



Business Paper

Ordinary Meeting

Tuesday, 22nd September 2026
1.00pm

Vision

Where our people are resilient, healthy and safe, living together with a strong sense of community in a vibrant and prosperous economy.

Mission Statement

To be a progressive rural council committed to:

- Caring for the welfare of our communities
- Protecting and enhancing the environment;
- Building a climate that encourages opportunities for all;
- Managing the Council's resources in an open and accountable manner consistent with the principles of value for money and equity.

Corporate Values

Integrity

We will be honest, fair and ethical in all our dealings, complying with the letter and the spirit of the law. We will make decisions in an unbiased, objective manner devoid of any personal interests or prejudices. We will treat all people with respect.

Openness

We will be readily accessible and will be transparent in all our dealings. We will communicate truthfully and regularly with our community. We will give reasons for our decisions.

Responsiveness

We will consult with our community and other stakeholders and be guided by their wishes. We will deliver on our promises.

Quality of Service

We will strive to provide best-practice services through continuous improvement and embracing new ideas and we will respond promptly to service problems.

Principles

Council has reviewed its guiding principles in line with the new requirements resulting from the Local Government reform process which are now:-

- actively engage local communities, including through integrated planning and reporting;
- be transparent and accountable;
- recognise diverse needs and interests;
- have regard to social justice principles;
- have regard to the long term and cumulative effects of its actions on future generations;
- foster ecologically sustainable development;
- effectively manage risk;
- have regard to long term sustainability;
- work with others to secure services that are appropriate to meet local needs;
- foster continuous improvement and innovation;
- act fairly, ethically and without bias in the public interest; and
- endeavour to involve and support its staff.



HAY SHIRE COUNCIL

Hay Shire Council

ABN: 84 075 604 155

134 Lachlan Street PO Box 141 HAY NSW 2711

Telephone: 02 6990 1100 Facsimile: 02 6993 1288

Email: mail@hay.nsw.gov.au Website: www.hay.nsw.gov.au

17th September 2026

The Mayor and Councillors
Hay Shire Council
PO Box 141
Hay NSW 2711

Ladies and Gentlemen:

NOTICE OF MEETING

I have to inform you that an Ordinary Meeting of the Council will be held in the Council Chambers, Hay on:

**Tuesday, 22nd September to be held 1.00pm
in the Council Chambers.**

The agenda for the meeting is as follows:

1. Council Prayer
2. Apologies
3. Confirmation of minutes
4. Matters arising from minutes
5. Declarations of interest
6. Supplementary Mayoral Minute
7. Mayor's Report
8. Delegate's Report
9. General Manager's Report
10. In Committee Reports

This meeting will be live streamed, and the link can be found at

<https://www.hay.nsw.gov.au/Inside-Hay-Shire-Council/Council-Meetings-and-Reports/Council-Meetings-Webcast>

This meeting will also be audio-visually recorded and available on Council's website within 48 hours on completion of the Ordinary meeting.

Yours sincerely,

David Webb
General Manager

MINUTES INDEX

- Ordinary Meeting – 25th August 2026

MINUTES OF THE ORDINARY MEETING OF THE HAY SHIRE COUNCIL HELD IN THE COUNCIL CHAMBERS LACHLAN STREET HAY AT 1.00PM ON 25th August 2026.

PRESENT: Councillors: Cr L Garner, Cr W Miller, Cr C Oatway (Chair), Cr J Perry, Cr P Porter, Cr D Townsend, General Manager - David Webb Executive Manager Corporate Performance and Community – Kirstyn Thronder, and Executive Assistant – Kerry McRae

Request to attend by Audio Visual Link: Nil

Vale Zelda Rutledge

One minutes silence was observed for Zelda Rutledge, the wife of former Mayor & Councillor Michael Rutledge.

Apology: Cr G Chapman, Cr M Quinn

25-104 **Resolved** that Council accept the apology for Cr Chapman for the 25th of August Ordinary meeting to attend MDA annual conference.

(Miller/Townsend)

25-105 **Resolved** that Council at the May 2026 Ordinary meeting granted leave of absence to Cr Martyn Quinn for the 25th of August meeting.

(Miller/Porter)

This meeting was live streamed and recorded

Address to Council: Nil

Confirmation of Minutes

26-106 **Resolved** that the minutes of the Ordinary Meeting of Council held 28th July 2026 be confirmed.

(Perry/Miller)

26-107 **Resolved** that the minutes of the Extraordinary Meeting of Council held 11th August 2026 be confirmed.

(Perry/Garner)

Declaration of Interest: Cr W Miller declared a Non-Pecuniary Interest in Report C1 Community Grants.

Mayoral Report

M1 Mayoral Report

That Council notes the information provided in the report.

Delegates Report: Nil

General Manager's Reports

Action Plan Report

The report was received and noted.

C01 Community Grants

26-108 Resolved that Council:

- (a) Notes the information provided in the report;
- (b) Provides financial support to Shear Outback and the Hay Tennis Club as outlined in the report;
- (c) Passes on the full cost of insurance to organisations that have exclusive use of a Council facility;
- (d) Places the draft Community Grants Application and Guidelines, Community Grants Application Form and Community Grants Acquittal Form on public exhibition for a minimum period of 28 days; and
- (e) Writes to organisations that have recently requested financial support to advise that Council is not providing support at this time and to invite them to make an application when Expressions of Interest are called later this year.

(Townsend/Perry)

C02 Swimming Pool Management - August 2026

26-109 Resolved that Council:

- (a) Notes the information provided in the report;
- (b) Manages the swimming pool for the 2026/27 season internally (own staff);

- (c) Awards the lease of the pool canteen for the 2026/27 and 2027/28 seasons to 'Mara On Food' and authorises the General Manager to execute the lease accordingly.

(Porter/Garner)

The motion was carried on Mayor's casting vote

C03 Circulars and other Government Correspondence

That Council notes the information provided in the report.

C04 Economic Development & Tourism July/August 2026

26-110 Resolved that Council:

- (a) Notes the information provided in the report and actions being undertaken
- (b) Adopts hire fees for Bishop Lodge Museum to include the payment of refundable bond for functions as follows:
 - (i) Functions with fewer than 50 guests: \$250 refundable bond
 - (ii) Functions with more than 50 guests: \$500 refundable bond

(Miller/Perry)

C05 Corporate Performance & Community Monthly Report: August 2026

26-111 Resolved that Council:

- (a) Notes the information provided in the report; and
- (b) Adopts the draft Waste Services Policy as presented.

(Miller/Porter)

C06 Finance Report – August 2026

26-112 That Council receives and notes the report provided and approves the Material Budget Variances outlined in the report.

(Miller/Townsend)

C07 Planning and Compliance Report July/August

That Council notes the information provided in the report.

C08 Major Projects Update

Notes the information provided in the report and the actions being undertaken.

C09 Operations Monthly Update Report

26-113 Resolved that Council:

- (i) Notes the information provided in the report; and
- (ii) Allocates \$10,000 from the 2026-27 water capital works budget for the installation of a fob system at the Old Thelangerin Road raw water standpipe.

(Perry/Porter)

C10 Requests for Business at 147 Lachlan Street Hay

26-114 Resolved that Council

- (a) Refuses the request for a loading zone in front of 147 Lachlan Street due to reasons outlined in the report;
- (b) Retains the current planter box (tree surround); and
- (c) Replaces the tree with a suitable species shrub.

(Perry/Porter)

Reports of Council Committees

- Hay Showground Management Committee held 20th July 2026.

26-115 Resolved that Council notes the Committees meeting minutes, and any recommendations contained within be adopted.

(Porter/Townsend)

There being no further business the meeting was terminated at 1.56 pm.

Confirmed _____
Cr Carol Oatway
Mayor

Mayoral Minute

Index

Clause	Page	
C1	P10	Mayoral Report

C1. Mayoral Report

REPORTING OFFICER	Cr Carol Oataway – Mayor
ATTACHMENTS	- Nil

August / September have been busy with official engagements, meetings and representation. The following is a summary of my mayoral activities for the period of August / September:

Representation / Engagements

- **Wreath Laying for end of Korean War, VP Day, Vietnam Veterans' Day – 18th August 2026**

I was honoured to represent Hay Shire Council at a commemorative service held at the RSL Cenotaph to mark Vietnam Veterans' Day, VP Day and the end of the Korean War. The service provided an important opportunity for the Hay community to come together to honour and remember those who served our country and to recognise the sacrifices made by veterans and their families. Members of the local community attended and laid wreaths at the Cenotaph as a mark of respect. It was particularly pleasing to see the school captains from all local schools in attendance. The students participated in the commemoration by speaking and laying wreaths, demonstrating the important role our young people play in ensuring that the stories and sacrifices of those who served are remembered by future generations.



Wreath Laying for VP Day, Veterans' Day and end of Korean War

- **IPC Bullawah Wind Farm – Verbal Submission - 25th August 2026**

I presented the opening statements at a Council Briefing with the Independent Planning Commission (IPC) regarding the proposed Bullawah Wind Farm. I confirmed Council's support for the project and the transition to renewable energy, recognising the significant economic and employment opportunities it presents, while stressing that impacts must not be unfairly borne by the community and ratepayers. Key concerns included the capacity of Jerilderie Road to accommodate heavy construction traffic, the need for appropriate upgrades before

construction, and assessment of a direct Cobb Highway connection. I also raised road maintenance, infrastructure costs, cumulative impacts, traffic management, emergency planning, waste and compliance, ensuring the project protects Hay's community and infrastructure.

- **IPC Hearing – Bullawah Wind Farm – 1st September 2026**

I represented Hay Shire Council and spoke at the Independent Planning Commission Public Hearing into the proposed Bullawah Wind Farm, highlighting the opportunities the project presents for Hay's future. I explained that renewable energy can diversify our economy alongside agriculture and tourism, strengthening resilience and creating new opportunities. The project is expected to provide approximately 35 skilled operational jobs over its 30-year life, supporting families, local businesses, schools and community organisations while providing pathways for young people. I also highlighted opportunities for local procurement, training, community benefits and future industries, including low-carbon ammonia production. Council supports the approval of the Bullawah Project, subject to strengthened conditions protecting roads, accommodation, the environment and local procurement.

- **Citizenship Ceremony – 3rd September 2026**

This month, I had the privilege of conferring Australian citizenship on two new citizens, Nima Shariati and Mohsen Ameri Haftadori, at a combined citizenship ceremony. Both were born in Iran and proudly donned their Akubra hats as they pledged their allegiance to their new country. Nima has called Australia home for five years, while Mohsen has been part of our Australian community for 15 years. It was a wonderful occasion to welcome them formally as Australian citizens and celebrate this important milestone with their families. Nima was joined by his wife Moj and parents Jila and Ali, while Mohsen celebrated with his partner Ashlie and their daughter Anita. It was a privilege to share this special occasion with both families.



Hay's Newest Citizens – Nima and Mohsen



Both families enjoyed the celebration

- **100 Years of Scouting – 12th September 2026**

I was honoured to represent Hay Shire Council at the celebration of 100 years of Scouting in Hay, held at the Hay Show. A special ceremony and cake-cutting marked this significant milestone. Following the ceremony, the Scouts hosted a full day of activities for Hay Show patrons, which proved extremely popular. Congratulations to everyone involved in scouting in Hay over the past century. Dedicated volunteers have ensured that this organisation has remained a strong feature of the Hay community.

- **Visit by NSW RSL President Meet n Greet – 12 September 2026**

I was pleased to be on hand to welcome RSL NSW President Vince Williams to Hay during his visit. The visit provided an opportunity to showcase our community and discuss the important work of the Hay RSL Sub-Branch. Mr Williams visited Hay War Memorial High School before meeting with community representatives at the Hay Services Club. Discussions included opportunities for support and grants that can benefit our local veterans and broader community. I thank Hay RSL Sub-Branch President Nicholas Harrison for the invitation and for facilitating the visit, which provided a valuable opportunity to strengthen connections with RSL NSW.

Meetings

- **Catch Up with OLG – 24th August 2026**

The General Manager and I met with Louise Taylor from OLG at our regular monthly catch-up. On the agenda was the Code of Meeting Practice, Code of Conduct, and the NSW Local Government Local Government Grants Commission Listening Tour in Griffith on the 14th September 2026. Under the new proposed methodology Hay Shire Council is set to receive an increase of \$571 263 in the General Purpose Component and an increase of \$608 119 in the Local Road Component. The proposed methodology recognises population, remoteness and the additional cost pressures faced by small, remote councils. The proposed roads methodology also seeks to better recognise the cost of maintaining extensive road networks.

- **Meet with David Farley – 27th August 2026**

Councillors met with David Farley, Member for Farrer, during his tour of the electorate to engage with local councils and better understand regional priorities. Mr Farley has a particular interest in advocating for councils in the western section of the Farrer electorate and expressed his desire to develop a stronger alliance with Balranald and Wentworth Shires. The proposed collaboration would strengthen advocacy on shared issues, including Financial Assistance Grants, aged care funding and other challenges facing our western communities. The meeting provided a valuable opportunity to discuss local priorities and strengthen relationships with our Federal representative to support effective advocacy for Hay and the region.

- **Catch Up with Helen Dalton's Office – 4th September 2026**

The General Manager and I caught up with Frank Schofield, Helen Dalton's advisor. On the table was a discussion around the complexities of bringing physiotherapy services to Hay, the progress of the Crown Lands Bill in parliament, progressing the sale of MLHD land for Housing, Sustainable Communities Program, Regional Road Funding and the various submissions from Council around the Red Fleet, SWREZ, Local Government Assets Valuation, Performance Ratios and the Strategic Roads Improvement Program.

- **LHAC Meeting – 7th September 2026**

The General Manager and I attended the monthly LHAC meeting, where a range of local health matters were discussed. The LHAC Forum will be held in Young on 16 and 17 September, with the Facility Manager of Hay Hospital representing Hay LHAC. A "Conversation on the Couch", hosted by Murrumbidgee Primary Health Network (MPHN), will be held in Hay on 22 October. The recent LHAC Chairs meeting focused on alcohol and drugs, with the Murrumbidgee District experiencing higher rates of risky and harmful alcohol use and cannabis-related justice interactions than NSW and national averages. Methamphetamine is the most common principal drug, with 72% of users also having a mental health condition. Emerging concerns include vaping, nicotine addiction, rural access barriers, cultural safety and limited local detoxification and rehabilitation pathways. Positive hospital developments include a new Enrolled Nurse moving to Hay in October and a School Based Trainee commencing in 2027. The Emergency Department continues to experience high demand, averaging 215–250 presentations each month, with high acuity. Residential aged care remains at capacity, with 20 residents in a 19-

bed facility. A lung cancer screening bus will visit Hay, and Council remains hopeful of a Junior Medical Officer commencing in 2027.

- **OLG Webinar NSW Grants Commission – 8th September 2026**

I attended the NSW Local Government Grants Commission Webinar on the proposed methodology for distributing Financial Assistance Grants. The Commission outlined a proposed move from the current direct assessment model to a balanced budget approach, assessing councils' expenditure needs and revenue-raising capacity. The proposed General Purpose Grant would provide 30% on a per capita basis, with 70% allocated according to assessed financial need. The Local Roads component would consider road length and regional construction costs. Of particular interest was the proposed grant floor for the most remote councils, recognising that some costs are not fully captured by the statistical model. Council feedback is being sought before the final methodology is determined.

Upcoming Engagements

- Councillor Development Session – 15th September 2026
- CWA Public Speaking Awards – 18th September 2026
- Catch up with RDA – 1st October 2026
- Catch up with Helen Dalton's Office – 1st October 2026
- Catch up with OLG – 1st October 2026
- Catch up with Giles Butler – NSW Premiers Department – 1st October 2026
- Deniliquin Ute Muster – 2nd October 2026
- LHAC Meeting – 5th October 2026

RECOMMENDATION

That Council notes the information provided in the report.

Delegate Report

D1 – Delegates Report – MDA Annual Conference

REPORTING OFFICER	Cr Geoff Chapman
ATTACHMENTS	-MDA 2026 + AGM Agenda 27th August 2026 -MDA 2026 Conference Program -MDA Annual Report 2025-26

INTRODUCTION

Delegates report from Cr Chapman who attended the Murray Darling Association annual conference in Shepparton last month.

COMMENTARY

Every year, Mayors, General Managers, executive staff, and Commonwealth and State department representatives from across the Murray–Darling Basin attend the Murray Darling Association's National Conference. This year, the event was held in Shepparton, an agricultural and manufacturing centre at the heart of the Goulburn Valley irrigation system—one of the largest irrigation districts in Australia.

The MDA's 82nd National Conference was an invaluable opportunity for Basin leaders to come together and contribute to real solutions. The conference focused on working collectively for our Basin's future, a pressing issue made even more important by the review of the Murray–Darling Basin Plan and the implementation of Basin Plan 2.0.

The day-one study tour highlighted the diversity and vibrancy of water use in the Shepparton region. Arcadia Fish Hatchery, Rubicon Water, Redland Fruit, Flavorite, and Eight Mile Ag- a thousand cow dairy, each demonstrated the essential role and reliance on water in their operations.

The conference agenda was designed to support the development of a unified position statement that reflects the MDA's views and policies. Sessions on water security, SDLAM, carp management, water quality, and industry socio economic perspectives were structured as workshops aimed at producing an agreed future priorities document. This draft will soon be circulated to member shires for comment and ratification. Much of the Basin's governance is physically based outside the Basin, yet these bodies still influence and set policy.

I had the opportunity to raise the issue of water related conservation lands not paying rates with Simon Banks, Commonwealth Environmental Water Holder, as well as Edwina Johnson and Phil Coates, Heads of Water Policy, Department of Climate Change, Energy, the Environment and Water.

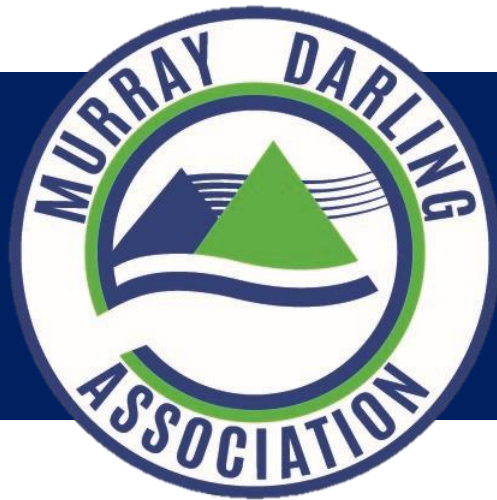
I thank the General Manager for attending the Annual General Meeting via the online link. I do find the AGM timing challenging, as many delegates have already begun their journey home, limiting debate. One particular motion that a fellow Region 9 delegate opposed last year was supported this year—a reminder of the importance of strong supporting information. Motions on building new dams outside the Basin and physical works to link the Coorong and related water bodies were all carried.

