a majority of the members of the committee.

Functions of committees

- 20.5 The council must specify the functions of each of its committees when the committee is established but may from time to time amend those functions.

a. Council will operate four Standing Committees, with meetings to be held at 5:30pm on the Monday, Tuesday, Wednesday and Thursday of the week preceding the Monthly Ordinary Council Meeting. The Standing Committees will consider reports on the following matters:

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- **Infrastructure and Environment Committee** to consider all matters relating to that Directorate.

- **Corporate and Community Development Committee** to consider all matters relating to that Directorate.

- **Finance and Governance Committee** to consider all matters relating to that Directorate.

Planning Committee for the conduct of site visits, relating to Development Applications and other Planning matters that are referred to the Committee by Council resolution.

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b. The order of business for the conduct of Standing Committees will consist of:

01 Opening Meeting

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02 Apologies and Leave of Absence

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03 Prayer

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04 Acknowledgement of Country

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05 Acknowledgement of Broken Hill's Mining History

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06 Confirmation of Minutes

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07 Disclosure of Interest

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08 Reports

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09 Confidential Matters

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10 Conclusion of the Meeting

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Note: Wording of the Prayer shall be: "Almighty God, we ask you to invoke your blessing upon this Council. Direct and prosper our deliberations to the advancement and true welfare of the people of the Council area, our State and Australia. AMEN"

Note: Wording of the Acknowledgement of Country shall be: "We acknowledge the traditional owners of the land upon which we meet today and pay our respects to their elders: past, present and emerging."

Note: Wording of the Acknowledgement of Broken Hill's Mining History shall be: "We take time to reflect, remember and honour the over 800 miners that lost their lives and those that were crippled or maimed on the Line of Lode. We thank the brave miners and their wives who were part of the 1919-1920 strike that lasted over 500 days and delivered a 35 hour working week. Mining is our past and future."

Notice of committee meetings

- 20.6 The general manager must send to each councillor, regardless of whether they are a committee member, at least three (3) days before each meeting of the committee, a notice specifying:
- (a) the time, date and place of the meeting, and
 - (b) the business proposed to be considered at the meeting.

- 20.7 Notice of less than three (3) days may be given of a committee meeting called in an emergency.

Non-members entitled to attend committee meetings

- 20.8 A councillor who is not a member of a committee of the council is entitled to attend, and to speak at a meeting of the committee. However, the councillor is not entitled:
- (a) to give notice of business for inclusion in the agenda for the meeting, or
 - (b) to move or second a motion at the meeting, or
 - (c) to vote at the meeting.

Chairperson and deputy chairperson of council committees

- 20.9 The chairperson of each committee of the council must be:
- (a) the mayor, or
 - (b) if the mayor does not wish to be the chairperson of a committee, a member of the committee elected by the council, or
 - (c) if the council does not elect such a member, a member of the committee elected by the committee.

- 20.10 The council may elect a member of a committee of the council as deputy

chairperson of the committee. If the council does not elect a deputy chairperson of such a committee, the committee may elect a deputy chairperson.

- 20.11 If neither the chairperson nor the deputy chairperson of a committee of the council is able or willing to preside at a meeting of the committee, the committee must elect a member of the committee to be acting chairperson of the committee.
- 20.12 The chairperson is to preside at a meeting of a committee of the council. If the chairperson is unable or unwilling to preside, the deputy chairperson (if any) is to preside at the meeting. If neither the chairperson nor the deputy chairperson is able or willing to preside, the acting chairperson is to preside at the meeting.

Procedure in committee meetings

- 20.13 Subject to any specific requirements of this code, each committee of the council may regulate its own procedure. The provisions of this code are to be taken to apply to all committees of the council.
- 20.14 Whenever the voting on a motion put to a meeting of the committee is equal, the chairperson of the committee is to have a casting vote as well as an original vote unless the council or the committee determines otherwise in accordance with clause 20.13.

~~20.15 A motion at a committee of a joint organisation is taken to be lost in the event of an equality of votes.~~

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~~Note: Clause 20.15 reflects section 397E of the Regulation. Joint organisations must adopt clause 20.15 and omit clause 20.14. Councils must not adopt clause 20.15.~~

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- 20.1~~56~~ Voting at a council committee meeting is to be by open means (such as on the voices, by show of hands or by a visible electronic voting system).

Mayoral minutes

- 20.1~~67~~ The provisions of this code relating to mayoral minutes also apply to meetings of committees of the council in the same way they apply to meetings of the council.

Closure of committee meetings to the public

- 20.1~~78~~ The provisions of the Act and Part 14 of this code apply to the closure of meetings of committees of the council to the public in the same way they apply to the closure of meetings of the council to the public.
- 20.1~~89~~ If a committee of the council passes a resolution, or makes a recommendation, during a meeting, or a part of a meeting that is closed to the public, the chairperson must make the resolution or recommendation public as soon as practicable after the meeting or part of the meeting has ended and report the resolution or recommendation to the next meeting of the council. The resolution or recommendation must also be recorded in the publicly available

minutes of the meeting.

20.19~~20~~ Resolutions passed during a meeting, or a part of a meeting that is closed to the public must be made public by the chairperson under clause 20.18~~9~~ during a part of the meeting that is livestreamed where practicable.

20.20~~4~~ The general manager must cause business papers for items of business considered during a meeting, or part of a meeting, that is closed to public, to be published on the council's website as soon as practicable after the information contained in the business papers ceases to be confidential.

20.21~~2~~ The general manager must consult with the committee and any other affected persons before publishing information on the council's website under clause 20.20~~4~~ and provide reasons for why the information has ceased to be confidential.

Disorder in committee meetings

20.22~~3~~ The provisions of the Act, the Regulation, and this code relating to the maintenance of order in council meetings apply to meetings of committees of the council in the same way they apply to meetings of the council.

Minutes of council committee meetings

20.23~~4~~ Each committee of the council is to keep full and accurate minutes of the proceedings of its meetings. At a minimum, a committee must ensure that the following matters are recorded in the committee's minutes:

- (a) the names of councillors attending a meeting and whether they attended the meeting in person or by audio-visual link,
- (b) details of each motion moved at a meeting and of any amendments moved to it,
- (c) the names of the mover and seconder of the motion or amendment,
- (d) whether the motion or amendment was passed or lost, and
- (e) such other matters specifically required under this code.

20.24~~5~~ All voting at meetings of committees of the council (including meetings that are closed to the public), must be recorded in the minutes of meetings with the names of councillors who voted for and against each motion or amendment, (including the use of the casting vote), being recorded.

20.25~~6~~ The minutes of meetings of each committee of the council must be confirmed at a subsequent meeting of the committee.

20.26~~7~~ Any debate on the confirmation of the minutes is to be confined to whether the minutes are a full and accurate record of the meeting they relate to.

20.27~~8~~ When the minutes have been confirmed, they are to be signed by the person presiding at the subsequent meeting.

20.28~~9~~ The confirmed minutes of a meeting may be amended to correct typographical or administrative errors after they have been confirmed. Any amendment made under this clause must not alter the substance of any decision made at the

meeting.

| 20.~~29~~³⁰ The confirmed minutes of a meeting of a committee of the council must be published on the council's website. This clause does not prevent the council from also publishing unconfirmed minutes of meetings of committees of the council on its website prior to their confirmation.

|

21 IRREGULARITIES

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21.1 Proceedings at a meeting of a council or a council committee are not invalidated because of:

- (a) a vacancy in a civic office, or
- (b) a failure to give notice of the meeting to any councillor or committee member, or
- (c) any defect in the election or appointment of a councillor or committee member, or
- (d) a failure of a councillor or a committee member to declare a conflict of interest, or to refrain from the consideration or discussion of, or vote on, the relevant matter, at a council or committee meeting in accordance with the council's code of conduct, or
- (e) a failure to comply with this code.

Note: Clause 21.1 reflects section 374 of the Act.

22 DEFINITIONS

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the Act	means the <i>Local Government Act 1993</i>
act of disorder	means an act of disorder as defined in clause 15.10 of this code
amendment	in relation to an original motion, means a motion moving an amendment to that motion
audio recorder	any device capable of recording speech
audio-visual link	means a facility that enables audio and visual communication between persons at different places
business day	means any day except Saturday or Sunday or any other day the whole or part of which is observed as a public holiday throughout New South Wales
chairperson	in relation to a meeting of the council – means the person presiding at the meeting as provided by section 369 of the Act and clauses 6.1 and 6.2 of this code, and in relation to a meeting of a committee – means the person presiding at the meeting as provided by clause 20.9 of this code
this code	means the council's adopted code of meeting practice
committee of the council	means a committee established by the council in accordance with clause 20.2 of this code (being a committee consisting only of councillors) or the council when it has resolved itself into committee of the whole under clause 12.1
council official	includes councillors, members of staff of a council, administrators, council committee members, delegates of council and any other person exercising functions on behalf of the council
day	means calendar day
division	means a request by two councillors under clause 11.7 of this code requiring the recording of the names of the councillors who voted both for and against a motion
livestream	a video broadcast of a meeting transmitted across the internet concurrently with the meeting
open voting	means voting on the voices or by a show of hands or by a visible electronic voting system or similar means
planning decision	means a decision made in the exercise of a function of a council under the <i>Environmental Planning and Assessment Act 1979</i> including any decision relating to a development application, an environmental planning instrument, a development control plan, a planning agreement or a development contribution plan under that Act, but not including the making of an order under Division 9.3 of Part 9 of that Act
performance improvement order	means an order issued under section 438A of the Act

quorum	means the minimum number of councillors or committee members necessary to conduct a meeting
the Regulation	means the <i>Local Government (General) Regulation 2021</i>
year	means the period beginning 1 July and ending the following 30 June

FINANCE AND GOVERNANCE COMMITTEE

October 28, 2025

BROKEN HILL CITY COUNCIL REPORT NO. 216/25

SUBJECT: PUBLIC PRESENTATION OF 2024/2025 FINANCIAL STATEMENTS

D25/50088**Recommendation**

1. That Broken Hill City Council Report No. 216/25 dated October 28, 2025, be received.
2. That Council adopt the financial statements and present the Annual Financial Statements inclusive of the Auditor's Reports for 2024/2025 to the public.

Executive Summary:

At the Ordinary Council Meeting held on 27 August 2025, Council authorised for the General Manager to set the date for the Financial Statements and Auditors Reports to be presented to the public. This date has been set for 26 November 2025.

The financial statements were presented to Council's Audit, Risk & Improvement Committee on 23 October 2025 with the NSW Audit Office in attendance for questions and comments to be asked of the auditors. All Councillors were invited to attend this meeting.

The full version of the Annual Financial Statements is attached with Auditors reports on the Conduct of the Audit and Engagement Closing report.

Report:

Council's auditor, The NSW Audit Office, has completed the audit of Council's financial statements for the year ended 30 June 2025. The draft financial statements were submitted to Council on 27 August 2025 for Councillors and Management to sign.

The financial statements were presented to Council's Audit, Risk & Improvement Committee on 23 October 2025 with the NSW Audit Office in attendance for questions and comments to be asked of the auditors. All Councillors were invited to attend this meeting.

Under Section 418 (1) of the *Local Government Act 1993*, Council is required to fix a date for the meeting at which it proposes to present its audited financial statements, including auditor's reports, to the public and give notice of the date of the meeting.

The date set for the public meeting is Wednesday, 26 November 2025, commencing at 6:30pm in the Council Chambers. Notification of this public meeting will be advertised in accordance with the requirements of Section 418 (1)(b) of the *Local Government Act 1993*. The public meeting will also be advertised on Council's website.

Public submissions are invited in relation to the 2024/2025 Annual Financial Statements, with the closing date of Wednesday 5 December 2025. Submissions made to Council will be reported to Council at the next available Council meeting.

Strategic Direction:

Key Direction 4: Our Leadership
Objective 4.1: Openness and Transparency in Decision Making
Action 4.1.4 Support the organisation to operate in its legal framework

Relevant Legislation:

Local Government Act 1993

Financial Implications:

The recommendation has no financial impact.

Attachments

1. [↓](#) Annual Financial Statements FY2025

SIMON BROWN
DIRECTOR FINANCE AND COMMERCIAL

JAY NANKIVELL
GENERAL MANAGER

Broken Hill City Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2025

*A vibrant, prosperous and culturally rich Heritage City
shared with visitors from around the world.*



Broken Hill City Council

GENERAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2025

*A vibrant, prosperous and culturally rich Heritage City
shared with visitors from around the world.*



Broken Hill City Council

General Purpose Financial Statements

for the year ended 30 June 2025

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Overview

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

240 Blende Street
Broken Hill NSW 2880

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.brokenhill.nsw.gov.au

Broken Hill City Council

General Purpose Financial Statements

for the year ended 30 June 2025

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2025.

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

Who uses the Financial Statements?

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

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

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

Broken Hill City Council

General Purpose Financial Statements

for the year ended 30 June 2025

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

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


- the *Local Government Act 1993* (NSW) (as amended) and the regulations made thereunder,
- the Australian Accounting Standards issued by 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 27 August 2025.


Tom Kennedy
Mayor
27 August 2025
Jim Hickey
Councillor
27 August 2025
Jay Nankivell
General Manager
27 August 2025
Simon Brown
Responsible Accounting Officer
27 August 2025

Broken Hill City Council | Income Statement | for the year ended 30 June 2025

Broken Hill City Council

Income Statement

for the year ended 30 June 2025

Original unaudited budget 2025 \$ '000		Notes	Actual 2025 \$ '000	Actual 2024 \$ '000
Income from continuing operations				
21,814	Rates and annual charges	B2-1	21,823	21,002
4,555	User charges and fees	B2-2	4,381	5,183
608	Other revenues	B2-3	1,033	1,389
7,977	Grants and contributions provided for operating purposes	B2-4	6,162	8,446
18,364	Grants and contributions provided for capital purposes	B2-4	13,243	5,604
1,240	Interest and investment income	B2-5	1,407	1,388
547	Other income	B2-6	677	570
55,105	Total income from continuing operations		48,726	43,582
Expenses from continuing operations				
16,488	Employee benefits and on-costs	B3-1	16,475	15,847
11,593	Materials and services	B3-2	12,578	12,072
693	Borrowing costs	B3-3	758	812
1,154	Other expenses	B3-5	1,444	1,249
—	Net loss from the disposal of assets	B4-1	438	136
29,928	Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		31,693	30,116
25,177	Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		17,033	13,466
6,809	Depreciation, amortisation and impairment of non-financial assets	B3-4	7,382	6,855
18,368	Operating result from continuing operations		9,651	6,611
18,368	Net operating result for the year attributable to Council		9,651	6,611
—	Net operating result for the year before grants and contributions provided for capital purposes		(3,592)	1,007

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

Broken Hill City Council | Statement of Comprehensive Income | for the year ended 30 June 2025

Broken Hill City Council

Statement of Comprehensive Income

for the year ended 30 June 2025

	Notes	2025 \$ '000	2024 \$ '000
Net operating result for the year – from Income Statement		9,651	6,611
Other comprehensive income:			
Amounts which will not be reclassified subsequent to operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	14,469	14,089
Total items which will not be reclassified subsequent to operating result		14,469	14,089
Total other comprehensive income for the year		14,469	14,089
Total comprehensive income for the year attributable to Council		24,120	20,700

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

Broken Hill City Council | Statement of Financial Position | as at 30 June 2025

Broken Hill City Council

Statement of Financial Position

as at 30 June 2025

	Notes	2025 \$ '000	2024 \$ '000
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	13,062	17,056
Investments	C1-2	8,466	16,093
Receivables	C1-4	4,779	5,540
Inventories	C1-5	78	90
Other		551	382
Total current assets		26,936	39,161
Non-current assets			
Infrastructure, property, plant and equipment (IPPE)	C1-6	388,320	353,467
Investments accounted for using the equity method	D1-1	557	803
Total non-current assets		388,877	354,270
Total assets		415,813	393,431
LIABILITIES			
Current liabilities			
Payables	C3-1	4,720	4,678
Contract liabilities	C3-2	7,126	7,670
Borrowings	C3-3	1,917	1,859
Employee benefit provisions	C3-4	5,550	5,121
Total current liabilities		19,313	19,328
Non-current liabilities			
Borrowings	C3-3	14,097	16,016
Employee benefit provisions	C3-4	286	260
Provisions	C3-5	10,049	9,879
Total non-current liabilities		24,432	26,155
Total liabilities		43,745	45,483
Net assets		372,068	347,948
EQUITY			
Accumulated surplus	C4-1	137,249	127,598
IPPE revaluation surplus	C4-1	234,819	220,350
Council equity interest		372,068	347,948
Total equity		372,068	347,948

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

Broken Hill City Council

Statement of Changes in Equity
for the year ended 30 June 2025

Broken Hill City Council | Statement of Changes in Equity | for the year ended 30 June 2025

	Notes	2025			2024		
		Accumulated surplus \$ '000	IPPE revaluation surplus \$ '000	Total equity \$ '000	Accumulated surplus \$ '000	IPPE revaluation surplus \$ '000	Total equity \$ '000
Opening balance at 1 July		127,598	220,350	347,948	120,987	206,261	327,248
Net operating result for the year		9,651	–	9,651	6,611	–	6,611
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	–	14,469	14,469	–	14,089	14,089
Other comprehensive income		–	14,469	14,469	–	14,089	14,089
Total comprehensive income		9,651	14,469	24,120	6,611	14,089	20,700
Closing balance at 30 June		137,249	234,819	372,068	127,598	220,350	347,948

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

Broken Hill City Council | Statement of Cash Flows | for the year ended 30 June 2025

Broken Hill City Council

Statement of Cash Flows

for the year ended 30 June 2025

Original unaudited budget 2025 \$ '000		Notes	Actual 2025 \$ '000	Actual 2024 \$ '000
Cash flows from operating activities				
<i>Receipts:</i>				
21,160	Rates and annual charges		21,603	20,641
4,412	User charges and fees		4,469	5,292
1,942	Interest received		1,358	1,502
26,341	Grants and contributions		18,798	10,829
—	Bonds, deposits and retentions received		270	4
904	Other		6,261	2,509
<i>Payments:</i>				
(15,994)	Payments to employees		(16,358)	(15,696)
(11,245)	Payments for materials and services		(12,761)	(11,980)
(693)	Borrowing costs		(593)	(650)
(1,120)	Other		(4,986)	(2,674)
25,707	Net cash flows from operating activities	G1-1	18,061	9,777
Cash flows from investing activities				
<i>Receipts:</i>				
—	Sale of investments		20,000	27,010
—	Proceeds from sale of IPPE		318	446
—	Deferred debtors receipts		10	—
<i>Payments:</i>				
—	Acquisition of term deposits		(12,000)	(20,500)
(18,745)	Payments for IPPE		(28,522)	(13,273)
(18,745)	Net cash flows from investing activities		(20,194)	(6,317)
Cash flows from financing activities				
<i>Payments:</i>				
(1,875)	Repayment of borrowings		(1,861)	(1,803)
(1,875)	Net cash flows from financing activities		(1,861)	(1,803)
5,087	Net change in cash and cash equivalents		(3,994)	1,657
1,691	Cash and cash equivalents at beginning of year		17,056	15,399
6,778	Cash and cash equivalents at end of year	C1-1	13,062	17,056
10,328	plus: Investments on hand at end of year	C1-2	8,466	16,093
17,106	Total cash, cash equivalents and investments		21,528	33,149

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

Broken Hill City Council

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Broken Hill City Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 27 August 2025. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

Historical cost convention

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

Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of infrastructure, property, plant and equipment
- (ii) estimated tip remediation provisions
- (iii) employee benefit provisions

Significant judgements in applying the Council's accounting policies

- (i) Impairment of receivables

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

Monies and other assets received by Council

The Consolidated Fund

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

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

- General purpose operations
- Waste management operations
- Civic centre operations
- Airport operations

A1-1 Basis of preparation (continued)

Volunteer services

Council is committed to providing work experience and training opportunities to members of the Community. However, Council is equally committed to maintaining the highest possible employment levels.

Volunteers are therefore, not substitutes for paid employees but an acknowledged and valued addition to Council's community infrastructure.

In accordance with *AASB 1058 Income of Not-For-Profit Entities*, the fair value of volunteer services provided to council cannot reliably measured and therefore cannot be recognised as an expense or an asset.

New accounting standards and interpretations issued but not yet effective

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2025 reporting period.

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

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

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective for the first time at 30 June 2025.

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

B Financial Performance

B1 Functions or activities

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

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

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Functions or activities										
Our Community	3,948	2,781	8,580	8,057	(4,632)	(5,276)	2,941	1,954	326,042	307,957
Our Economy	12,168	7,361	9,295	9,241	2,873	(1,880)	10,511	4,768	16,299	15,395
Our Environment	7,240	6,772	5,667	5,233	1,573	1,539	1,524	876	9,568	9,038
Our Leadership	25,370	26,668	15,533	14,440	9,837	12,228	4,429	6,451	63,902	60,358
Total functions and activities	48,726	43,582	39,075	36,971	9,651	6,611	19,405	14,050	415,813	393,431

B1-2 Components of functions or activities

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

Our Community

Our Community is our people and how we can work together to ensure we position ourselves to retain our sense of identity, our health, wellbeing, social inclusion and connectedness.

Our Economy

In order to reduce our reliance on the mining industry, the community identified strategies that reflect a commitment and determination to expand our thinking and adapt to remain relevant in the world as it is today. This means building on existing economic platforms, like art, culture and tourism, and building on new opportunities such as technology, renewable energies and education.

Our Environment

Our environment relates to the conservation and preservation of the natural environment and the greater reduction of the human impact on the surrounding environment to ensure a sustainable and healthy community.

Our Leadership

Community leadership is essential to ensure the goal and objectives of the Broken Hill City Council's long term plan are achieved. Our leadership is a coordinated approach to add value and ownership of the Community Strategic Plan.

Broken Hill City Council | Notes to the Financial Statements 30 June 2025

B2 Sources of income**B2-1 Rates and annual charges**

	2025 \$ '000	2024 \$ '000
Ordinary rates		
Residential	11,538	11,134
Mining	2,954	2,837
Business	3,874	3,741
Less: pensioner rebates (mandatory)	(378)	(379)
Less: pensioner rebates (Council policy)	(14)	(14)
Less: rates levied on council properties	(80)	(85)
Rates levied to ratepayers	17,894	17,234
Pensioner rate subsidies received	218	222
Total ordinary rates	18,112	17,456
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	3,783	3,620
Less: pensioner rebates (mandatory)	(137)	(139)
Annual charges levied	3,646	3,481
Pensioner annual charges subsidies received:		
– Domestic waste management	65	65
Total annual charges	3,711	3,546
Total rates and annual charges	21,823	21,002

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

Material accounting policy information

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

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

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

Broken Hill City Council | Notes to the Financial Statements 30 June 2025

B2-2 User charges and fees

	Timing	2025 \$ '000	2024 \$ '000
Specific user charges (per s502 - specific 'actual use' charges)			
Waste management services (non-domestic)	2	1,015	975
Total specific user charges		1,015	975
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s608)			
Inspection services	2	33	17
Private works – section 67	2	72	107
Regulatory/ statutory fees	2	142	146
Section 10.7 certificates (EP&A Act)	2	110	95
Section 603 certificates	2	60	51
Animal control	2	36	49
Total fees and charges – statutory/regulatory		453	465
(ii) Fees and charges – other (incl. general user charges (per s608))			
Parking fees	2	20	83
Transport for NSW works (state roads not controlled by Council)	2	249	643
Waste disposal tipping fees	2	721	978
Art gallery	2	55	83
Airport	2	905	855
Burial fees	2	246	232
Rental income	2	39	90
Living desert fees	2	327	349
Museum	2	30	3
Public halls	2	264	200
Royalties	2	5	40
Other	2	22	17
Tourism and area promotion	2	30	170
Total fees and charges – other		2,913	3,743
Total other user charges and fees		3,366	4,208
Total user charges and fees		4,381	5,183
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		–	–
User charges and fees recognised at a point in time (2)		4,381	5,183
Total user charges and fees		4,381	5,183

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.

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.

Broken Hill City Council | Notes to the Financial Statements 30 June 2025

B2-3 Other revenues

	Timing	2025 \$ '000	2024 \$ '000
Legal fees recovery – rates and charges (extra charges)	2	188	70
Legal fees recovery – other	2	–	282
Commissions and agency fees	2	8	40
Diesel rebate	2	64	64
Insurance claims recoveries	2	102	562
Sales – general	2	321	105
Apprentice Wage Subsidy	2	127	42
Sundry income	2	223	224
Total other revenue		1,033	1,389
Timing of revenue recognition for other revenue			
Other revenue recognised over time (1)		–	–
Other revenue recognised at a point in time (2)		1,033	1,389
Total other revenue		1,033	1,389

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.