Again, I noted the importance other shires place on water and the effort and sacrifice their delegates make to attend. I continue to believe it is an important forum for Hay Shire to be represented in.

RELEVANCE TO STRATEGIC COMMUNITY PLAN	Environmental 2.5 Our community is inclusive and sustainable 2.5.3 Advocate for water security and practices Civic Leadership 4.2 Our community is supported by a strong and resilient Council that is responsive to its needs 4.2.1 Provide an advocacy role on behalf of the community 4.2.2 Inform and empower community input into decision making
FINANCIAL IMPLICATION	N/A
LEGISLATIVE IMPLICATION	Water Act 2007 Water Amendment (Restoring our Rivers) Act 2023 Water Management Act 2000 Water Act 1912
POLICY IMPLICATION	N/A
ASSET IMPLICATION	N/A
RISK IMPLICATION	Low

RECOMMENDATION

That Council notes the information provided in the report.



2026 Annual General Meeting AGENDA

Time: 1:40pm – 2:40pm

Date: Thursday, 27 August 2026

**Location: Riverlinks Eastbank,
70 Welsford St, Shepparton VIC 3630**

Murray Darling Association Incorporated
ABN 64 636 490 493

Contents

1.	Acknowledgement of Country	3
2.	Welcome	3
2.1	Welcome Address.....	3
3.	Attendance.....	3
3.1	Present.....	3
3.2	Apologies	3
3.3	Declarations of Interest.....	3
4.	Confirmation of Previous Minutes	3
5.	2025 - 2026 Annual Report and Financial Statements.....	3
6.	Motions on Notice.....	4
Motion 5.1	<i>Region 1</i>	4
Motion 5.2	<i>Region 1</i>	4
Motion 5.3	<i>Region 7</i>	Error! Bookmark not defined.
Motion 5.4	<i>Region 6</i>	4
Motion 5.5	<i>Region 7</i>	5
Motion 5.6	<i>Region 7</i>	6
7.	Draft Position Statements on Notice	7

Virtual Meeting Log in Details

Acknowledging that some Members may not be able to attend in person a link for Virtual Attendance has been provided via the below MicrosoftTeams link:

[TEAMS LINK](#) (*Meeting ID: 496 101 354 485 175*)

1. Acknowledgement of Country

Murray Darling Association acknowledges the traditional owners & custodians of country and pay our respects to the people, cultures, and elders past, present, and emerging.

2. Welcome

2.1 Welcome Address

Cr Shari Blumer
MDA Region 9 Chair
MDA National President

3. Attendance

3.1 Present

3.2 Apologies

3.3 Declarations of Interest

4. Confirmation of Previous Minutes

Refer to Attachment 4

Recommendation:

That the minutes of 81st MDA Annual General Meeting held on 1 October 2025 be accepted as an accurate record.

5. 2025 - 2026 Annual Report and Financial Statements

Refer to 2025-2026 Annual Report and Financial Statements

Recommendation:

That the 2025 – 2026 Annual Report and Financial Statements for the year ending 31 March 2026 be received and noted.

6. Motions on Notice

Motion 5.1

Region 1

Recommendation:

That The Murray Darling Association calls on the Federal Government and the Murray-Darling Basin Authority to undertake flood study and risk management plan on the impacts of Weir Structures on the Murray River on 1% Annual Exceedance Probability flows on towns on the Murray.

Motion 5.2

Region 1

Recommendation:

That The Murray Darling Association calls on the Weir Operators, the Murray Darling Basin Authority, the Commonwealth Environmental Water Holder, and the NSW State Government agencies, to ensure weir operations are managed to minimise the impact of flooding including on modelled 1% AEP floods.

Motion 5.4

Region 6

Addressing the Long-Term Impacts of Growth on River Resources in GARP and Broader Region 6

Recommendation:

That the Murray Darling Association:

1. *Acknowledges* the ongoing 2026 Basin Plan Review being led by the Murray–Darling Basin Authority (MDBA), including the 2025 Basin Plan Evaluation, Sustainable Rivers Audit, Sustainable Yields assessments, and the release of key discussion papers and the final report.
2. *Recognises* the extensive scientific, environmental, economic, and social analysis being undertaken for the Review - particularly the increased focus on social and economic condition data in the 2025 Evaluation and its companion reports.
3. *Affirms* that towns within Region 6 - including Goolwa, Milang, Meningie, Murray Bridge, Taillem Bend, Narrung, Clayton Bay, Hindmarsh Island, and others along the Lower Lakes, Coorong, and Limestone Coast — are experiencing ongoing population growth, infrastructure development, and increased tourism. These communities have distinct ecological and economic interdependencies with the River Murray and the adjacent coastal system.
4. *Urges* the MDBA to explicitly incorporate localised and region-specific growth trajectories into the Review's modelling, social and economic impact assessments, and policy scenario testing, recognising that static or aggregate models do not reflect the dynamic evolution of Region 6 communities.
5. *Requests* that the MDBA engage directly with Region 6 councils, local government authorities, First Nations groups, and stakeholders to collect and incorporate local data on growth, development, tourism, demographic change, and water use.
6. *Calls* for the final outcomes of the 2026 Basin Plan Review - including revised Sustainable Diversion Limit (SDL) settings - to contain region-level, adaptive recommendations that enable sustainable community and economic growth in Region 6, while maintaining vital environmental flows.
7. *Directs* the Region 6 Executive to monitor MDBA progress through six-monthly reports and public forums, and to report back to Region 6 members ahead of the MDA's 2026 National Conference.

Rationale:

Region 6 is an ecologically and economically significant area at the end of the Murray system, with rapidly evolving towns whose water needs and community dynamics are distinct. The 2026 Basin Plan Review must integrate this reality through region-specific data, modelling, and engagement — ensuring sustainable outcomes for both the environment and local communities.

Motion 5.5**Region 7****Recommendation:**

The Murray Darling Association recommends that the Federal Government finance the design and building of the Mt. Foxton Dam on the Burdekin River in Queensland which would provide up to an extra 1,500 GL per annum to the Murray Darling Basin which is half of the 3,000 GL to flow by channel from Mt. Foxton westward and by gravity.

Objective

To provide extra water security of 3,000 GL on the Western side of the Great Dividing Range as a gravity flow system to the benefit of four States.

DAM AT MT FOXTON SITE Is a NATION Building PROJECT

(for the future generations of our descendants)

The Key take away messages are:

A totally integrated GRAVITY system both East and Westerly

A minimization of Evaporation losses. The comparison is

- a) Dartmouth Dam (Deep at altitude) versus Chowilla (Shallow near Sea Level)
- b) Foxton Deep gorge c/w Burdekin Falls – shallow and low altitude

Has major Environmental benefits such as;

- a) 1st Nation's Cultural water benefits to both Gugu Badhun and
- b) NBAN the Northern Basin Aboriginal nations
- c) Reduce damage to the Great barrier Reef***
- d) Maintain the Health and fisheries of Menindee Lakes and Lower Darling River

Generation of green ENERGY.

- a) Massive storage capacity (9,000GLs) for Energy generation at all peak demand cycles
- b) Pumped Hydro capability during low demand cycles

A major boost to Agricultural production (Food and Fibre)

- a) New inland development adjacent to Charters Towers
- b) Secure the existing capacity of Burdekin Falls Dam in dry season.
- c) The Western Plains of Central Queensland.

Future steps will minimize extended droughts in the upper reaches of the Murray Darling Basin as climate predictions already indicate a wetter Northern system versus a dryer South.

As a nation building project this is a win-win for all stakeholders and will secure the future of inland communities and essential decentralization.

Motion 5.6**Region 7****Recommendation:**

The Murray Darling Association requests the Federal Minister for Water the Hon. Murray Watts, to initiate and commence work with the Connection of Lake Albert to the Coorong North Lagoon.

Objective:***What is your motion trying to achieve?***

To assist in the health restoration of both water bodies.

The Reasons for this necessary action are as follows:

- Implementation of the South and North Lagoon works and measures currently awaiting funding following all of the extensive research work, in many cases repeated at many millions of dollars over the past decade and more.
- Interaction with the Goyder Institute who are responsible for research and recommendations downstream of Wellington / Pomona Point for Lake Alexandrina, Lake Albert, Murray Mouth and Coorong, CLAAMM.

The salinity in Lake Albert exceeds the WHO limits of 800EC for consumptive use and in the entire period of white settlement the lake generally sits at between 1200 and 1500EC.

The management of these high salinity levels is carried out by manipulating the level of Lake Alexandrina and the discharge of up to 200gls per sequence to drag the higher saline water out of Albert and then reverse that situation with the fresher and lower EC water (much less than 800EC) back in from the Murray river discharges. This is extremely wasteful practice that does not achieve the desired outcome.

The Connector also provides fresh water into the Northern Lagoon some 22k'ms closer to Parnka Point than the current discharges from the Tauwicherie Barrage. This current practice has little or no effect on reducing the salinity of the South Lagoon even when conditions of High water spring tide occur.

In the future particular treatment will be required at the Murray Mouth to take into account the effects of climate change and sea level rise.

This should include the merits of a trained, navigable entrance and measures to minimize sand dredging maintenance.

Dependence on improved flows into the Southern Lagoon via Salt Creek has not and will not return to pre South East Drainage scheme levels

Also, the Goyder Institute recognizes from the research to date that the estuarine behavior extended from the Murray Mouth to Point Sturt, and a line from there across Lake Alexandrina to just south of Narrung. The challenge is to recreate this environment for the tidal volume involved without prejudicing the existing freshwater rights and needs.

The initiative is also looking at how to assist and restore the fishery to its pre barrage population.

- Conscious of the very significant evaporation losses from the Lower Lakes, investigate in particular what can be done to reduce this; enhance the environment and productivity particularly in Lake Alexandrina.
- Ensure that the Lake Albert South Lagoon of Coorong connection gets funded, built and operated to optimise the water quality in Lake Albert and the Coorong.

In conjunction with these works, if not prior, that the wetlands proposal, south east of the inlet to this connection in Lake Albert, be developed..

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7. Draft Position Statements on Notice

Recommendation:

That the Murray Darling Association membership review the tabled Draft Position statements for endorsement at a Local Government Level.



2026 NATIONAL CONFERENCE

DATE	TIME	PERSPECTIVE	LOCATION
MON 24 August 2026	6:00pm - 7:30pm	Welcome Reception	Shepparton Brewery
TUES 25 August 2026	7:45am - 5:00pm	Study Tour	Departing from Riverlinks Eastbank
WED 26 August 2026	8:30am - 4:30pm	Conference Day 1	Riverlinks Eastbank
	6:30pm - 9:30pm	Gala Dinner	Shepparton Arts Museum (SAM)
THUR 27 August 2026	8:30am - 3:00pm	Conference Day 2	Riverlinks Eastbank
	1:40pm - 2:40pm	MDA AGM	Riverlinks Eastbank

Uniting the Basin

HAY SHIRE COUNCIL

The Murray Darling Association's National Conference brings together all Murray-Darling Basin water users and perspectives.

Join us in Shepparton, collaborate and work together for our Basin's future, tackle the big issues of the Basin and forge a future for councils, catchments, and communities.

Monday 24 August 2026 - Welcome Reception

TIME	LOCATION
6:00pm - 7:30pm	Shepparton Brewery, 15 Edward St, Shepparton VIC 3630



Tucked away off the main shopping area, join us at the Shepparton Brewery for an evening promising to be an unparalleled networking opportunity, bringing together industry leaders, innovators, and enthusiasts in a vibrant and relaxed setting. Mingle with fellow attendees over delicious food and refreshing beverages, setting the stage for an enriching and productive conference ahead.



DON'T MISS THIS CHANCE!
Expand your network, exchange ideas, and make lasting memories with peers from across the Murray-Darling Basin!

Tuesday 25 August 2026 - Study Tour

TIME	DEPARTING FROM/RETURNING TO
7:45am - 5:00pm	Riverlinks Eastbank, 70 Welsford St, Shepparton VIC 3630



Join us as we tour the Greater Shepparton region's industries, water infrastructure, and community projects.

Explore local innovation, and see regional successes in action and gain a deeper understanding of the opportunities for, and barriers facing, Basin communities.



SEE IT. EXPERIENCE IT. CELEBRATE IT.
Network, learn, and extend the conversation beyond the meeting room!

Agenda Page No 25 of the Business Paper presented to the Ordinary Meeting of Council on Tuesday 22nd September

Wednesday 26 August 2026 - Conference Day 1

FRANKSHIRE COUNCIL

TIME	PERSPECTIVE	LOCATION	Riverlinks Eastbank 8:30am - 5:00pm
8:30am - 9:05am	Welcome to Country	Greg James	
	Mayor's Welcome	Mayor Shane Sali	Greater Shepparton City Council
	Conference Welcome House Keeping	Cr Shari Blumer	National President, Murray Darling Association
COMMONWEALTH PANEL			Facilitator: Jenny McLeod
9:05am - 9:40am	Panellist	Tim Goodes	Executive Director - Basin Plan, Murray-Darling Basin Authority
	Panellist	Dr Simon Banks	Commonwealth Environmental Water Holder
	Panellist	Vanessa O'Keefe	Deputy Reviewer, Water Act Review
	Facilitator	Jenny McLeod	Chair, National Irrigator's Council
9:40am - 10:20am	Commonwealth Panel Q&A	Tim Goodes	Murray-Darling Basin Authority
		Vanessa O'Keefe	Deputy Reviewer, Water Act Review
		Dr Simon Banks	Commonwealth Environmental Water Holder
		Edwina Johnson	A/g Division Head, Water Policy Department of Climate Change, Energy, the Environment and Water
10:20AM	MORNING TEA		
Sustainable Diversion Limit Adjustment Mechanism Reconciliation (SDLAM), SDLAM Shortfall, and Constraints			Facilitator: Perin Davey
10:45am - 11:15am	Panellist	Tim Goodes	Executive Director - Basin Plan, Murray-Darling Basin Authority
	Panellist, Facilitator	Perin Davey	Executive Director, Rice Growers Association
	Panellist	Jenny McLeod	Chair, National Irrigator's Council
	Panellist	Mayor Ruth McRae	Murrumbidgee Council, Chair - Riverina and Murray Joint Organisation (RAMJO)
11:15am - 11:45am	Panel Discussion Explore innovative solutions, community support, existing and upcoming barriers to SDLAM program delivery, impacts of SDLAM shortfall, and environmental impacts of failure to deliver SDLAM projects.		
11:45am - 12:10pm	The Hon. Michael McCormack MP Shadow Minister for Water, Federal Member for Riverina The Coalition's perspective and Basin strategy for the next 12 months.		
12:10PM	LUNCH		
WATER SECURITY FOR EVERYONE			Facilitator: Cr Shari Blumer
1:00pm - 2:00pm	Panellists	Dr Madeleine Hartley	CEO, NSW Irrigators Council
		Andrew Reynolds	GHD, Australian Dams Leader
		Carl Waters	CEO, Goulburn Broken Catchment Management Authority
		Michael Turnell	Murrumbidgee Irrigation
		Dr Peter Reeve	One Basin CRC
2:00pm - 2:30pm	Panel Discussion: Water Security for Everyone (Current state)		
2:30PM	AFTERNOON TEA		

WEDNESDAY 26 AUGUST 2026 - CONFERENCE DAY 1 (cont.)

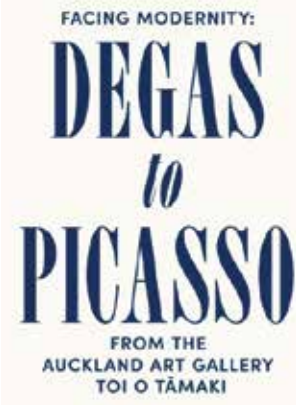
TIME	PERSPECTIVE	LOCATION
3:00pm – 3:30pm	Panel Discussion: Water Security for Everyone (Future state)	
	Panellists	Dr David Post Hydrologist, CSIRO
		Dr Madeleine Hartley CEO, NSW Irrigators Council
		Andrew Reynolds GHD, Australian Dams Leader
		Carl Waters CEO, Goulburn Broken Catchment Management Authority
		Michael Turnell Murrumbidgee Irrigation
		Jason Smith Head of Strategy & Growth, Rubicon Water
		Dr Peter Reeve One Basin CRC
	Prof. Neville Crossman Innovation Practice Lead, One Basin CRC	
The Basin SCALE declaration		
		Facilitator: Prof. Neville Crossman
3:30pm – 4:00pm	A collaborative Declaration towards a sustainable and productive Murray-Darling Basin.	
AGREED FUTURE PRIORITIES AND INNOVATION		
		Facilitator: Myles Coker, One Basin CRC
4:00pm – 4:45pm	Workshop: Agreed future priorities and innovation	
DRAFT RECOMMENDATIONS		
4:45pm – 5:00pm	Present and review the Draft Recommendations	
5:00PM	CONFERENCE DAY 1 CLOSE	

WEDNESDAY 26 AUGUST 2026 - GALA DINNER

TIME	LOCATION
6:30pm - 9:30pm	Elsewhere at SAM, Level 1, Shepparton Art Museum, 530 Wyndham Street, Shepparton, VIC 3630



Overlooking Victoria Park Lake and its surrounding parklands, the Gala Dinner venue boasts sweeping views of Victoria Park Lake and lush parklands, providing an unforgettable setting. Come together for an evening of connection and celebration. Join delegates in recognising outstanding contributions to the Murray-Darling Basin, and celebrate the partnerships that continue to support regional communities.




6:30pm - 8:30pm Facing Modernity: Degas to Picasso

Join attendees for exclusive after-hours access to the **Facing Modernity: Degas to Picasso** exhibit on display at the Shepparton Arts Museum (SAM).

Spanning nearly a century of artistic innovation, **Facing Modernity: Degas to Picasso** brings together 37 exceptional paintings and sculptures from the Auckland Art Gallery Toi o Tāmaki never before shown in Australia that capture the radical shifts in art from the late 19th century to the mid-20th century.

Thursday 27 August 2026 - Conference Day 2

HAY SHIRE COUNCIL

TIME	PERSPECTIVE	LOCATION	Riverlinks Eastbank 8:30am - 3:00pm
8:30am - 8:40am	Conference Day 1 Summary	Cr Shari Blumer National President, Murray Darling Association	
CARP, NATIVE FISH, AND WATER QUALITY			Facilitator: Anthony Forster, VFA
8:40am - 9:40am	Panellist	Dr Ivor Stuart Assoc Prof, Charles Sturt University	
	Panellist	Anthony Forster Victorian Fisheries Authority	
	Panellist	Andrew Pearce Director - Invasive Species Research and Development	
	Panellist	Leo Lymburner Director of Earth Observation Product Development	
9:40am - 10:20am	Workshop: Carp and Native fish management, and Water quality		
	Explore innovative solutions, needed guarantees from communities, existing and upcoming barriers to Carp management, opportunities for collaboration with Government.		
	Panellists	Anthony Forster Victorian Fisheries Authority	
		Andrew Pearce Director - Invasive Species Research and Development	
		Hilary Johnson Commonwealth Environmental Water Office	
		Leo Lymburner Director of Earth Observation Product Development	
		Dr Ivor Stuart Assoc Prof, Charles Sturt University	
10:20AM	MORNING TEA		
BASIN COMMUNITY SECURITY AND INDUSTRY SOCIO-ECONOMICS			Facilitator: Dr Madeleine Hartley
10:40am - 11:40am	Panellists	Phil Coates Branch Head - Water Policy Department of Climate Change, Energy, the Environment and Water	
		Cr Robyn Fuhrmeister Balonne Shire Council, Chair Adventure Way & Great Inland Way Tourism Board	
		Perin Davey Executive Director, Rice Growers Association	
		Beth Conner Paddlesteamer Skipper, River-based tourism	
		Chris Taylor Kagome, General Manager - Field Operations	
		Mayor Shane Sali Greater Shepparton City Council	
		Monica Morona Rice Growers Association	
11:40am - 12:20pm	Workshop: Ensuring the security of Basin industries and communities	Monica Morona Rice Growers Association	
		Cr Robyn Fuhrmeister Balonne Shire Council, Chair Adventure Way & Great Inland Way Tourism Board	
		Perin Davey Executive Director, Rice Growers Association	
		Beth Conner Paddlesteamer Skipper, River-based tourism	
		Chris Taylor Kagome, General Manager - Field Operations	
12:20pm - 12:40pm	Summary of Draft Position Statement	Phil Coates Branch Head - Water Policy Department of Climate Change, Energy, the Environment and Water	
		Cr Shari Blumer National President, Murray Darling Association	
12:40PM	LUNCH		
TIME	MDA ANNUAL GENERAL MEETING		
1:40pm - 2:40pm	Delegates will consider a range of motions, draft position statements, and reports to set the agenda of the Murray Darling Association for the years ahead.		NOT A MDA MEMBER? JOIN US AND LISTEN IN AS A GUEST
2:40pm - 3:00pm	Closing remarks	Cr Shari Blumer National President, Murray Darling Association	
3:00PM	CONFERENCE DAY 1 CLOSE		

Who will Attend?

HAY SHIRE COUNCIL

Every year, Mayors, Councillors, Chief Executive Officers, General Managers, Executive staff, including key Commonwealth and State departmental staff, and up-and-coming local leaders from all over the Murray-Darling Basin attend the Murray Darling Association's National Conference.

Speakers of the highest calibre also actively participate in this significant event. Previous speakers have included Commonwealth and State Ministers, peak industry representative body leaders, university and CSIRO academics, the Productivity Commissioner, and the Inspector-General of Water Compliance.

Naturally, this event attracts state and national media coverage and is an excellent opportunity to engage with Local, State, and Federal Governments and agencies to inform and influence the decisions that impact your industry.

This is a great engagement and advocacy opportunity with exceptional levels of connectivity and coverage - don't miss out!

A Powerful Opportunity

Greater Shepparton is synonymous with great food, wine, waterways, and weather.

Shepparton is a regional city located on the floodplain of the Goulburn River in northern Victoria, approximately 181 km north-northeast of Melbourne.

Shepparton is an agricultural and manufacturing centre, and the centre of the Goulburn Valley irrigation system, one of the largest centres of irrigation in Australia. It is also a major regional service city and the seat of Local Government and civic administration for the City of Greater Shepparton, which includes the surrounding towns of: Tatura, Merrigum, Mooroopna, Murchison, Dookie, Toolamba and Grahamvale.

The MDA's 82nd National Conference is an incredible opportunity for the Basin's leaders to come together to network and engage, to be part of the solution - to join the conversation, to inform future policy, and to engage with leading innovators, scientists, educators, and leaders of our time.

This year the National Conference will be focussing on Working together for our Basin's future, a pressing issue that has grown ever more important with the review of the Murray-Darling Basin Plan, as well as the implementation of the Basin Plan 2.0.

Join us in Shepparton, tackle the big issues of the Basin and forge a future for councils, catchments, and communities.

The conference will feature keynote speakers and panel sessions including industry heads, State and Federal Government Ministers, Government and representatives, as well as scientists and educators presenting on topical issues that affect Basin water resources and communities.



Notes ...

HAY SHIRE COUNCIL

Meet our Sponsors!

HAY SHIRE COUNCIL

PLATINUM & STRATEGIC PARTNERS



Australian Government
Department of Climate Change, Energy,
the Environment and Water



GALA DINNER

**Southern Basin
Community Group**

EXHIBITION BOOTH



Australian Government
Department of Climate Change, Energy,
the Environment and Water

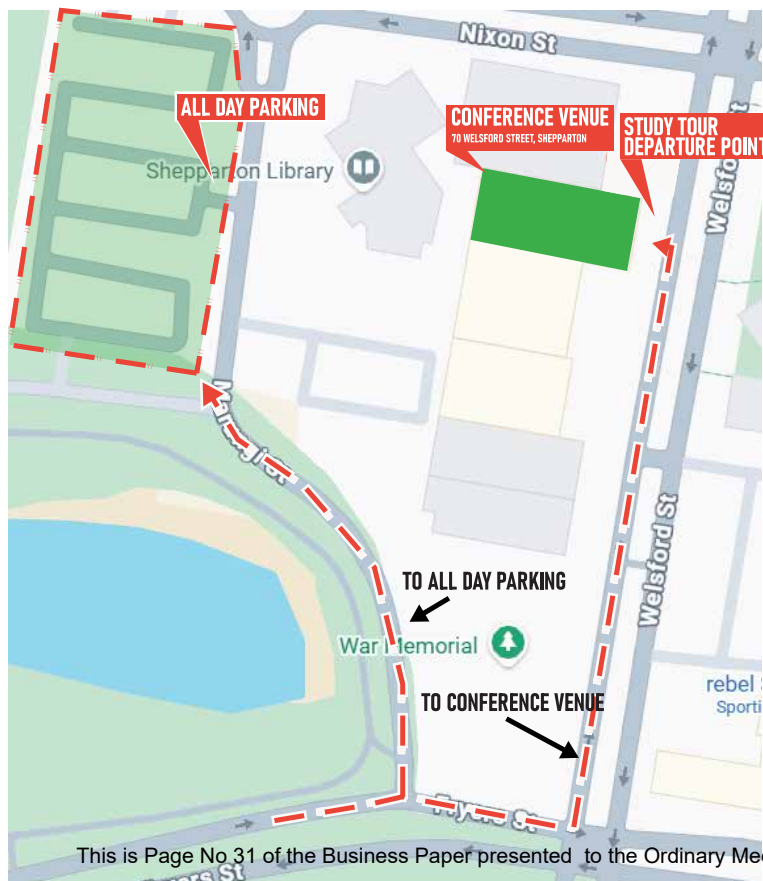


Australian Government
Commonwealth Environmental Water Holder



**Southern Basin
Community Group**

Conference Locations



CONFERENCE VENUE

RIVERLINKS EASTBANK

70 WELSFORD STREET, SHEPPARTON VIC 3630

STUDY TOUR DEPARTURE AND RETURN POINT

RIVERLINKS EASTBANK

70 WELSFORD STREET, SHEPPARTON VIC 3630

GALA DINNER VENUE

ELSEWHERE AT SAM

LEVEL 1/530 WYNDHAM ST, SHEPPARTON VIC 3630



2025-26 ANNUAL REPORT





82nd annual report of the Murray Darling
Association Inc: 2025-26

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HAY SHIRE COUNCIL

TABLE OF CONTENTS

Introduction

Our Organisation: Board Performance

Our Organisation: Meetings Record

Our regions

Region 1 report

Region 5 report

Region 6 report

Region 11 report

Pending Region Reports

Report on our performance

Meetings and engagements

Strategic Objectives

Our partnerships

Our people

Honor roll

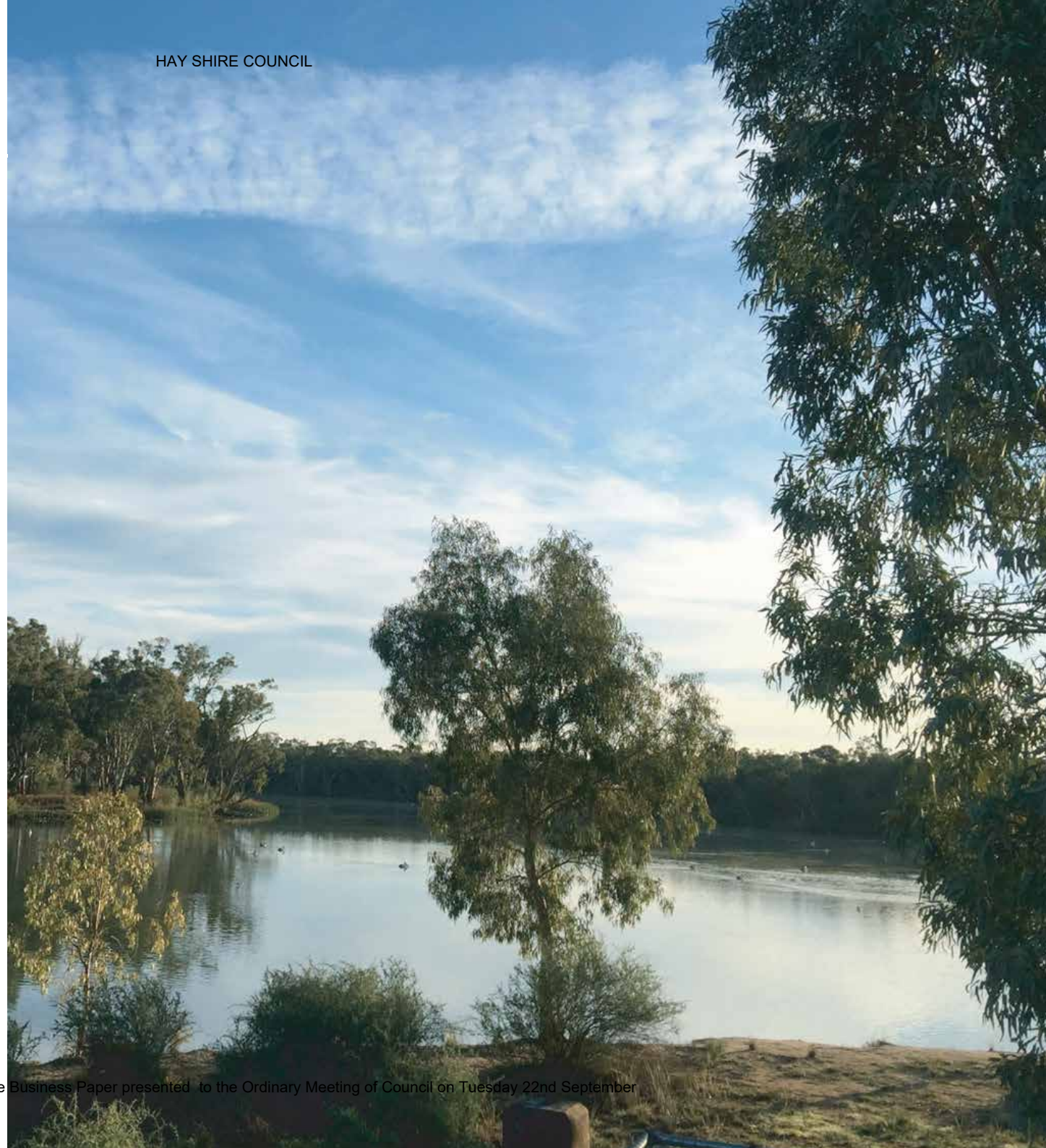
INTRODUCTION

With a strong focus on partnerships across the Murray-Darling Basin, with Local, State, and Federal Governments and in particular with the Basin communities, the MDA has worked hard to ensure that we communicate with all Basin communities, both members and non-members.

The MDA has ensured that our commitment to science continues to strengthen through strategic partnerships, while also exploring ways that these partnerships can add value to communities and Councils..

To support our members and the wider Basin community to thrive in the face of adversity, the Murray Darling Association continues to work alongside members and stakeholders, science and education partners, communities, governments, and First Nations, collaborating on a daily basis to tackle the big issues of the Murray-Darling Basin.

The following report reflects a successful and active year, including the implementation of the Murray Darling Association's new Strategic Plan 2025-30.



NATIONAL PRESIDENT'S REPORT

The Murray Darling Association is the only organisation which represents local government throughout the Murray-Darling Basin – from Queensland to South Australia. Through our member councils and associate members, we provide a voice for Basin communities and advocate for practical water policy that supports the environment, regional economies and local communities.

The past twelve months have been significant. The 2026 Basin Plan Review, Water Act Review and SDLAM reconciliation process have created an important opportunity for local government to influence the future direction of Basin policy. Throughout this work, the MDA has remained focused on a simple principle: healthy rivers need healthy communities.

The Basin Plan Review generated strong engagement from councils across the Basin. While individual communities face different circumstances, the issues raised were remarkably consistent.

Local governments repeatedly called for greater recognition of the cumulative social and economic impacts of water recovery. Councils argued that water policy affects much more than irrigated agriculture. It affects jobs, businesses, population retention, local services, Council finances and community wellbeing. Many Councils stressed that Basin-wide averages often fail to reflect what is happening in individual communities.

Councils also questioned the need for additional water recovery when opportunities remain to improve environmental outcomes through infrastructure investment, river operations, environmental works and complementary measures. The message was straightforward: make better use of the water already recovered rather than continuing to take more water more from productive communities.

Water quality and town water security were also recurring concerns. Councils which are responsible for water utilities highlighted increasing challenges associated with algal blooms, declining water quality, climate variability and rising treatment costs. They argued that secure drinking water and critical human needs must remain central considerations in Basin planning.

Councils also want a stronger role in Basin governance. Local government deals with the consequences of water policy every day and brings practical local knowledge that should be better reflected in decision-making.

The strongest part of the Review process was hearing directly from communities.

In Griffith, Councils argued that Basin Plan 2.0 must be shaped with communities, not for communities. Local government wants to help design solutions rather than simply respond to decisions once they have been made.

Greater Shepparton City Council reinforced the need for community stability, investment certainty and long-term sustainability. Their view was that environmental outcomes must be supported by viable communities and strong regional economies.

Warren Shire Council stated that "Basin policy focuses on large-scale efficiency rather than local sustainability" and called for greater transparency, stronger local involvement and better measurement of real community outcomes.

Across the northern Basin, including communities such as Wee Waa, Councils highlighted the cumulative impact of water recovery, regulatory change and ongoing adjustment. The concern was not a single policy decision, but the combined effect of years of reform on local communities and services.

Pooncarie reminded us why town water security matters. Communities should not be relying on emergency water carting during drought periods. Access to safe and secure drinking water must remain a core outcome of Basin policy.

In Queensland, Balonne Shire Council concluded that water buybacks are "not a neutral environmental policy tool" and warned that further recovery would worsen existing social and economic impacts. Council called for infrastructure investment, efficiency measures and local solutions that deliver environmental outcomes without further destabilising communities.

From South Australia, MDA Region 6 stated that "Local Government must be recognised as an active governance partner, not simply a stakeholder" and that "downstream system failure presents Basin-wide ecological and economic risk, not just regional impact."

Whether the issue is water security at Pooncarie, local sustainability in Warren, community confidence in Griffith and Shepparton, impacts in Balonne, or downstream water security in South Australia, the message from local government has been clear: communities want balanced policy, transparent decision-making and genuine consideration of local impacts.

The consultation phase of the Basin Plan Review may be complete, but the key decisions are still ahead.

Over the next twelve months the MDA will continue to advocate for:

- Genuine triple-bottom-line decision-making.
- Place-based assessment of socio-economic impacts.
- Greater local government representation in Basin governance.
- Infrastructure and complementary measures ahead of further water recovery.
- Protection of town water security and critical human needs.
- Transparent implementation of Basin Plan, Water Act and SDLAM reforms.

The Murray Darling Association will continue working with governments, First Nations organisations, industry and communities to ensure local government remains part of these discussions.

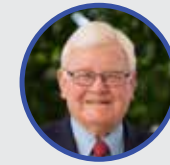
The future of the Murray-Darling Basin depends on healthy rivers and healthy communities. That remains the Association's focus as we move into the next phase of Basin reform.

OUR ORGANISATION: BOARD PERFORMANCE

Board	Hosting Council	Region	Commenced	Finished
Cr Raissa Butkowski	Albury City Council	Chair Region 1		
Mr Geoff Dobson - <i>Vice President</i>	Greater Shepparton City Council	Chair Region 2		
Cr Jim Hickey	Broken Hill Council	Chair Region 4		
Cr Margaret Howie	Renmark Paringa Council	Chair Region 5		
Mayor Wayne Thorley	Rural City of Murray Bridge	Chair Region 6 (Outgoing)		2/02/2026
Cr Milli Livingston	Alexandrina Council	Chair Region 6 (Incoming)	20/04/2026	
Cr Therese Britton-La Salle	Campbelltown City Council	Chair Region 7		
Cr Shari Blumer - <i>President</i>	Griffith City Council	Chair Region 9		
Cr Chris Roylance	Forbes Shire Council	Chair Region 10		
Mayor Russell Webb	Tamworth Regional Council	Chair Region 11 (Outgoing)		17/11/2025
Cr Robert Hoddle	Gunnedah Shire Council	Chair Region 11 (Incoming)	17/11/2025	
Cr Robyn Fuhrmeister	Balonne Shire Council	Chair Region 12		
Pete George		<i>Treasurer</i>		
Mark Lamb	Murray Darling Association	<i>Chief Executive Officer and Public Officer</i>		27/03/2026
Timothy Zeller	Murray Darling Association	<i>Public Officer</i>	14/05/2026	



Cr Raissa
Butkowski



Mr Geoff
Dobson



Cr Jim
Hickey



Cr Margaret
Howie



Cr Milli
Livingston



Cr Therese
Britton-La Salle



Cr Shari
Blumer



Cr Chris
Roylance



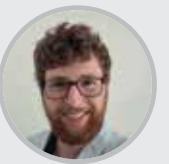
Cr Robert
Hoddle



Cr Robyn
Fuhrmeister



Pete George



Timothy Zeller

APPRECIATING THE DEDICATED SERVICE OF:



Mayor Wayne
Thorley
Region 6



Mayor Russell
Webb
Region 11



Mark Lamb
Chief Executive
Officer

OUR ORGANISATION: MEETINGS RECORD

BOARD MEETINGS

	Meeting 432 29 Sept 2025	81st AGM 1 Oct 2025	Meeting 433 17 Nov 2025	Meeting 434 2 Feb 2026	Meeting 435 2 Mar 2026	Meeting 436 20 Apr 2026	Meeting 437 25 May 2026	Meeting 438 16 Jun 2026	Meeting 439 27 Jul 2026
Cr Raissa Butkowski	A	✓	✓	✓	A	✓	✓	A	✓
Cr Geoff Dobson	✓	✓	✓	✓	✓	✓	✓	A	A
Cr Jim Hickey	✓	✓	A	✓	✓	✓	✓	✓	A
Cr Margaret Howie	✓	✓	✓	A	✓	✓	✓	✓	✓
Mayor Wayne Thorley	A	✓	✓	✓					✓
Cr Milli Livingston						✓	✓	✓	✓
Ct Therese Britton-La Salle	✓	✓	✓	A	A	✓	X	A	X
Cr Shari Blumer	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cr Chris Roylance	A	✓	✓	✓	✓	✓	A	✓	X
Mayor Russell Webb	A								
Cr Robert Hoddle		✓	✓	✓	✓	✓	✓	✓	✓
Cr Robyn Fuhrmeister	A	✓	✓	✓	A	✓	A	A	✓
Pete George	A	✓	✓	A	✓	✓	✓	A	✓
Mark Lamb	✓	✓	✓	✓	✓				

Attendance key: ✓ Attendance registered A Apology received P Attendance by Proxy
 X Non-attendance

REGION MEETINGS

REGION	11-25	12-25	01-26	02-26	03-26	04-26	05-26	06-26	07-26	08-26
1										
2										
3	REGION CHAIR VACANT									
4										
5										
6										
7										
8	REGION CHAIR VACANT									
9										
10										
11										
12										



Region meetings play an important role in initiating and facilitating discussion on regional and Basin issues, providing members, executive and guests to exchange information and identify priorities, and develop strategies and solutions.