Broken Hill City Council | Notes to the Financial Statements 30 June 2025

B2-4 Grants and contributions

		Operating 2025 \$ '000	Operating 2024 \$ '000	Capital 2025 \$ '000	Capital 2024 \$ '000
	Timing				
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance – general component	2	1,012	436	–	–
Financial assistance – local roads component	2	108	29	–	–
Payment in advance - future year allocation					
Financial assistance	2	3,708	5,972	–	–
Amount recognised as income during current year		4,828	6,437	–	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Economic development	2	(3)	29	–	–
Heritage and cultural	2	24	40	–	700
Library	2	183	317	9,954	–
Noxious weeds	2	21	–	–	–
Art gallery	2	129	100	–	–
Parks and reserves and horticulture	2	–	–	1,493	851
Street lighting	2	121	119	–	–
Airport	1	–	–	197	1,628
Transport (roads to recovery)	2	404	311	–	–
Transport (other roads and bridges funding)	2	348	1,003	1,211	218
Other specific grants	1	–	–	388	1,580
Heritage/cultural	2	1	12	–	–
Recreation and culture	2	40	48	–	–
Tourism	2	15	13	–	–
Other	2	44	1	–	–
Total special purpose grants and non-developer contributions – cash		1,327	1,993	13,243	4,977
Non-cash contributions					
Acquisition of Police Station		–	–	–	627
Total other contributions – non-cash		–	–	–	627
Total special purpose grants and non-developer contributions (tied)		1,327	1,993	13,243	5,604
Total grants and non-developer contributions		6,155	8,430	13,243	5,604
Comprising:					
– Commonwealth funding		404	6,747	7,568	1,702
– State funding		5,692	1,604	5,675	3,275
– Other funding		59	79	–	627
		6,155	8,430	13,243	5,604

continued on next page

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Broken Hill City Council | Notes to the Financial Statements 30 June 2025

B2-4 Grants and contributions (continued)

Developer contributions

	Timing	Operating 2025 \$ '000	Operating 2024 \$ '000	Capital 2025 \$ '000	Capital 2024 \$ '000
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.12 – fixed development consent levies	2	7	16	–	–
Total developer contributions – cash		7	16	–	–
Total developer contributions		7	16	–	–
Total contributions		7	16	–	–
Total grants and contributions		6,162	8,446	13,243	5,604
Timing of revenue recognition					
Grants and contributions recognised over time (1)		–	4,736	6,735	–
Grants and contributions recognised at a point in time (2)		6,162	3,710	6,508	5,604
Total grants and contributions		6,162	8,446	13,243	5,604

continued on next page

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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 2025 \$ '000	Operating 2024 \$ '000	Capital 2025 \$ '000	Capital 2024 \$ '000
Unspent grants and contributions				
Unspent funds at 1 July	2,232	2,101	7,670	10,264
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	340	1,219	12,612	2,141
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(1,209)	(1,088)	(12,352)	(2,141)
Less: Funds received in prior year but revenue recognised and funds spent in current year	–	–	(867)	(2,594)
Unspent funds at 30 June	1,363	2,232	7,063	7,670

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.

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

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

Capital grants

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

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

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

Developer contributions

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

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

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

Broken Hill City Council | Notes to the Financial Statements 30 June 2025

B2-4 Grants and contributions (continued)**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

	2025 \$ '000	2024 \$ '000
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	254	193
– Cash and investments	1,153	1,195
Total interest and investment income (losses)	1,407	1,388

B2-6 Other income

	Notes	2025 \$ '000	2024 \$ '000
Fair value increment on investments			
Fair Value Increment (Managed Funds)		373	275
Total fair value increment on investments		373	275
Rental income			
Other lease income			
Rental income ¹		304	295
Total rental income	C2-1	304	295
Total other income		677	570

(1) Lease Income (excluding variable lease payments not dependent on an index or rate)

Broken Hill City Council | Notes to the Financial Statements 30 June 2025

B3 Costs of providing services**B3-1 Employee benefits and on-costs**

	2025 \$ '000	2024 \$ '000
Salaries and wages	11,925	11,182
Employee leave entitlements (ELE)	3,372	3,384
Superannuation	1,667	1,613
Workers' compensation insurance	638	647
Fringe benefit tax (FBT)	20	30
Total employee costs	17,622	16,856
Less: capitalised costs	(1,147)	(1,009)
Total employee costs expensed	16,475	15,847

Material accounting policy information

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

Retirement benefit obligations

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

Superannuation plans

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

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

Broken Hill City Council | Notes to the Financial Statements 30 June 2025

B3-2 Materials and services

		2025	2024
	Notes	\$ '000	\$ '000
Raw materials and consumables		2,886	2,706
Contractor costs		4,456	4,725
Audit Fees	F2-1	216	160
Previously other expenses:			
Councillor and Mayoral fees and associated expenses	F1-2	307	239
Advertising		78	113
Bank charges		113	95
Election expenses		223	—
Electricity and heating		675	668
Insurance		704	557
Postage		102	112
Printing and stationery		75	69
Street lighting		286	346
Subscriptions and publications		153	194
Telephone and communications		91	97
Travel expenses		116	100
Investment fees		11	11
Internet access		150	116
Licenses and permits		16	32
Motor vehicles		84	63
Promotion		18	33
Training costs (other than salaries and wages)		163	130
Other expenses		487	390
Water charges and consumption		769	735
Legal expenses:			
– Legal expenses: debt recovery		88	3
– Legal expenses: other		311	378
Total materials and services		12,578	12,072

B3-3 Borrowing costs

(i) Interest bearing liability costs

Interest on loans		588	645
Total interest bearing liability costs		588	645
Total interest bearing liability costs expensed		588	645

(ii) Other borrowing costs

Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	C3-5	170	167
Total other borrowing costs		170	167
Total borrowing costs expensed		758	812

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

	Notes	2025 \$ '000	2024 \$ '000
Depreciation and amortisation			
Plant and equipment		1,062	911
Office equipment		140	172
Furniture and fittings		131	132
Infrastructure:			
– Buildings	C1-6	1,765	1,713
– Footpaths		234	216
– Other open space/recreational assets		293	280
– Other structures		991	862
– Roads		2,331	2,141
– Stormwater drainage		205	198
Reinstatement, rehabilitation and restoration assets:			
– Tip assets		230	230
Total depreciation, amortisation and impairment for non-financial assets		7,382	6,855

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. Useful lives are included in Note C1-6 for IPPE assets.

Impairment of non-financial assets

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

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

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

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

Broken Hill City Council | Notes to the Financial Statements 30 June 2025

B3-5 Other expenses

	Notes	2025 \$ '000	2024 \$ '000
Bad and Doubtful Debts		115	43
Total Other Expenses	C1-4	115	43
Net share of loss in joint ventures and associates using the equity method			
Joint arrangements		246	63
Total net share of loss in joint ventures and associates using the equity method	D1-1	246	63
Other			
Contributions/levies to other levels of government		787	802
Donations, contributions and assistance to other organisations (Section 356)		296	341
Total other		1,083	1,143
Total other expenses		1,444	1,249

B4 Gains or losses

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

	Notes	2025 \$ '000	2024 \$ '000
Gain (or loss) on disposal of property (excl. investment property)			
Proceeds from disposal – property (excl. investment property)		–	354
Less: carrying amount of property assets sold/written off		–	(388)
Gain (or loss) on disposal		–	(34)
Gain (or loss) on disposal of plant and equipment	C1-6		
Proceeds from disposal – plant and equipment		318	92
Less: carrying amount of plant and equipment assets sold/written off		(458)	(39)
Gain (or loss) on disposal		(140)	53
Gain (or loss) on disposal of infrastructure	C1-6		
Proceeds from disposal – infrastructure		–	–
Less: carrying amount of infrastructure assets sold/written off		(298)	(155)
Gain (or loss) on disposal		(298)	(155)
Net gain (or loss) from disposal of assets		(438)	(136)

B5 Performance against budget**B5-1 Material budget variations**

Council's original budget was adopted by the Council on 26 June 2024 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	2025 Budget	2025 Actual	2025 ----- Variance -----	
Revenues				
Rates and annual charges	21,814	21,823	9	0% F
User charges and fees	4,555	4,381	(174)	(4)% U
Other revenues	608	1,033	425	70% F
Higher than budgeted revenue is due to wage subsidies, insurance claims, and one off contract works not anticipated in the original budget combined with higher than budgeted scrap metal sales.				
Operating grants and contributions	7,977	6,162	(1,815)	(23)% U
The variance is due a reduction in the prepaid Financial Assistance Grant from 85% of the annual allocation to 50% which was not advised until June 2025.				
Capital grants and contributions	18,364	13,243	(5,121)	(28)% U
The variance is due to timing differences between when capital grants are budgeted and when grant funding is received.				
Interest and investment revenue	1,240	1,407	167	13% F
Higher than budgeted interest income due to official interest rates being higher than anticipated.				
Other income	547	677	130	24% F
Higher than budgeted fair value increment in managed funds due to improved inflation and official interest rate outlook.				

Broken Hill City Council | Notes to the Financial Statements 30 June 2025

B5-1 Material budget variations (continued)

\$ '000	2025 Budget	2025 Actual	2025 ----- Variance -----	
Expenses				
Employee benefits and on-costs	16,488	16,475	13	0% F
Materials and services	11,593	12,578	(985)	(8)% U
Borrowing costs	693	758	(65)	(9)% U
Depreciation, amortisation and impairment of non-financial assets	6,809	7,382	(573)	(8)% U
Other expenses	1,154	1,444	(290)	(25)% U

The variance is due to higher than budgeted write off of bad debts following the sale of land for unpaid rates during the year and payment of Broken Hill City Council's share of the loss from the Joint Organisation that was not included in the original budget.

Statement of cash flows

Cash flows from operating activities	25,707	18,061	(7,646)	(30)% U
The unfavourable variance is due to a reduction in the prepaid Financial Assistance Grant from 85% of the annual allocation to 50% which was not advised until June 2025, offset by wage subsidies, insurance claims, and one off contract works not anticipated in the original budget and higher than budgeted scrap metal sales.				
Cash flows from investing activities	(18,745)	(20,194)	(1,449)	8% U
Cash flows from financing activities	(1,875)	(1,861)	14	(1)% F

Broken Hill City Council | Notes to the Financial Statements 30 June 2025

C Financial position**C1 Assets we manage****C1-1 Cash and cash equivalents**

	2025 \$ '000	2024 \$ '000
Cash assets		
Cash on hand and at bank	2,254	7,171
Cash equivalent assets		
– Short-term deposits	10,808	9,885
Total cash and cash equivalents	13,062	17,056
Reconciliation of cash and cash equivalents		
Total cash and cash equivalents per Statement of Financial Position	13,062	17,056
Balance as per the Statement of Cash Flows	13,062	17,056

Broken Hill City Council | Notes to the Financial Statements 30 June 2025

C1-2 Financial investments

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Financial assets at fair value through the profit and loss				
Managed funds	4,966	–	4,593	–
Total	4,966	–	4,593	–
Debt securities at amortised cost				
Long term deposits	3,500	–	11,500	–
Total	3,500	–	11,500	–
Total financial investments	8,466	–	16,093	–
Total cash assets, cash equivalents and investments	21,528	–	33,149	–

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.

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

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

Financial assets through profit or loss

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

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

Broken Hill City Council | Notes to the Financial Statements 30 June 2025

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

	2025	2024
	\$ '000	\$ '000

(a) Externally restricted cash,
cash equivalents and
investments

Total cash, cash equivalents and investments	21,528	33,149
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Less: Externally restricted cash, cash equivalents and investments	(14,031)	(15,593)
--	-----------------	-----------------

Cash, cash equivalents and investments not subject to external restrictions	7,497	17,556
--	--------------	---------------

External restrictions**External restrictions – included in liabilities**

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

Specific purpose unexpended grants – general fund	7,063	7,670
---	--------------	--------------

External restrictions – included in liabilities	7,063	7,670
--	--------------	--------------

External restrictions – other

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

Specific purpose unexpended grants (recognised as revenue) – general fund	1,363	2,232
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Domestic waste management	5,002	5,077
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Royalties	603	614
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External restrictions – other	6,968	7,923
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Total external restrictions	14,031	15,593
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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.

	2025	2024
	\$ '000	\$ '000

(b) Internal allocations

Cash, cash equivalents and investments not subject to external restrictions	7,497	17,556
--	--------------	---------------

Less: Internally restricted cash, cash equivalents and investments	(6,885)	(16,580)
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Unrestricted and unallocated cash, cash equivalents and investments	612	976
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Internal allocations

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

Employees leave entitlements	1,167	1,076
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Plant purchase reserve	–	701
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Other	5,299	4,653
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General Projects Reserve	419	6,000
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TCorp Loan Reserve	–	4,150
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Total internal allocations	6,885	16,580
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Cash, cash equivalents and investments not subject to external restrictions may be internally allocated by resolution or policy of the elected Council.

Broken Hill City Council | Notes to the Financial Statements 30 June 2025

C1-4 Receivables

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Rates and annual charges	2,756	–	2,521	–
Interest and extra charges	637	–	578	–
User charges and fees	721	–	644	–
Accrued revenues				
– Interest on investments	51	–	61	–
– Other income accruals	370	–	1,444	–
GST receivable	496	–	473	–
Deferred debtors	–	–	10	–
Total	5,031	–	5,731	–
Less: provision for impairment				
Rates and annual charges	(15)	–	(56)	–
User charges and fees	(237)	–	(135)	–
Total provision for impairment – receivables	(252)	–	(191)	–
Total net receivables	4,779	–	5,540	–
Externally restricted receivables				
Domestic waste management	355	–	319	–
Total external restrictions	355	–	319	–
Unrestricted receivables	4,424	–	5,221	–
Total net receivables	4,779	–	5,540	–

	2025 \$ '000	2024 \$ '000
Movement in provision for impairment of receivables		
Balance at the beginning of the year	191	153
+ new provisions recognised during the year	61	38
Balance at the end of the year	252	191

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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 30 days past due has seen a significant increase in credit risk.

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

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

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

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

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

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

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 3 years past due, 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.

C1-5 Inventories

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Inventories at cost				
Trading stock	78	—	90	—
Total inventories at cost	78	—	90	—
Total inventories	78	—	90	—

Material accounting policy information**Raw materials and stores, work in progress and finished goods**

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

C1-6 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2024			Asset movements during the reporting period						At 30 June 2025		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Revaluation increments / (decrements) to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	12,497	–	12,497	14,022	326	(120)	–	(3,041)	–	23,684	–	23,684
Plant and equipment	15,927	(8,644)	7,283	2,890	133	(374)	(1,062)	122	–	17,138	(8,146)	8,992
Office equipment	2,548	(2,014)	534	103	79	–	(140)	180	–	2,910	(2,154)	756
Furniture and fittings	2,713	(1,975)	738	–	33	–	(131)	–	–	2,746	(2,106)	640
Land:												
– Operational land	4,950	–	4,950	–	–	–	–	–	–	4,950	–	4,950
– Community land	3,488	–	3,488	–	–	–	–	–	428	3,916	–	3,916
– Crown Land	1,804	–	1,804	–	–	–	–	–	248	2,052	–	2,052
Infrastructure:												
– Buildings	152,228	(60,578)	91,650	310	178	–	(1,765)	123	5,381	161,920	(66,043)	95,877
– Other structures	33,118	(10,463)	22,655	3,549	240	(6)	(991)	621	1,324	39,521	(12,129)	27,392
– Roads	249,888	(88,033)	161,855	2,560	–	–	(2,331)	941	5,598	261,841	(93,218)	168,623
– Footpaths	16,893	(6,702)	10,191	372	–	(34)	(234)	–	759	18,495	(7,441)	11,054
– Stormwater drainage	17,589	(7,204)	10,385	558	–	–	(205)	–	122	18,358	(7,498)	10,860
– Other open space/recreational assets	16,020	(5,598)	10,422	3,169	–	(222)	(293)	1,054	609	20,536	(5,797)	14,739
Other assets:												
– Library books	352	(352)	–	–	–	–	–	–	–	352	(352)	–
– Other	8,742	–	8,742	–	–	–	–	–	–	8,742	–	8,742
– Other	278	(225)	53	–	–	–	–	–	–	278	(225)	53
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):												
– Tip assets	12,799	(6,579)	6,220	–	–	–	(230)	–	–	12,800	(6,810)	5,990
Total infrastructure, property, plant and equipment	551,834	(198,367)	353,467	27,533	989	(756)	(7,382)	–	14,469	600,239	(211,919)	388,320

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

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

	At 1 July 2023			Asset movements during the reporting period							At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments / (decrements) to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
By aggregated asset class	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	10,339	–	10,339	7,710	40	–	–	(5,590)	(2)	–	12,497	–	12,497
Plant and equipment	14,643	(7,996)	6,647	1,079	5	(39)	(911)	503	(1)	–	15,927	(8,644)	7,283
Office equipment	2,519	(1,842)	677	29	–	–	(172)	–	–	–	2,548	(2,014)	534
Furniture and fittings	2,701	(1,843)	858	–	–	–	(132)	13	(1)	–	2,713	(1,975)	738
Land:													
– Operational land	5,339	–	5,339	–	–	(388)	–	–	(1)	–	4,950	–	4,950
– Community land	3,488	–	3,488	–	–	–	–	–	–	–	3,488	–	3,488
– Crown Land	1,585	–	1,585	–	219	–	–	–	–	–	1,804	–	1,804
Infrastructure:													
– Buildings – non-specialised	144,534	(56,428)	88,106	773	703	(133)	(1,713)	192	3	3,719	152,228	(60,578)	91,650
– Other structures	27,695	(9,222)	18,473	150	430	(22)	(862)	3,907	(324)	903	33,118	(10,463)	22,655
– Roads	234,121	(81,258)	152,863	1,859	–	–	(2,141)	975	1	8,298	249,888	(88,033)	161,855
– Footpaths	15,632	(6,223)	9,409	243	388	–	(216)	–	(2)	369	16,893	(6,702)	10,191
– Stormwater drainage	17,059	(6,789)	10,270	–	–	–	(198)	–	1	312	17,589	(7,204)	10,385
– Other open space/recreational assets	14,537	(4,920)	9,617	272	–	–	(280)	–	325	488	16,020	(5,598)	10,422
Other assets:													
– Library books	352	(352)	–	–	–	–	–	–	–	–	352	(352)	–
– Other	8,742	–	8,742	–	–	–	–	–	–	–	8,742	–	8,742
– Other	276	(225)	51	–	–	–	–	–	2	–	278	(225)	53
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):													
– Tip assets	12,799	(6,348)	6,451	–	–	–	(230)	–	(1)	–	12,799	(6,579)	6,220
Total infrastructure, property, plant and equipment	516,361	(183,446)	332,915	12,115	1,785	(582)	(6,855)	–	–	14,089	551,834	(198,367)	353,467

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

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C1-6 Infrastructure, property, plant and equipment (continued)**Material accounting policy information**

Infrastructure, property, plant and equipment are held at fair value. Independent 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.

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

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

When infrastructure, property, plant and equipment are acquired by Council for nil or nominal consideration, the assets are initially recognised at their fair value at acquisition date.

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

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	40
Office furniture	10 to 20	Benches, seats etc.	30
Computer equipment	4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	20 to 265
Other plant and equipment	5 to 15	Buildings: other	20 to 265
Transportation assets		Other infrastructure assets	
Unsealed roads	25	Unsealed roads	25
Bridge: concrete	100	Other open space/recreational assets	15 to 30
Road pavements	25 to 170		
Kerb, gutter and footpaths	70 to 100		
Stormwater assets			
Drains	85 to 100		
Culverts	70 to 100		
Flood control structures	80 to 100		

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

Land under roads

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

Council has elected not to recognise land under roads acquired before 1 July 2008. Land under roads acquired after 1 July 2008 is recognised in accordance with the IPPE accounting policy.

Crown reserves

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

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

C2 Leasing activities

C2-1 Council as a lessor

Operating leases

Council leases out a number of properties; these leases have been classified as operating leases for financial reporting purposes and the assets are included as IPP&E in the Statement of Financial Position.
The amounts recognised in the Income Statement relating to operating leases where Council is a lessor are shown below:

	2025	2024
	\$ '000	\$ '000

Assets held as property, plant and equipment

Council provides operating leases on Council buildings and some land/road reserves, the table below relates to operating leases on assets disclosed in C1-6.

Lease income (excluding variable lease payments not dependent on an index or rate)	304	295
Total income relating to operating leases for Council assets	304	295

Amount of IPPE leased out by Council under operating leases

Buildings	27,574	26,316
Total amount of IPPE leased out by Council under operating leases	27,574	26,316

C3 Liabilities of Council

C3-1 Payables

	2025	2025	2024	2024
	Current	Non-current	Current	Non-current
	\$ '000	\$ '000	\$ '000	\$ '000
Goods and services – operating expenditure	1,250	–	1,445	–
Accrued expenses:				
– Borrowings	80	–	85	–
– Salaries and wages	57	–	395	–
– Other expenditure accruals	1,096	–	842	–
Security bonds, deposits and retentions	662	–	392	–
Prepaid rates	1,575	–	1,519	–
Total payables	4,720	–	4,678	–

Payables

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

Broken Hill City Council | Notes to the Financial Statements 30 June 2025

C3-2 Contract Liabilities

		2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
	Notes				
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	7,063	–	7,670	–
Total grants received in advance		7,063	–	7,670	–
User fees and charges received in advance:					
Revenue Received In Advance - Facility Hire	(iii)	63	–	–	–
Total user fees and charges received in advance		63	–	–	–
Total contract liabilities		7,126	–	7,670	–

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.

Contract liabilities relating to restricted assets

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Externally restricted assets				
Unspent grants held as contract liabilities	7,063	–	7,670	–
Contract liabilities relating to externally restricted assets	7,063	–	7,670	–
Total contract liabilities relating to restricted assets	7,063	–	7,670	–
Total contract liabilities relating to unrestricted assets	63	–	–	–
Total contract liabilities	7,126	–	7,670	–

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

	2025 \$ '000	2024 \$ '000
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	7,670	10,264
Total revenue recognised that was included in the contract liability balance at the beginning of the period	7,670	10,264

Broken Hill City Council | Notes to the Financial Statements 30 June 2025

C3-3 Borrowings

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Loans – secured ¹	1,917	14,097	1,859	16,016
Total borrowings	1,917	14,097	1,859	16,016

(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

	2024		Non-cash movements				2025
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	17,875	(1,860)	–	–	–	–	16,015
Total liabilities from financing activities	17,875	(1,860)	–	–	–	–	16,015

	2023		Non-cash movements				2024
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	19,678	(1,803)	–	–	–	–	17,875
Total liabilities from financing activities	19,678	(1,803)	–	–	–	–	17,875

(b) Financing arrangements

	2025 \$ '000	2024 \$ '000
--	-----------------	-----------------

Total facilities

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

Credit cards/purchase cards	90	90
Loans – secured	16,016	17,875
Total financing arrangements	16,106	17,965

Drawn facilities

Financing facilities drawn down at the reporting date are:

– Credit cards/purchase cards	21	15
– Loans – secured	16,016	17,875
Total drawn financing arrangements	16,037	17,890

Undrawn facilities

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

– Credit cards/purchase cards	69	75
Total undrawn financing arrangements	69	75

C3-4 Employee benefit provisions

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Annual leave	2,175	–	1,968	–
Sick leave	116	–	142	–
Long service leave	3,259	286	3,011	260
Total employee benefit provisions	5,550	286	5,121	260

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

	2025 \$ '000	2024 \$ '000
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	3,847	3,465
	3,847	3,465

Material accounting policy information

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.

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C3-5 Provisions

	2025 Current \$ '000	2025 Non-Current \$ '000	2024 Current \$ '000	2024 Non-Current \$ '000
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	10,049	–	9,879
Sub-total – asset remediation/restoration	–	10,049	–	9,879
Total provisions	–	10,049	–	9,879

Description of and movements in provisions

	Other provisions	
	Asset remediation \$ '000	Total \$ '000
2025		
At beginning of year	9,879	9,879
Unwinding of discount	170	170
Total other provisions at end of year	10,049	10,049
2024		
At beginning of year	9,712	9,712
Unwinding of discount	167	167
Total other provisions at end of year	9,879	9,879

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**Restoration**

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

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

Rehabilitation

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

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C3-5 Provisions (continued)

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

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

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

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

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

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation Surplus

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

Broken Hill City Council | Notes to the Financial Statements 30 June 2025

D Council structure**D1 Interests in other entities**

	Council's share of net assets	
	2025	2024
	\$ '000	\$ '000
Council's share of net assets		
Net share of interests in joint ventures and associates using the equity method – assets		
Joint arrangements	557	803
Total net share of interests in joint ventures and associates using the equity method – assets	557	803
Total Council's share of net assets	557	803

D1-1 Interests in joint arrangements**Net carrying amounts – Council's share**

	Interest in ownership		2025	2024
	2025	2024	\$ '000	\$ '000
Far South West Joint Organisation	25.0%	25.0%	557	803
Total carrying amounts – material joint ventures			557	803

Joint arrangements

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

Council is a member of the Far South West Joint Organisation (FSWJO) which includes Balranald Shire Council, Central Darling Shire Council, and Wentworth Shire Council. Details of Council's membership and participation are as follows:

Legal status of Joint Organisation

The Far South West Joint Organisation is a body corporate proclaimed under the Local Government Act 1993 (the Act) with the legal capacity and powers of an individual.

While the principal functions of the joint organisation are provided for in the Act and through this Charter, powers are also conferred on the joint organisation as a statutory corporation under section 50 of the Interpretation Act 1987. Other functions may be conferred on a joint organisation by legislation and may be delegated to a joint organisation by one or more member councils.