REGION 1 REPORT

Region 1 comprises total of 13 councils, of which 4 are members of the MDA. Region 1 has 1 individual member and 1 life member. The committee is made up of:

Chair	
Cr Raissa Butkowski	Albury City Council
Committee members	
Cr Bernard Gaffney	Indigo Shire Council
Cr David Wortmann	Towong Shire Council

Members
Albury City Council
Indigo Shire Council
Snowy Valleys Council
Towong Shire Council
Individual Members
Geoff Lucas
Terry Hillman (Life Member)
Cr Tony Quinn
David Thurley OAM

Other Eligible Councils
Alpine Shire Council
Baw Baw Shire Council
Benalla Rural City Council
East Gippsland Shire Council
Mansfield Shire Council
Snowy Monaro Regional Council
Rural City of Wangaratta
Wodonga City Council
Greater Hume Shire Council

Three region meetings were held during the year.

Date	Location
10 November 2023	Councillor Meeting Room, Albury City Council
8 March 2024	Councillor Meeting Room, Albury City Council
10 May 2024	Councillor Meeting Room, Albury City Council

For Region 1, the Basin Plan Review process offers an opportunity for regulatory simplification, improved connectivity, and planning settings that reflect the realities of our cross-border communities.

Summary of Meetings

In August 2025, the Region 1 meeting heard from Bronwyn Thomas and Graham Hawthorne on behalf of the Save Mulwala Action Group Inc. (SMAGI). They sought the MDA's support for fair, transparent and regionally consistent flood risk management.

The presentation emphasizes the need for independent peer reviews, equitable community representation on Flood Risk Management Committees, the integration of local knowledge and historic hydrology into flood modeling, and alignment between NSW and Victorian planning frameworks for communities sharing the same catchment.

The meeting concluded with a commitment from the MDA delegates to ongoing dialogue aimed at delivering consistent, evidence-based and community-informed flood policy across the Basin.

Overall, the year has been a steady period for Region 1, with relatively few acute water-related problems.

Looking ahead, the 2026 Basin Plan Review remains pivotal in addressing persistent delivery constraints, climate impacts, and the integration of First Nations knowledge into Basin-wide water planning. The 2025 Evaluation confirms the Basin Plan's environmental gains but makes clear the gaps – particularly in infrastructure delivery, water quality in the north, and cross-jurisdictional alignment.



Cr Raissa Butkowski
Chair, Region 1

PENDING REGION REPORTS

While the Murray Darling Association strives to provide Regional Chair reports and updates from all of its 12 regions, not all have been provided in time for the 2026 Annual General Meeting.

Current pending reports:

Region 2 | Chair Mr Geoff Dobson *Greater Shepparton City Council*

Region 4 | Chair Cr Jim Hickey *Broken Hill City Council*

Region 7 | Chair Cr Therese Britton-La Salle *Campbelltown City Council*

Region 10 | Chair Cr Chris Roylance *Forbes Shire Council*

Region 12 | Chair Cr Robyn Fuhrmeister *Balonne Shire Council*

In the absence of these Regional report, and to reflect the great importance of the Basin Plan Review, the Murray Darling Association invites its members to review the Regional submissions prepared by all of its Regions in response to the once-in-ten-years opportunity to directly influence Basin policy and Basin resource management.

We would like to acknowledge the incredible work, time, and dedication of our Regional Chairs, and especially our membership in preparing these submissions.

These submissions can be found via:

<https://getinvolved.mdba.gov.au/2026basinplanreview/bprsubmissions/list>

OUR VISION

A healthy Murray–Darling Basin that supports thriving communities, economic development, and sustainable productivity.

OUR MISSION

To provide effective representation of local governments in the Murray–Darling Basin, advocating for policies and practices that ensure equitable and sustainable water management across the region.

OUR VALUES

We value honesty, integrity, and collaborative communication, based on mutual respect for our members, our environment, and the communities we serve.

We also value evidence-based, and informed, decision-making, as well as intelligent inquiry in all that we do.

REGION 5 REPORT

HAY SHIRE COUNCIL



Region 5 comprises a total of 5 councils, all of which are members of the MDA.

Region 5 has 2 individual members. The committee is made up of:

Chair

Cr Margaret Howie Renmark Paringa Council

Deputy Chair

Andrew Kassebaum Berri-Barmera Council

Committee members

Cr Victoria Hammond Mid Murray Council

Cr Russell Norman District Council of Karoonda East Murray

Cr Craig Ferber District Council of Loxton Waikerie

Region 5 Meetings

Date	Location
30 September 2024	Renmark Paringa Council
9 December 2024	Karoonda Institute
17 March 2025	Berri Barmera Council
16 June 2025	Renmark Paringa Council

Members

Berri-Barmera Council

Mid-Murray Council

Renmark-Paringa Council

District Council of Karoonda East Murray

District Council of Loxton Waikerie

Ian and Bobby Mann (Individual)

Malcolm Wilksch (Individual)

The past year has been both busy and significant, with the Murray Darling Association (MDA) actively campaigning to encourage as many community groups and stakeholders as possible to make submissions to the Murray-Darling Basin Authority (MDBA) Basin Plan Review, which closed in March 2026.

Over the past six months, I have attended several workshops conducted by the Department for Environment and Water (DEW), numerous MDBA information sessions, a meeting with the Director of the Department of Infrastructure and Environment, MDA briefings, and a public consultation relating to the Basin Plan Review.

These sessions provided valuable insight into the challenges and opportunities facing our Basin communities and reinforced the importance of ensuring local voices are heard in the review process. These meetings and consultations also provided me with the information and insights necessary to prepare and submit a response to the Basin Plan Review on behalf of Region 5.

Another issue that has remained front and centre throughout the year is the proposed release of the Carp Virus.

The Federal Government continues to undertake extensive investigations, scientific assessments, and community consultations before making a final decision on its implementation. While the MDA has been proactive in supporting the release of the virus as a means of controlling carp populations, there are still many questions that need to be addressed before any final decision is made.

Throughout the year, I have endeavoured to keep our members and local councils informed of developments on these important issues and to share information as it becomes available.

In late September 2025, I attended the MDA National Conference in Griffith, New South Wales. As always, the conference featured a diverse range of knowledgeable and engaging speakers covering topics of importance across the Basin.

A highlight for me was the tour of Griffith's irrigation infrastructure and wastewater reuse scheme, along with a visit to a large agricultural enterprise within the district.

It was also evident that the wine grape industry in the Griffith region is experiencing many of the same challenges currently facing growers in the Riverland.

Over the past 12 months, the MDA has developed and adopted a united vision for the Basin: a healthy Murray-Darling Basin that supports thriving communities, sustainable productivity, and economic development. Members can view the MDA Strategic Plan 2025-2030 via the Association's website.

In closing, I would like to thank our Deputy Chair, Andrew Kassebaum, for his extensive knowledge and valued support throughout the year, and our Executive Officer, Ruth Sutton, for her tireless work and dedication to the Association.



Andrew Kassebaum
Deputy Chair, Region 5



Cr Margaret Howie
Chair, Region 5

REGION 6 REPORT

HAY SHIRE COUNCIL



Region 6 comprises 7 Councils, of which 6 are Members of the MDA, including the Rural City of Murray Bridge, Alexandrina Council, Coorong District Council, the City of Victor Harbor, Tatiara District Council and Southern Mallee District Council. Kingston District Council is currently not a financial member of Region 6.

Region 6 has 8 individual members.

Chair

(Incoming) Cr Milli Livingston Rural City of Murray Bridge

(Outgoing) Mayor Wayne Thorley Rural City of Murray Bridge

Committee members

GM Heather Barclay Rural City of Murray Bridge

CEO Bridget Mather Coorong District Council

CEO Andrew MacDonald Alexandrina Council

Members

Alexandrina Council

Tatiara District Council

City of Victor Harbor

Southern Mallee District Council

Rural City of Murray Bridge

Southern Mallee District Council

Individual Members

Colin Grundy

Warren Jacobs

Melissa Rebbeck

Graham Camac (Life Member)

Phillip Moore (Life Member)

Barry Fetherstone (Life Member)

Frank Tuckwell (Life Member)

Other Eligible Councils

Kingston District Council

Seven meetings were held during the Membership year.

Date	Location
15 August 2025 (OGM)	Coorong District Council / Virtual
21 November 2025 (OGM)	Alexandrina Council / Virtual
20 February 2026 (AGM)	Rural City of Murray Bridge / Virtual
17 April 2026 (OGM)	Alexandrina Council / Virtual

Year in Review

This past year has continued to highlight the importance of strong regional advocacy, collaboration and a coordinated approach to the long-term sustainability of the Murray Darling Basin. Region 6 has remained actively engaged in discussions regarding the future health and resilience of the Basin, ensuring the perspectives of Lower Lakes, Coorong and Murray River communities continue to be represented.

A key focus during the year has been contributing to the Murray Darling Basin Authority's Basin Plan Review. Region 6 prepared a submission outlining the importance of balancing environmental outcomes with regional community, economic and water security considerations.

The submission highlighted the need for improved governance, transparency and accountability, stronger recognition of Local Government as a delivery partner, and greater consideration of downstream impacts.

Region 6 continues to advocate for the protection and restoration of critical environmental assets, including the Lower Lakes, Coorong and Murray Mouth system.

The ongoing impacts of poor water quality, including risks associated with algal blooms and ecological decline, continue to demonstrate the need for coordinated Basin-wide action.

Region 6 remains committed to working collaboratively with the Murray Darling Association, member councils, government agencies and regional communities to support sustainable outcomes for the environment, industry and communities that rely on a healthy river system.

Acknowledgement

I would like to acknowledge and sincerely thank Mayor Wayne Thorley for their leadership and dedication to MDA Region 6 during their time as Chair.

Their commitment to advocating for the interests of our member councils and the communities we represent has been invaluable. Through their leadership, Region 6 has continued to strengthen its voice on important Basin matters and maintain strong relationships with key stakeholders.

While taking on the role of Chair in February, I am grateful for the strong foundations established and appreciate Mayor Wayne Thorley continuing to contribute his knowledge, experience and guidance as a valued member of the Region 6 Committee.

I look forward to continuing this important work with the support and collaboration of the committee as we advocate for a healthy, sustainable and resilient Murray Darling Basin



Mayor Wayne Thorley
Outgoing Chair, Region 6.



Cr Milli Livingston
Incoming Chair, Region 6.

REGION 9 REPORT

Region 9 comprises a total of 16 councils, of which 8 are members of the MDA. Region 9 has 1 life member, Mr J Bede Mecham.

The committee is made up of:

Chair

Cr Shari Blumer	Griffith City Council
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Members

Leeton Shire Council
Griffith Shire Council
Murrumbidge Shire Council
Wagga Wagga City Council
Hay Shire Council
Narrandera Shire Council
Carrathool Shire Council
Lockhart Shire Council
Riverina Water County Council (Individual)
J Bede Mecham (Life Member)
Michael McCormack MP (Individual)
Joe Burns (Individual)
Peter Waterman (Individual)
Griffith Business Chamber (Entity)

Other Eligible Councils

Temora Shire Council
Coolamon Shire Council
Hilltops Shire Council
Cootamundra-Gundagai Regional Council
Junee Shire Council
Weddin Shire Council
Queanbeyan-Palerang Regional Council
Yass Valley Council

The past twelve months have been dominated by the 2026 Murray-Darling Basin Plan Review, the Water Act Review and the looming SDLAM reconciliation process. These reviews will shape water policy for the next decade and have significant implications for communities across the Murrumbidgee and Murray valleys. As Chair of Region 9, I have worked closely with councils, industry and community stakeholders to ensure our region's voice is heard. The message from our communities has been consistent: we support healthy rivers, but we also need healthy communities, strong regional economies and a secure future for the industries that underpin Basin towns.

The submissions prepared by Riverina and Murray Joint Organisation - MDBP Review 2026 highlighted a common concern that the Basin Plan Review does not adequately assess the cumulative social and economic impacts of water recovery on irrigation-dependent communities. Both submissions argued that while environmental outcomes are extensively measured, the impacts on jobs, businesses, population retention, local government sustainability and regional confidence are often overlooked.

RAMJO was particularly direct in its assessment, stating:

"The Basin Plan has been done to us, not with us. It has hurt our communities. It has hurt our economies."

The submission also challenged the continued reliance on Basin-wide averages, arguing that local and regional impacts are being masked by macro-level modelling, and that communities across southern NSW have already absorbed substantial impacts from the recovery of 37 per cent of the southern Basin consumptive pool.

RAMJO was particularly direct in its assessment, stating: "The Basin Plan has been done to us, not with us. It has hurt our communities. It has hurt our economies."

The submission also challenged the continued reliance on Basin-wide averages, arguing that local and regional impacts are being masked by macro-level modelling, and that communities across southern NSW have already absorbed substantial impacts from the recovery of 37 per cent of the southern Basin consumptive pool.

Griffith City Council's submission reinforced these concerns.

Griffith City Council argued that: "A healthy Basin must be understood as a working social, economic and environmental system."

Its submission further stated that: "The next Basin Plan must therefore move beyond a narrow recovery-centred paradigm toward a broader resilience framework that gives equal value to ecological durability, community viability and productive capacity."

These statements reflect what many councils across Region 9 have been saying for several years: water policy cannot be viewed solely through an environmental lens. It must also recognise the communities, industries and local economies that depend on water.

One of the most important pieces of evidence presented during the Review was the economic analysis undertaken by REMPLAN for RAMJO examining the rice industry and regional supply chains. The report demonstrated that the impacts of reduced water availability extend well beyond the farm gate. It found that impacts are concentrated in food manufacturing, transport, logistics, storage, retail and professional services, with effects spreading throughout regional economies as employment and household spending decline.

Importantly, the report concluded:

"The impacts of reduced water availability are not evenly distributed across industries."

It also found that:

"The economic impact is not confined to a single sector. Instead, it becomes increasingly broad-based as it moves through the economy."

This is particularly relevant to Region 9, where irrigation supports not only farming but also food processing, transport, manufacturing, engineering, retail and community services.

REGION 9 REPORT (cont.)

Region 9 comprises a total of 16 councils, of which 8 are members of the MDA. Region 9 has 1 life member, Mr J Bede Mecham.

The committee is made up of:

Chair

Cr Shari Blumer	Griffith City Council
-----------------	-----------------------

Members

Leeton Shire Council
Griffith Shire Council
Murrumbidge Shire Council
Wagga Wagga City Council
Hay Shire Council
Narrandera Shire Council
Carrathool Shire Council
Lockhart Shire Council
Riverina Water County Council (Individual)
J Bede Mecham (Life Member)
Michael McCormack MP (Individual)
Joe Burns (Individual)
Peter Waterman (Individual)
Griffith Business Chamber (Entity)

Other Eligible Councils

Temora Shire Council
Coolamon Shire Council
Hilltops Shire Council
Cootamundra-Gundagai Regional Council
Junee Shire Council
Weddin Shire Council
Queanbeyan-Palerang Regional Council
Yass Valley Council

The rice industry provides a clear example. RAMJO's socioeconomic briefing highlighted that the SunRice Group employs more than 650 skilled workers in the Riverina, supports around 500 rice growers, sources goods and services from almost 400 regional businesses and injects more than \$400 million into Basin communities through wages, grower payments and contractor spending.

The recent loss of jobs at SunRice and federal Government intervention reinforces the direct impact that water recovery has on the sustainability of not just primary producers, but also the value-adding manufacturing industries built upon them.

RAMJO warned that continued water recovery could push industries such as rice and dairy beyond critical viability thresholds. The submission noted that the closure or contraction of major processing facilities would have consequences far beyond agriculture, including the loss of manufacturing jobs, reduced domestic food production and weakened regional economies.

Looking ahead, Region 9 will continue advocating for a balanced approach to Basin reform. We support practical environmental outcomes, improved water quality, climate resilience and stronger First Nations participation. However, we also support place-based socioeconomic assessment, infrastructure investment ahead of further buybacks, stronger local government involvement in decision-making and recognition of the role irrigation communities play in Australia's food security and export economy.

The next twelve months will be critical as governments consider the outcomes of the Basin Plan Review, SDLAM reconciliation and Water Act reform.

Region 9 will continue working with councils, industry and communities to ensure that local voices remain part of these discussions.

The message from our region is straightforward. Environmental outcomes matter. Communities matter too. Future Basin policy must deliver both.