The FSWJO has the same year end date as the Council.

What the Joint Organisation does

The principal functions of Far South West Joint Organisation are to:

- Establish strategic regional priorities for the joint organisation area and develop strategies and plans for delivering these priorities
- Provide regional leadership for the joint organisation area and to be an advocate for strategic regional priorities
- Identify and take up opportunities for intergovernmental cooperation on matters relating to the joint organisation area.

Joint Organisation participants

The percentage ownership interest held is equivalent to the percentage voting rights for all associates as follows: FSWJO comprises the Councils of the Shires of Central Darling, Wentworth, Balranald and the City of Broken Hill. The Board of the FSWJO comprises 4 voting members; the Mayors of the four member Councils, non voting members being the General Managers of four member councils, as well as 2 appointed members from the State Government and Cabinet (non-voting).

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D1-1 Interests in joint arrangements (continued)**Council's powers of control or influence over the Joint Organisation**

Broken Hill City Council, as a member of the FSWJO, has a one quarter voting right in respect to the decisions of the Board.

Council's financial obligations to the Joint Organisation

In accordance with the Charter of the FSWJO the annual financial contribution required to be made by each Associate Member is to be based on a methodology adopted by the Board. The contribution made by Broken Hill City Council in 2024/2025 was nil.

Council's liability obligations in relation to the Joint Organisation

Members of the FSWJO are indemnified from liability for functions and duties carried out or omitted honestly, in good faith and with due care and diligence.

Liability for operational losses or winding up of the FSWJO

There are no liability issues identified for Council in the short to medium term.

Summarised financial information for joint organisations

	Far Southwest Joint Organisation	
	2025	2024
	\$ '000	\$ '000
Statement of financial position		
Current assets		
Cash and cash equivalents	2,296	3,455
Other current assets	–	11
Current liabilities		
Other current liabilities	59	244
Net assets	2,237	3,222
Share of income – Council (%)	25.0%	25.0%
Profit/(loss) – Council (\$)	(246)	(63)
Total comprehensive income – Council (\$)	(246)	(63)
Summarised Statement of cash flows		
Cash flows from operating activities	(1,160)	(10)
Net increase (decrease) in cash and cash equivalents	(1,160)	(10)
Reconciliation of the carrying amount		
Opening net assets (1 July)	3,222	3,466
Profit/(loss) for the period	(985)	(244)
Closing net assets	2,237	3,222
Council's share of net assets (%)	25.0%	25.0%
Council's share of net assets (\$)	557	803

Material accounting policy information

The council has determined that it has only joint operations

Joint operations:

In relation to its joint operations, where the Council has the rights to the individual assets and obligations arising from the arrangement, the Council has recognised:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred jointly
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly.

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

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

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

	Carrying value 2025 \$ '000	Carrying value 2024 \$ '000	Fair value 2025 \$ '000	Fair value 2024 \$ '000
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	13,062	17,056	13,062	17,056
Receivables	4,779	5,540	4,779	5,540
Investments				
– Debt securities at amortised cost	3,500	11,500	3,500	11,500
Fair value through profit and loss				
Investments				
T Corp	4,966	4,593	4,966	4,593
Total financial assets	26,307	38,689	26,307	38,689
Financial liabilities				
Payables	4,720	4,678	4,720	4,678
Loans/advances	16,014	17,875	16,014	17,875
Total financial liabilities	20,734	22,553	20,734	22,553

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.
- **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.

E1-1 Risks relating to financial instruments held (continued)**(a) Market risk – interest rate and price risk**

	2025 \$ '000	2024 \$ '000
The impact on the 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	215	331
Impact of a 10% movement in price of investments		
– Equity / Income Statement	497	459

(b) Credit risk

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

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

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

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

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

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

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

Credit risk profile**Receivables – rates and annual charges**

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

	Not yet overdue \$ '000	overdue rates and annual charges < 5 years \$ '000	≥ 5 years \$ '000	Total \$ '000
2025				
Gross carrying amount	–	714	2,042	2,756
2024				
Gross carrying amount	–	430	2,091	2,521

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

Receivables - non-rates and annual charges

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 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			Total \$ '000
			31 - 60 days \$ '000	61 - 90 days \$ '000	> 91 days \$ '000	
2025						
Gross carrying amount	1,247	87	23	15	903	2,275
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	26.20%	10.40%
ECL provision	—	—	—	—	237	237
2024						
Gross carrying amount	2,365	73	34	32	706	3,210
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	19.12%	4.21%
ECL provision	—	—	—	—	135	135

(c) Liquidity risk

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

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

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

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

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

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

	Weighted average interest rate %	Subject to no maturity \$ '000	≤ 1 Year \$ '000	payable in:		Total cash outflows \$ '000	Actual carrying values \$ '000
				1 - 5 Years \$ '000	> 5 Years \$ '000		
2025							
Payables	0.00%	662	4,058	—	—	4,720	4,720
Borrowings	3.49%	—	1,859	7,362	6,793	16,014	16,014
Total financial liabilities		662	5,917	7,362	6,793	20,734	20,734
2024							
Payables	0.00%	392	4,285	—	—	4,677	4,678
Borrowings	3.44%	—	1,803	7,508	8,564	17,875	17,875
Total financial liabilities		392	6,088	7,508	8,564	22,552	22,553

E2-1 Fair value measurement

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

- Financial Assets
- Infrastructure, property, plant and equipment

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

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

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

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

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

E2-1 Fair value measurement (continued)

		Fair value measurement hierarchy									
		Date of latest valuation		Level 1 Quoted prices in active mkts		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Notes		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Financial assets											
	C1-2										
Managed Funds		30/06/25	30/06/24	4,966	4,593	—	—	—	—	4,966	4,593
Total financial assets				4,966	4,593	—	—	—	—	4,966	4,593
Infrastructure, property, plant and equipment											
	C1-6										
Operational land		01/07/22	01/07/22	—	—	1,245	1,245	3,705	3,705	4,950	4,950
Community land		01/07/24	30/06/23	—	—	—	—	3,916	3,488	3,916	3,488
Crown land		01/07/24	30/06/23	—	—	—	—	2,052	1,804	2,052	1,804
Buildings		01/07/22	01/07/22	—	—	—	—	95,877	91,650	95,877	91,650
Other structures		01/07/22	01/07/22	—	—	—	—	27,392	22,655	27,392	22,655
Roads		01/07/22	01/07/22	—	—	—	—	168,623	161,855	168,623	161,855
Footpaths		01/07/22	01/07/22	—	—	—	—	11,054	10,191	11,054	10,191
Stormwater drainage		01/07/22	01/07/22	—	—	—	—	10,860	10,385	10,860	10,385
Open spaces and other recreation		01/07/22	01/07/22	—	—	—	—	14,739	10,422	14,739	10,422
Art		30/06/21	30/06/21	—	—	8,742	8,742	—	—	8,742	8,742
Other		30/06/20	30/06/20	—	—	—	—	53	53	53	53
Tip remediation		30/06/18	30/06/18	—	—	—	—	5,990	6,220	5,990	6,220
Total infrastructure, property, plant and equipment				—	—	9,987	9,987	344,261	322,428	354,248	332,415

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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:

Financial assets

Council has invested in financial assets including term deposits.

Council values these assets at fair value based on valuations provided at the end of each month and year end that are prepared by external industry experts in the finance field.

Managed Funds have been classified as level 1 as they have unadjusted quoted prices in active markets.

Valuation techniques remained the same for the reporting period.

Infrastructure, property, plant and equipment (IPPE)

Community land

Assets within the "Community Land" class are:

- Council owned land and
- "Care Control Management Land" [Crown] of which Council derives current and future economic benefits arising from the use of the land asset.

Council's community land is valued on the Unimproved Capital Value (UCV), provided by the Valuer General.

Currently all Council assets in this asset class are based on UCV, however, should Council have an asset in future for which an UCV is not provided, the replacement cost will be used. Replacement cost will be based on average unit rates for similar properties, land use, dimensions, land size and shape, which are not considered observable based on market evidence, therefore, placing the whole asset class in Level 3. Valuation techniques remained the same for this reporting period.

Operational land

Council's operational land includes all of Council's land classified as operational land under Local Government Act 1993. APV Valuers and Asset Management revalued all Operational Land as at 01 July 2022.

Council's operational land is valued using a modelled market based valuation process.

The majority of land is subject to directly observable comparable local market evidence, hence these assets are considered level 2. However there is land that is not subject to directly observable local market evidence as well as, if Council obtains an asset in the future for which this valuation process is not available, the replacement cost will be used. Replacement cost will be based on average unit rates for similar properties, land use, dimensions, land size and shape, which are not considered observable based on market evidence, therefore, placing these assets in in Level 3. Valuation techniques remained the same for this reporting period.

Stormwater drainage

The stormwater drainage asset class consists of Council's pits and Culverts. APV Valuers & Asset Management completed a comprehensive valuation on all roads and road related assets in 2023.

Replacement costs (unit rates) and useful lives for Stormwater Drainage assets were determined through professional judgement applied by APV, which incorporated standard unit rates to the dimensions of the asset and considered environmental factors based on asset location. Other significant inputs considered in the valuation of these assets are asset condition, remaining useful life, and residual value.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

All stormwater assets were indexed 1.20% as at 30 June 2025 to reflect sharp inflation increases caused by economic pressures.

Other structures

Council's other structure assets comprise of fences, flagpoles, monuments and the like.

Council engaged APV Valuers and Asset Management to value all buildings, structures and shelters in 2023.

The valuation methodology adopted was based on current replacement cost of the asset.

Replacement costs (unit rate) and useful lives of Council's other structure assets were determined using technical knowledge from Council staff (engineers and asset management) and external valuers. Other significant inputs considered in the valuation of these assets are condition rating, remaining useful life, pattern of consumption, dimensions, components and residual value. This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

All other structure assets were indexed 6.21% as at 30 June 2025 to reflect sharp inflation increases caused by economic pressures.

E2-1 Fair value measurement (continued)

Buildings

Council engaged APV Asset and Management to value all buildings, structures and shelters in 2023. The valuation methodology adopted was based on current replacement cost of the asset.

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

All building assets were indexed 6.20% as at 30 June 2025 to reflect sharp inflation increases caused by economic pressures.

Roads

Council's roads are componentised into pavement, surface and formation and further separated into segments for inspection and valuation.

APV Valuers and Asset Management completed a comprehensive valuation of roads and road related assets in 2023.

The current replacement cost approach was adopted to value Council roads. The replacement costs (based on unit rates), useful lives and conditions were determined by technical information provided by Council's asset planners and professional judgement applied by APV Assets and Management.

Some of the other significant inputs considered in the valuation of these assets are remaining useful life, dimensions, components, residual value and type of road.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

All road assets were indexed approx 4.04% as at 30 June 2025 to reflect sharp inflation increases caused by economic pressures.

Footpaths

Council's footpath register consists of all pedestrian walkways and cycleways within the Council area.

APV Valuers & Asset Management completed a comprehensive valuation of roads and road related assets in 2023.

Replacement costs (unit rates) and useful lives of Council's footpaths were determined using technical knowledge and professional judgement. Some of the other significant inputs considered in the valuation of these assets are remaining useful life, dimensions, components and residual value.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

All footpath assets were indexed 7.70% as at 30 June 2025 to reflect sharp inflation increases caused by economic pressures.

Open space / recreational assets

Council's recreational facilities includes assets within our sports fields, aquatic centre and park locations. This includes but is not limited to, playing courts, playgrounds, and cricket nets. Replacement costs (unit rates) and useful lives of Council's recreational facilities were determined using technical knowledge from Council staff (engineers and asset management) and professional judgement. Some of the other significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components and residual value.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

All open space assets were indexed 6.21% as at 30 June 2025 to reflect sharp inflation increases caused by economic pressures.

Plant and equipment, office equipment, and furniture and fittings

This asset category includes:

Plant & Equipment – Motor vehicles, trucks, mowers, buses, earthmoving equipment

Office Equipment – Computer equipment

Furniture & Fittings – Chairs, desks, cabinets, display systems

These assets are valued at cost in Council's books and reported at fair value in the notes due to the nature of the items.

The cost of these assets are based on current invoices and contracts, which are based on observable inputs, however the remaining useful life and residual value is based on internal factors which are unobservable in the market therefore placing these assets in Level 3. Valuation techniques remained the same for this reporting period.

Library books and other assets

This asset category comprises of assets such as library books, journals, magazines, CD's and DVD's.

The library books are reported at Fair value in the notes however, due to the nature of these items they are valued at cost. There are no major variances between the fair value and carrying amount of these assets. The cost of these assets are based on current invoices and contracts, which are based on observable inputs, however the remaining useful life and residual value is based on internal factors which are unobservable in the market making it a Level 3 asset. Valuation techniques remain the same for this reporting period.

E2-1 Fair value measurement (continued)

Artwork

Council engaged APV Valuers and Asset Management to value all artwork in 2021.

This information was updated into Council's asset register.

The valuation was completed using the replacement cost approach and market value in accordance with AASB 116.

The replacement value for artworks was determined by the price at which the items could be purchased from a reputable dealer, gallery or retail outlet.

Where the fair value of an asset could not be determined by sale on the open market, a depreciable replacement cost has been adopted. Other significant inputs considered in the valuation are the condition of the asset, pattern of consumption and remaining useful life. This asset class is categorised as Level 2 & 3 as some of the above mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Tip remediation

Council operates a landfilling operation as well as a range of waste services, including recycled and reclaimed products. It has been recognised that there will be significant costs associated with the closure and post closure management of the landfill site. Closure of the landfill will involve a wide range of activities including preparation of a Landfill Closure and Management Plan, final capping of the landfill waste and site re-vegetation, decommissioning and removing infrastructure and equipment that will not be required post-closure, and fencing sensitive infrastructure.

The key unobservable inputs are the discount rate, cost escalation rate, actual timing of costs and future environmental management requirements. Geolyse Pty Ltd were engaged in the 2018 financial year to perform a valuation of the estimated cost for the tip remediation based on current data and tip consumption as at 30 June 2018.

E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

A reconciliation of the movements in recurring fair value measurements of infrastructure, property, plant and equipment allocated to Level 3 of the hierarchy is provided below:

	Crown Land		Operational Land		Community Land		Buildings non-specialised	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Opening balance	1,804	1,585	3,705	4,094	3,488	3,488	91,650	88,106
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	248	–	–	–	428	–	5,381	3,719
Other movements								
Purchases (GBV)	–	219	–	–	–	–	611	1,668
Disposals (WDV)	–	–	–	(389)	–	–	–	(133)
Depreciation and impairment	–	–	–	–	–	–	(1,765)	(1,710)
Closing balance	2,052	1,804	3,705	3,705	3,916	3,488	95,877	91,650

	Other structures		Roads		Footpaths		Stormwater drainage	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Opening balance	22,655	18,473	161,855	152,863	10,191	9,409	10,385	10,270
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	1,324	903	5,598	8,297	759	369	122	312
Other movements								
Transfers from/(to) another asset class	–	(325)	–	–	–	–	–	–
Purchases (GBV)	4,410	4,487	3,501	2,834	372	629	558	–
Disposals (WDV)	(6)	(22)	–	–	(34)	–	–	–
Depreciation and impairment	(991)	(861)	(2,331)	(2,139)	(234)	(216)	(205)	(197)
Closing balance	27,392	22,655	168,623	161,855	11,054	10,191	10,860	10,385

continued on next page

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E2-1 Fair value measurement (continued)

	Open space/other recreational assets		Other		Tip remediation		Total	
	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000
Opening balance	10,422	9,617	53	51	6,220	6,451	322,428	304,407
Recognised in other comprehensive income – revaluation surplus	609	488	–	–	–	–	14,469	14,088
Transfers from/(to) another asset class	–	325	–	2	–	–	–	2
Purchases (GBV)	4,223	272	–	–	–	–	13,675	10,109
Disposals (WDV)	(222)	–	–	–	–	–	(262)	(544)
Depreciation and impairment	(293)	(280)	–	–	(230)	(231)	(6,049)	(5,634)
Closing balance	14,739	10,422	53	53	5,990	6,220	344,261	322,428

Highest and best use

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

E3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements.

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

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

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

E3-1 Contingencies (continued)

* For 180 Point Members, Employers are required to contribute 9.5% of salaries from July 2025 of salaries to these members' members' accumulation accounts in line with current level of SG contributions, 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 2025. Given the funding position of the Fund as at 30 June 2024, it was recommended to cease these past service contributions effective 1 January 2025.

The adequacy of contributions is assessed at each actuarial investigation which will be conducted annually, the next of which is due effective 30 June 2025

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.

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 2025 was \$ 136,778.99. The last valuation of the Scheme was performed by the Fund Actuary, Richard Boyfield FIAA on 30 June 2024.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2025 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	2,197.6	
Past Service Liabilities	2,092.0	105.0%
Vested Benefits	2,130.4	103.2%

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

The share of any funding surplus/ deficit that is broadly attributed to Council is estimated to be 0.39% at 30 June 2024.

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

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

Investment return	6.0% per annum
Salary inflation *	3.5% per annum
Increase in CPI	2.5% per annum

* Plus promotional increases

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

Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by me as the Fund's Actuary, the final end of year review will be completed by December 2025.

E3-1 Contingencies (continued)

(ii) StateCover Limited

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

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

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

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

(iii) Other guarantees

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

2. Other liabilities

(i) Third party claims

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

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

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

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

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

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

ASSETS NOT RECOGNISED

(i) 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.

(ii) Refurbishment Project litigation

Litigation is ongoing for a compensation claim against the party (parties) involved with a refurbishment project. While the claim has been settled proceedings are still ongoing in relation to costs.

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:

	2025	2024
	\$ '000	\$ '000
Compensation:		
Short-term benefits	1,339	1,586
Post-employment benefits	142	119
Other long-term benefits	33	32
Total	1,514	1,737

Broken Hill City Council | Notes to the Financial Statements 30 June 2025

F1-2 Councillor and Mayoral fees and associated expenses

	2025	2024
	\$ '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	39	39
Councillors' fees	171	180
Other Councillors' expenses (including Mayor)	97	20
Total	307	239

F2 Other relationships**F2-1 Audit fees**

	2025	2024
	\$ '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**(i) Audit and other assurance services**

Audit and review of financial statements

Total Auditor-General remuneration

90	85
90	85

(i) Audit and other assurance services

Internal Audit

Total audit fees

126	75
216	160

G Other matters**G1-1 Statement of Cash Flows information****Reconciliation of Operating Result**

	2025 \$ '000	2024 \$ '000
Net operating result from Income Statement	9,651	6,611
Add / (less) non-cash items:		
Depreciation and amortisation	7,382	6,855
(Gain) / loss on disposal of assets	438	136
Non-cash capital grants and contributions	–	(627)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as 'at fair value'	(373)	(275)
Unwinding of discount rates on reinstatement provisions	340	334
Share of net (profits)/losses of associates/joint ventures using the equity method	246	63
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	690	(1,667)
Increase / (decrease) in provision for impairment of receivables	61	38
(Increase) / decrease of inventories	12	44
(Increase) / decrease of other current assets	(169)	686
Increase / (decrease) in payables	(195)	48
Increase / (decrease) in accrued interest payable	(5)	(5)
Increase / (decrease) in other accrued expenses payable	(84)	(80)
Increase / (decrease) in other liabilities	326	32
Increase / (decrease) in contract liabilities	(544)	(2,594)
Increase / (decrease) in employee benefit provision	455	345
Increase / (decrease) in other provisions	(170)	(167)
Net cash flows from operating activities	18,061	9,777

Broken Hill City Council | Notes to the Financial Statements 30 June 2025

G2-1 Commitments**Capital commitments (exclusive of GST)**

	2025	2024
	\$ '000	\$ '000

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

Property, plant and equipment

Buildings	5,505	12,902
Infrastructure	16,145	28,760
Plant and equipment	939	2,426
Total commitments	22,589	44,088

These expenditures are payable as follows:

Within the next year	21,196	17,535
Later than one year and not later than 5 years	1,393	26,553
Total payable	22,589	44,088

Sources for funding of capital commitments:

Unrestricted general funds	5,872	5,334
Future grants and contributions	4,135	16,925
Unexpended grants	8,014	10,978
Internally restricted reserves	4,568	6,701
Unexpended loans	—	4,150
Total sources of funding	22,589	44,088

G3-1 Events occurring after the reporting date

There are no other known events after the reporting period which would give rise to a material impact on the reported results or financial position.

End of the audited financial statements

H Additional Council disclosures (unaudited)

H1-1 Council information and contact details

Principal place of business:

240 Blende st
Broken Hill
NSW 2880

Mailing Address:

PO Box 448
Broken Hill
NSW 2880

Telephone: 08 8080 3300

Facsimile: 08 8080 3424

Opening hours:

8:30am - 5:00pm
Monday to Friday

Internet: www.brokenhill.nsw.gov.au

Email: council@brokenhill.nsw.gov.au

Officers

General Manager

Jay Nankivell

Responsible Accounting Officer

Simon Brown

Public Officer

Razija Nu'Man

Auditors

Auditor General of NSW

Elected members

Mayor

Tom Kennedy

Councillors

Jim Hickey

Bob Algate

Michael Boland

Marion Browne

Alan Chandler

Dave Gallagher

Hayley Jewitt

Ron Page

Darriea Turley AM

Other information

ABN: 84 873 116 132



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Broken Hill City Council

To the Councillors of Broken Hill City Council

Opinion

I have audited the accompanying financial statements of Broken Hill City 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 2025, the Statement of Financial Position as at 30 June 2025, 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 the Division
 - are, in all material respects, consistent with the Council's accounting records
 - present fairly, in all material respects, the financial position of the Council as at 30 June 2025, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

The Council's annual report for the year ended 30 June 2025 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

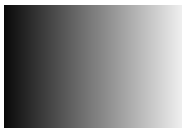
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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

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

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

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



Hong Wee Soh
Delegate of the Auditor-General for New South Wales

27 October 2025
SYDNEY



Cr Tom Kennedy
Mayor
Broken Hill City Council
PO BOX 448
Broken Hill NSW 2880

Contact: Hong Wee Soh
Phone no: 02 9275 7397
Our ref: R008-1981756498-6388

27 October 2025

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2025
Broken Hill City Council**

I have audited the general purpose financial statements (GPFS) of the Broken Hill City Council (the Council) for the year ended 30 June 2025 as required by section 415 of the *Local Government Act 1993* (the Act).

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

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.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2025 is issued in accordance with section 417 of the Act. The Report:

- must address the specific matters outlined in the Local Government Code of Accounting Practice and Financial Reporting 2024-25
- may include statements, comments and recommendations that I consider to be appropriate based on the conduct of the audit of the GPFS.

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

INCOME STATEMENT**Financial performance**

	2025	2024	Variance
	\$m	\$m	%
Rates and annual charges revenue	21.8	21.0	↑ 3.8
Grants and contributions provided for operating purposes revenue	6.2	8.4	↓ 26.2
Grants and contributions provided for capital purposes revenue	13.2	5.6	↑ >100
Operating result from continuing operations	9.7	6.6	↑ 47.0
Net Operating result for the year before grants and contributions provided for capital purposes	(3.6)	1.0	↓ >100

Operating result from continuing operations

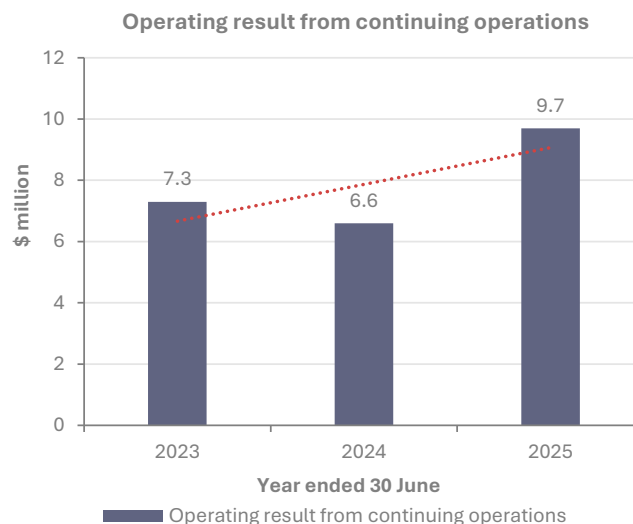
This graph shows the operating result from continuing operations for the current and prior two financial years. The increase in the operating result is primarily due to an increase in grant revenue.

Council's operating result from continuing operations for the year was \$3.1 million higher than the 2023-24 result.

In 2024-25:

- Depreciation, amortisation and impairment of non-financial assets expense (\$7.4 million) increased by \$0.5 million (7.2 per cent) due to significant asset additions and valuation increases in recent years.

The net operating result for the year before grants and contributions provided for capital purposes was a deficit of \$3.6 million. Refer to 'Grants and contributions revenue' below for details.