Cr Shari Blumer
Chair, Region 9





Australian Government

Department of Climate Change, Energy,
the Environment and Water

Working with our stakeholders to inform the Independent Review of the *Water Act 2007*

FIND OUT MORE



dcceew.gov.au/water-act-review



REGION 11 REPORT

Region 11 comprises total of 15 councils, of which 8 are members of the MDA. The committee is made up of:

Chair	
Mayor Russell Webb (Outgoing)	Tamworth Regional Council
Cr Robert Hoddle (Incoming)	Gunnedah Shire Council
Committee members	
Cr Greg Sauer	Tenterfield Shire Council
Cr Doug Hawkins	Liverpool Plains Shire Council

Members
Brewarrina Shire Council
Coonamble Shire Council
Gunnedah Shire Council
Gwydir Shire Council
Liverpool Plains Shire
Tenterfield Shire Council
Walgett Shire Council
Inverell Shire Council
Moree Plains Shire Council
Narrabri Shire Council

Other Eligible Councils
Uralla Shire Council
Glen Innes Severn Council
Walcha Shire Council
Tamworth Regional Council
Armidale Regional Council

HAY SHIRE COUNCIL



Four region meetings were held during the reporting year.

Date	Location
18 August 2023	Gunnedah Shire Council
1 November 2023	Gunnedah Shire Council
2 April 2024	Gunnedah Shire Council
16 May 2024	Gunnedah Shire Council

It is my pleasure to present this annual report for Murray Darling Association (MDA) Region 11 covering the period to 30 June 2026.

The year was dominated by the Murray-Darling Basin Plan Review and the significant work undertaken by councils across Regions 11 and 12 to ensure the voices of our communities were heard during this important process.

During the reporting period, Region 11 conducted two formal meetings and hosted a major regional forum focused on the Basin Plan Review.

Our first meeting was held via Zoom on 5 November 2025 and was chaired by Councillor Russell Webb, Mayor of Tamworth Regional Council. At this meeting Councillor Webb stepped down as Chair of Region 11 after providing dedicated leadership and service to the region. On behalf of all member councils, I thank Russell for his contribution and commitment. I was honoured to be elected as Chair at this meeting. Councillor Webb also provided delegates with a report on the MDA Annual Conference held in Griffith.

A further Zoom meeting was held on 23 January 2026. The primary focus of discussions was the Murray-Darling Basin Authority's Basin Plan Review. Delegates agreed that Region 11 should work collaboratively with Region 12 to prepare a joint submission and that an information forum should be conducted in Gunnedah to assist councils and stakeholders in developing informed responses. A list of key issues and discussion points was subsequently circulated to delegates for comment and further refinement.

On 26 February 2026, Region 11 hosted the Forum on the Preparation of Submissions for the MDBA Review in

Gunnedah. The forum was well attended, attracting more than 35 participants both in person and online.

The event provided an excellent opportunity for council representatives, industry stakeholders and community leaders to hear directly from key speakers and engage in constructive discussion on the future of Basin management.

The forum featured presentations from:

- Andrew McConville, *Chief Executive Officer, Murray-Darling Basin Authority*
- Councillor Shari Blumer, *Chair, Murray Darling Association*
- Brendon Gurley, *Executive Officer, NSW Water Directorate*
- Dr Madeline Hartley, *Chief Executive Officer, Irrigators Association*

Feedback from participants indicated a strong desire for local government to have a greater role in informing Basin policy and ensuring that community, economic and environmental impacts are appropriately balanced in future decision-making. Participants emphasised the importance of evidence-based policy, improved consultation with regional communities, recognition of the social and economic contribution of irrigation and agriculture, and the need for practical outcomes that support both healthy river systems and thriving regional communities.

The forum successfully brought together a broad range of perspectives and helped identify a number of common priorities across councils in Regions 11 and 12. These discussions provided valuable input into the development of the joint Basin Plan Review submission and established a clear mandate for councils to work collaboratively in advocating for regional interests.

The engagement generated through the forum proved instrumental in shaping the final document. The resulting 55-page submission reflected the collective views of local government across the region and was ultimately endorsed by 14 councils in Regions 11 and 12.

The high level of cooperation achieved throughout the process demonstrated the capacity of councils to work together on matters of significant regional importance.

REGION 11 REPORT (cont.)

During the year, we also noted the resignation of regional MDBA Engagement Officer, Annabelle Guest. We acknowledge Annabelle's contribution to engagement across our region and thank her for her support of local councils during her tenure. We welcome her successor and look forward to maintaining a strong and productive relationship with the MDBA engagement team.

I would like to express our sincere appreciation to MDA Chair Councillor Shari Blumer and Communications and Engagement Officer Tim Zeller for their guidance, support and assistance throughout the year.

I also thank the elected representatives and staff from all councils across Regions 11 and 12 whose dedication and collaborative spirit made the Basin Plan Review submission possible.

As we move into the coming year, Region 11 remains committed to advocating for outcomes that support sustainable communities, productive industries and healthy river systems throughout the Murray-Darling Basin.



PHOTO: Keepit Dam near Gunnedah, NSW



Our Vision

A healthy Murray-Darling Basin supports thriving communities, economic development and sustainable productivity.

Our Purpose

To provide effective representation of local government and communities at state and federal level in the management of Basin resources by providing, **information, facilitating debate**, and by seeking to **influence government policy**.

Our Objectives

To achieve our purpose, we will:

- **advocate** on behalf of Basin communities
- **use local knowledge and expertise** to fully understand regional issues
- act as a **two-way conduit for information and discussion** between our communities and governments
- **encourage and facilitate debate** about the things that matter for the Basin's future
- explore options to **achieve sound solutions** to regional issues
- **test information to ensure a sound base** for those options
- be an **educational resource for the Basin**.



Mayor Russell Webb
Outgoing Chair, Region 11



Cr Robert Huddle
Incoming Chair, Region 11

82 YEARS

HAY SHIRE COUNCIL

REPRESENTING LOCAL GOVERNMENT
AND COMMUNITIES ACROSS THE
MURRAY-DARLING BASIN.



FIND OUT MORE: WWW.MDA.ASN.AU

This is Page No 47 of the Business Paper presented to the Ordinary Meeting of Council on Tuesday 22nd September

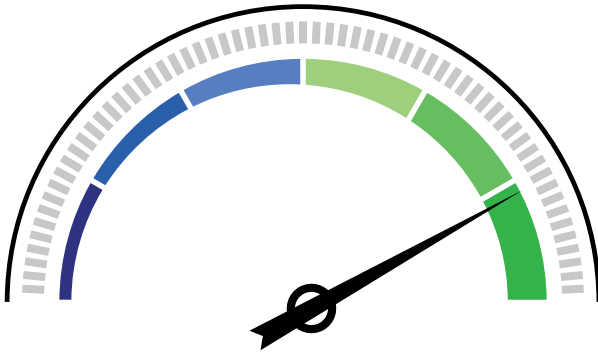
REPORT ON OUR PERFORMANCE

The MDA tracks its performance in many ways.

Primarily, we report on completed actions that we committed to in our strategic plan using the planning and reporting framework incorporated in the plan.

Other ways the MDA tracks our performance can be a little more complex.

We assess how the MDA's motions at conference, and commitment to action have shifted-the-need in informing policy in the management of Basin resources.



Resolutions made at the MDA's annual national conference contribute to important reforms in the policies and practice, guiding the health and sustainability of Basin communities, economies and ecologies.

Our resolutions and actions enable the MDA to build consensus, to share and to ensure local knowledge informs our national priorities.

Our annual national conference and AGM brings together those community leaders and speakers who, together with our members, can explore the great challenges of our time.

In 2025, our National Conference attracted an incredible line-up of guest speakers and Basin representatives.

This year's conference offered the opportunity to hear, and engage with the:

- Department of Climate Change, Energy, the Environment and Water,
- Murray-Darling Basin Authority,
- Shadow Water Minister,
- Industry heads and leaders,
- One Basin CRC, and
- Leaders and heads from Government Departments, Authorities and Agencies, such as the The Commonwealth Environmental Water Holder, the CSIRO, and many more that are all known for their advocacy for, and work regarding, water across the Murray-Darling Basin.

Other speakers at the National Conference included a powerful range of community, business, science, education, and industry leaders.

Following on from past year's Motions, the MDA has engaged with State, and Federal Governments, as well as Government entities through a consistent and dedicated engagement campaigns and meetings, from which the MDA has made excellent progress.

The MDA continues to explore further avenues of advocacy on behalf of Local Governments and their communities to influence Government Policies, and the management of Basin Resources.

With an everdeveloping calendar of events across the Basin, the MDA continues to deliver networking opportunities, and outcomes that ensure local government, and the communities we serve, inform the state and federal policies that impact our regions.



Ensuring ongoing support and accessibility, the MDA continues to update and modernise its online portal.

Along with a new and revamped website, the MDA has introduced a Member exclusive resource repository, called the **Member Access** area.

The **Member Access** area centralises Information, Documents, Presentations, Transcripts, Analysis Results, and Reports gathered during Region Meetings, National Conferences, Forums, Symposiums, and documents received from relevant entities and Ministers in one space.



STRATEGIC OBJECTIVES

ADVOCATE FOR SUSTAINABLE WATER MANAGEMENT

STRENGTHEN COMMUNITY AND STAKEHOLDER ENGAGEMENT

PROMOTE INDIGENOUS WATER RIGHTS AND PARTICIPATION

ENHANCE POLICY AND RESEARCH CAPACITY

ADVOCATE FOR CLIMATE-RESILIENT WATER INFRASTRUCTURE

1 ADVOCATE FOR SUSTAINABLE WATER MANAGEMENT

Goal:

Influence water policy to ensure equitable and sustainable water distribution across the Basin.

Key Actions:

- Engage with the Murray–Darling Basin Authority (MDBA) and other stakeholders to advocate for balanced water allocation.
- Monitor and provide feedback on the implementation of the Basin Plan, emphasizing the need for adaptive management strategies.
- Promote the integration of climate change projections into water planning and management.

2 STRENGTHEN COMMUNITY AND STAKEHOLDER ENGAGEMENT

Goal:

Enhance community involvement in water governance and decision-making processes.

Key Actions:

- Organize regional forums and workshops to facilitate dialogue between local governments, communities, and water managers.
- Develop educational resources to raise awareness about water conservation and management practices.
- Support the establishment of community-based water monitoring programs.

3 PROMOTE INDIGENOUS WATER RIGHTS AND PARTICIPATION

Goal:

Advocate for the recognition and inclusion of Indigenous water rights and knowledge in water management frameworks.

Key Actions:

- Collaborate with Indigenous communities to support the development of cultural water flows.
- Advocate for the allocation of water entitlements to Indigenous groups, ensuring their active participation in water governance.
- Support initiatives that integrate Traditional Ecological Knowledge (TEK) into water management practices.

STRATEGIC PLAN 2025-30

In 2025 the MDA reviewed and launched its new five-year Strategic Plan, following approval by the MDA membership at the 81st Annual General Meeting.

Since then, the MDA's focus has been on implementing on giving effect to the priorities for local government outlined by our members at past National Conferences.

This Strategic Plan sets out our five-year goals and describes the strategies the MDA will implement to achieve them, committing to annual action plans, monitoring and evaluation, as well as key performance indicators to keep track of on our performance in delivering these strategies, and our progress in achieving our goals.

We look forward to delivering the plan alongside our members, stakeholders, and partners.

4 ENHANCE POLICY AND RESEARCH CAPACITY

Goal:

Build the capacity of local governments and stakeholders to engage effectively in water policy and management.

Key Actions:

- Provide training and resources on water policy, governance, and sustainable practices.
- Foster partnerships with research institutions to support evidence-based decision-making.
- Develop a repository of case studies and best practices for water management in the Basin.

5 ADVOCATE FOR CLIMATE-RESILIENT WATER INFRASTRUCTURE

Goal:

Promote the development and maintenance of water infrastructure that is resilient to climate variability and change.

Key Actions:

- Advocate for investment in water storage and delivery systems that can withstand extreme weather events.
- Support the implementation of water efficiency measures in urban and rural settings.
- Encourage the adoption of innovative technologies for water recycling and reuse.

IMPLEMENTATION AND MONITORING

Annual Action Plans:

Develop detailed action plans each year outlining specific activities, responsible parties, and timelines.

Performance Indicators:

- Number of regional forums and workshops conducted.
- Amount of water allocated to Indigenous communities.
- Number of training sessions and resources developed.
- Amount of funding secured for climate-resilient infrastructure projects.

Monitoring and Evaluation:

- Conduct annual reviews to assess progress towards strategic objectives.
- Gather feedback from stakeholders to inform continuous improvement.
- Adjust strategies and actions as needed to respond to emerging challenges and opportunities.
- Monitor and provide feedback on socio and economic impacts on water communities affected by implementation of the Basin plan.

CONCLUSION

By focusing on these strategic objectives, the Murray Darling Association can play a pivotal role in shaping water policy and advocacy in the Murray–Darling Basin. This is Page No 49 of the Business Paper presented to the Ordinary Meeting of Council on Tuesday, 22nd September 2025.

OUR PARTNERSHIPS

The MDA has continued to work partnering local government and communities with our valued partners and stakeholders. These partnerships are essential to deliver strong outcomes for our communities and build future focused collaboration opportunities for our members.

We value the partnerships we have established across the Basin that are essential to the effective performance of our organisation and the achievement of our goals:

OUR PARTNERS	OUR INTENT
▶ Basin LGAs including regional and state local government organisations	Collaborate effectively and respectfully to maximise efficiencies for local government and their peak agencies by avoiding duplication and providing multi-jurisdictional perspectives.
▶ Basin Governments ▶ Murray Darling Basin Authority ▶ National Water Grid Authority ▶ Climate Change Authority ▶ Australian Energy Market Authority ▶ Commonwealth Environmental Water Office	Fairly and frankly represent the interests and priorities of local government at the Basin scale on positions of common interest. Collaborate and exchange information and advice to improve knowledge and awareness of Basin issues, and of the impacts of policy and decisions to create better outcomes for local government and communities.
▶ State and national peak bodies and other agencies	Consult and work with state and national peak bodies and other agencies to foster a stronger relationship to local government of sector-specific perspectives and issues.
▶ First Nations organisations	That we learn from, respect and treasure the natural resource management practices of First Nations custodians.
▶ Regional Development Australia	Work together to maximise benefits and value for all, and progress the relationship ensuring that our roles are clear and our collaboration adds value to the work we do. Through our partnership we aim to avoid unnecessary duplication.
▶ Universities	Partner with universities to enhance water literacy, and provide practical application of academic research for the benefit of local government and community.
▶ CSIRO	Ongoing work developing a framework under which we will collaborate on research projects to conduct research, development and related activities to overcome the key challenges of resource management in the Murray-Darling Basin and turn them to the Basin community's unique advantage.
▶ Media	Promote the interests and achievements of our Basin communities through the media.

OUR PEOPLE



Shari Blumer
National President

A strong voice for open, transparent government, particularly through the effective use of community engagement and real community representation, Shari was elected as National President in 2025, and re-elected in 2026.

Shari has brought greater focus on governance and Board engagement, and policy reviews.



Tim Zeller
Communications and Engagement Officer
Public Officer

With a passion for the rivers and communities of the Murray-Darling Basin, Tim is thrilled to play a vital part in representing the Basin and its communities in such a crucial time.

Tim brings with him a history of client relationship management, advocacy, visual marketing, and product management.

Since joining the Association in 2021, Tim has assisted in the planning and operation of 6 National Conferences, Basin-wide Workshops, and Water Forums, and has provided governance, administrative, and procedural assistance to the Board of Regional Chairs.

Tim was elected Public Officer in 2026.



Local Priorities, National Influence

Representing 172 Local Government Areas and Communities across the Murray-Darling Basin at a State and Federal Level in the management of Basin resources.



The Murray Darling Association would like to thank our valued partners for their generous support:

STRATEGIC PARTNERS



SPONSORS



Australian Government
**Department of Climate Change, Energy,
the Environment and Water**



**Southern Basin
Community Group**



Australian Government
**Commonwealth Environmental
Water Holder**



HONOR ROLL

OF THE MURRAY VALLEY DEVELOPMENT LEAGUE, THE MURRAY VALLEY LEAGUE,
AND THE MURRAY DARLING ASSOCIATION INC.

HAY SHIRE COUNCIL

LIFE MEMBERS

Mr Graham Camac	Meningie
Ms Pauline Frost	Adelaide
Mr Bill Gorman	Yarrawonga
Mr Brian J Grogan OAM*	Mildura
Cr Les Hill	Berri
Dr Terry Hillman	Lavington
Mr Jim Hullick OAM	Adelaide*
Mr J Bede Mecham	Wagga Wagga
Mr Ken Rogers	Dubbo
Mr Max Moor	Barmah
Mr Phillip Moore	Melbourne
Mr Don Oberin	Echuca*
Mr Kevin Pell OAM	Nathalia
Cr Wulf Reichler OAM	Brewarrina*
Cr Stuart Anderson OAM	Moama*
Mr David Dalzell	Whyalla*
Dr Peter Davies	Adelaide*
Mr James Wallace Gemmell	Cobram*
Mr Albert Heslop	Swan Hill*
Mr Ralph Jacobi	Adelaide*
Mr Paul Maytom	Leeton

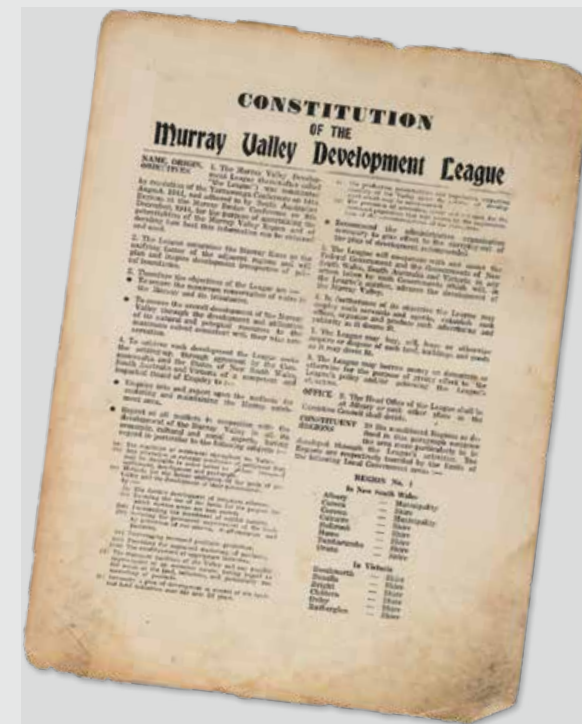
Mr Ian Killmister	Nathalia*
Mr Jack James Larkin OAM	Kooloonong*
Mr Gunnar Vernon Lawrence AM	Hawthorn*
Mr John Joseph McGuire	*
Cr Neil McKinnon OAM	Jerilderie*
Mr T Norm Martin	Wodonga*
Cr Reg Mengler	Balranald*
Dr William Andres Merrylees	Carrathool*
Mr Thomas Ernest Pearsall	Albury*
Mr Percival Alfred Yeomans	*
Mr Wal Perry	Port Elliott*
Mr Phillip Potter	Narooma*
Ms Agnes Isabel Robertson	Albury*
Cr Max Schmidt	Paringa*
Mr Robert Starritt Rankin OBE	Rochester*
Mr HG Tredinnick	Murray Valley*
Mr Allen Tume	Adelaide*
Mr Henry Lester Smith MBE	Kerang*
Cr Maurice Wilhelm OAM	Murray Bridge*
Mr Percy Weston	Eurobin*
Mr John Kennedy OAM	Campbelltown

PRESIDENTS

D G Padman	Albury*	1944 to 1952
J G Strangman	Waikerie*	1952 to 1956
Henry Lester Smith OBE	Kerang*	1956 to 1960
E Verco Whyte	Wentworth*	1960 to 1965
Robert S Rankin OBE	Rochester*	1968 to 1971
Paul Gerard Schmidt	Mannum*	1971 to 1974
Jim W Gemmell	Cobram*	1974 to 1977
Jack J Larkin OAM	Kooloonong*	1977 to 1982
Don K Oberin	Echuca*	1982 to 1986
Jim M Hullick OAM	Adelaide*	1986 to 1989

Graham C Camac	Meningie	1989 to 1992
Max Moor	Barmah	1992 to 1998
Ray Trestrail	Albury	1998 to 2000
Brian Sharp OAM	Moama	2000 to 2003
Brian J Grogan OAM *	Mildura	2003 to 2006
Bill Gorman	Mulwala	2006 to 2009
Ken Rogers	Dubbo	2009 to 2013
Greg Toll	Gunbower	2013 to 2015
David Thurley	Albury	2015 to 2024
Craig Davies	Narromine	2024 to 2025

* Passed



The Murray Darling Association formed in 1944, then named the Murray Valley Development League. A coalition of councils with the objective working with the states and Commonwealth to ensure sufficient water supplies and hydro-electricity to support sustainable production in agriculture, business and industry across the Murray Valley, the association expanded to cover the whole of the Murray-Darling Basin in 1983.