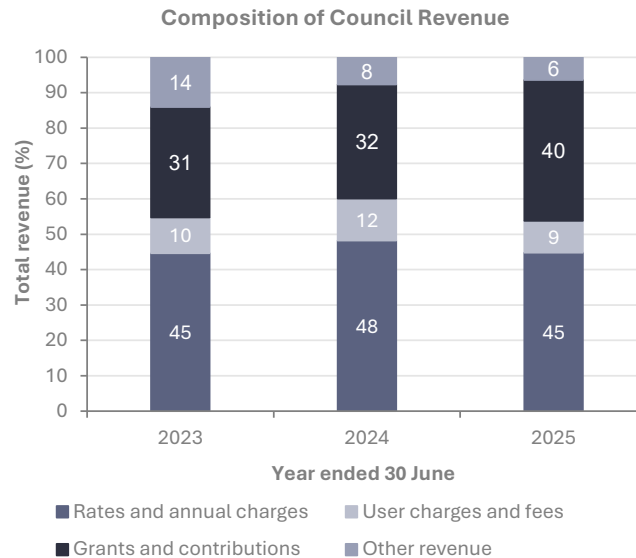
Income

Council revenue

This graph shows the composition of Council's revenue recognised for the current and prior two financial years.

Council revenue (\$48.7 million) increased by \$5.1 million (11.8 per cent) in 2024–25 due to:

- rates and annual charges revenue (\$21.8 million) increased by \$0.8 million (3.8 per cent)
- user charges and fees revenue (\$4.4 million) decreased by \$0.8 million (15.5 per cent) mostly due to a reduction in Transport for NSW works
- grants and contributions revenue (\$19.4 million) which increased by \$5.4 million (38.1 per cent) – see additional details below.

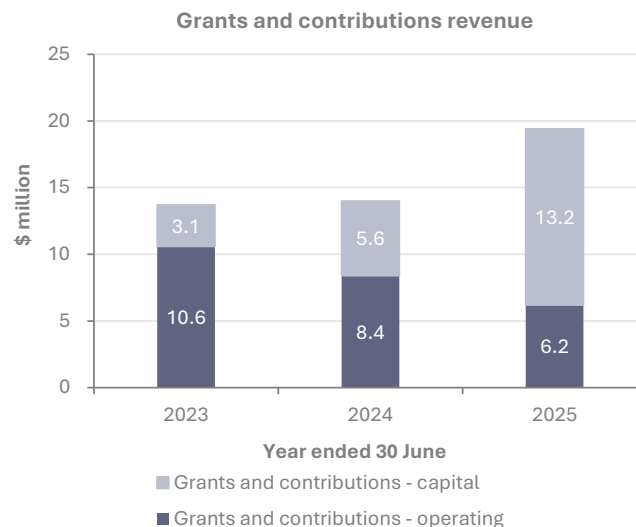


Grants and contributions revenue

This graph shows the amount of grants and contributions revenue recognised for the current and prior two financial years.

Grants and contributions revenue (\$19.4 million) increased by \$5.4 million (38.1 per cent) in 2024–25 due to:

- the recognition of capital grant funding of \$10 million for the library project
- receiving 50 per cent of the financial assistance grants for 2025-26 in advance (85 per cent for 2024-25).



CASH FLOWS

Statement of cash flows

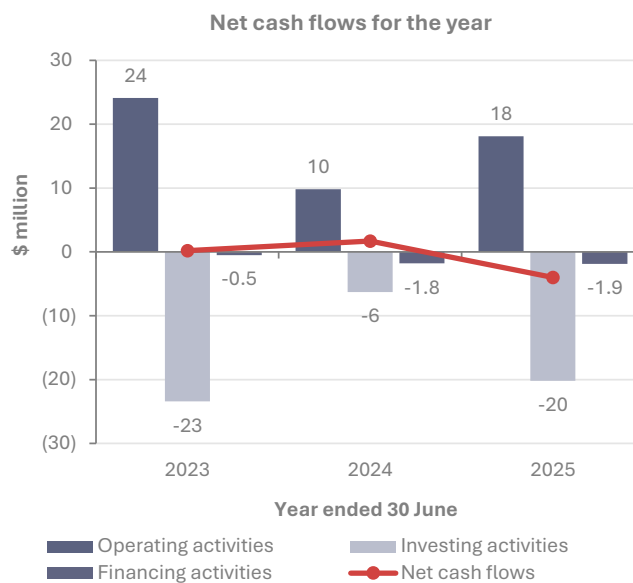
The Statement of Cash Flows details the Council's inflows and outflows of cash over a specific period. It helps in assessing the Council's ability to generate cash to fund its operations, pay off debts, and support future projects. It also aids in identifying any pressures or issues in the Council operating in a financially sustainable manner.

This graph shows the net cash flows for the current and prior two financial years.

The net cash flows outflow for the year were \$4.0 million (2023-24: inflow of \$1.7 million).

In 2024-25 the net cashflows:

- from operating activities increased by \$8.3 million, mainly due to increased grant revenue
- used in investing activities increased by \$13.9 million, mainly due to increased capital expenditure
- used in financing activities increased by \$0.1 million.



FINANCIAL POSITION

Cash, cash equivalents and investments

This section of the Report provides details of the amount of cash, cash equivalents and investments recorded by the Council at 30 June 2025.

Externally restricted funds are the cash, cash equivalents and investments that can only be used for specific purposes due to legal or contractual restrictions.

Cash, cash equivalents, and investments without external restrictions can be allocated internally by the elected Council's resolution or policy. These allocations are matters of Council policy and can be changed or removed by a Council resolution.

Cash, cash equivalents and investments	2025	2024	Percentage of total cash and investments 2025	Commentary
	\$m	\$m	%	
Total cash, cash equivalents and investments	21.5	33.1		Externally restricted balances are those which are only available for specific use due to a restriction placed by legislation or third-party

Restricted and allocated cash, cash equivalents and investments:

• External restrictions	14.0	15.6	65.1
• Internal allocations	6.9	16.6	32.1

contract. A breakdown of the sources of externally restricted balances is included in the graph below.

Internal allocations are determined by council policies or decisions, which are subject to change.

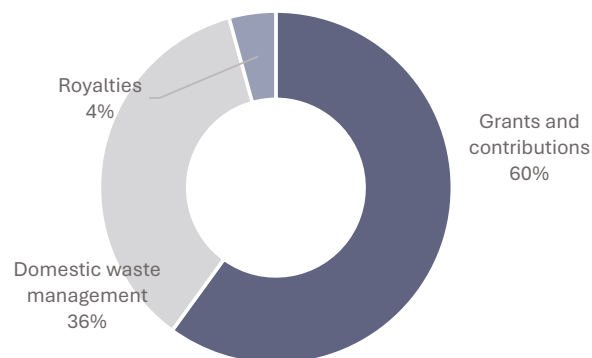
Internal allocations have reduced due funds being used on capital projects.

This graph shows the sources of externally restricted cash, cash equivalents and investments.

In 2024-25 the Council's main sources of externally restricted cash, cash equivalents and investments include:

- Grants and contributions of \$8.4 million which decreased by \$1.5 million
- domestic waste management charges of \$5 million which decreased by \$0.1 million
- Royalties of \$0.6 million.

Source of externally restricted cash, cash equivalents and investments



Council liquidity

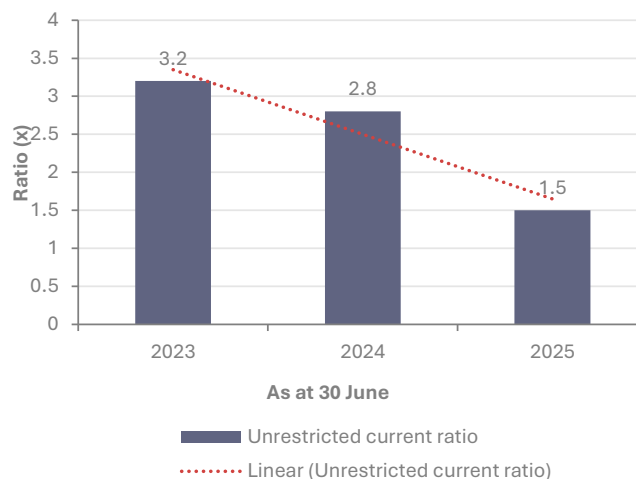
This graph shows the Council's unrestricted current ratio for the current and prior two financial years.

The unrestricted current ratio is specific to local government and represents council's ability to meet its short-term obligations as they fall due. It measures the ratio of unrestricted current assets to current liabilities less specific purpose liabilities.

In 2023-24, the average unrestricted current ratio was an average of 3.1x for regional councils.

The decrease in the ratio is due to a decrease in cash and investments as funds are being used for capital projects.

Unrestricted current ratio

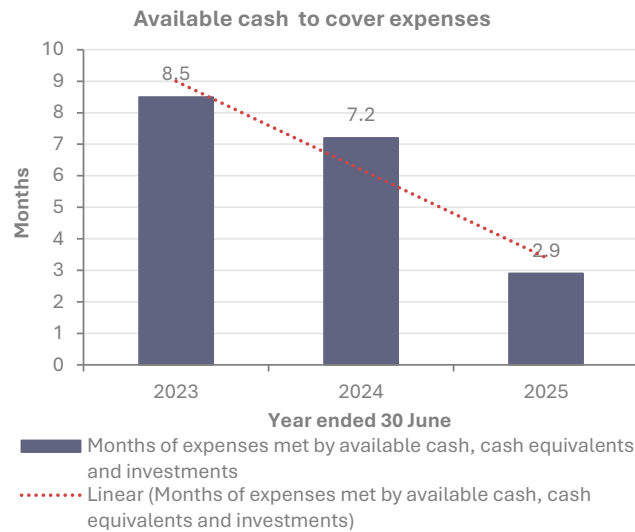


This graph shows the number of months of general fund expenses (excluding depreciation and borrowing costs), Council can fund from its available cash, cash equivalents and investments (not subject to external restrictions).

Further details on cash, cash equivalents and investments including the sources of external restrictions are included in the section above.

In 2023–24, the available cash to cover expenses was an average of 16 months for regional councils.

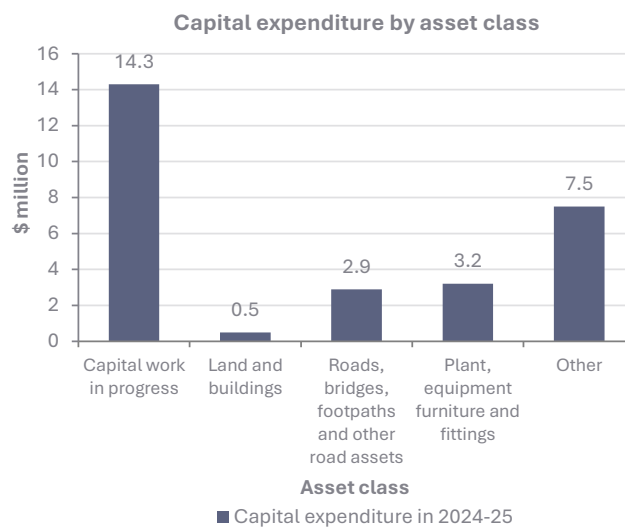
The decrease is due to a decrease in cash and investments as funds are being used for capital projects.



Infrastructure, property, plant and equipment

This graph shows how much the Council spent on renewing and purchasing assets in 2024-25.

Council renewed \$27.5 million of infrastructure, property, plant and equipment during the 2024-25 financial year. This was mainly spent on roads and other capital works in progress. A further \$1 million was spent on new assets.



Debt

The table below provides an overview of the Council's loans.

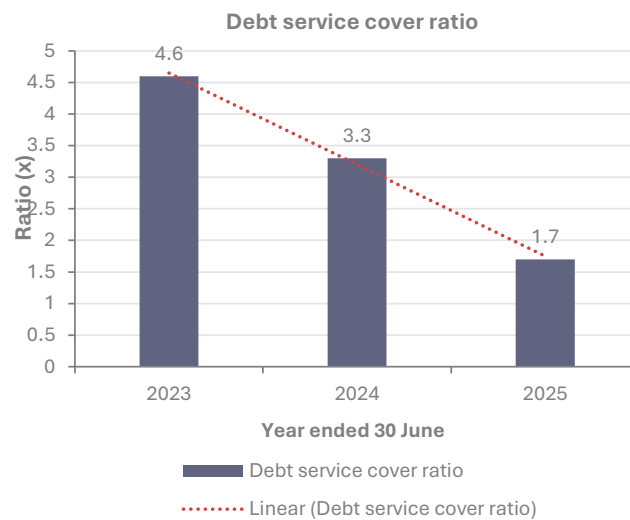
Debt	2025	2024	Commentary
	\$m	\$m	
Loans	16.0	17.9	After repaying principal and interest during the financial year, total debt as at 30 June 2025 was \$16 million (2024: \$17.9 million).

Debt service cover

This graph shows the Council's debt service cover ratio for the current and prior two financial years.

The debt service cover ratio measures the operating cash to service debt including interest, principal and lease payments.

The decrease in the ratio is due to the decreasing operating result before grants and contributions provided for capital purposes.



Hong Wee Soh
Associate Director - Financial Audit

Delegate of the Auditor-General

Broken Hill City Council

SPECIAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2025

*A vibrant, prosperous and culturally rich Heritage City
shared with visitors from around the world.*



Broken Hill City Council

Special Purpose Financial Statements

for the year ended 30 June 2025

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Background

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

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

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

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

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

Broken Hill City Council

Special Purpose Financial Statements

for the year ended 30 June 2025

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

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

- present fairly the operating result and financial position for each of Council's declared business activities for the year, and
- accord with Council's accounting and other records; and

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

Signed in accordance with a resolution of Council made on 27 August 2025.



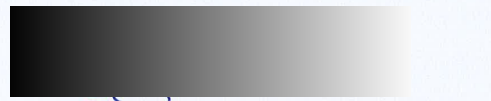
Tom Kennedy
Mayor
27 August 2025



Jim Hickey
Councillor
27 August 2025



Jay Nankivell
General Manager
27 August 2025



Simon Brown
Responsible Accounting Officer
27 August 2025

Broken Hill City Council | Income Statement of Airport | for the year ended 30 June 2025

Broken Hill City Council

Income Statement of Airport

for the year ended 30 June 2025

	2025 Category 2 \$ '000	2024 Category 2 \$ '000
Income from continuing operations		
User charges	970	929
Total income from continuing operations	970	929
Expenses from continuing operations		
Employee benefits and on-costs	400	344
Materials and services	262	296
Depreciation, amortisation and impairment	603	463
Total expenses from continuing operations	1,265	1,103
Surplus (deficit) from continuing operations before capital amounts	(295)	(174)
Surplus (deficit) from continuing operations after capital amounts	(295)	(174)
Surplus (deficit) from all operations before tax	(295)	(174)
Surplus (deficit) after tax	(295)	(174)
Plus accumulated surplus	1,586	(537)
Add:		
– Subsidy paid/contribution to operations	–	2,297
Closing accumulated surplus	1,291	1,586
Return on capital %	(1.1)%	(0.7)%
Subsidy from Council	1,416	1,240
Calculation of dividend payable:		
Surplus (deficit) after tax	(295)	(174)
Surplus for dividend calculation purposes	–	–
Potential dividend calculated from surplus	–	–

Broken Hill City Council | Income Statement of Civic Centre (Entertainment centre) | for the year ended 30 June 2025

Broken Hill City Council

Income Statement of Civic Centre (Entertainment centre)

for the year ended 30 June 2025

	2025 Category 2 \$ '000	2024 Category 2 \$ '000
Income from continuing operations		
User charges	318	274
Total income from continuing operations	318	274
Expenses from continuing operations		
Employee benefits and on-costs	520	454
Materials and services	173	132
Depreciation, amortisation and impairment	426	416
Total expenses from continuing operations	1,119	1,002
Surplus (deficit) from continuing operations before capital amounts	(801)	(728)
Surplus (deficit) from continuing operations after capital amounts	(801)	(728)
Surplus (deficit) from all operations before tax	(801)	(728)
Surplus (deficit) after tax	(801)	(728)
Plus accumulated surplus	8,917	9,355
– Subsidy paid/contribution to operations	–	290
Closing accumulated surplus	8,116	8,917
Return on capital %	(4.6)%	(4.4)%
Subsidy from Council	1,520	1,446
Calculation of dividend payable:		
Surplus (deficit) after tax	(801)	(728)
Surplus for dividend calculation purposes	–	–
Potential dividend calculated from surplus	–	–

Broken Hill City Council | Income Statement of Commercial waste | for the year ended 30 June 2025

Broken Hill City Council

Income Statement of Commercial waste

for the year ended 30 June 2025

	2025 Category 2 \$ '000	2024 Category 2 \$ '000
Income from continuing operations		
User charges	1,926	2,185
Total income from continuing operations	1,926	2,185
Expenses from continuing operations		
Employee benefits and on-costs	374	369
Materials and services	354	336
Depreciation, amortisation and impairment	160	161
Other expenses	93	109
Total expenses from continuing operations	981	975
Surplus (deficit) from continuing operations before capital amounts	945	1,210
Surplus (deficit) from continuing operations after capital amounts	945	1,210
Surplus (deficit) from all operations before tax	945	1,210
Less: corporate taxation equivalent (25%) [based on result before capital]	(236)	(303)
Surplus (deficit) after tax	709	907
Plus accumulated surplus	1,679	1,449
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	236	303
– Subsidy paid/contribution to operations	(971)	(980)
Closing accumulated surplus	1,653	1,679
Return on capital %	30.7%	38.6%
Calculation of dividend payable:		
Surplus (deficit) after tax	709	907
Surplus for dividend calculation purposes	709	907
Potential dividend calculated from surplus	354	454

Broken Hill City Council | Statement of Financial Position of Airport | as at 30 June 2025

Broken Hill City Council

Statement of Financial Position of Airport
as at 30 June 2025

	2025 Category 2 \$ '000	2024 Category 2 \$ '000
ASSETS		
Non-current assets		
Infrastructure, property, plant and equipment	26,952	24,784
Total non-current assets	26,952	24,784
Total assets	26,952	24,784
Net assets	26,952	24,784
EQUITY		
Accumulated surplus	1,291	1,586
Revaluation reserves	25,661	23,198
Total equity	26,952	24,784

Broken Hill City Council | Statement of Financial Position of Civic Centre (Entertainment centre) | as at 30 June 2025

Broken Hill City Council

Statement of Financial Position of Civic Centre (Entertainment centre)

as at 30 June 2025

	2025 Category 2 \$ '000	2024 Category 2 \$ '000
ASSETS		
Non-current assets		
Infrastructure, property, plant and equipment	17,276	16,691
Total non-current assets	17,276	16,691
Total assets	17,276	16,691
Net assets	17,276	16,691
EQUITY		
Accumulated surplus	8,116	8,917
Revaluation reserves	9,160	7,774
Total equity	17,276	16,691

Broken Hill City Council | Statement of Financial Position of Commercial waste | as at 30 June 2025

Broken Hill City Council

Statement of Financial Position of Commercial waste

as at 30 June 2025

	2025 Category 2 \$ '000	2024 Category 2 \$ '000
ASSETS		
Current assets		
Receivables	76	101
Total current assets	76	101
Non-current assets		
Infrastructure, property, plant and equipment	3,074	3,133
Total non-current assets	3,074	3,133
Total assets	3,150	3,234
LIABILITIES		
Current liabilities		
Provisions	1,497	1,555
Total current liabilities	1,497	1,555
Total liabilities	1,497	1,555
Net assets	1,653	1,679
EQUITY		
Accumulated surplus	1,653	1,679
Total equity	1,653	1,679

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 (NSW), the *Local Government (General) Regulation 2021*, 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, current values 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)

Nil

Category 2

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

a. Civic Centre (Entertainment Centre)

Venue for the conduct of shows, festivals, civic activities & significant events

b. Broken Hill Airport

Facility for aircraft arrivals & departures, aircraft accommodation, workshop & associated activities.

c. Commercial Garbage Service

Garbage collection & disposal service provided to the business & commercial sector.

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.

Note – Material accounting policy information (continued)

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%

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

Payroll tax – 4.85% on the value of taxable salaries and wages in excess of \$850,000.

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

Note – Material accounting policy information (continued)

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 4.16% at 30/6/25.

(iii) Dividends

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



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Broken Hill City Council

To the Councillors of Broken Hill City Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Broken Hill City 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 2025, the Statement of Financial Position of each Declared Business Activity as at 30 June 2025 and the Material accounting policy information note.

The Declared Business Activities of the Council are:

- Airport
- Civic Centre (Entertainment Centre)
- Commercial Waste.

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 2025, 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 2024–25 (LG Code).

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

The Council's annual report for the year ended 30 June 2025 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

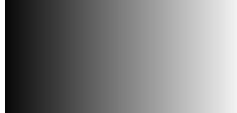
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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

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

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

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



Hong Wee Soh
Delegate of the Auditor-General for New South Wales

27 October 2025
SYDNEY

Broken Hill City Council

SPECIAL SCHEDULES
for the year ended 30 June 2025

*A vibrant, prosperous and culturally rich Heritage City
shared with visitors from around the world.*



Broken Hill City Council

Special Schedules

for the year ended 30 June 2025

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Broken Hill City Council | Permissible income for general rates | for the year ended 30 June 2025

Broken Hill City Council

Permissible income for general rates

	Notes	Calculation 2024/25 \$ '000	Calculation 2025/26 \$ '000
Notional general income calculation ¹			
Last year notional general income yield	a	17,728	18,425
Plus or minus adjustments ²	b	(9)	(27)
Notional general income	c = a + b	17,719	18,398
Permissible income calculation			
Percentage increase	d	4.90%	4.00%
Plus percentage increase amount ³	f = d x (c + e)	868	736
Sub-total	g = (c + e + f)	18,587	19,134
Plus (or minus) last year's carry forward total	h	(100)	62
Sub-total	j = (h + i)	(100)	62
Total permissible income	k = g + j	18,487	19,196
Less notional general income yield	l	18,425	19,227
Catch-up or (excess) result	m = k - l	62	(31)
Carry forward to next year ⁴	p = m + n + o	62	(31)

Notes

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

Broken Hill City Council | Permissible income for general rates | for the year ended 30 June 2025



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Broken Hill City Council

To the Councillors of Broken Hill City Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Broken Hill City Council (the Council) for the year ending 30 June 2026.

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 2024–25 (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 2025 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 2025.

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.

Broken Hill City Council | Permissible income for general rates | for the year ended 30 June 2025

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.



Hong Wee Soh
Delegate of the Auditor-General for New South Wales

27 October 2025
SYDNEY

Broken Hill City Council

Report on infrastructure assets as at 30 June 2025

Broken Hill City Council | Report on infrastructure assets as at 30 June 2025

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2024/25 Required maintenance ^a	2024/25 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	4,447	4,447	3,076	2,264	95,877	161,920	15.0%	33.0%	37.0%	15.0%	0.0%
	Sub-total	4,447	4,447	3,076	2,264	95,877	161,920	15.0%	33.0%	37.0%	15.0%	0.0%
Other structures	Other structures	472	472	1,039	139	27,392	39,522	18.0%	50.0%	26.0%	6.0%	0.0%
	Sub-total	472	472	1,039	139	27,392	39,522	18.0%	50.0%	26.0%	6.0%	0.0%
Roads	Roads	1,329	1,329	2,802	1,961	168,622	261,841	32.0%	24.0%	41.0%	3.0%	0.0%
	Footpaths	162	162	139	356	11,055	18,495	15.0%	40.0%	40.0%	5.0%	0.0%
	Sub-total	1,491	1,491	2,941	2,317	179,677	280,336	30.9%	25.1%	40.9%	3.1%	0.0%
Stormwater drainage	Other	90	90	110	114	10,860	18,358	15.0%	57.0%	25.0%	3.0%	0.0%
	Sub-total	90	90	110	114	10,860	18,358	15.0%	57.0%	25.0%	3.0%	0.0%
Open space / recreational assets	Swimming pool and other recreational assets	447	447	1,304	1,433	14,739	20,536	19.0%	57.0%	12.0%	12.0%	0.0%
	Sub-total	447	447	1,304	1,433	14,739	20,536	19.0%	57.0%	12.0%	12.0%	0.0%
Total – all assets		6,947	6,947	8,470	6,267	328,545	520,672	23.9%	31.8%	36.9%	7.4%	0.0%

(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

Broken Hill City Council | Report on infrastructure assets as at 30 June 2025

Broken Hill City Council

Report on infrastructure assets as at 30 June 2025

Infrastructure asset performance indicators (consolidated) *

	Amounts 2025 \$ '000	Indicator 2025	Indicators 2024 2023		Benchmark
Buildings and infrastructure renewals ratio					
Asset renewals ¹	10,518	180.75%	198.52%	144.84%	> 100.00%
Depreciation, amortisation and impairment	5,819				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	6,947	1.97%	2.01%	2.00%	< 2.00%
Net carrying amount of infrastructure assets	352,229				
Asset maintenance ratio					
Actual asset maintenance	6,267	73.99%	79.68%	71.34%	> 100.00%
Required asset maintenance	8,470				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	6,947	1.33%	1.32%	1.32%	
Gross replacement cost	520,672				

(*) 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.

FINANCE AND GOVERNANCE COMMITTEE

November 10, 2025

ITEM 3BROKEN HILL CITY COUNCIL REPORT NO. 217/25

SUBJECT: MINUTES OF THE AUDIT, RISK AND IMPROVEMENT
COMMITTEE MEETING HELD 16 OCTOBER 2025 D25/52209

Recommendation

1. That Broken Hill City Council Report No. 217/25 dated November 10, 2025, be received.
2. That minutes of the Audit, Risk and Improvement Committee meeting held 16 October 2025 be received and endorsed.