Shari Blumer	Griffith	2025 to present
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HAY SHIRE COUNCIL



General Manager's Report

Index

Clause	Page	
	P57	Action Report
C01	P65	Mayoral Elections
C02	P72	DA2026-11-2-379 Russell St Units Modification
C03	P92	Myers Lane Units and Hay Health Precinct
C04	P100	Land Purchase
C05	P109	Renewable Energy Benefit Fund Committee – Establishment Plan and Revised Terms of Reference
C06	P152	Investment Attraction Strategy Update – September
C07	P174	Long Term Financial Plan Update
C08	P177	Swimming Pool Management
C09	P181	Circulars and Government Correspondence
C10	P634	Economic Development & Tourism August/September 2026
C11	P643	Corporate Performance & Community Monthly – September 2026
C12	P676	Finance Report – September 2026
C13	P704	Planning and Compliance Report August/September
C14	P707	Major Projects Update
C15	P718	Operations Monthly Update Report

Actions Required from Council & Committee Meeting

Month: August**Ordinary Meeting 25th August**

Res No	Officer	Item	Resolution	Complete
26-108	GM	Community Grants	(a) Notes the information provided in the report; (b) Provides financial support to Shear Outback and the Hay Tennis Club as outlined in the report; (c) Passes on the full cost of insurance to organisations that have exclusive use of a Council facility; (d) Places the draft Community Grants Application and Guidelines, Community Grants Application Form and Community Grants Acquittal Form on public exhibition for a minimum period of 28 days; and (e) Writes to organisations that have recently requested financial support to advise that Council is not providing support at this time and to invite them to make an application when Expressions of Interest are called later this year. Response: Draft currently on public exhibition.	No
26-109	GM	Swimming Pool Management - August 2026	(a) Notes the information provided in the report; (b) Manages the swimming pool for the 2026/27 season internally (own staff); (c) Awards the lease of the pool canteen for the 2026/27 and 2027/28 seasons to 'Mara On Food' and authorises the General Manager to execute the lease accordingly. Response: Pool currently being prepared for start of season and job advert placed for pool attendants. Mara on Food declined off of lease; currently called for EOI.	No
26-110	EM ETD&E	Economic Development & Tourism July/August 2026	(a) Notes the information provided in the report and actions being undertaken (b) Adopts hire fees for Bishop Lodge Museum to include the payment of refundable bond for functions as follows: (i) Functions with fewer than 50 guests: \$250 refundable bond (ii) Functions with more than 50 guests: \$500 refundable bond. Response: Added to Fees and Charges.	Yes
26-111	EM CP&C	Corporate Performance & Community Monthly Report: August 2026	(a) Notes the information provided in the report; and (b) Adopts the draft Waste Services Policy as presented.	Yes

			Response: Policy adopted.	
26-112	GM	Finance Report – August 2026	That Council receives and notes the report provided and approves the Material Budget Variances outlined in the report. Response:	
26-113	EM E&O	Operations Monthly Update Report	(i) Notes the information provided in the report; and (ii) Allocates \$10,000 from the 2026-27 water capital works budget for the installation of a fob system at the Old Thelangerin Road raw water standpipe. Response: Policy adopted.	
26-114	EM E&O	Requests for Business at 147 Lachlan Street Hay	(a) Refuses the request for a loading zone in front of 147 Lachlan Street due to reasons outlined in the report; (b) Retains the current planter box (tree surround); and (c) Replaces the tree with a suitable species shrub. Response: Response provided to applicant. Tree to be replaced.	No

Month: August
Extraordinary Meeting 11th August

Res No	Officer	Item	Resolution	Complete
26-101	GM/ EM E&O	Purchase of Garbage Truck	Accepts the tender for the supply of one (1) new Isuzu side loader garbage truck from Superior Pak Pty Ltd, including all options, in an amount of \$592,576.60 (including GST); (b) Postpones the purchase of the electric mower to future years and use this allocation towards the purchase of the garbage truck and ride-on mower; (c) Authorises the General Manager to sign the purchase order; and (d) Disposes of the current garbage truck through a reputable auction house (Pickles). Response: New garbage truck ordered and purchase order raised. Delivery expected early 2027. Old truck to be disposed once new truck is in service.	No

Month: May
Ordinary Meeting 26th May

This is Page No 58 of the Business Paper presented to the Ordinary Meeting of Council on Tuesday 22nd September

			Done (v) Removes one (1) Kurrajong Tree from 84 Lachlan Street and replace with a suitable species. Out for quotation (vi) Removes seven (7) large Oleander Shrubs from 374 Alma Street and replace with suitable species. Out for quotation. (vii) Takes no action for Pruning Trees at 152 Lachlan Street as per Council's Street Tree Policy criteria not to consider "obscures or otherwise detracts from advertising signage". Response:	No action required
26-075	GM	Hay Sewage Treatment Plant	(a) Notes the information provided in the report; and (b) Delegates authority to the General Manager to undertake negotiations and execute Deed of Agreement with either of the Defendants. Response: Ongoing. Deed executed with Builder. Ongoing.	No

Month: February
Ordinary Meeting 24th February

Res No	Officer	Item	Resolution	Complete
26-014	EM P&C	Proposed Fast EV Charger – Maude Reserve (Opposite Maude Memorial Hall)	(a) Issues a non-binding Letter of Support to enable the proponent to submit a grant application; (b) Undertakes consultation with the Maude community regarding the potential installation of an EV charger; and (c) Authorises the General Manager to execute all relevant documentation associated with the funding application and, if successful, to negotiate and finalise any resulting agreements. Response: Letter of support provided. Notice placed in newsletter to community. No further update.	No
26-027	EM E&O	Tree Removal Requests	(i) Removes one (1) Paper Tree from 379 Macauley Street and replace with three (3) Crepe myrtle. 1 tree planted. Require paper tree removal prior to planting remaining. Out for quotation (ii) Removes one (1) Claret Ash from 458 Orson Street and replace with a Manchurian Pear. Tree removed	No No

			(iii) Removes one (1) Gum Tree from 123 Pine Street and replace with a Manchurian Pear. Tree removed replacement not yet planted (iv) Removes one (1) Paperbark and Prune one (1) Jacaranda at 465 Water Street. Completed Response: In progress.	No Yes
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Month: January**Extraordinary Meeting 27th January**

Res No	Officer	Item	Resolution	Complete
26-003	GM	Groundwater Supply Licence	(a) Notes the information provided in the report and accepts the new water access licence; (b) Authorises the Mayor and/or General Manager to execute, under Council Seal if required, the Notification form to register this dealing with NSW Land Registry Services; (c) Engages legal services to assist in the dealing with this matter. Response: Drilling of test bores completed. Test results promising. In discussions with Department on the next steps. Underground Water Supply Licence received/approved. Further running and testing of test bores in progress.	No

Month: December**Ordinary Meeting 16th December**

Res No	Officer	Item	Resolution	Complete
25-183	EM E&O	Tree Removal Requests	Council removes one (1) Silky Oak from 211 William Street and replaces it with a Manchurian Pear. Out for quotation Response: Tree Removed	No

Month: October**Ordinary Meeting 28th October**

Res No	Officer	Item	Resolution	Complete
25-149	EM E&O	Tree Removal Requests	(a) Removes two Peppercorn Trees at 436 Orson Street and replace with Crepe Myrtles. Tree removed, replacement not yet planted. (b) Removes the Cedar Tree at 339 Lang Street and replace with Manchurian Pear Tree. Tree removed, replacement not yet planted Response: In progress.	No

Month: September**Ordinary Meeting 23rd September**

Res No	Officer	Item	Resolution	Complete
25-134	EM – P&C	Aerodrome Licenses	(a) Notes the information provided in the report; (b) Submit proposed licence agreements to tenants of Hangars 3,4,5 and 7 for an amount of \$2/m² (as per Council's Revenue Policy) (c) Negotiate with Paraway Pastoral Company (or any prospective buyer of the relevant property) with Hangar 6 and the used by Council in the Southwestern corner of the Aerodrome, utilised by Council. (d) Submit a proposed licence agreement to the Hangar 8 tenant (where Council owns the Hangar) for an amount of \$4/m². (e) Submit a proposed licence agreement to tenants of Site 9 for an amount of \$2/m² (as per Council's Revenue Policy) (f) Create a new hangar lease area (marked as 10 in the figure to the right) and put out on EOI to prospective tenants. (g) Submit proposed licence agreements to tenants of Agricultural Sites 11 and 12 for an amount of \$0.50/m². (h) Go out on EOI for sites 13-15. (i) All the above will be for a period of 30 days. (j) A further report brought back to Council after the 30-day period. Response: Progressing; received an enquiry for a lease for a new hanger site. In negotiations on new hanger site in the Agriculture Area.	No

Month: February 2024**Ordinary Meeting: 27th February 2024**

Res. No	Officer	Item	Resolution	Complete
24-009	EM-EO	Tree Removal Requests	Resolved that Council a. Removes two Gum trees in Pal Richards Park and replace with two Ornamental Pear Trees. Completed b. Removes the Pine tree at 321 Macauley Street and replace with a crepe Myrtle Tree. Completed. c. Remove two Claret Ash trees at 471 Cadell Street and replace with two Crepe Myrtle Trees. Completed. d. Remove 2 x Claret Ash from 322 Church Street and replace with two	Yes Yes Yes Yes

			Ornamental Pear Trees. Tree removed, replacement not yet planted. Completed e. Removes Pepper Corn tree Corner of Cadell and Lachlan and replace with a Manchurian Pear. Tree removed, replacement not yet planted f. Retain the California Ash at 348 Cadell Street. No action required. g. Removes three Claret Ash Trees in the Swimming Pool Carpark and replace with three Claret Ash Trees (to keep in theme with the existing tree corridor). Completed. h. Heavy prune 12 Claret Ash Trees at the John Houston Memorial Pool carpark. Trees were removed and replaced with suitable species. i. Additional to the replacement trees suggested, Council plant trees within Hay Parks to achieve ten trees planted for every removal. Completed. Response: In Progress	No No action required Yes Yes Yes
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Month: April 2021**Ordinary Meeting 27th April 2021**

Res. No.	Officer	Item	Resolution	Complete
21-052	DCCS	Potential Land Acquisition	Resolved that Council, (a) Notes the information provided in the report; and (b) Undertakes an independent valuation of Land at a cost of \$2,000 (c) Participates in further discussions with Transport for NSW regarding the Railway Land. Response: (b) Valuation has been undertaken. Land purchased. (c) Discussions with TfNSW/JHR underway General Manager has been in recent discussions with TfNSW. Waiting on response from TfNSW. Discussions still ongoing. Had recent correspondence with UGL, waiting on response. Followed up with UGL as to status of enquiry.	No

Month: July 2020**Ordinary Meeting 28th July 2020**

Res. No.	Officer	Item	Resolution	Complete
20-084	DCCS	Classification of Crown Reserve 150036	Resolved that Council classify the portion of Lot 222 DP 819305 under its management as operational land and advertises the intention	No

Res. No.	Officer	Item	Resolution	Complete
			of classification of operational land and allow a period of 28 days for public comment. Response: Matter is on hold pending Aboriginal land claim determination.	
20-090	GM	IC 1 – Railways Lands - IN COMMITTEE	IC 1 Resolved that Council: (a) Commences negotiation to terminate Agreement 206.2523 and enter into a new agreement which includes Lot 4 DP 812034; and (b) A further report be brought to Council in due course. Response: Letter written to JHR. Ongoing. Staff liaising with new railway land managers. Discussions still ongoing. Had recent correspondence with UGL, waiting on response. Followed up with UGL as to status of enquiry.	No

Month: March 2020**Ordinary Meeting 24th March 2020**

Res. No.	Officer	Item	Resolution	Complete
20-038	DCCS	Road Name	Resolve that Council: a. Endorses the name of road as “Kiernan Lane”. b. Continues with naming the unnamed road in accordance with Geographical Names Board requirements; and c. Continues with the formalising of the road corridors for Yankee Crossing Road and unnamed road. Response: Continuing with process of naming and formalising road corridors. Recent discussions with Crown Lands indicate sticking point around Yankee Crossing Road going through a TSR. Still working with Crown Lands. Kiernan Lane is officially named. Still working on Yankee Crossing Road formalisation. Matter is on hold due to Aboriginal land claim travelling stock route.	

C1 - Election of Mayor and Deputy Mayor

REPORTING OFFICER	General Manager
ATTACHMENTS	1. Schedule 7 Local Government (General) Reg 2021 2. Nomination Form – Mayor 3. Nomination Form – Deputy Mayor

INTRODUCTION

The election of the Mayor and Deputy Mayor is to take place at this meeting.

COMMENTARY

The Local Government Act 1993 and the Local Government (General) Regulation 2021 determine the procedures relating to the election of mayor and deputy mayor. The relevant procedures are as follows:

- The election of the mayor by councillors is to be held within three weeks of the declaration of the election and is to be conducted in accordance with Schedule 7 of the Local Government (General) Regulation 2021.
- A mayor elected by councillors holds office for two years i.e. to September 2028.
- The councillors may elect a deputy mayor.
- The deputy mayor may hold office for two years or some shorter period determined by Council i.e. the Deputy Mayor may be elected to either September 2027 or September 2028.
- The general manager or a person appointed by the general manager is the returning officer.
- The nomination for Mayor is to be made on the Nomination Form at Attachment 2, and the Deputy Mayor at Attachment 3, in writing by two or more councillors, one of whom may be the candidate, and returned to the Returning Officer.
- The nomination is not valid unless the nominee has consented to the nomination in writing.
- If more than one nomination is received, the Council is to resolve whether the election is to proceed by preferential ballot, by ordinary ballot or by open voting. Open voting means voting by a show of hands.
- The determination of the type of voting and the election are to be held at the same council meeting.
- The formality of a ballot paper is to be determined in the same manner as applies to an election for councillors.

Nomination forms are attached with this report. They need to be signed by two councillors and endorsed by the councillor being nominated and returned to the Returning Officer prior to the ballot.

RELEVANCE TO STRATEGIC COMMUNITY PLAN	Civic Leadership 4.1 Our Council leads by example 4.1.1 Implement and promote best practice governance 4.1.2 Monitor and evaluate Council's strategic planning documents 4.1.3 Be environmentally responsible in decision making
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	4.1.4 Council will seek to continuously improve 4.2 Our community is supported by a strong and resilient Council that is responsive to its needs 4.2.1 Provide an advocacy role on behalf of the community 4.2.2 Inform and empower community input into decision making 4.2.3 Our community has access to Council information, services and facilities
FINANCIAL IMPLICATION	N/A
LEGISLATIVE IMPLICATION	Section 7 - Local Government (General) Regulation 2021 Local Government Act – Clause 394
POLICY IMPLICATION	N/A

RECOMMENDATION

That Council:

- (a) Elects a deputy mayor for a two-year period to September 2028; and
- (b) Determines the method of ballot should more than one nomination be received for the position(s)

Local Government (General) Regulation 2021

Current version for 1 July 2026 to date (accessed 10 September 2026 at 17:28)

Schedule 7

Schedule 7 Election of mayor by councillors

(Section 394)

Part 1 Preliminary

1 Returning officer

The general manager (or a person appointed by the general manager) is the returning officer.

2 Nomination

- (1) A councillor may be nominated without notice for election as mayor or deputy mayor.
- (2) The nomination is to be made in writing by 2 or more councillors (one of whom may be the nominee). The nomination is not valid unless the nominee has indicated consent to the nomination in writing.
- (3) The nomination is to be delivered or sent to the returning officer.
- (4) The returning officer is to announce the names of the nominees at the council meeting at which the election is to be held.

3 Election

- (1) If only one councillor is nominated, that councillor is elected.
- (2) If more than one councillor is nominated, the council is to resolve whether the election is to proceed by preferential ballot, by ordinary ballot or by open voting.
- (3) The election is to be held at the council meeting at which the council resolves on the method of voting.
- (4) In this section—

ballot has its normal meaning of secret ballot.

open voting means voting by a show of hands or similar means.

Part 2 Ordinary ballot or open voting

4 Application of Part

This Part applies if the election proceeds by ordinary ballot or by open voting.

5 Marking of ballot-papers

- (1) If the election proceeds by ordinary ballot, the returning officer is to decide the manner in which votes are to be marked on the ballot-papers.

- (2) The formality of a ballot-paper under this Part must be determined in accordance with section 345 of this Regulation as if it were a ballot-paper referred to in that section.

- (3) An informal ballot-paper must be rejected at the count.

6 Count—2 candidates

- (1) If there are only 2 candidates, the candidate with the higher number of votes is elected.
- (2) If there are only 2 candidates and they are tied, the one elected is to be chosen by lot.