Executive Summary:

The adopted Charter of the Broken Hill Audit, Risk and Improvement Committee, requires the Committee to refer the minutes and recommendations of its Committee Meetings to the next scheduled Ordinary Council Meeting.

Minutes of the Audit, Risk and Improvement Committee meeting held Thursday, 16 October 2025 are provided as an attachment to this report for Council's endorsement.

These minutes will be adopted at the Audit, Risk and Improvement Committee Meeting to be held 13 November 2025.

Report:

The Audit, Risk and Improvement Committee meeting held on Thursday 16 October 2025 considered one item of business being the Draft Audited Financial Statements 2024/2025.

The October Meeting each year is held to consider the Annual Financial Statements only and does not follow the normal order of business.

Minutes of the Audit, Risk and Improvement Committee Meeting held 16 October 2025 are attached for Council's endorsement.

Community Engagement:

Nil.

Strategic Direction:

Key Direction:	4	Our Leadership
Objective:	4.1	Openness and transparency in decision making
Strategy:	4.1.4	Support the organisation to operate its legal framework

Relevant Legislation:

Local Government Act 1993, Chapter 13, Part 3, Division 2

Financial Implications:

Nil.

Attachments

1. Minutes of the Audit, Risk and Improvement Committee Meeting held 16 October
[↓](#) 2025

LEISA BARTLETT
EXECUTIVE OFFICER

JAY NANKIVELL
GENERAL MANAGER

AUDIT, RISK AND IMPROVEMENT COMMITTEE

23 OCTOBER 2025

**MINUTES OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING
HELD THURSDAY, OCTOBER 23, 2025 (9:00AM)**

PRESENT:

Mr C Abouraad (Chairperson), Mr J Mathers, Mr P DeLisio and
Councillor B Algate.

Councillors E Gillett and A Chandler.

Mr H Wee Soh (NSW Audit Office) and Mr A Luu (Nexia).

General Manager, Director Finance and Commercial, Manager Finance and
Executive Officer.

APOLOGIES:

Nil.

ACKNOWLEDGEMENT OF COUNTRY

The Chairperson delivered the Acknowledgement of Country.

CONFLICT OF INTEREST

Nil.

MINUTES FOR CONFIRMATION

Recommendation

Moved Mr Charbel Abouraad, Seconded Mr Paul DeLisio

That the Minutes of the Audit, Risk and Improvement Committee meeting held Monday August 04, 2025 be held over and considered at the Committee meeting to be held 13 November 2025.

CARRIED UNANIMOUSLY

GENERAL MANAGER'S BRIEFING

Procedural Motion

Moved Mr Charbel Abouraad, Seconded Mr Paul DeLisio

That the General Manager's Briefing be held over and considered at the Committee meeting to be held 13 November 2025.

CARRIED UNANIMOUSLY

REPORTS

The Chairperson invited Mr Wee Soh of the NSW Audit Office, to address the meeting and report on the Audit Office's findings in relation to Council's 2024/2025 financial statements. Mr Wee Soh asked Mr Luu of Nexia to firstly give a high level overview of the conduct of the audit and financial statements and answer any questions of the Committee, after which he will then provide a high level overview of the NSW Audit Office's conduct of the audit and Council's financial statements.

Mr Luu advised that the Audit Office had issued the Engagement Closing Report on the General Purpose Financial Statements and the Special Purpose Financial Statements and advised that he would take the report key items as read. Mr Luu advised that he would address two parts of the audit – the audit overview (summary and outcomes) and specific items of the audit that require attention by management. Mr Luu referred to part 3 of the Engagement Closing Report and that the Audit Office is likely to express an unmodified opinion on the General Purpose and Special Purpose Financial Statements; being a clean audit.

Mr Luu advised that the Independent Auditors' Report will be signed after the signed management letter on the financial statements has been received. The management letter is required to be issued and will advise that there were no identifying items of material misstatement found in the financial statements and no comments.

Mr Luu referred to part 4 of the Engagement Closing Report which relates to key issues and risks identifying in the Annual Engagement Plan, and outlines Council's methodologies applied to address the issue or risk to achieve compliance with the Australian Accounting Standards. Mr Luu advised that Council had satisfactorily addressed the two key issues/risks and had achieved this by:

1) considering the impact of changes to the Australian Accounting Standards for Fair Value Measurement and understanding the methodology to be applied. Council management have taken onboard the changes to the Accounting standards and Council's non-financial assets have been assessed for re-value accordingly.

Mr Luu further advised that the changes to ASSB13 provide more guidance to councils on the cost elements to assist in the reassessment of non-financial assets, and that certain items not considered previously need to be taken into account now.

Mr Wee Soh added that the NSW Audit Office was not expecting significant changes to Council's financial statements as a result of the amendments to the Australian Accounting Standards. He referred to the amendment to AASB13 Fair Value Measurement advising that councils need to undertake a performance assessment of the life of a non-financial asset, and gave the example that councils need to include end-of-life costs associated with a non-financial asset such as disposal costs or demolition costs and the amendment gives councils more clarity around these assumptions.

Mr Luu referred to Council's infrastructure costs and that where Council hasn't had a full revaluation of infrastructure assets, Council indexed these.

and

2) with regards to Council's cyber security risks, Council has developed frameworks and implemented controls to protect Council's assets over the past few years, and the audit did not identify any issues in relation to this.

Mr Luu referred to the Engagement Closing Report advising:

- Item 4.2 Misstatements - that there were no misstatements found in either the General Purpose Financial Statements or the Special Purpose Financial Statements.*
- Item 4.3 – Compliance with legislative requirements – the audit did not identify any reportable findings on compliance with legislative requirements.*
- Item 5.1 – Management cooperation – Mr Luu thanked Council's Director Finance and Commercial Mr Simon Brown and Council's Manager Finance Mrs Emmy Williams and*

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Council's Finance Team for their cooperation in the conduct of the audit, and commented that it has been a very smooth process.

The Chairperson congratulated Council on a clean audit stating that it is a fantastic result for Council and thanked the General Manager, Director Finance and Commercial, Manager Finance and the Finance Team on a great effort and for working well with the Auditors.

Mr DeLisio advised that he was pleased with the audit outcome but has concerns that Council's will be entering a period of liquidity crunch due to the completion of a number of large capital projects over current years and asked Mr Wee Soh if this is seen as an issue?, and asked how Council compares to other councils who may be in the same financial situation? Mr Wee Soh advised that it is hard to compare one Council against others and challenging for the Audit Office to comment about the day-to-day management of a Council. He suggested that this might be a point for the Committee to discuss and to raise with management as to a comparison on how Council is going; how each council manages their funds can be different.

Mr DeLisio referred to page 18 of the supplementary business paper which shows a graph of how many months Council's available cash will cover expenses, and that in 2023 Council had enough cash reserves to cover 8.5 months of expenses compared to 2.9 months in 2025; and that best practice for regional Councils is to have enough cash reserves for 16 months of expenses - Mr DeLisio asked if it is an issue to have such a tight cash flow over the next 12 month period? The General Manager advised that some of the cash flow ratios are misleading as they include external restricted funds, being grants for projects, which must be used on the relevant projects and can't be used for anything else; and advised that Council's cash flow will be tight over the next 12 months with Council having cash reserves to cover approximately three months of expenses, and that this is right on the current benchmarking threshold moving in 2026. Council's Finance Team are closely monitoring Council's position by producing cash flow statements fortnightly and monitoring cash flow projections through to 2035. Other regional councils' cash ratios are also artificially inflated as they include their externally restricted funds.

Due to confusion with the supplementary agenda, the Chairperson asked the Committee Secretary to send a separate email in future when Business Papers are added to calendar invites.

The Chairperson advised Mr DeLisio to look at page 50 item C1-3 of the financial statements which gives an overview of Council's cash position. Mr DeLisio referred to item C1-3(b) with a total internal cash allocation of \$16.5M in 2024 and \$6.8M in 2025 which is a substantial drop due to capital expenditure and is concerned that, although it has been forecast, there will be a cash tightening over the next 12 months.

The Director Finance and Commercial advised that Council's cash flow position has been built into Council's Long Term Financial Plan and is being carefully monitored with any changes to the budget position being reported to Council in the quarterly budget review reports. Council's Finance Team are working closely with Council's Projects Managers to ensure Council's financial planning is being monitored through this low cash flow period.

Mr Mathers asked how Council accounts for grants, loans and liabilities in its income statement and statement of financial position? The Director Finance and Commercial advised that grants and liabilities relating to operational grants are receipted and recognised as income in the Profit and Loss Statement; and that larger capital grants are receipted on the Balance Sheet as contract liabilities and are then recognised on the Profit and Loss Statement when milestones are reached. The Director Finance and Commercial explained that the remaining loan borrowings are on the Balance Sheet and interest costs are recognised on the Profit and Loss Statement.

Mr DeLisio stated that in recent times, Council has held grants for projects which has gained interest for Council, but that over the next 12 months Council will not be holding grant money and therefore will not be receiving as much interest.

Mr Mathers advised that page 24 of the business paper relates to income from capital expenditure grants not operating grants and the loss of -\$3.6M last financial year does not take into account capital

AUDIT, RISK AND IMPROVEMENT COMMITTEE

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expenditure grants.

The Manager Finance advised that this is due to the timing of when Council receives its Financial Assistance Grants and that the loss is primarily due to this timing. Council was planning for a break-even result as Council expected to receive 85% of the Financial Assistance Grant in advance but only received 50% in advance this year, plus a loss of disposal of assets of \$438,000 primarily relating to the write-off of the old netball courts, 25% of the FSWJO's loss also accounts for an additional \$200,000 loss.

The Chairperson asked for an explanation for the increase in operating expenses of materials and services from what was budgeted for 2025 of \$11.5M against the actual cost of \$12.5M. The Manager Finance advised that this relates to an increase in material costs and contract fees, the majority are explained if above the 10% increase threshold on page 28 of the statements (page 47 of the business paper). Note B3-2 on page 43 of the business paper shows a breakdown of the materials and services expenditure of \$12.5M. the Income Statement on page 24 shows the unaudited original budget amount of \$11.5M which does not reflect the quarterly review adjustments. The increase of \$1M is additional costs of contractor fees along with general inflation of material costs.

Mr DeLisio said that it would be helpful if an additional budget column was included in the statements in order to see where the increase in budget had occurred as you can't see this in the details in note B3-2 – Materials and Services. The General Manager advised that a separate report can be provided to members, however the financial report template cannot be altered.

The Chairperson referred to page 26 of the business paper, and notes C1-1 – Cash and Cash Equivalents on page 48 and advised that it would be helpful to see what drove up the increase. The Balance Sheet shows a decrease in cash position. The Director Finance and Commercial advised that the change in cash balance is in relation to major projects for example the Library Development and Netball Courts Redevelopment and other larger projects which is why the cash balance reduced plus it also takes into account the movement in investments.

Mr Mathers asked for an explanation regarding page 58 note C3-3 - Borrowings, regarding Council's loans. The General Manager advised that the amount of total borrowings relates to loan funds which were drawn down in 2020 and 2021 (of \$20M) being Council's co-contribution towards large capital projects and also shows internal restricted funds for capital projects not yet drawn on; and that one loan term was for 20 years and one was for 10 years. Mr DeLisio commented that at the time that Council took out the loan, the interest rate was higher than the borrowing rate.

Mr Mathers referred to note C3-5 – Provisions, regarding asset remediation provisions and asked for an explanation. The Director Finance and Commercial advised that this sum relates to the future remediation works required to extend the life of the landfill at Council's Waste Management Facility; also that the Waste Management Facility is listed for re-valuation soon; and that Council has adopted a new Waste and Sustainability Strategy which outlines the future requirements for remediation at the Facility along with the need for future recycling facilities.

The Chairperson referred to note B3-5 - Other Expenses, and asked if the amount under 'Other' referred to assistance to Regional Express Airlines? The General Manager advised that the amount mostly relates to Regional Express Airlines' unpaid landing fees.

Mr DeLisio referred to page 65 note E1-1 – Risks relating to financial instruments held, commenting that it relates to Council's bad and doubtful debts and noted that the receivables less than 5 years has increased to \$714,000 and appeared to refer to the sale of land for unpaid rates, and asked if this is a trend that can be expected in the future? He asked what the trigger is for debts to be written off? And whether Council engages a debt recovery agency to assist to recover the debt prior to the sale of land for unpaid rates? The Director Finance and Commercial advised that the majority of this amount is unpaid rates and charges and interest and charges; and whilst Council has been successful with an increase in debt recovery over the past 12 months, this was set back by a change in debt recovery agency. Council also changed its debt recovery process and now engages earlier with rate-payers to implement acceptable payment plans which has been beneficial to both Council (with rates income) and the rate-payer (by avoiding the sale of land for unpaid rates process).

AUDIT, RISK AND IMPROVEMENT COMMITTEE

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Mr DeLisio asked if Council writes off bad debts? The Manager Finance referred to the movement in provisions and that Council had \$180,000 in rates outstanding with \$170,000 of this recovered and that a number of factors contributed to this outcome - Council's debt recovery process, the sale of land for unpaid rates process and Council purchasing small parcels of land such as laneways etc. which would never attract a buyer. The Manager Finance advised that she can provide more details on this matter if required.

The Chairperson referred to Council's unrestricted cash of \$604,000 and asked how this compares with other councils and whether Council is comfortable to operate with this amount of unrestricted cash? The General Manager advised that he is unsure of how it compares with other councils however, Council on average operate with between \$500,000 to \$1M in unrestricted cash and that he is comfortable with Council's current position.

Mr DeLisio referred to page 100 – Report on infrastructure assets as at 30 June 2025, which shows that 7.4% of Council's total assets are rated in a poor condition and in need of repair, and referred to the amount of \$7M to bring Council's assets up to a standard, and asked for an explanation of how Council calculated the amount of \$7M? The General Manager advised that the amount of \$6.9M is an estimate of what it would cost to bring Council's assets in category 4 and 5 up to a category 3 - satisfactory standard, which equates to the 7.4% increase.

Mr Mathers asked if information is included in the Special Purpose Financial Accounts regarding the operation of the Airport, Civic Centre and Waste Management Facility were included in the consolidated accounts? The Director Finance and Commercial advised that the General Purpose Financial Statements include the operation of these facilities.

The Chairperson referred to page 100 - Report on infrastructure assets as at 30 June 2025, in relation to 50% of the gross replacement cost and how this correlates with page 79 note G2-1 Commitments for buildings of \$5.5M?; and what Council's strategy is for the renewal of Council's assets in poor condition? The General Manager advised that Council's commitments on page 79 are set commitments through purchase orders and to look at the capital expenditure budget which reflects the Council commitments in the upcoming year for capital renewals. Council uses a ratio of 110% for asset renewal and adds the 10% to the asset base, to continue to reduce the backlog. Mr DeLisio referred to the September Council Meeting where Council adopted a report prepared by GHD regarding an audit of Council's assets. The General Manager advised that the outcomes of the GHD's report will inform future Council budgets with regards to the renewal of Council's assets.

The Chairperson referred to page 101 – Report on infrastructure assets as at 30 June 2025 – infrastructure asset performance indicators (consolidated), and referred to the ratios for the renewal of Council's assets and asset maintenance; and commented that Council's ratio to bring assets to a satisfactory standard is just above the benchmark and asked what Council's strategy is to improve this ratio? The General Manager advised that there are two mechanisms, the operational expenditure constraints are affecting the current ratio; and a large portion of the capital expenditure budget is for asset renewal e.g. the reconstruction of roads as opposed to just patching them. Implementation of the 110% ratio for asset renewal, will improve the backlog ratio and bring Council's assets up to a satisfactory standard, unless Council changes its view on asset renewal.

The Chairperson commented that Council is exceeding all other benchmarks for Councils.

Mr Mathers referred to page 25 – Statement of Comprehensive Income, and the gain of \$14.4M in the revaluation of infrastructure, property, plant and equipment and asked for an explanation for the increase. The Director Finance and Commercial explained that Council didn't conduct a full revaluation of its assets in that year, and that those assets that were not revalued were increased by an indexed amount.

Mr Mathers referred to page 33, B1-1 Functions or activities – income, expenses and assets and what the total functions and activities amount of \$48.7M referred to? The Director Finance and Commercial advised that this amount matches back to Council's Income Statements and shows the split up of income across Council's four function areas (directorates).

AUDIT, RISK AND IMPROVEMENT COMMITTEE

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Mr Mathers referred to page 43, B3-3 Borrowing costs, and asked what the total interest bearing liability costs of \$588,000 referred to. The Director Finance and Commercial advised that this amount related to Council's T-Corp loans.

At the conclusion of the questions, the Chairperson congratulated Council on the financial statements and the audit findings of unqualified audit opinions for the General Purpose Financial Statements and the Special Purpose Financial Statements, and advising that this result demonstrates great financial governance and practices, and that it is also refreshing to see Council's investment into infrastructure asset renewal and that Council is on top of its financial position with a focus on liquidity due to major projects and is confident that Council is well equipped to deal with this position.

Mr DeLisio commented on the good work that Council has done in getting a clean set of results from the audit and congratulated Council's staff on their achievement.

The Chairperson put items 1 and 2 to the vote.

**ITEM 1 - BROKEN HILL CITY COUNCIL REPORT NO. 23/25 - DATED OCTOBER 10, 2025 -
2024/2025 ANNUAL FINANCIAL STATEMENTS** D25/47326

Recommendation

1. That Broken Hill City Council Report No. 23/25 dated October 10, 2025, be received.
2. That the 2024/2025 Annual Financial Statements be received.
3. That the draft Audit Engagement Closing Report on the Audit for the year ended 30 June 2025 be received.
4. That the draft Report on the Conduct of the Audit for the year ended 30 June 2025 be received.

**ITEM 2 - BROKEN HILL CITY COUNCIL REPORT NO. 24/25 - DATED OCTOBER 22, 2025 -
2024/2025 ANNUAL FINANCIAL STATEMENTS - SUPPLEMENTARY AUDIT REPORTS** D25/49085

Recommendation

1. That Broken Hill City Council Report No. 24/25 dated October 22, 2025, be received.
2. That the Audit, Risk and Improvement Committee considers the Draft Annual Engagement Closing Report and the Draft Report on the Conduct of the Audit 2025, in conjunction with Broken Hill City Council Report No. 23/25.

Moved Mr Paul DeLisio, Seconded Mr Charbel Abouraad

That the recommendations of items 1 and 2 be adopted.

CARRIED UNANIMOUSLY

AUDIT, RISK AND IMPROVEMENT COMMITTEE

23 OCTOBER 2025

GENERAL BUSINESS

Nil.

The Chairperson thanked Mr Hong Wee Soh of the NSW Audit Office and Mr Andrew Luu of Nexia Australia for the conduct of the audit and their presentations to the Committee.

CONCLUSION OF THE MEETING

As there was no further business to be considered, the Chairperson declared the meeting closed at 10:20am.

The foregoing minutes were read and confirmed at the Audit, Risk and Improvement Committee meeting held on 13 November 2025.

Chairperson

FINANCE AND GOVERNANCE COMMITTEE

October 30, 2025

ITEM 4BROKEN HILL CITY COUNCIL REPORT NO. 218/25

SUBJECT: QUARTERLY BUDGET REVIEW STATEMENT FOR THE PERIOD
ENDED 30 SEPTEMBER 2025 D25/50536

Recommendation

1. That Broken Hill City Council Report No. 218/25 dated October 30, 2025, be received.
2. That the 1st Quarterly Budget Review Statement and recommendations be adopted.
3. That Council note the projected 2025/26 operating surplus (before capital) of \$686,000.
4. That Council note the 2025/26 projected net capital budget expenditure of \$21,006,000.

Executive Summary:

The Quarterly Budget Review Statement (QBRs) presents a summary of Council's financial position at the end of the first quarter for the financial year ended 30 June 2026.

The quarterly budget review process is the mechanism through which Council and the community are informed of Council's progress against the Operational Plan (annual budget), together with recommendations for changes and reasons for budget variations.

On 7 August 2025 the Office of Local Government issued new Quarterly Budget Review Statement (QBRs) Guidelines under section 203(3) of the Local Government (General) Regulation 2021. This means that it is mandatory that all NSW councils comply with the Guidelines including the standardised QBRs reporting to be presented to councillors, the community and to the Office of Local Government.

In practical terms this means that the format of the main statements of the QBRs have been changed by the addition of more columns of data and subtotals. A QBRs Financial Overview page and a Developer Contributions Summary page have been added to the statement and some supplementary pages have been removed from the statement.

In addition to the changes to the report, councils are required to lodge copies of the adopted QBRs with the OLG, upload the QBRs data to an OLG portal using OLG's electronic data return and publish a copy of the adopted QBRs on council's website.

In accordance with the adopted 2025/26 Operational Budget, Council is reviewing each quarter in fine detail to ensure the lingering financial impacts of the COVID-19 pandemic and global and national economic difficulties are being managed in a financially sustainable way. This includes continuing to make opportunities for refined operating models for continuous efficiency and improvement but also increase service delivery and resources where required.

The September Quarterly Budget Review shows an increase in the projected 2025-26 operating surplus before capital items of \$8,000 to an overall projected operating surplus of \$686,000 for the year ending 30 June 2026.

Budgeted capital expenditure will increase by \$1,048,000 and projected capital revenue will increase by \$97,000, increasing expected net capital expenditure by \$951,000.

Report:**Budget Review:**

In accordance with s203 of the *Local Government (General) Regulations 2005*:

- (1) Not later than 2 months after the end of each quarter, the responsible accounting officer of a Council must prepare and submit to the Council a budget review statement that shows, by reference to the estimate of income and expenditure set out in the Council's Revenue Policy included in the Operational Plan for the relevant year, a revised estimate of the income and expenditure for that year.
- (2) A budget review statement must include or be accompanied by:
 - (a) A report as to whether or not the responsible accounting officer believes that the statement indicates that the financial position of the Council is satisfactory, having regard to the original estimate of income and expenditure; and
 - (b) If that position is unsatisfactory, recommendation for remedial action.

In accordance with s211 (*Authorisation of expenditure*) of the *Local Government (General) Regulations 2005*:

- (1) A council, or a person purporting to act on behalf of a council, must not incur a liability for the expenditure of money unless the council at the annual meeting held in accordance with subclause (2) or at a later ordinary meeting:
 - (a) has approved the expenditure, and
 - (b) has voted the money necessary to meet the expenditure.

The QBRs appear as Attachment 1 and have been produced in accordance with the guidelines and standards issued by the Office of Local Government.

Operational Budget Result:

The September Quarterly Budget Review shows an increase in the projected 2025-26 operating surplus before capital items of \$8,000 to an overall projected operating surplus of \$686,000 for the year ending 30 June 2026.

This result reflects the following adjustments:

- \$100k reduction in grant revenue due to Council's unsuccessful application for recurrent funding for the Broken Hill Art Gallery. A \$50k reduction in budgeted expenditure for 2025-26 has been achieved by revising the galleries exhibition and events program and staff are looking for additional funding opportunities to cover the shortfall.
- Additional \$12,500 grant revenue due to Council's successful application for recurrent fund for heritage Advisory Services.
- Revenue reduced by \$170K reduction in user charges due to cancellation of the RMCC Contract with Transport for NSW.
- Additional expenditure of \$531K to employ 7 trainees -electrician, arborist, environmental health officer, boilermaker, carpenter and two plant operators. This

expenditure is offset by a government subsidy under the Fresh Start for Local Government Apprentices, Trainees and Cadets Program in the sum of \$427K.

- Additional \$75K expenditure to employ a consultant to undertake a salary system review of the Broken Hill Consent Award 2025 and develop an improved Reward and Recognition System that enhances Councils competitiveness in the labour market.
- Additional budgeted revenue and expenditure of \$81K due to Council's successful application for a grant under the Transport for NSW - Open Streets Program. This grant funding is approved for four years and funds the annual "Beyond the Dust" street festival.
- Additional \$186K in budgeted revenue from insurance recoveries that have been approved costs incurred due the power outages in October 2024.

Capital Budget Result:

Budgeted capital expenditure will increase by \$1,048,000 and projected capital revenue will increase by \$97,000, increasing expected net capital expenditure by \$951,000.

This result reflects the following adjustment:

- Additional capital grant of \$97K and capital expenditure of \$97K under the Country Passengers Transport Infrastructure Grants Scheme for the upgrade of five bus stops.
- Additional \$22K expenditure to extend the Cemetery Cremation Rose Gardens project as all tenders for the project exceeded the initial budget estimate of \$92K.
- \$145K reduction in budgeted expenditure for replacement of the roof of the Memorial Oval Skate Rink due lower than budgeted tenders for the project.
- Additional \$8K expenditure to replace the plumber's inspection camera which has been in use for 20 years and no longer meets operational needs due to poor image quality, outdated features, and frequent reliability issues and the cost of maintenance.
- Additional \$22K expenditure to replace the load cells at the weighbridge The current load cells are still operational and they are approaching scheduled maintenance and calibration. This maintenance is tied to a proprietary system resulting in significantly increased annual costs. Replacing the load cells with open-market alternatives will restore procurement flexibility, reduce ongoing maintenance expenses, and ensure continued compliance and reliability of weighbridge operations.
- Additional \$75K expenditure to conduct urgent remedial repairs to the Lifeline shed at the Broken Hill Waste Facility after inspections revealed localised structural issues such as slab subsidence, displacement of the external frame, and potential tension in electrical conduits.
- Additional \$3.188M increase in the budget for the Upgrade to the Airside Pavement Movement Areas at Broken Hill Airport to meet the requirements of the revised scope works as approved by Council at its October meeting. This expenditure is offset by deferral of E.P. O'Neill Park Redevelopment Stage 2 and Road Reconstruction of Blended Street - from Gossan St to Garnet St to future years reducing budgeted expenditure in 2025-26 by \$4m.
- Additional \$181K to supplement grant funds received for construction of new changerooms at the Alma Oval as approved by Council at its October meeting.
- Additional \$10K expenditure to replace the Administration Building IT Server Room Air Conditioning Unit which has failed.

- Additional \$25K expenditure to purchase tablet computers for works depot staff to access and document asset inspections, activity reports and compliance reports electronically.
- Additional \$27K to replace the kerb, gutter and pram ramp replacement at the Argent & Oxide Streets Intersection.

Community Engagement:

Nil

Strategic Direction:

Key Direction:	4	Our Leadership
Objective:	4.1	Openness and transparency in decision making
Strategy:	4.1.1	Support the organization to operate its legal framework

Relevant Legislation:

Local Government Act 1993

Clause 203(1) of the Local Government (General) Regulations 2021.

Clause 211 of the Local Government (General) Regulations 2021.

Financial Implications:

The projected operating surplus (before capital items) for the year ended 30 June 2026 has increased to \$686,000.

The first quarter operating result is in line with budget projections as the negative effect of cancellation of the RMCC contract and grant funding for the Broken Hill City Art Gallery have been offset by an insurance recovery for the previous year's power outages.

Projected cash availability as at end of year will be subject to change, as it assumes all capital projects will be expended in their entirety during the financial year. As you would reasonably expect, large capital projects will run over multiple years and therefore not all capital committed will be expended, resulting in a larger cash holding than is projected. As the projects are completed in subsequent financial years, projected cash holdings and actual cash holdings will begin to even out.

Nevertheless, council's surplus funds from prior years grants and borrowings will be exhausted at year as several large multi-year projects will be completed. In the absence of further grant funding or borrowing, councils' capital budget in future years will need to be restricted to internally generated cash reserves.

Full details of the financial implications of this quarter's Quarterly Budget Review Statement are contained within the attached report.

Attachments

1. [↓](#) Quarterly Budget Review Statement for the period ending 30 September 2025
2. [↓](#) Long Term Financial Plan - Q1 2025-26

SIMON BROWN

DIRECTOR FINANCE AND COMMERCIAL

JAY NANKIVELL

GENERAL MANAGER

Broken Hill City Council

Quarterly Budget Review Statement
for the period 01/07/25 to 30/09/25

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Broken Hill City Council

Quarterly Budget Review Statement
for the period 01/07/25 to 30/09/25

Report by Responsible Accounting Officer

The following statement is made in accordance with Clause 203(2) of the Local Government (General) Regulations 2005:

30 September 2025

It is my opinion that the Quarterly Budget Review Statement for Broken Hill City Council for the quarter ended 30/09/25 indicates that Council's projected financial position at 30/06/26 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

Signed: _____

Simon Brown
Responsible Accounting Officer

date:

4/11/2025

Broken Hill City Council

Income & Expenses Budget Review Statement

Budget review for the quarter ended 30 September 2025

General Fund

QBRs Financial Overview
for the period 01/07/25 to 30/09/25

(\$000's)		Previous Year Actuals	Original Budget 2025/26	Approved Changes					Revised Budget 2025/26	Recommended changes for Council resolution	Notes	Projected Year End Result	Variance Original Budget v PYE	Actual YTD figures
				Carry Forwards	Other than by QBRs	Sep QBRs	Dec QBRs	Mar QBRs						
Net Operating Result before grants and contributions provided for capital purposes	General Fund	(3,592)	678	-	-	-	-	-	678	8	-	686	8	15,258
Net Operating Result from Continuing Operations	General Fund	17,033	15,448	-	-	-	-	-	15,448	105	-	15,553	105	17,103
Borrowings	Total Borrowings													
Liquidity	External Restrictions	14,031	7,149	-	-	-	-	-	7,149	-	-	7,149	-	14,948
	Internal Restrictions	6,885	8,099	-	-	-	-	-	8,099	-	-	8,099	-	8,163
	Unallocated	612	(6,856)	-	-	-	-	-	(6,856)	(6,774)	-	(13,630)	-	(3,183)
	Total Cash, Cash Equivalents and Investments	21,528	8,392	-	-	-	-	-	8,392	(6,774)	-	1,618	-	19,928
Capital	Capital Funding	13,561	7,390	12,149	-	-	-	-	19,539	97	-	19,636	12,246	-
	Capital Expenditure	(28,522)	(17,004)	(22,590)	-	-	-	-	(39,594)	(1,048)	-	(40,642)	(23,638)	(3,597)
	Net Capital	(14,961)	(9,614)	(10,441)	-	-	-	-	(20,055)	(951)	-	(21,006)	(11,392)	(3,597)

Total Developer Contributions	Opening Balance 01/07/25 000's	Total Cash Contributions As at this Q 000's	Total interest earned As at this Q 000's	Total Expended As at this Q 000's	Total internal Borrowings (to)/from As at this Q 000's	Held as Restricted Asset As at this Q 000's	Cumulative balance of internal borrowings As at this Q 000's
	-	7	-	-	-	7	-

Broken Hill City Council

Quarterly Budget Review Statement
for the period 01/07/25 to 30/09/25

Income & Expenses Budget Review Statement

Budget review for the quarter ended 30 September 2025

General Fund

(\$000's)	Previous Year Actuals	Original Budget 2025/26	Approved Changes					Revised Budget 2025/26	Recommended changes for Council resolution	Notes	Projected Year End Result	Variance Original Budget v PYE	Actual YTD figures
			Carry Forwards	Other than by QBRs	Sep QBRs	Dec QBRs	Mar QBRs						
Rates & Annual Charges	21,823	22,718			-			22,718	-		22,718	-	22,513
User Charges and Fees	4,381	5,133			-			5,133	(170)	3	4,963	-	1,146
Other Revenues	1,033	1,042			-			1,042	-		1,042	-	268
Interest and Investment Revenues	1,407	1,147			-			1,147	-		1,147	-	128
Grants & Contributions - Operating	6,162	8,701			-			8,701	525	1,2,4,6 Capital Budget	9,226	525	1,197
Grants & Contributions - Capital	13,243	7,390						7,390	97		7,487	97	-
Other Income	677	543						543	186	7	729	186	231
Net gain from disposal of assets		-						-			-	-	
Total Income from Continuing Operations	48,726	46,674	-	-	-	-	-	46,674	638		47,312	638	25,483
Expenses													
Employee Costs	16,475	17,573			-	-		17,573	427	4	18,000	427	4,810
Materials & Services	12,578	11,804			-	-		11,804	106	1,5	11,910	106	3,322
Borrowing Costs	758	699			-	-		699	-		699	-	134
Other Expenses	1,444	1,150			-	-		1,150	-		1,150	-	114
Net Loss from disposal of assets	438	-			-	-		-	-		-	-	
Total Expenses from Continuing Operations excluding depreciation, amortisation and impairment of non financial assets	31,693	31,226	-	-	-	-	-	31,226	533		31,759	533	8,380
Net Operating Result from Continuing Operations excluding depreciation, amortisation and impairment of non financial assets	17,033	15,448	-	-	-	-	-	15,448	105		15,553	105	17,103
Depreciation, amortisation and impairment of non financial assets	7,382	7,380						7,380			7,380	-	1,845
Operating Result from continuing operations	9,651	8,068	-	-	-	-	-	8,068	105		8,173	105	15,258
Net Operating Result before grants and contributions provided for capital purposes	(3,592)	678	-	-	-	-	-	678	8		686	8	15,258

Broken Hill City Council

Quarterly Budget Review Statement
for the period 01/07/25 to 30/09/25

Income & Expenses Budget Review Statement
Recommended changes for Council resolution

Budget Variations being recommended include the following material items:

Notes	Details
1	\$100k reduction in grant revenue due to Councils unsuccessful application for recurrent funding for the Broken Hill Art Gallery. A \$50k reduction in budgeted expenditure for 2025-26 has been achieved by revising the galleries exhibition and events program and staff are looking for additional funding opportunities to cover the shortfall.
2	Additional \$12,500 grant revenue due to Councils successful application for recurrent fund for heritage Advisory Services.
3	Revenue reduced by \$170K reduction in user charges due to cancellation of the RMCC Contract with Transport for NSW.
4	Additional expenditure of \$531K to employ 7 trainees -electrician,arborist,envirmental health officer,boilermaker, carpenter and two plant operators. This expenditure is offset by a government subsidies under the Fresh Start for Local Government Apprentices, Trainees and Cadets Program in the sum of \$427K.
5	Additional \$75K expenditure to employ a consultant to undertake a salary system review of the Broken Hill Consent Award 2025 and develop an improved Reward and Recognition System that enhances Councils competitiveness in the labour market.
6	Additional budgeted revenue and expenditure of \$81K due to Council's successful application for a grant under the Transport for NSW - Open Streets Program. This grant funding is approved for four years and funds the annual "Beyond the Dust" street festival.
7	Additional \$186K in budgeted revenue from insurance recoveries that have been approved costs incurred due the power outages in October 2024.
8	
9	
10	

Broken Hill City Council

Capital Budget Review Statement

Budget review for the quarter ended 30 September 2025

Quarterly Budget Review Statement
for the period 01/07/25 to 30/09/25

(\$000's)	Previous Year	Original Budget	Approved Changes					Revised Budget	Recommended changes for Council resolution	Notes	Projected Year End (PYE) Result	Variance Original Budget v PYE	Actual YTD
			Carry	Other than	Sep	Dec	Mar						
	Actuals	2025/26	Forwards	by QBRS	QBRS	QBRS	QBRS	2025/26					
Capital Funding													
Rates & other untied funding				-	-	-	-	-	-		-	-	-
Capital grants & contributions	13,243	7,390	12,149	-	-	-	-	19,539	97		19,636	12,246	-
Reserves - External Restrictions	-	-	-	-	-	-	-	-	-		-	-	-
Reserves - Internally Allocated	-	-	-	-	-	-	-	-	-		-	-	-
New Loans	-	-	-	-	-	-	-	-	-		-	-	-
Proceeds from sale of assets	318	-	-	-	-	-	-	-	-		-	-	-
Other	-	-	-	-	-	-	-	-	-		-	-	-
Total Capital Funding	13,561	7,390	12,149	-	-	-	-	19,539	97		19,636	12,246	-
Capital Expenditure													
WIP	14,348	12,279	851	-	-	-	-	13,130	-		13,130	851	3
New Assets	663	15	21,580	-	-	-	-	21,595	-		21,595	21,580	42
Asset Renewal	13,511	4,710	159	-	-	-	-	4,869	1,048		5,917	1,207	3,552
Other	-	-	-	-	-	-	-	-	-		-	-	-
Total Capital Expenditure	28,522	17,004	22,590	-	-	-	-	39,594	1,048		40,642	23,638	3,597
Net Capital Funding - Surplus/(Defic	(14,961)	(9,614)	(10,441)	-	-	-	-	(20,055)	(951)		(21,006)	(11,392)	(3,597)

Broken Hill City Council

Quarterly Budget Review Statement
for the period 01/07/25 to 30/09/25

Capital Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details
1	Additional capital grant of \$97K and capital expenditure of \$97K under the Country Passengers Transport Infrastructure Grants Scheme for the upgrade of five bus stops.
2	Additional \$22K expenditure to extend the Cemetery Cremation Rose Gardens project as all tenders for the project exceeded the initial budget estimate of \$92K
3	\$145K reduction in budgeted expenditure for replacement of the roof of the Memorial Oval Skate Rink due lower than budgeted tenders for the project.
4	Additional \$8K expenditure to replace the plumbers inspection camera which has been in use for 20 years and no longer meets operational needs due to poor image quality, outdated features, and frequent reliability issues and the cost of maintenance.
5	Additional \$22K expenditure to replace the load cells at the weighbridge The current load cells are still operational and they are approaching scheduled maintenance and calibration. This maintenance is tied to a proprietary system resulting in significantly increased annual costs. Replacing the load cells with open-market alternatives will restore procurement flexibility, reduce ongoing maintenance expenses, and ensure continued compliance and reliability of weighbridge operations.
6	Additional \$75K expenditure to conduct urgent remedial repairs to the Lifeline shed at the Broken Hill Waste Facility after inspections revealed localised structural issues such as slab subsidence, displacement of the external frame, and potential tension in electrical conduits.
7	Additional \$3.188M increase in the budget for the Upgrade to the Airside Pavement Movement Areas at Broken Hill Airport to meet the requirements of the revised scope works as approved by Council at its October meeting. This expenditure is offset by deferral of E.P. O'Neill Park Redevelopment Stage 2 and Road Reconstruction of Blended Street - from Gossan St to Garnet St to future years reducing budgeted expenditure in 2025-26 by \$4m.
8	Additional \$181K to supplement grant funds received for construction of new changerooms at the Alma Oval as approved by Council at its October meeting.
9	Additional \$10K expenditure to replace the Administration Building IT Server Room Air Conditioning Unit which has failed.

Broken Hill City Council

Quarterly Budget Review Statement
for the period 01/07/25 to 30/09/25

Capital Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details
10	Additional \$25K expenditure to purchase tablet computers for works depot staff to access and document asset inspections, activity reports and compliance reports electronically.
11	Additional \$27K to replace the Kerb, Gutter and Pram Ramp Replacement at the Argent & Oxide Streets Intersection.
12	

Broken Hill City Council

Quarterly Budget Review Statement

for the period 01/07/25 to 30/09/25

Cash & Investments Budget Review Statement

Budget review for the quarter ended 30 September 2025

Cash & Investments - Council Consolidated

(\$000's)	Previous Year Actuals	Original Budget 2025/26	Approved Changes				Revised Budget 2025/26	Recommended changes for Council resolution	Notes	Projected Year End Result	Variance Original Budget v PYE	Actual YTD figures
			Carry Forwards	Sep QBRs	Dec QBRs	Mar QBRs						
Total Cash, Cash Equivalents & Investments	21,528	8,392	-	-	-	-	8,392	(6,774)		1,618		19,928
Externally Restricted ⁽¹⁾												
Developer Contributions - General	-	-	-	-	-	-	-			-	-	-
Domestic Waste Management	5,002	5,802	-	-	-	-	5,802			5,802	-	5,234
Royalties	603	653	-	-	-	-	653			653	-	615
Specific Purpose Unexpended Grants	8,426	694	-	-	-	-	694			694	-	9,099
Total Externally Restricted	14,031	7,149	-	-	-	-	7,149	-		7,149		14,948
Cash, Cash Equivalents & Investments not subject to external restrictions	7,497	1,243	-	-	-	-	1,243	(6,774)	-	(5,531)	-	4,980
Internally Restricted ⁽²⁾												
Employee Leave Entitlements	1,167	1,250	-	-	-	-	1,250			1,250	-	1,167
Plant Purchase Reserve	-	-	-	-	-	-	-			-	-	1,138
General Projects Reserve	419	-	-	-	-	-	-			-	-	-
Commercial Waste Management	5,113	6,613	-	-	-	-	6,613			6,613	-	5,667
Other	186	236	-	-	-	-	236			236	-	191
Total Internally Restricted	6,885	8,099	-	-	-	-	8,099	-		8,099	-	8,163
Unrestricted (i.e. available after the above Restrictions)	612	(6,856)	-	-	-	-	(6,856)	(6,774)	1	(13,630)	-	(3,183)

(1) Funds that must be spent for a specific purpose

(2) Funds that Council has earmarked for a specific purpose

Projected cash availability as at end of year will be subject to change, as it assumes all capital projects will be expended in their entirety during the financial year. As you would reasonably expect, large capital projects will run over multiple years and therefore not all capital committed will be expended, resulting in a larger cash holding than is projected. As the projects are completed in subsequent financial years, projected cash holdings and actual cash holdings will begin to even out

Broken Hill City Council

Developer Contribution Summary

Budget review for the quarter ended
30 September 2025

	Opening Balance	Developer Contributions Received									Interest Earned Q1 000's	Interest Earned Q2 000's	Interest Earned Q3 000's	Amounts Expended Q1 000's
	As at 1 July 2025 000's	Cash Q1 000's	Cash Q2 000's	Cash Q3 000's	Non- Cash Land Q1 000's	Non- Cash Land Q2 000's	Non- Cash Land Q3 000's	Non- Cash Other Q1 000's	Non- Cash Other Q2 000's	Non- Cash Other Q3 000's				
Drainage														
Roads														
Traffic facilities														
Parking														
Open space														
Community facilities														
Other														
Total S7.11 Under plans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
S7.11 Not under plan														
S7.12 Levies		7												
S7.4 Planning agreements														
S64 contributions														
Total Developer Contributions	-	7	-	-	-	-	-	-	-	-	-	-	-	-

Broken Hill City Council

Developer Contribution Summary

Budget review for the quarter ended
30 September 2025

	Amounts Expended Q2 000's	Amounts Expended Q3 000's	Internal Borrowings (to)/from Q1 000's	Internal Borrowings (to)/from Q2 000's	Internal Borrowings (to)/from Q3 000's	Held as a Restricted Asset As at this Q 000's	Cumulative balance of internal borrowings (to)/from As at this Q 000's
Drainage						-	
Roads						-	
Traffic facilities						-	
Parking						-	
Open space						-	
Community facilities						-	
Other						-	
Total S7.11 Under plans	-	-	-	-	-	-	-
S7.11 Not under plan						-	
S7.12 Levies						7	
S7.4 Planning agreements						-	
S64 contributions						-	
Total Developer Contributions	-	-	-	-	-	7	-

LONG TERM FINANCIAL PLAN – 2026-2035													
INCOME STATEMENT													
\$ '000	2024	2025	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	Actual	Actual	Original Budget	Revised Budget Q1	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Income from Continuing Operations													
Revenue:													
Rates & annual charges	21,002	21,823	22,718	22,718	23,627	24,336	25,066	25,692	26,335	26,993	27,668	28,359	29,068
User charges & fees	5,183	4,381	5,133	4,963	5,082	5,204	5,329	5,457	5,588	5,722	5,859	6,000	6,144
Other revenues	1,389	1,033	1,367	1,042	1,067	1,093	1,119	1,146	1,173	1,201	1,230	1,260	1,290
Interest & investment revenue	1,958	1,407	1,365	1,147	1,138	1,240	393	473	561	682	822	972	1,308
Grants & contributions for operating purposes	8,446	6,162	8,701	9,226	9,166	9,587	9,995	10,295	10,501	10,711	10,925	11,144	11,367
Grants & contributions for capital purposes	5,604	13,243	7,390	7,487	4,890	5,114	5,332	5,492	5,602	5,714	5,829	5,945	6,064
Other Income:													
Other Income		677		729	746	764	783	802	821	840	861	881	902
Net gains from disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Net share of interests in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL INCOME FROM CONTINUING OPERATIONS	43,582	48,726	46,673	47,312	44,716	46,338	48,017	49,357	50,581	51,864	53,193	54,561	56,143
Expenses from Continuing Operations													
Employee benefits & costs	15,847	16,475	17,573	18,000	18,675	19,375	19,860	20,356	20,865	21,387	21,921	22,360	22,807
Materials & contracts	12,072	12,578	11,804	11,910	12,196	12,489	13,038	13,561	13,887	14,220	14,561	15,131	15,494
Borrowing costs	812	758	699	699	634	576	533	487	445	411	376	339	301
Other expenses	1,249	1,444	1,150	1,150	1,177	1,206	1,235	1,264	1,295	1,326	1,357	1,390	1,423
Net losses from disposal of assets	136	438	-	-	-	-	-	-	-	-	-	-	-
Depreciation, amortisation & impairment	6,855	7,382	7,380	7,380	7,498	7,518	7,538	7,572	7,605	7,638	7,672	7,706	7,740
Net share of interests in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSES FROM CONTINUING OPERATIONS	36,971	39,075	38,606	39,139	40,180	41,163	42,204	43,240	44,096	44,981	45,888	46,926	47,765
OPERATING RESULT FOR THE YEAR	6,611	9,651	8,068	8,173	4,536	5,174	5,813	6,117	6,484	6,883	7,305	7,636	8,378
NET OPERATING RESULT FOR THE YEAR BEFORE GRANTS & CONTRIBUTIONS FOR CAPITAL PURPOSES													
	1,007	(3,592)	678	686	(354)	60	480	625	882	1,168	1,477	1,690	2,314
NET OPERATING RESULT FOR THE YEAR EXCLUDING EXTRAORDINARY ITEMS BEFORE GRANTS & CONTRIBUTIONS FOR CAPITAL PURPOSES													
	1,007	(3,592)	678	686	(354)	60	480	625	882	1,168	1,477	1,690	2,314
Assumptions													
Rate Peg	3.70%	4.50%	4.50%	4.00%	4.00%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
General Index	7.80%	4.10%	4.10%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%
Employee Cost Index	3.25%	3.25%	3.25%	4.50%	3.70%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.00%	2.00%
Grant Index	2.00%	2.00%	2.00%	5.00%	5.20%	4.59%	4.26%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Investment Interest rate	5.00%	5.00%	5.00%	4.50%	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.50%
Overdue rates interest rate	9.00%	9.00%	9.00%	10.50%	10.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Efficiency gain on Materials & Contracts	-2.00%	-2.00%	-2.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

LONG TERM FINANCIAL PLAN - 2026-2035													
STATEMENT OF FINANCIAL POSITION													
\$ '000	2024	2025	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	Actual	Actual	Original Budget	Revised Budget Q1	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Assets													
Current Assets:													
Cash & cash equivalents	17,056	13,062	3,061	200	4,583	9,618	12,250	15,128	19,111	23,704	28,664	33,899	39,812
Investments	16,093	8,466	5,331	1,466	1,466	1,466	1,466	1,466	1,466	1,466	1,466	1,466	1,466
Receivables	5,540	4,779	5,355	5,355	5,406	5,601	5,690	5,722	5,827	5,658	5,517	5,559	5,574
Inventories	90	78	96	98	101	103	105	108	111	113	116	119	122
Other	382	551	407	417	427	437	448	458	469	481	492	504	516
Non-current assets classified as 'held for sale'	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CURRENT ASSETS	39,161	26,936	14,250	7,536	11,983	17,225	19,959	22,883	26,984	31,422	36,255	41,547	47,490
Non-Current Assets:													
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, property, plant & equipment	353,467	388,320	364,283	375,404	372,907	370,610	371,363	372,121	372,881	373,645	374,412	375,183	375,957
Investments accounted for using the equity method	803	557	803	803	803	803	803	803	803	803	803	803	803
Investment property	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-CURRENT ASSETS	354,270	388,877	365,086	376,207	373,710	371,413	372,166	372,924	373,684	374,448	375,215	375,986	376,760
TOTAL ASSETS	393,431	415,813	379,337	383,743	385,692	388,637	392,126	395,806	400,668	405,870	411,471	417,533	424,250
Liabilities													
Current Liabilities:													
Payables	4,678	4,720	4,914	4,914	4,999	5,062	5,153	5,250	5,339	5,343	5,023	5,081	5,112
Income Received in Advance	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract Liabilities	7,670	7,126	-	-	-	-	-	-	-	-	-	-	-
Borrowings	1,859	1,917	2,452	2,452	2,451	2,151	2,084	2,084	1,281	1,015	1,015	1,015	1,015
Provisions	5,121	5,550	4,813	4,813	4,810	4,826	4,852	4,917	5,001	5,031	5,010	4,899	4,897
TOTAL CURRENT LIABILITIES	19,328	19,313	12,179	12,179	12,260	12,039	12,089	12,251	11,622	11,389	11,048	10,995	11,024
Non-Current Liabilities:													
Payables	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	16,016	14,097	13,883	13,883	11,895	10,134	8,411	6,657	5,647	4,870	4,058	3,210	2,322
Provisions	10,139	10,335	12,312	12,312	12,794	13,230	13,558	13,706	13,656	13,442	13,359	13,072	13,175
TOTAL NON-CURRENT LIABILITIES	26,155	24,432	26,195	26,195	24,689	23,365	21,969	20,363	19,303	18,312	17,418	16,282	15,497
TOTAL LIABILITIES	45,483	43,746	38,375	38,375	36,949	35,404	34,058	32,614	30,925	29,701	28,466	27,276	26,521
NET ASSETS	347,948	372,068	340,961	345,368	348,743	353,233	358,068	363,193	369,743	376,169	383,005	390,257	397,729
Equity													
Retained earnings	127,598	137,249	111,124	125,018	128,393	132,883	137,718	142,843	149,393	155,819	162,655	169,907	177,379
Revaluation reserves	220,350	234,819	220,350	220,350	220,350	220,350	220,350	220,350	220,350	220,350	220,350	220,350	220,350
Council equity interest	347,948	372,068	331,474	345,368	348,743	353,233	358,068	363,193	369,743	376,169	383,005	390,257	397,729
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EQUITY	347,948	372,068	331,474	345,368	348,743	353,233	358,068	363,193	369,743	376,169	383,005	390,257	397,729
Assumptions													
General Index	7.80%	4.10%	4.10%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%
No impact from revaluation of assets													
No restricted cash													