7 Count—3 or more candidates

- (1) If there are 3 or more candidates, the one with the lowest number of votes is to be excluded.
- (2) If 3 or more candidates then remain, a further vote is to be taken of those candidates and the one with the lowest number of votes from that further vote is to be excluded.
- (3) If, after that, 3 or more candidates still remain, the procedure set out in subsection (2) is to be repeated until only 2 candidates remain.
- (4) A further vote is to be taken of the 2 remaining candidates.
- (5) Section 6 of this Schedule then applies to the determination of the election as if the 2 remaining candidates had been the only candidates.
- (6) If at any stage during a count under subsection (1) or (2), 2 or more candidates are tied on the lowest number of votes, the one excluded is to be chosen by lot.

Part 3 Preferential ballot

8 Application of Part

This Part applies if the election proceeds by preferential ballot.

9 Ballot-papers and voting

- (1) The ballot-papers are to contain the names of all the candidates. The councillors are to mark their votes by placing the numbers “1”, “2” and so on against the various names so as to indicate the order of their preference for all the candidates.
- (2) The formality of a ballot-paper under this Part is to be determined in accordance with section 345 of this Regulation as if it were a ballot-paper referred to in that section.
- (3) An informal ballot-paper must be rejected at the count.

10 Count

- (1) If a candidate has an absolute majority of first preference votes, that candidate is elected.
- (2) If not, the candidate with the lowest number of first preference votes is excluded and the votes on the unexhausted ballot-papers counted to him or her are transferred to the candidates with second preferences on those ballot-papers.
- (3) A candidate who then has an absolute majority of votes is elected, but, if no candidate then has an absolute majority of votes, the process of excluding the candidate who has the lowest number of votes and counting each of his or her unexhausted ballot-papers to the candidates remaining in the election next in order of the voter’s preference is repeated until one candidate has received an absolute majority of votes. The latter is elected.
- (4) In this section, ***absolute majority***, in relation to votes, means a number that is more than one-half of the number of unexhausted formal ballot-papers.

- (1) If, on any count of votes, there are 2 candidates in, or remaining in, the election and the numbers of votes cast for the 2 candidates are equal—the candidate whose name is first chosen by lot is taken to have received an absolute majority of votes and is therefore taken to be elected.
- (2) If, on any count of votes, there are 3 or more candidates in, or remaining in, the election and the numbers of votes cast for 2 or more candidates are equal and those candidates are the ones with the lowest number of votes on the count of the votes—the candidate whose name is first chosen by lot is taken to have the lowest number of votes and is therefore excluded.

Part 4 General

12 Choosing by lot

To choose a candidate by lot, the names of the candidates who have equal numbers of votes are written on similar slips of paper by the returning officer, the slips are folded by the returning officer so as to prevent the names being seen, the slips are mixed and one is drawn at random by the returning officer and the candidate whose name is on the drawn slip is chosen.

13 Result

The result of the election (including the name of the candidate elected as mayor or deputy mayor) is—

- (a) to be declared to the councillors at the council meeting at which the election is held by the returning officer, and
- (b) to be delivered or sent to the Secretary and the Chief Executive Officer of Local Government NSW.

The Returning Officer
Hay Shire Council
PO Box 141
HAY NSW 2711

20 September 2016



Dear Sir

Nomination – MAYOR

We the undersigned hereby nominate:-

Councillor _____

for election as Mayor at the Ordinary Meeting held on 22 September 2026.

Proposer: _____

Signature: _____

Proposer: _____

Signature: _____

Date: _____

(2 or more Councillors must sign above, one of whom may be the nominee)

I consent to this nomination of Mayor.

Signature: _____

(Nominee)

To: The Returning Officer
Hay Shire Council



2026 Nomination for Position of Deputy Mayor

We the undersigned hereby nominate:-

Councillor _____

for election as Deputy Mayor at the Ordinary Meeting held on 22 September 2026.

Proposer: _____

Signature: _____

Proposer: _____

Signature: _____

Date: _____

(2 or more Councillors must sign above, one of whom may be the nominee)

I consent to this nomination of Deputy Mayor.

Signature: _____

(Nominee)

C2 - DA2026-11- Modification of Development Application for installation of two units at 379 Russell St, Hay

REPORTING OFFICER	Executive Manager - Planning and Compliance
ATTACHMENTS	A: Development Application Form- Modification B: Plans C: Objection

INTRODUCTION

Hay Shire Council received a **modification** application for the demolition of a shed at and erection of 2 units at 379 Russell Street, Hay (Lot 61 DP 1299454), which was previously **approved with conditions** by Council.

Owner:	Dylan Lund
Applicant:	Dylan Lund
Zoning:	RU5 Village
Use:	Residential
Site Characteristics:	The site is located on a residential one-way street. The development proposes to retain the main dwelling while removing an accessory shed to accommodate the two new units.

The site is 1269m² and contains a dwelling and several sheds.



Aerial view of site – 379 Russell St, Hay

The applicant lodged the applications for two but has lodged a modification to the size of the units. **This modification changes the size of the units (x2) – From 60m² to 78m².**



Proposed Development



Location of Proposed Development

COMMENTARY

The modification for the proposed development is substantially the same type of development, with the two units' footprint being enlarged, and as such the previous assessment stays the same. For the sake of completeness this is duplicated in the below assessment.

According to Section 4.15 of the Environmental Planning and Assessment Act 1979, a consent authority needs to take the following matters in consideration in assessing a development application:

(a) the provisions of—

(i) any environmental planning instrument, and

(ii) any proposed instrument that is or has been the subject of public consultation under this Act and that has been notified to the consent authority (unless the Planning Secretary has notified the consent authority that the making of the proposed instrument has been deferred indefinitely or has not been approved), and

(iii) any development control plan, and

(iiia) any planning agreement that has been entered into under section 7.4, or any draft planning agreement that a developer has offered to enter into under section 7.4, and

(iv) the regulations (to the extent that they prescribe matters for the purposes of this paragraph),

that apply to the land to which the development application relates,

(b) the likely impacts of that development, including environmental impacts on both the natural and built environments, and social and economic impacts in the locality,

(c) the suitability of the site for the development,

(d) any submissions made in accordance with this Act or the regulations,

(e) the public interest.

Planning Controls

The Zoning of the site is RU5 Village, which has the following provisions:

1 Objectives of zone

- To provide for a range of land uses, services and facilities that are associated with a rural village.
- To ensure that development in village areas is compatible with the environmental capability of the land, particularly in terms of the capacity of that land to accommodate on-site effluent disposal.
- To retain and facilitate expansion and redevelopment of the existing central business district of the Hay urban area and to further strengthen the core retail functions of this area.
- To encourage appropriate business development at the intersection of Cobb, Mid-Western and Sturt Highways that services the needs of the travelling public.
- To encourage appropriate tourist development within the Hay urban area.

2 Permitted without consent

Environmental protection works; Home-based child care; Home occupations; Roads; Water reticulation systems

3 Permitted with consent

Centre-based child care facilities; Community facilities; Dwelling houses; High technology industries; Home industries; Liquid fuel depots; Neighbourhood shops; Oyster aquaculture; Places of public worship; Recreation areas; Recreation facilities (indoor); Recreation facilities (outdoor); Respite day care centres; Schools; Tank-based aquaculture; Any other development not specified in item 2 or 4

4 Prohibited

Agriculture; Air transport facilities; Airstrips; Animal boarding or training establishments; Cellar door premises; Electricity generating works; Extractive industries; Farm buildings; Farm stay accommodation; Forestry; Heavy industrial storage establishments; Industries; Local distribution premises; Marinas; Mooring pens; Moorings; Open cut mining; Roadside stalls; Rural industries; Rural workers' dwellings; Sex services premises; Waste disposal facilities; Wharf or boating facilities

The proposal is best characterized as 'Multi-dwelling housing' or residential 'Dwelling houses'. Under Item 3 of the RU5 zone provisions, "Any other development not specified in item 2 or 4" is permitted with consent. The works are not listed as prohibited under Item 4;

therefore, the works are permitted with development consent. Regarding the Zone Objectives, the development provides diversified housing options within the rural village zone, aligning with the objective to provide a range of land uses and services associated with a rural village.

Hay Shire Council Fencing Policy: The application includes a 1.5m front fence. Standard residential provisions generally restrict solid front fences to 1.2m to maintain streetscape visibility and traffic safety. It is recommended that the 1.5m fence be supported, as the fence poses limited risk, and there are already similar fences in the vicinity.

Local Government Act 1993 – Section 68 Requirements: Because the units are transportable/manufactured homes, a separate Section 68 Approval to Install a Transportable Dwelling is required prior to the structures being established on-site, if the applicant does not apply for a Construction Certificate and Occupation Certificate under the Environmental Planning and Assessment Act and the National Construction Code. Structural concrete footing details and tie-down specifications must be submitted and vetted under this separate application to guarantee structural stability against local wind and soil loads.

Environmental Impacts

The introduction of two units on a 1269m² lot represents an increase in localised density. However, given the substantial site area, the development maintains an appropriate footprint that preserves open space and sits comfortably within the established residential fabric of the RU5 Village zone.

The introduction of two new roof structures and associated impervious paved areas can alter the site's surface runoff dynamics. To mitigate the risk of localized flooding or sheet-surface runoff impacting adjacent allotments, a condition of consent is imposed that all stormwater must be captured via guttering and safely conveyed by gravity to Council's infrastructure in Russell Street.

The proposal requires the demolition of an existing accessory shed structure. Given the age of standard outbuildings within the Hay locality, there can be a possibility of encountering asbestos-containing materials (e.g., fibro sheeting). Environmental safeguards have been built into the draft conditions, mandating compliant handling, 200-micron plastic wrapping, and dust-suppression measures before transport and disposal at the Hay Waste facility.

The aerial site footprint indicates that the removal of the shed will not necessitate the clearing of any ecological vegetation. Minimal structural disturbance allows for the retention of existing deep-soil zones towards the rear and sides of the allotment, maintaining local urban biodiversity and natural soil infiltration capabilities.

Social Impacts

In accordance with the broader objectives of the RU5 Village zone, this development positively contributes to the social fabric of Hay by introducing medium-density housing. Offering single-story, low-maintenance transportable units expands the rental and housing stock, providing viable pathways for smaller households, older residents looking to downsize, or incoming seasonal workers.

While neighbours raised concerns regarding the visual compatibility of manufactured homes, modern transportable units can deliver a clean, uniform external appearance. The visual interface with the public domain will be defined by a structured 1.5m front fence.

The single-story layout minimises the potential for overlooking into adjoining private open spaces compared to two-story alternatives. Acoustic privacy between the new units and

existing boundaries can be successfully managed through compliant internal insulation. Unit 3, which is currently proposed to be on the property, is conditioned to be moved 900mm off the boundary.

Economic Impacts

The construction, site preparation, and connection of services will generate immediate, short-term economic activity for local trades, plumbers, and earthmovers. Additionally, there will be long term economic benefits to adding to the housing stock in Hay.

Infill development, such as the proposed development, utilises existing municipal infrastructure without requiring expensive capital expansions by Council.

Site Suitability

The subject allotment at 379 Russell Street is considered highly suitable for the proposed multi-dwelling residential development. The site size of 1269m² easily accommodates the building footprints, required setbacks, and open space areas for two transportable units while retaining the principal dwelling. Situated on a residential one-way street, the property benefits from an established local road network capable of absorbing the minor increase in vehicular traffic without disrupting existing traffic flows, provided that dedicated on-site parking is utilised to prevent street congestion.

Furthermore, the land is free from any immediate environmental constraints that would impede development. The site is clear of significant ecological vegetation, and the minor demolition works can be safely managed via controls. The proposed development is compatible with the character of the surrounding locality, which consists of a caravan park, residential uses and industrial uses.

Submissions

The modified proposal was notified to 12 neighbouring properties in accordance with the policy for 14 days.

There were 1 neighbour comment received. The objection is included in Attachment C. **The applicant has reduced the number of units to two and changes the size of the units (x2) – From 60m² to 78m².**

The primary grounds of objection and planning responses are detailed below:

Objection 1: Impact on neighbouring properties and residential amenity

- Concern: Objector raised concerns that the proposed modification may result in impacts beyond those assessed under the original development approval, including increased activity, noise, disturbance and privacy.
- Planning Assessment: Russell Street is a low-speed, residential one-way environment. The site plan indicates that adequate on-site parking spaces are provided for the units, avoiding reliance on street parking. Any new vehicle crossovers require a separate Road Opening Permit to verify safe sightlines. The applicant has decreased the number of units from three to two, which will lessen the impact.

Objection 2: Noise and hours of operation

- Concern: Objectors are worried that adding 2 new roofs will create additional noise and disturbance, particularly during evenings, early mornings and weekends and will affect our house location.
- Planning Assessment: Standard conditions with approved construction hours.

Objection 3: Cumulative impact

- Concern: The assessment should consider not simply each individual aspect of the modification, but the cumulative effect of the proposed changes on adjoining and nearby properties.
- Planning Assessment: The units are single-story transportable structures, minimising vertical overlooking angles. Units sizes are the only change.

Objection 4: Departure from the Original Approval

- Concern: Council should consider whether the proposed modification remains consistent with the nature, scale and impacts of the development originally assessed and approved.
- Planning Assessment: The previous approved application was for two 60m² units, now it is two 78m² units, and conforms Section 4.55(2) of the Environmental Planning and Assessment Act 1979, which states the following:
 - . A consent authority may, on application being made by the applicant or any other person entitled to act on a consent granted by the consent authority and subject to and in accordance with the regulations, modify the consent if—*
 - (a) it is satisfied that the development to which the consent as modified relates is the same or substantially the same development as the development for which consent was originally granted and before that consent as originally granted was modified (if at all), and*
 - (b) (Repealed)*
 - (c) it has notified the application in accordance with—*
 - (i) the regulations, if the regulations so require, or*
 - (ii) the community participation plan, if the community participation plan requires the notification or advertising of applications for modification of a development consent, and*
 - (d) it has considered any submissions made concerning the proposed modification within the period prescribed by the regulations or provided by the community participation plan, as the case may be.*

Public Interest

The provision of affordable, medium-density infill housing directly supports the Hay Local Strategic Planning Statement and the Hay Structure Plan. The public interest is well-served by expanding the local rental or residential supply, provided the development adheres to building standards and environmental control safeguards.

It is seen that the proposed development is in the public interest.

The recommendation is to support the application with the modification changes the size of the units (x2) – From 60m² to 78m².

RELEVANCE TO STRATEGIC COMMUNITY PLAN	Environmental 2.1 Council is resilient and adaptive 2.1.1 Council considers climate change resilience in our services, and the maintenance and management of our buildings, public spaces and infrastructure. Economic 3.1 Our community welcomes new and innovative industry to support our future 3.1.1 Future Ready Businesses 3.1.2 Strengthen Business Support Services 3.1.3 Business Attraction and Investment Growth 3.1.4 Facilitate growth industries including workforce development and skills
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	3.1.5 Identify opportunities to grow the agricultural sector 3.1.6 Identify opportunities to grow the renewable energy sector Civic Leadership 4.1 Our Council leads by example 4.1.1 Implement and promote best practice governance 4.1.2 Monitor and evaluate Council's strategic planning documents 4.1.3 Be environmentally responsible in decision making 4.1.4 Council will seek to continuously improve 4.2 Our community is supported by a strong and resilient Council that is responsive to its needs 4.2.1 Provide an advocacy role on behalf of the community 4.2.2 Inform and empower community input into decision making 4.2.3 Our community has access to Council information, services and facilities
FINANCIAL IMPLICATION	N/A
LEGISLATIVE IMPLICATION	Environmental Planning & Assessment Act 1979 Hay Local Environmental Plan 2011
POLICY IMPLICATION	Notification & Advertising of Development Proposals Policy Fencing Policy Building over Sewer Mains Policy
ASSET IMPLICATION	N/A
RISK IMPLICATION	Low

RECOMMENDATION

DA2026-11-2 Modification to install 2 units This modification changes the size of the units (x2) – From 60m² to 78m² at 379 Russell St, Hay.

- (1) **Compliance with Consent:** The Development being completed in accordance with plans and specifications stamped by Council being Plans A & B, for 379 Russell St, Hay, except where varied by conditions of this consent. **Detailed siting plans will need to be provided before the approval of Section 68 approvals or the Construction Certificate, showing the distances off all boundaries.** Also
- No building can be closer than 900mm off any boundary
 - Any development needs to adhere to Council's Building Over Sewer Mains Policy.

Reason: *To confirm the details of the application as submitted by the applicant and as approved by Council.*

- (2) **Signage:** Site signage shall apply and must be erected on the site in a prominent, visible position for the duration of the construction.
- Stating that unauthorised entry to the site is not permitted;
 - Showing the name of the builder or another person responsible for the site and a telephone number at which the builder or other persons can be contacted outside working hours; and
 - The name, address and telephone contact of the Principal Certifying Authority for the work.

Any structures erected to meet the requirements of this condition must be removed when it is no longer required for the purposes for which it was erected.

Reason: *To meet the minimum requirements of the Environmental Planning and Assessment Regulation.*

- (3) **Compliance with Standards:** Any building and associated works shall comply with the statutory requirements of the Environmental Planning & Assessment Act, Local Government Act and the National Construction Code (NCC).

Reason: *The legal obligations of the Council to administer the New South Wales building and planning laws in order to provide satisfactory standards of living and development.*

- (4) **Critical Stage Inspections:** A person who is carrying out, or in charge of carrying out the work, must notify Council with 24 hours notice when the relevant inspections are required below:
- (a) Pier pads prior to pouring concrete;
 - (b) All footing excavations, with steel in position, before concrete is poured;
 - (c) All concrete floors and raft slabs, with steel and damp proof membrane in position before concrete is poured;
 - (d) Sewer drains before being covered;
 - (e) Bearers and floor joists before flooring is laid;
 - (f) Wall and roof framing before being lined;
 - (g) Insulation of walls, roof, floor, ceilings, soffits, service pipes, ducts and chimney flue dampers;
 - (h) Wet area flashings after internal linings are installed;
 - (i) Stormwater drains before backfilling;
 - (j) Fire-rated wall and ceiling framing;
 - (k) Sound transmission measures;
- Final inspection on completion of the works, and BEFORE any occupation.

Reason: *The need for Council to ensure that works have been carried out in accordance with the approved plans, specifications and the relevant legislation/standards.*

- (5) **Siting:** The applicant is responsible to ensure that the building is sited on the allotment and constructed to the design levels approved by Council as specified on the approved site plan.

Reason: *To ensure no encroachments occur onto neighbouring properties and no changes are made to the approved siting of the building.*

- (6) **Variations:** No alteration to approved plans and specifications is allowed unless separately approved by Council.

Reason: *To ensure the designs meet regulations and standards, and are in line with Council policies.*

- (7) **Site Encroachment Prohibited:** The structure shall be erected solely within the property boundaries. Guttering and eaves should not overhang Lot boundaries, having a minimum distance of 450mm between the overhang of any eaves/guttering and the side boundaries of the allotment.