LONG TERM FINANCIAL PLAN - 2026-2035													
STATEMENT OF CASH FLOWS													
\$ '000	2024	2025	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	Actual	Actual	Original Budget	Revised Budget Q1	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash Flows from Operating Activities													
Receipts:													
Rates & annual charges	20,641	21,603	22,036	22,036	22,918	23,605	24,314	24,921	25,544	26,183	26,838	27,509	28,196
User charges & fees	5,292	4,469	4,979	4,814	4,930	5,048	5,169	5,293	5,420	5,550	5,683	5,820	5,960
Investment & interest revenue received	1,502	1,358	1,722	1,722	149	236	389	470	558	679	818	968	1,304
Grants & contributions	10,829	18,798	11,928	12,622	14,056	14,701	15,328	15,788	16,103	16,425	16,754	17,089	17,431
Bonds, deposits & retention amounts received	-	270	-	-	-	-	-	-	-	-	-	-	-
Other	2,509	6,261	1,326	1,011	1,035	1,060	1,085	1,111	1,138	1,165	1,193	1,222	1,251
Payments:													
Employee benefits & costs	(15,696)	(16,358)	(17,046)	(17,460)	(18,115)	(18,794)	(19,264)	(19,746)	(20,239)	(20,745)	(21,264)	(21,689)	(22,123)
Materials & contracts	(11,980)	(12,761)	(11,450)	(11,553)	(11,830)	(12,114)	(12,647)	(13,154)	(13,470)	(13,793)	(14,124)	(14,677)	(15,029)
Borrowing costs	(650)	(593)	(699)	(699)	(634)	(576)	(533)	(487)	(445)	(411)	(376)	(339)	(301)
Bonds, deposits & retention amounts refunded	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	(2,674)	(4,986)	(1,116)	(1,115)	(1,142)	(1,169)	(1,198)	(1,226)	(1,256)	(1,286)	(1,317)	(1,348)	(1,381)
NET CASH PROVIDED (OR USED IN) OPERATING ACTIVITIES	9,777	18,061	11,681	11,379	11,367	11,997	12,643	12,970	13,353	13,767	14,205	14,555	15,307
Cash Flows from Investing Activities													
Receipts:													
Sale of investment securities	27,010	20,000	9,500	7,000	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant & equipment	446	318	-	-	-	-	-	-	-	-	-	-	-
Deferred debtors receipts	-	10	-	-	-	-	-	-	-	-	-	-	-
Other investing activity receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments:													
Purchase of investment securities	(20,500)	(12,000)	-	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant & equipment	(13,273)	(28,522)	(18,196)	(29,317)	(5,000)	(5,220)	(8,292)	(8,329)	(8,365)	(8,402)	(8,439)	(8,476)	(8,514)
Deferred debtors & advances made	-	-	-	-	-	-	-	-	-	-	-	-	-
NET CASH PROVIDED (OR USED IN) INVESTING ACTIVITIES	(6,317)	(20,194)	(8,696)	(22,317)	(5,000)	(5,220)	(8,292)	(8,329)	(8,365)	(8,402)	(8,439)	(8,476)	(8,514)
Cash Flows from Financing Activities													
Receipts:													
Proceeds from borrowings & advances	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments:													
Repayment of borrowings & advances	(1,803)	(1,861)	(1,924)	(1,924)	(1,984)	(1,742)	(1,719)	(1,763)	(1,004)	(771)	(806)	(843)	(881)
NET CASH PROVIDED (OR USED IN) FINANCING ACTIVITIES	(1,803)	(1,861)	(1,924)	(1,924)	(1,984)	(1,742)	(1,719)	(1,763)	(1,004)	(771)	(806)	(843)	(881)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	1,657	(3,994)	1,061	(12,862)	4,383	5,035	2,632	2,878	3,983	4,593	4,959	5,236	5,913
plus: CASH & CASH EQUIVALENTS - beginning of year	15,399	17,056	2,000	13,062	200	4,583	9,618	12,250	15,128	19,111	23,704	28,664	33,899
CASH & CASH EQUIVALENTS - end of year	17,056	13,062	3,061	200	4,583	9,618	12,250	15,128	19,111	23,704	28,664	33,899	39,812
Additional Information													
plus: Investments on hand - end of year	16,093	8,466	5,331	1,466	1,466	1,466	1,466	1,466	1,466	1,466	1,466	1,466	1,466
TOTAL CASH, CASH EQUIVALENTS & INVESTMENTS - end of year	33,149	21,528	8,392	1,666	6,049	11,084	13,716	16,594	20,577	25,170	30,130	35,365	41,278
Assumptions													
Rates & charges recovery rate	97.00%	97.00%	97.00%	97.00%	97.00%	97.00%	97.00%	97.00%	97.00%	97.00%	97.00%	97.00%	97.00%
Debtor recovery rate	97.00%	97.00%	97.00%	97.00%	97.00%	97.00%	97.00%	97.00%	97.00%	97.00%	97.00%	97.00%	97.00%
General Index	7.80%	4.10%	4.10%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%
Investment Interest rate	5.00%	5.00%	5.00%	5.00%	5.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.50%
Overdue rates interest rate	9.00%	9.00%	9.00%	10.50%	10.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
No restricted cash													

LONG TERM FINANCIAL PLAN - 2026-2035													
	FINANCIAL RATIOS												
	2024 Actual	2025 Actual	2025 Original Budget	2026 Revised Budget Q1	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast	2033 Forecast	2034 Forecast	2035 Forecast
Operating Ratio													
<i>This ratio measures Council's ability to contain operating expenditure within operating revenue</i>	2.65%	-10.12%	1.72%	1.72%	-0.89%	0.14%	1.13%	1.42%	1.96%	2.53%	3.12%	3.48%	4.62%
Benchmark - Greater than 0% (operating revenue excl. capital grants and contributions - operating expenses) / operating revenue excluding capital grants and contributions													
Cash Expense Cover Ratio													
<i>This ratio indicates the number of months Council can continue paying for its immediate expenses without additional cash inflow</i>	9.17	7.13	3.30	2.14	3.71	5.42	6.18	6.98	8.14	9.43	10.78	12.11	13.64
Benchmark - Greater than 3.0 months (current year's cash and cash equivalents / (total expenses - depreciation - interest costs) * 12													
Current Ratio													
<i>This ratio represents Council's ability to meet debt payments as they fall due. It should be noted that Council's externally restricted assets will not be available as operating funds and as such can significantly impact Council's ability to meet its liabilities.</i>	2.03	1.39	1.17	0.62	0.98	1.43	1.65	1.87	2.32	2.76	3.28	3.78	4.31
Benchmark - Greater than 1.5 current assets / current liabilities													
Unrestricted Current Ratio													
<i>To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</i>	2.84	1.28	0.58	0.44	0.92	1.52	1.81	1.54	1.99	2.43	2.87	3.37	3.90
Benchmark - Greater than 1.5 current assets less all external activities/ current liabilities, less specific purpose liabilities													
Own Source Operating Revenue													
<i>This ratio measures the level of Council's fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions. Council's financial flexibility improves the higher the level of its own source revenue</i>	67.76%	60.18%	65.53%	64.68%	68.57%	68.27%	68.08%	68.01%	68.16%	68.33%	68.50%	68.68%	68.95%
Benchmark - Greater than 60% rates, utilities and charges / total operating revenue (inclusive of capital grants and contributions)													
Debt Service Cover Ratio													
<i>This ratio measures the availability of cash to service debt including interest, principal, and lease payments</i>	3.37	1.90	3.34	3.34	2.97	3.52	3.80	3.86	6.16	7.80	8.06	8.23	8.76
Benchmark - Greater than 2.0 operating result before interest and depreciation (EBITDA) / principal repayments + borrowing interest costs													
Interest Cover Ratio													
<i>This ratio indicates the extent to which Council can service its interest bearing debt and take on additional borrowings. It measures the burden of the current interest expense upon Council's operating cash</i>	10.68	6.00	12.53	12.54	12.27	14.14	16.05	17.84	20.07	22.44	25.34	28.68	34.37
Benchmark - Greater than 4.0 operating result before interest and depreciation (EBITDA) / interest expense													
Capital Expenditure Ratio													
<i>This ratio indicates the extent to which Council is forecasting to expand its asset base with capital expenditure spent on both new assets and replacement and renewal of existing assets</i>	1.94	3.86	2.47	3.97	0.67	0.69	1.10	1.10	1.10	1.10	1.10	1.10	1.10
Benchmark - Greater than 1.1 annual capital expenditure / annual depreciation													

FINANCE AND GOVERNANCE COMMITTEE

November 13, 2025

ITEM 5**BROKEN HILL CITY COUNCIL REPORT NO. 219/25****SUBJECT:** **INVESTMENT REPORT FOR OCTOBER 2025** **D25/52902****Recommendation**

1. That Broken Hill City Council Report No. 219/25 dated November 13, 2025, be received.

Executive Summary:

The *Local Government (General) Regulation 2021* (Part 9, Division 5, Clause 212), effective from 1 September 2021, requires the Responsible Accounting Officer of a Council to provide a written report setting out details of all monies that have been invested under Section 625 (2) of the *Local Government Act 1993*, as per the Minister's Amended Investment Order gazetted 11 March 2011. The Responsible Accounting Officer must also include in the report, a certificate as to whether the investment has been made in accordance with the Act, the Regulations and the Council's Investment Policy.

As at 31 October 2025, Council's Investment Portfolio had a current market valuation of \$17,008,575 or principal value (face value) of \$16,963,996 and was compliant with policy and legislative requirements as per the below table.

Report:

Council's investments as at 31 October 2025 are detailed in Attachment 1.

Portfolio Summary		
Portfolio Performance vs. RBA Cash Rate	✓	Compliant with policy
Investment Policy Compliance		
Legislative Requirements	✓	Compliant with policy
Portfolio Credit Rating Limit	✓	Compliant with policy
Institutional Exposure Limits	✓	Compliant with policy
Term to Maturity Limits	✓	Compliant with policy

Market Review**Global issues:**

- In the US, the government shutdown is nearing the longest in US history. So far, the impact to the economy is small. Economists project that every week the government is shutdown there is approximately a 0.02% hit to annualised quarterly GDP but this will mostly be offset when the government reopens.

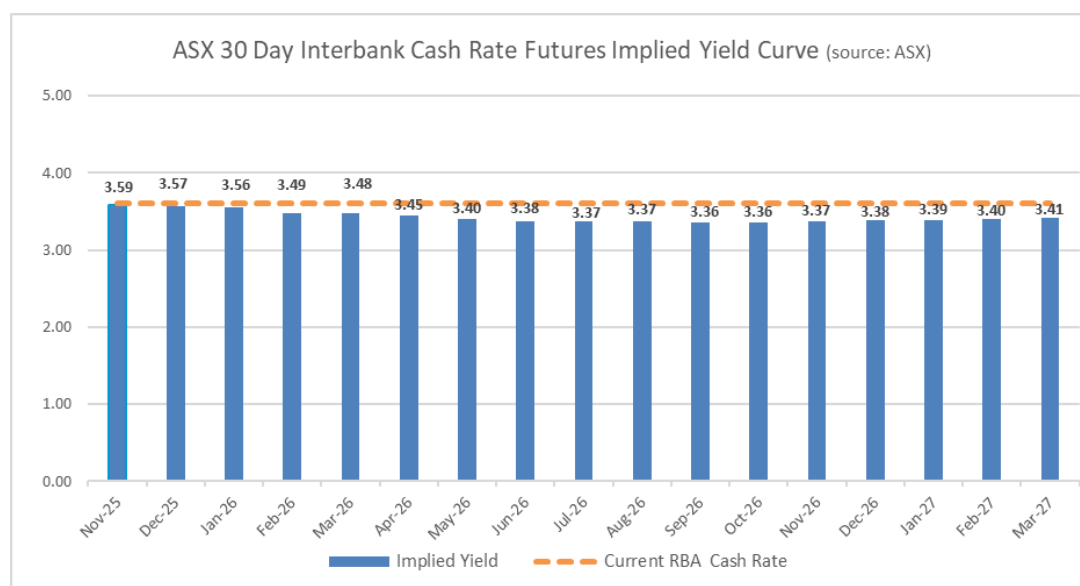
- Latest US inflation data showed consumer prices rose by 3% over the year. Softer growth in housing costs and cheaper used car prices helped inflation to be lower than expected. Some signs of higher goods prices related to tariffs were seen in household furnishings, recreational goods and apparel prices. Services and gas prices also remained high.
- The US Federal Reserve cut interest rates by another 25 basis points for the second month in a row, taking the Fed Funds rate to 3.75%-4%. The Fed has cut by a total of 150 basis points since September 2024. The Bank of Canada also cut interest rates again by 25 basis points to 2.25%, taking total interest rate cuts during this cycle to 275 basis points. The Bank of Japan kept its benchmark interest rate steady at 0.5% at its October meeting. The European Central Bank also kept interest rates on hold for the third consecutive meeting at 2%.
- In China, latest economic data showed GDP growth of 4.8% over the year to September, just above expectations of 4.7%. Retail sales rose by 3% over the year, industrial production was 6.5% higher and fixed asset investment fell by 0.5% year to date. Property investment is still down (13.9%) since the beginning of the year.
- Global share markets continue to demonstrate resilience in 2025, with major indices across North America, Europe, and Asia posting double-digit returns year-to-date. Central banks have played a pivotal role in supporting global equities during the year with the European Central Bank and the Federal Reserve shifting toward more accommodative policies, cutting rates and boosting liquidity. All major global indices recorded gains in October.

Domestic issues

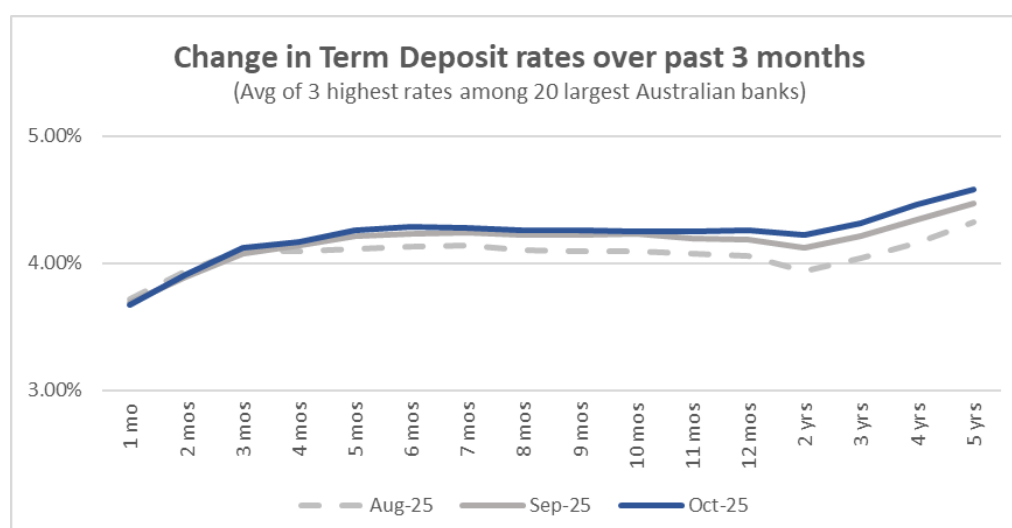
- The Consumer Price Index (CPI) increased by 1.3% in the September quarter, stronger than market expectations. The annual pace of headline inflation, at 3.2%p.a., is accelerating again (it was 2.1%p.a. in the June quarter) mainly on the back of unwinding energy rebates.
- Headline inflation is expected to increase over the second half of 2025 to be above 3%, before returning to the midpoint of the 2-3% target range later in 2026.
- Latest jobs data was softer than expected. Annual job growth at 1.3%yoy is at its slowest since 2021, unemployment at 4.5% is at its highest since 2021 and is tracing out a gradual rising trend. Forward looking jobs data relating to job ads and vacancies continue to trend down with most warning of slower jobs growth ahead.

Interest rates

- Following the mid-month release of the weak employment data, expectations rose that a Melbourne Cup Day rate cut could be on the cards. But rate cut hopes were dashed following the quarterly inflation data release at the end of the month.
- The market is now pricing in only one more 25 basis point cut, by mid-2026 to take the cash rate to 3.35%, before possibly levelling off:



- Term deposit rates bumped higher at the end of the month when a November rate cut was seemingly, and later confirmed to be, taken off the table due to the inflation data. Across the 4–12 month range rates increased by an average of 5 basis from last month. Long dated rates, 2-5 years, jumped up an average of 11 basis points, now ranging from 4.22% to 4.58%:



Investment Portfolio Commentary

Council's investment portfolio returned 5.97%pa (0.49% actual) for the month on a marked-to-market basis versus the bank bill index benchmark's 3.55%pa (0.30% actual) return. Over the past 12 months, the investment portfolio has returned 5.36% versus the bank bill index benchmark's 4.11%.

The NSW TCorp Medium Term Growth Fund recorded another strong result during the month with a gain of 0.99% (actual), reflective of the gains in the domestic and international markets.

During October, Council had maturities of \$1.5m between two 7 month term deposits which were yielding 4.77%pa. Council invested \$1m in a new 3 month deposit paying 4.10%pa.

Council has a well-diversified portfolio invested predominantly among a range of term deposits from highly rated Australian banks. Council also has exposure to a wide range of asset classes, including senior ranked fixed and floating rate notes, listed property and international and domestic shares via the NSW TCorp Medium Term Growth Fund. It is expected that Council's portfolio will achieve above benchmark returns over the medium/long term with prudent investment selection.

Council's Portfolio by Source of Funds – October 2025

As at 31 October 2025, Council's Investment Portfolio had a current market valuation of \$17,008,575 or principal value (face value) of \$16,963,996 and was compliant with policy and legislative requirements as per the table above.

	Source of Funds	Principal Amount
GENERAL Fund	Operating Capital & Internal Restrictions	2,196,756
	Royalties Reserve	620,601
	Domestic Waste Management Reserve	5,066,261
	Grants	9,080,378
	TOTAL PORTFOLIO	\$16,963,996

Certificate by Responsible Accounting Officer

All investments have been placed in accordance with Council's Investment Policy, Section 625 of the *Local Government Act 1993* (as amended), the Revised Ministerial Investment Order gazetted 11 February 2011, Clause 212 of the *Local Government (General) Regulations 2005*- and Third-Party Investment requirements of the then Department Local Government Circular 06-70. Council continues to obtain independent financial advice on its investment portfolio in accordance with the then Department of Local Government Circular of 16 September 2008.

Community Engagement:

Nil

Strategic Direction:

Key Direction:	4	Our Leadership
Objective:	4.1	Openness and Transparency in Decision Making
Strategy:	4.1.5	Support the organisation to operate within its legal framework

Relevant Legislation:

This report is provided for Council's consideration in compliance with the requirements of *Part 9, Division 5, Clause 212 of the Local Government (General) Regulations 2021*.

Financial Implications:

The recommendation has no financial impact.

Financial Implications:**Attachments**

1. [Investment Report for October](#)

SIMON BROWN
DIRECTOR FINANCE AND COMMERCIAL

JAY NANKIVELL
GENERAL MANAGER



Investment Summary Report
October 2025

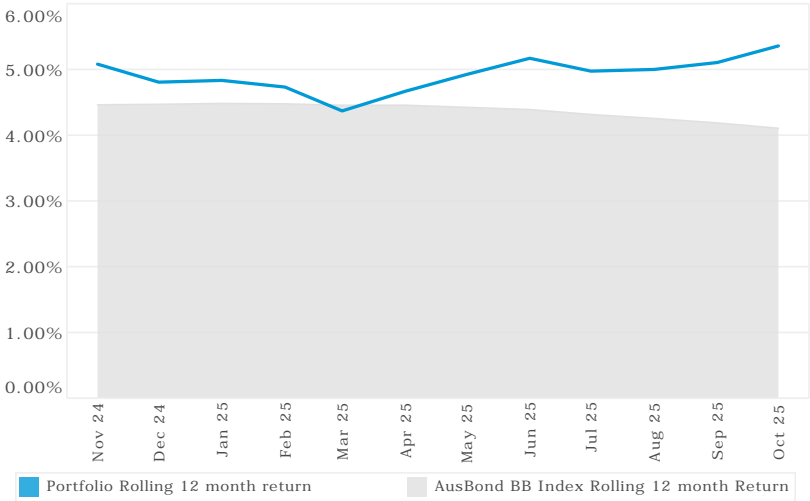


BROKEN HILL CITY COUNCIL
Executive Summary - October 2025

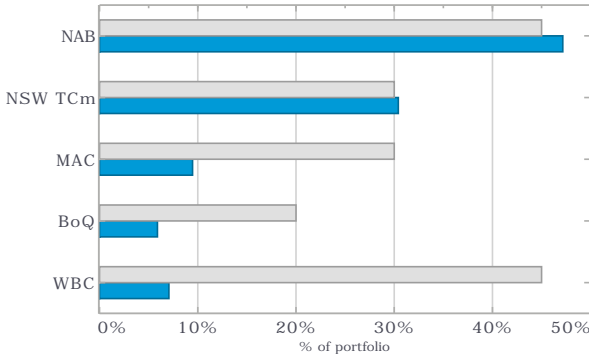
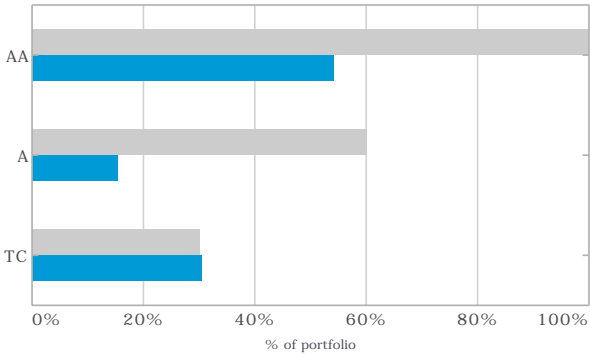


Investment HoldingsInvestment Performance

	Face Value (\$)	Current Value (\$)
Cash	2,804,331	2,804,331
Managed Funds	5,159,665	5,159,665
Term Deposit	9,000,000	9,044,579
	16,963,996	17,008,575



Total Credit ExposureInvestment Policy ComplianceIndividual Institutional ExposuresTerm to Maturities



	Face Value (\$)	Policy Max
Between 0 and 1 years	16,963,996	100% 100% a
	16,963,996	
Specific Sub Limits		
Between 5 and 10 year:	0	0% 30% a

Portfolio ExposureInvestment Policy Limit



BROKEN HILL CITY COUNCIL
Investment Holdings Report - October 2025

Cash Accounts

Face Value (\$)	Current Rate (%)	Institution	Credit Rating	Current Value (\$)	Deal No.	Reference
1,197,885.29	0.0000%	Westpac Group	AA-	1,197,885.29	473409	Cheque
1,606,446.18	3.7578%	Macquarie Bank	A+	1,606,446.18	540354	Accelerator
2,804,331.47	2.1526%			2,804,331.47		

Managed Funds

Face Value (\$)	Monthly Return (%)	Institution	Credit Rating	Funds Name	Current Value (\$)	Deal No.	Reference
5,159,664.78	0.9938%	NSW T-Corp (MT)	TCm	Medium Term Growth Fund	5,159,664.78	536441	
5,159,664.78	0.9938%				5,159,664.78		

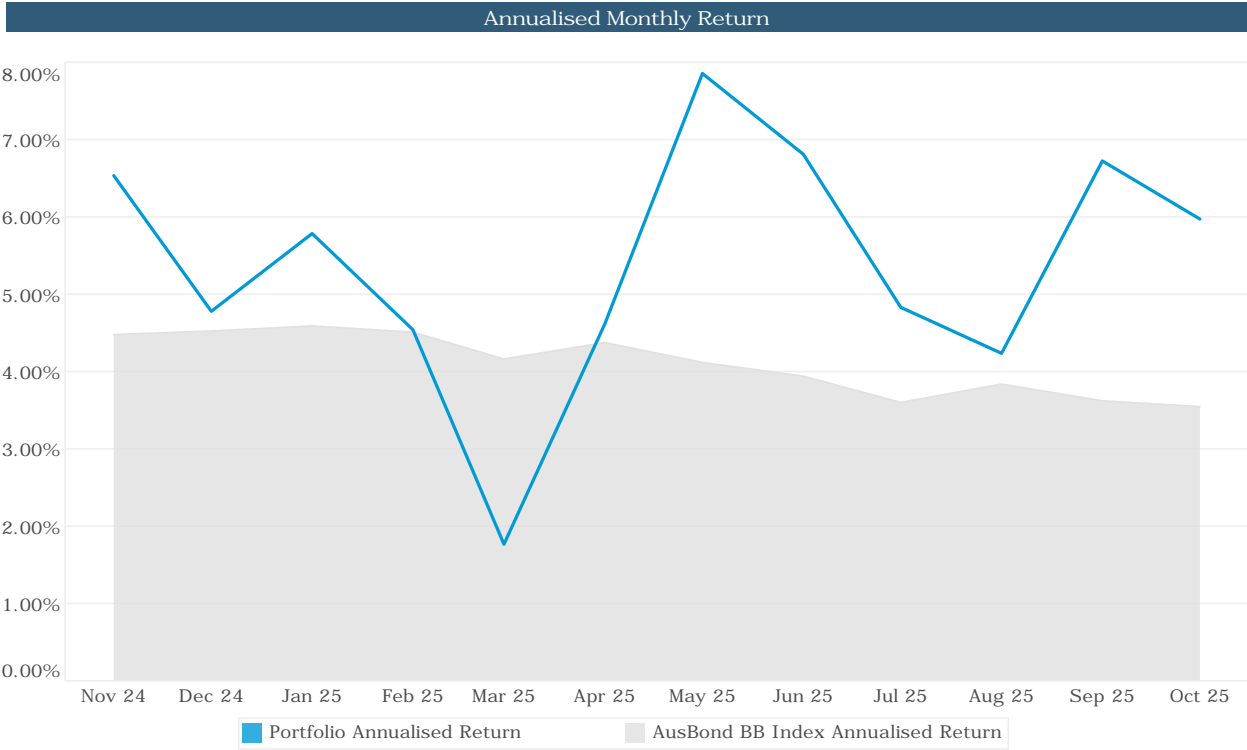
Term Deposits

Maturity Date	Face Value (\$)	Current Rate (%)	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Next Interest Date	Reference
4-Nov-25	1,000,000.00	3.8000%	Bank of Queensland	A-	1,000,000.00	10-Sep-25	1,005,413.70	546457	5,413.70	At Maturity	
11-Nov-25	1,000,000.00	3.7600%	National Australia Bank	AA-	1,000,000.00	19-Sep-25	1,004,429.59	546587	4,429.59	At Maturity	
18-Nov-25	1,000,000.00	3.8600%	National Australia Bank	AA-	1,000,000.00	19-Sep-25	1,004,547.40	546588	4,547.40	At Maturity	
25-Nov-25	1,000,000.00	4.0100%	National Australia Bank	AA-	1,000,000.00	11-Sep-25	1,005,603.01	546464	5,603.01	At Maturity	
9-Dec-25	2,000,000.00	4.1500%	National Australia Bank	AA-	2,000,000.00	11-Sep-25	2,011,597.26	546465	11,597.26	At Maturity	
16-Dec-25	1,000,000.00	4.1500%	National Australia Bank	AA-	1,000,000.00	11-Sep-25	1,005,798.63	546466	5,798.63	At Maturity	
23-Dec-25	1,000,000.00	4.1000%	National Australia Bank	AA-	1,000,000.00	23-Sep-25	1,004,380.82	546594	4,380.82	At Maturity	
6-Jan-26	1,000,000.00	4.1000%	National Australia Bank	AA-	1,000,000.00	7-Oct-25	1,002,808.22	546654	2,808.22	At Maturity	
	9,000,000.00	4.0089%			9,000,000.00		9,044,578.63		44,578.63		

BROKEN HILL CITY COUNCIL
Accrued Interest Report - October 2025

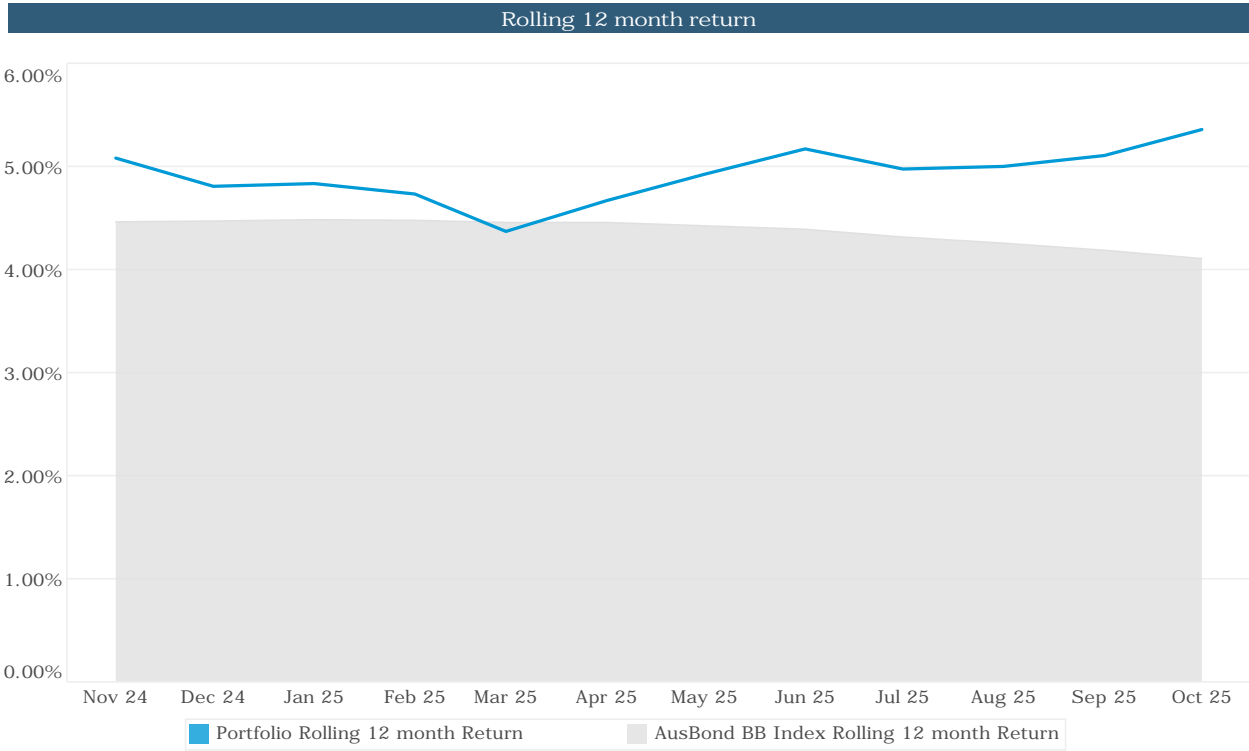
Investment	Deal No.	Comments	Face Value (\$)	Settlement Date	Maturity Date	Interest Received (\$)	Days	Interest Accrued (\$)	Yield (% pa)
<u>Cash</u>									
Macquarie Bank	540354					8,343.39	0	8,343.39	3.76%
Westpac Group	473409					0.00	0	0.00	0.00%
						8,343.39		8,343.39	2.58%
<u>Managed Funds</u>									
NSW T-Corp Medium Term Growth Fund	536441				4-Jun-26	0.00	0	50,773.97	12.35%
						0.00		50,773.97	12.35%
<u>Term Deposits</u>									
National Australia Bank	545899		1,000,000.00	11-Mar-25	7-Oct-25	27,328.77	6	780.82	4.75%
Suncorp Bank	545933		500,000.00	18-Mar-25	21-Oct-25	14,268.49	20	1,315.07	4.80%
Bank of Queensland	546457		1,000,000.00	10-Sep-25	4-Nov-25	0.00	31	3,227.40	3.80%
National Australia Bank	546587		1,000,000.00	19-Sep-25	11-Nov-25	0.00	31	3,193.43	3.76%
National Australia Bank	546588		1,000,000.00	19-Sep-25	18-Nov-25	0.00	31	3,278.36	3.86%
National Australia Bank	546464		1,000,000.00	11-Sep-25	25-Nov-25	0.00	31	3,405.75	4.01%
National Australia Bank	546465		2,000,000.00	11-Sep-25	9-Dec-25	0.00	31	7,049.31	4.15%
National Australia Bank	546466		1,000,000.00	11-Sep-25	16-Dec-25	0.00	31	3,524.66	4.15%
National Australia Bank	546594		1,000,000.00	23-Sep-25	23-Dec-25	0.00	31	3,482.19	4.10%
National Australia Bank	546654		1,000,000.00	7-Oct-25	6-Jan-26	0.00	25	2,808.22	4.10%
						41,597.26		32,065.21	4.05%
<u>Grand Totals</u>						<u>49,940.65</u>		<u>91,182.57</u>	<u>5.97%</u>

BROKEN HILL CITY COUNCIL
Investment Performance Report - October 2025



Historical Performance Summary (% pa)			
	Portfolio	Annualised BB Index	Outperformance
Oct 2025	5.97%	3.55%	2.42%
Last 3 months	5.63%	3.67%	1.96%
Last 6 months	6.06%	3.78%	2.28%
Financial Year to Date	5.43%	3.65%	1.78%
Last 12 months	5.36%	4.11%	1.25%

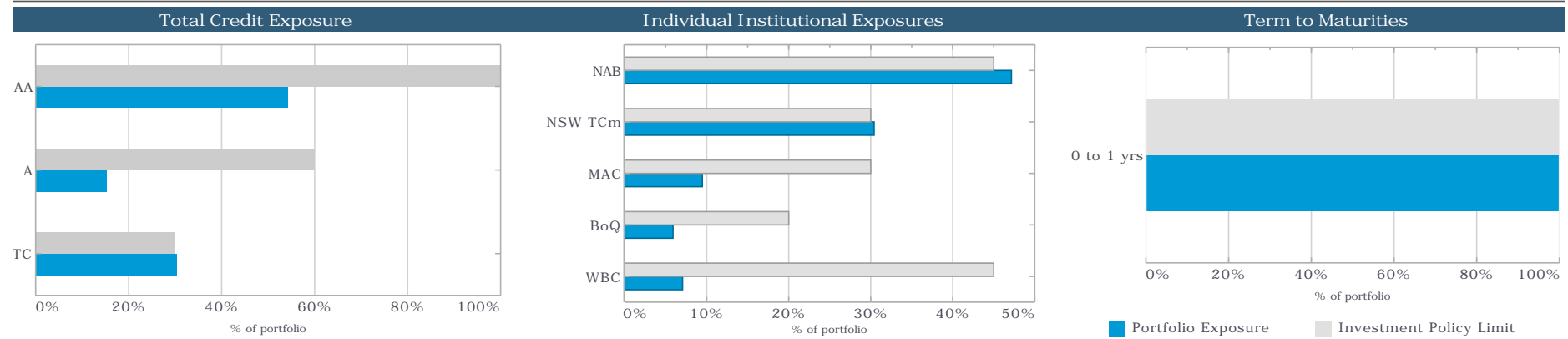
BROKEN HILL CITY COUNCIL
Investment Performance Report - October 2025



Historical Performance Summary (% actual)			
	Portfolio	Annualised BB Index	Outperformance
Oct 2025	0.49%	0.30%	0.19%
Last 3 months	1.39%	0.91%	0.48%
Last 6 months	3.01%	1.89%	1.12%
Financial Year to Date	1.80%	1.22%	0.58%
Last 12 months	5.36%	4.11%	1.25%



BROKEN HILL CITY COUNCIL Investment Policy Compliance Report - October 2025



Credit Rating Group	Face Value (\$)	Policy Max	
AA	9,197,885	54% 100%	a
A	2,606,446	15% 60%	a
TC	5,159,665	30% 30%	r
	16,963,996		

Institution	% of portfolio	Investment Policy Limit	
National Australia Bank (AA-)	47%	45%	r
NSW T-Corp (TCm)	30%	30%	r
Macquarie Bank (A+)	9%	30%	a
Bank of Queensland (A-)	6%	20%	a
Westpac Group (AA-)	7%	45%	a

	Face Value (\$)	Policy Max	
Between 0 and 1 years	16,963,996	100% 100%	a
	16,963,996		

Specific Sub Limits			
A-	1,000,000	6% 40%	a

Specific Sub Limits			
Between 5 and 10 years	0	0% 30%	a

Credit Rating	Current Longest Maturity (years)	Policy Max	
AA+, AA, AA-	0.18	5.00	a
A+, A, A-	0.01	3.00	a

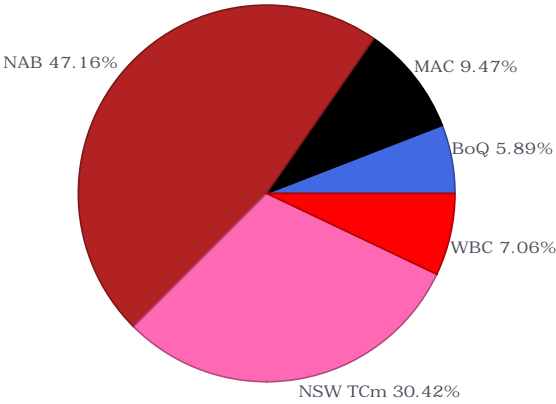
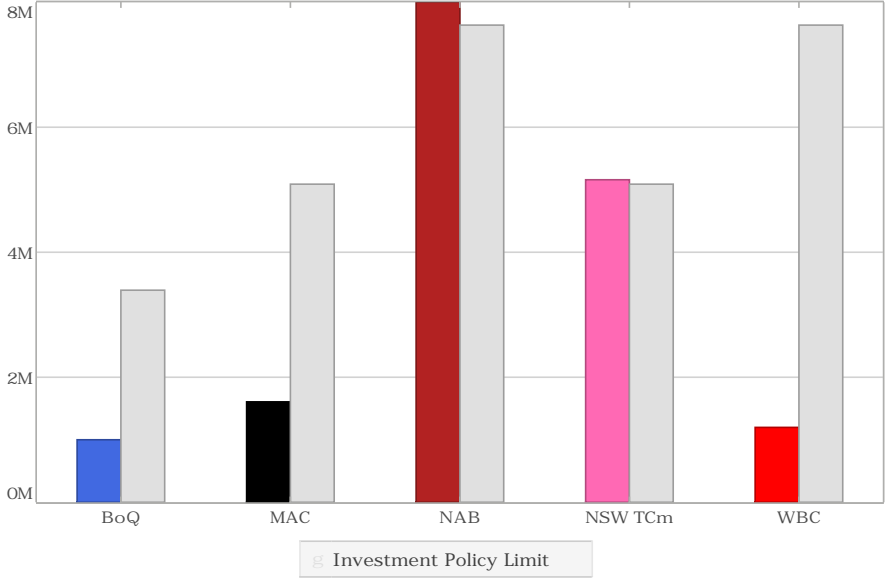
a = compliant
r = non-compliant

BROKEN HILL CITY COUNCIL
Individual Institutional Exposures Report - October 2025



Individual Institutional Exposures Individual Institutional Exposure Charts

	Current Exposures		Policy Limit		Capacity
Bank of Queensland (A-)	1,000,000	6%	3,392,799	20%	2,392,799
Macquarie Bank (A+)	1,606,446	9%	5,089,199	30%	3,482,753
National Australia Bank (AA-)	8,000,000	47%	7,633,798	45%	-366,202
NSW T-Corp (TCm)	5,159,665	30%	5,089,199	30%	-70,466
Westpac Group (AA-)	1,197,885	7%	7,633,798	45%	6,435,913
	16,963,996				



BROKEN HILL CITY COUNCIL

Cashflows Report - October 2025



Actual Cashflows for October 2025

Date	Deal No.	Cashflow Counterparty	Asset Type	Cashflow Description	Amount
7-Oct-25	545899	National Australia Bank	Term Deposit	Maturity: Face Value	1,000,000.00
		National Australia Bank	Term Deposit	Maturity: Interest Received/Paid	27,328.77
				<u>Deal Total</u>	<u>1,027,328.77</u>
7-Oct-25	546654	National Australia Bank	Term Deposit	Settlement: Face Value	-1,000,000.00
				<u>Deal Total</u>	<u>-1,000,000.00</u>
Day Total					27,328.77
21-Oct-25	545933	Suncorp Bank	Term Deposit	Maturity: Face Value	500,000.00
		Suncorp Bank	Term Deposit	Maturity: Interest Received/Paid	14,268.49
				<u>Deal Total</u>	<u>514,268.49</u>
Day Total					514,268.49
<u>Total for Month</u>					<u>541,597.26</u>

Forecast Cashflows for November 2025

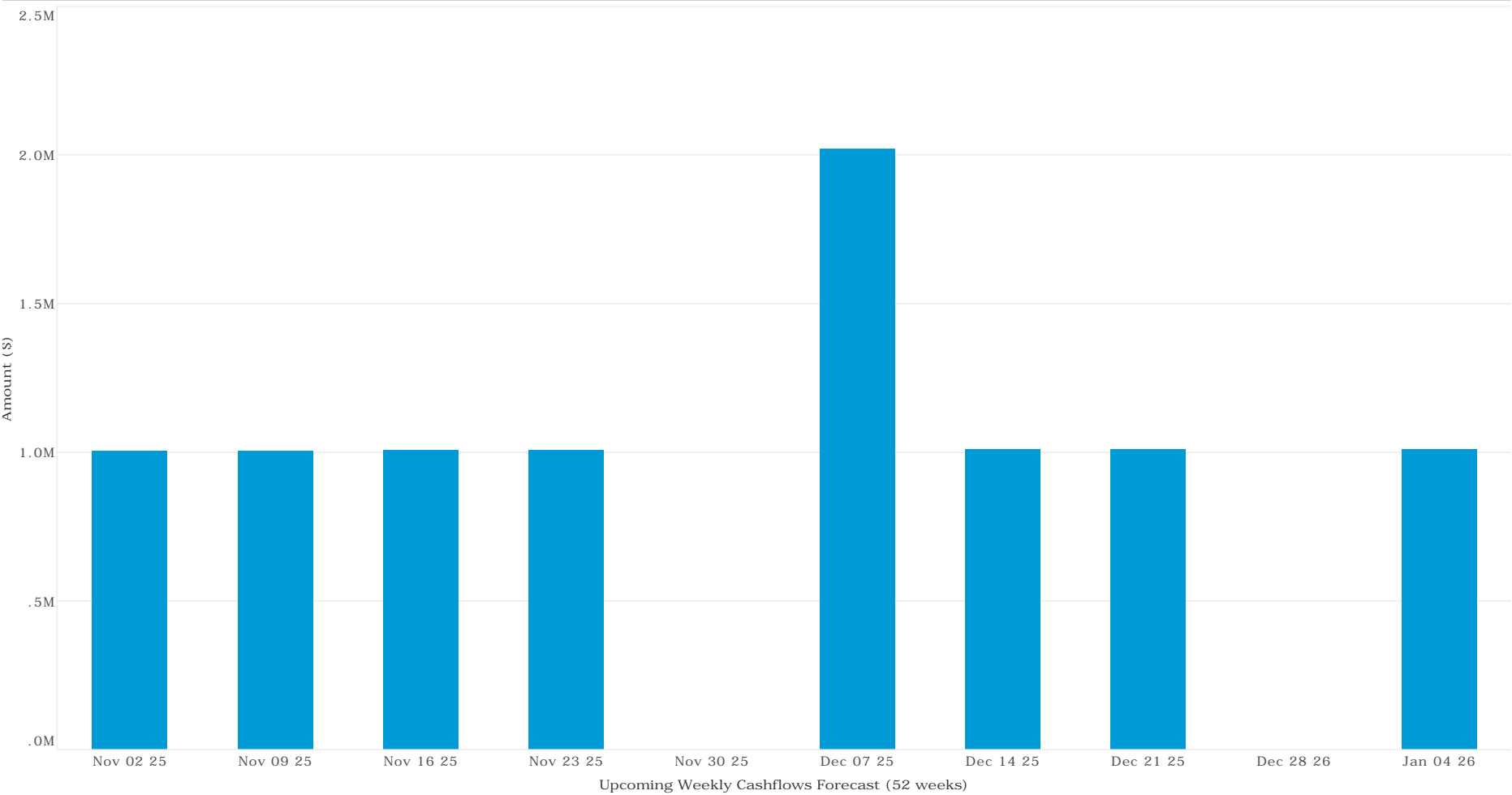
Date	Deal No.	Cashflow Counterparty	Asset Type	Cashflow Description	Amount
4-Nov-25	546457	Bank of Queensland	Term Deposit	Maturity: Face Value	1,000,000.00
		Bank of Queensland	Term Deposit	Maturity: Interest Received/Paid	5,726.03
				Deal Total	1,005,726.03
Day Total					1,005,726.03
11-Nov-25	546587	National Australia Bank	Term Deposit	Maturity: Face Value	1,000,000.00
		National Australia Bank	Term Deposit	Maturity: Interest Received/Paid	5,459.73
				Deal Total	1,005,459.73
Day Total					1,005,459.73
18-Nov-25	546588	National Australia Bank	Term Deposit	Maturity: Face Value	1,000,000.00
		National Australia Bank	Term Deposit	Maturity: Interest Received/Paid	6,345.21
				Deal Total	1,006,345.21
Day Total					1,006,345.21

BROKEN HILL CITY COUNCIL
Cashflows Report - October 2025

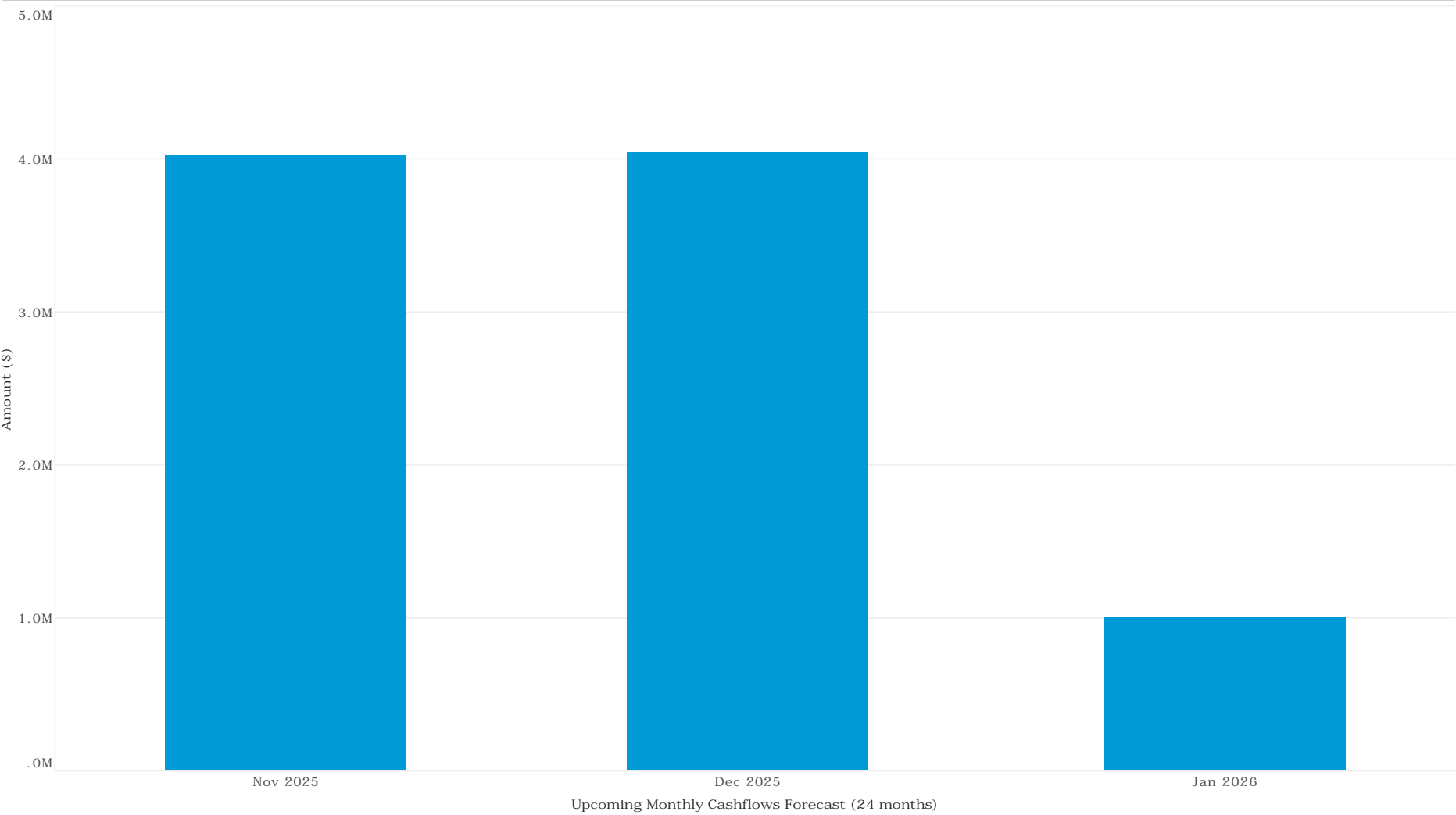


Date	Deal No.	Cashflow Counterparty	Asset Type	Cashflow Description	Amount
25-Nov-25	546464	National Australia Bank	Term Deposit	Maturity: Face Value	1,000,000.00
		National Australia Bank	Term Deposit	Maturity: Interest Received/Paid	8,239.73
Deal Total					1,008,239.73
Day Total					1,008,239.73
Total for Month					4,025,770.68

BROKEN HILL CITY COUNCIL
Cashflows Report - October 2025



BROKEN HILL CITY COUNCIL
Cashflows Report - October 2025





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