Reason: *To ensure that no encroachments occur onto neighbouring properties/Lots.*

Stormwater Disposal: Storm water run-off from all roofs and extensive paved areas is to be collected and conveyed by gravity to Council's storm water collection system (**Russell Street**) via a system of underground pipes having a diameter of at least 90mm and laid at a grade of at least one-in-one hundred (1%).

Reason: *Preservation of the integrity of buildings and other structures, soil conservation, and not to impact neighbouring properties.*

- (8) **Smoke Detector:** In a Class 1a building, smoke alarms must be located in—
- (a) any storey containing bedrooms, every corridor or hallway associated with a bedroom, or if there is no corridor or hallway, in an area between the bedrooms and the remainder of the building; and
 - (b) each other storey not containing bedrooms.
 - (c) The smoke detectors/alarms shall be installed as per Australian Standard AS3786.
 - (d) powered from the consumer mains source where a consumer mains source is supplied to the building; and
 - (e) interconnected where there is more than one alarm.
- (9) **Termite Protection:** The building and immediate surrounds shall be treated in accordance with Australian Standard 3660.1 for protection against subterranean termites, and a copy of the guarantee submitted to Council.

NB: If a chemical system is selected for use as a barrier against termite attack, a durable notice shall be attached to the house providing information relating to the treatment supplied and the chemical used. This notice should be affixed permanently in either the electric meter box or at the entrance to the sub-floor area.

Whilst the Building Code of Australia (BCA) and AS 3660.1 prescribe measures for protection in relation to the structural elements of a building, there are many other elements which may be susceptible to termite attack. Council therefore, encourages builders and owners to take general protective measures against termite attack according to approved industry standards and practices.

No protective measure is permanent. Owners should therefore, arrange regular inspections of their building by appropriate experts.

Reason: To protect the building from termite attack.

- (10) **Occupation Certificate Required:** Prior to commencement of the use (and/or) occupation of the subject development, a satisfactory final inspection (and/or) occupation certificate must be issued by the Principal Certifying Authority. An Occupation Certificate must be applied for via the Planning Portal, select your development and apply for a “Related Certificate”.

Reason: To ensure compliance with approval.

- (11) **Section 68 Certificate Required:** If the units will be approved under the Local Government Act, an Approval to Install a Transportable Dwelling, pursuant to Section 68 of the Local Government Act 1993, as amended, must be obtained from Council prior to the building being erected/established on the subject land.

NOTE 1: Council will determine the Section 68 Application and impose any relevant conditions. The applicant is advised to read the Approval and comply with the conditions as appropriate.

Reason: To enable the design of the proposed work to be assessed, in detail, before any work commences on site, and because it is in the public interest that the development comply with the appropriate construction standards and Section 68 of the Local Government Act 1993, as amended.

- (12) **Lapsing of Consent:** This consent is limited to a period of 5 years from the date of the Notice of Determination, unless the works associated with the development have physically commenced.

Reason: To ensure compliance with the Environmental Planning & Assessment Act 1979.

- (13) **Waste Storage During Construction:** Provision shall be made on site for the proper storage and disposal of waste such that no builders' waste shall be left in the open. Specific attention should be given to items which are subject to relocation by the action of wind, eg. paper, sheets of iron, ridge capping, cement and lime bags and the like.

Reason: *To ensure that the site is not a source of wind-blown litter.*

- (14) **Water and Sewerage Connection:** Before the approval of the Construction Certificate and/or the Section 68 approval, the applicant needs to submit a services plan detailing water and sewer connections, to be approved by Council's Engineer.

All connections to, or alteration to, any sewerage lines MUST be carried out by a Licensed Plumber/Drainer.

Please ensure a Sewerage Diagram is provided to Council on completion (template attached) and prior to the issue of an Occupation Certificate.

Reason: *To ensure a minimum standard of workmanship in relation to any sewer and drainage activity.*

- (15) **Water Proofing of Wet Areas:** The installation of a water proof membrane of internal wet areas as nominated in this Consent shall be undertaken to the standards of AS 3740 2004 and for a Certificate of Installation to be submitted to the Council. The installer shall be a person who holds a Water Proofing Licence with the Department of Fair Trading. The Certificate issued shall meet the requirements of the Council or PCA in terms of warranty and application. The sealed area in the shower recess shall be subject to a 24 hour water test and is a mandatory inspection requirement. The number of coats shall be applied on the floor outside the door leading to the treated wet area.

Reason: *To ensure the water proof measures of the National Construction Code and the Australian Standard are observed and adhered to.*

- (16) **Fencing:** Any fencing installed on the boundaries of the allotment must be in accordance with Hay Shire Council's Fencing Policy, with the exception of the front fence as per the application.

Reason: *Compliance with Hay Shire Council's Fencing Policy and minimise impact on traffic safety.*

- (17) **Easements:** The applicant is required to ensure that any easements registered over the title to the land are complied with.

Reason: *Compliance with legal documents.*

- (18) **Vehicular Crossing/Driveway:** If it is proposed to construct a new (or alter) a vehicular crossing on the public footpath or road verge, a Road Opening Permit must be applied for. This will need to be before commencement of construction. All costs to driveways are to be borne by the applicant.

Reason: *To ensure that works carried out on public roads conform to the requirements of Council (the responsible authority), and reduce the risk to life and property (neighbours, street lights, power poles, road damage, etc).*

- (19) **Demolition Works:** Demolition of existing building or structures is to be carried out in a manner so that the risk of injury to health and safety of site personnel and public persons will be minimised.

Identify and locate service supply mains – Water, Electricity and notify the controlling authority to disconnect such services prior to demolition.

All debris is to be removed from the site and disposed of at Hay Waste Depot, in the building refuse section of the garbage depot. Please note that a separate fee applies for disposal of waste at Council's waste depot. You should contact Council's Waste Service Officer for an estimate of costs in this regard.

Reason: *To ensure the safety and to minimise the disruption to services through damage to same.*

(20) **Excavation Safety:**

All excavations and back-filling associated with the erection or demolition of a building must be executed safely and in accordance with appropriate professional standards. The adjoining property owner is to be given seven (7) days notice.

All excavations associated with the erection or demolition of a building must be properly guarded and protected to prevent them from being dangerous to life or property.

Reason: *Regulatory compliance*

(21) **Waste Removal:**

All debris and any waste fill is to be removed from the site and disposed of at Hay Garbage Depot, in the building refuse section of the garbage depot. Please note that a separate fee applies for disposal of waste at Council's waste depot. You should contact Council's Works Operations Manager for an estimate of costs in this regard.

Reason: *To ensure that the amenity and unsightly condition is minimised.*

(22) **Waste Storage During Construction:**

Provision shall be made on site for the proper storage and disposal of waste such that no builders' waste shall be left in the open. Specific attention should be given to items which are subject to relocation by the action of wind, eg. paper, sheets of iron, ridge capping, cement and lime bags and the like.

Reason: *To ensure that the site is not a source of wind-blown litter.*

(23) **Asbestos Removal:**

Any quantity of asbestos, whether it be stabilised or non-stabilised (loose), should be undertaken with care. Stabilised asbestos can include fibro sheets, fibro roofing, fibro water pipes, and bituminous floor tiles. If you are removing more than 10 sq. mtrs. of surface area you will need to have a specially licensed person with Workcover, authorised to undertake such work. If you are removing stabilised asbestos sheeting, roofing, etc. observe the following precautions:

- Remove entire sheets of materials without breaking the product, ie punch nail holes through rather than break the sheet, take down – don't drop.
- Thoroughly wet each sheet of the waste before removing.
- Wrap the sheeting in plastic 200 microns thick.
- When transporting, make sure the top of the trailer is taped over with plastic sheeting and secured.
- Transport to an asbestos authorised disposal area, ie Hay Waste Depot is authorised, provided prior notice has been given so that the disposal pits are specially opened up and protective gear is worn by the operator of the plant.
- When unloading do not drop on the ground but gently place into the areas as directed by the Council operator.
- Do not use power tools which expose the asbestos fibres.
- Do not scrub or water-blast any asbestos cement sheeting.
- Do not slide sheets over other sheets, as this will release fibres.
- Wear a protective mask and goggles.

Websites with additional information are at www.asbestosawareness.com.au and Council's

website, www.hay.nsw.gov.au.

Reason: *To minimise the risk of asbestosis and to dispose of this harmful product in a safe secure manner at an accredited disposal point.*

(24) **Details Required for Concrete Footings**

Details of all structural concrete footings shall be submitted with the Section 68 application.

Reason: *It is in the public interest that all building elements are able to withstand the combination of loads and other actions to which it may be subjected.*

Applicant contact details

First given name	Dylan
Other given name/s	
Family name	Lund
Contact number	0458271625
Email	dylan.lund8@gmail.com
Address	468 MOPPETT STREET HAY 2711
Application on behalf of a company, business or body corporate	No

Owner/s of the development site

Owner/s of the development site	I am the only owner of the development site
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Site access details

Are there any security or site conditions which may impact the person undertaking the inspection? For example, locked gates, animals etc.	No
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Developer details

ABN	
ACN	
Name	
Trading name	
Address	
Email Address	

Development details

Application type	Modification Application
On what date was the development application to be notified determined	26/05/2026
Modification type	Other modification, where the development as originally approved remains substantially the same - Section 4.55(2)
Development Application number of the consent to be modified	
Please provide a detailed description of the proposed modification	changed unit size from 15x4 to 12x6.5
Was your application applied for through the NSW Planning Portal?	Yes
Provide NSW Planning Portal application number (PAN)	PAN-591946
Site address #	1
Street address	RUSSELL STREET HAY SOUTH 2711
Local government area	HAY
Lot / Section Number / Plan	7001/-/DP1026745 ☐
Primary address?	No
	Land Application LEP Hay Local Environmental Plan 2011 Land Zoning

Planning controls affecting property	RE1: Public Recreation Height of Building HAY SHIRE COUNCIL NA Floor Space Ratio (n:1) NA Minimum Lot Size NA Heritage NA Land Reservation Acquisition NA Foreshore Building Line NA Groundwater Vulnerability Groundwater Vulnerability Terrestrial Biodiversity Sensitive Area Wetlands Wetlands
Site address #	2
Street address	379 RUSSELL STREET HAY SOUTH 2711
Local government area	HAY
Lot / Section Number / Plan	61/-/DP1299454 ☒
Primary address?	Yes
Planning controls affecting property	Land Application LEP Hay Local Environmental Plan 2011 Land Zoning RU5: Village Height of Building NA Floor Space Ratio (n:1) NA Minimum Lot Size NA Heritage NA Land Reservation Acquisition NA Foreshore Building Line NA Groundwater Vulnerability Groundwater Vulnerability

Proposed development

Selected common application types	Demolition Erection of a new structure
Selected development types	Residential Accommodation Dwelling House
Description of development	Construction of three single story dwellings, demolition of shed and 1.5m front fence.
Does the development include affordable housing?	No
Dwelling count details	
Number of dwellings / units proposed	3
Number of storeys proposed	0
Number of pre-existing dwellings on site	1
Number of dwellings to be demolished	0
Existing gross floor area (m2)	125

Proposed gross floor area (m2)	86
Total site area (m2)	1,269 HAY SHIRE COUNCIL
What is the estimated development cost, including GST?	\$122,000.00
Estimated development cost	\$120,000.00
Do you have one or more BASIX certificates?	No
Subdivision	
Number of existing lots	
Proposed operating details	
Number of staff/employees on the site	

Number of parking spaces

Category of development	Car parking spaces	Motorcycle spaces	Bicycle spaces
Residential accommodation	4	0	0
Total	4	0	0

Number of loading bays	
Is a new road proposed?	No
Concept development	
Is the development to be staged?	No, this application is not for concept or staged development.
Crown development	
Is this a proposed Crown development?	No

Related planning information

Does your DA need to be referred to an external agency or other body?	No
Is your proposal categorised as designated development?	No
Is your proposal likely to significantly impact on threatened species, populations, ecological communities or their habitats, or is it located on land identified as critical habitat?	No
Is this application for biodiversity compliant development?	No
Does the application propose a variation to a development standard in an environmental planning instrument (eg LEP or SEPP)?	No
Is the application accompanied by a Planning Agreement ?	No
Section 68 of the Local Government Act	
Is approval under s68 of the Local Government Act 1993 required?	No
10.7 Certificate	
Have you already obtained a 10.7 certificate?	
Tree works	
Is tree removal and/or pruning work proposed?	No
Local heritage	

Does the development site include an item of environmental heritage or sit within a heritage conservation area.	No
Are works proposed to any heritage listed buildings?	No
Is heritage tree removal proposed?	No
Affiliations and Pecuniary interests	
Is the applicant or owner a staff member or councillor of the council assessing the application?	No
Does the applicant or owner have a relationship with any staff or councillor of the council assessing the application?	No
Political Donations	
Are you aware of any person who has financial interest in the application who has made a political donation or gift in the last two years?	No
Please provide details of each donation/gift which has been made within the last 2 years	

Sustainable Buildings

Is the development exempt from the State Environmental Policy (Sustainable Buildings) 2022 Chapter 3, relating to non-residential buildings?	Yes
Provide reason for exemption. Is the development any of the following:	Development that is wholly residential

Payer details

Provide the details of the person / entity that will make the fee payment for the assessment.

The *Environmental Planning and Assessment Regulation 2021* and Council's adopted fees and charges establish how to calculate the fee payable for your development application. For development that involves building or other works, the fee for your application is based on the estimated cost of the development.

If your application is for integrated development or requires concurrence from a state agency, additional fees will be required. Other charges may be payable based on the Council's adopted fees and charges. If your development needs to be advertised, the Council may charge additional advertising fees.

Once this application form is completed, it and the supporting documents will be submitted to the Council for lodgement, at which time the fees will be calculated. The Council will contact you to obtain payment. Note: When submitting documents via the NSW Planning Portal, credit card information should not be displayed on documents attached to your development application. The relevant consent authority will contact you to seek payment.

The application may be cancelled if the fees are not paid:

Selected development types

First name	Dylan
Other given name(s)	
Family name	Lund
Contact number	0458271625
Email address	dylan.lund8@gmail.com
Billing address	468 MOPPETT STREET HAY 2711

Application documents

The following documents support the application.

Document type		Document file name
Site Plans	HAY SHIRE COUNCIL	NEW SITE PLAN July

Applicant declarations

I declare that all the information in my application and accompanying documents is , to the best of my knowledge, true and correct.	Yes
I understand that the development application and the accompanying information will be provided to the appropriate consent authority for the purposes of the assessment and determination of this development application.	Yes
I understand that if incomplete, the consent authority may request more information, which will result in delays to the application.	Yes
I understand that the consent authority may use the information and materials provided for notification and advertising purposes, and materials provided may be made available to the public for inspection at its Offices and on its website and/or the NSW Planning Portal	Yes
I acknowledge that copies of this application and supporting documentation may be provided to interested persons in accordance with the Government Information (Public Access) 2009 (NSW) (GIPA Act) under which it may be required to release information which you provide to it.	Yes
I agree to appropriately delegated assessment officers attending the site for the purpose of inspection.	Yes
I agree to pay any required NSW Planning Portal Service Fee/s specified under Schedule 4 of the Environmental Planning and Assessment Regulation 2021 to the Department of Planning, Housing and Infrastructure.	Yes
I have read and agree to the collection and use of my personal information as outlined in the Privacy Notice	Yes
I confirm that the change(s) entered is/are made with appropriate authority from the applicant(s).	



379 Russell St Hay - Proposed Units

Site Plan

Scale 1:200.





Hay Shire Council
 City of Hay Shire
 PO Box 141
 HAY NSW 2711
 Phone: (02) 6991 1100
 Fax: (02) 6991 1289
www.hay.nsw.gov.au

Important Notice!
 This map is not a precise survey document. Accurate locations can only be determined by a survey on the ground.
 This information has been obtained from the Council's internal database and is for internal purposes only. No reliance should be placed on the accuracy of the data, and the user should verify the accuracy of the information before using it for any purpose. The Council is not responsible for any loss or damage caused by the use of this information. The user should verify the accuracy of the data before using it for any purpose. The Council is not responsible for any loss or damage caused by the use of this information.

Important
 This map was produced using the GEOCENTRIC DATUM OF AUSTRALIA 1994 (GDA94), which has superseded the Australian Geodetic Datum of 1984 (AGD84). Heights are referenced to the Australian Height Datum (AHD) benchmark for most practical purposes. GDA94 coordinates and heights derived (GDA94) coordinates listed in the World Geodetic System 1984 (WGS84) are the same.

Drawn By: Jack Forlander

Projection: GDA94 / MGA zone 55

Date: 27/07/2026 11:43 AM

Map Scale: 1:500 at A4



To: Hay Shire Council

Re: Formal Objection to DA 2026-11-2 – Proposed Modification, 379 Russell Street, Hay

Dear General Manager / Planning Department,

We write to formally lodge our objection to the proposed modification associated with **Development Application DA 2026-11-2 for 379 Russell Street, Hay**.

Having considered the proposed modification, we have significant concerns regarding the potential impacts of the development to our property at the back of the abovementioned address.

Our concerns include:

- **Impact on neighbouring properties and residential amenity:** We are concerned that the proposed modification may result in impacts beyond those contemplated under the original development approval, including increased activity, noise, disturbance and privacy.
- **Noise and hours of operation:** We request that Council carefully consider the potential for additional noise and disturbance, particularly during evenings, early mornings and weekends, and the effect this may have on our [REDACTED]
- **Cumulative impact:** The assessment should consider not simply each individual aspect of the modification, but the cumulative effect of the proposed changes on adjoining and nearby properties.
- **Departure from the original approval:** We believe Council should carefully consider whether the proposed modification remains consistent with the nature, scale and impacts of the development originally assessed and approved.

We respectfully request that Council undertake a thorough assessment of the modification, including its likely impacts upon neighbouring properties and the existing character and amenity of the surrounding area.

For these reasons, **we object to the proposed modification to DA 2026-11-2 at 379 Russell Street, Hay and request that Council not approve the modification in its current form.**

We would appreciate acknowledgement of this submission and request that we be kept informed of Council's consideration and determination of the application.

Yours faithfully,

[REDACTED]

20TH AUG 2026

C3 – Myers Lane Units and Hay Health Precinct

REPORTING OFFICER	General Manager
ATTACHMENTS	- Nil

INTRODUCTION

An update on the “sale” of the Myer Lane Units to Argyle Housing and the progression of the Hay Health Precinct, as well as update on the Bishops Lodge subdivision.

COMMENTARY

Myers Lane Units:

As reported to the June 2024 council meeting Council owns and manages six (6) independent living units in Myers Lane. These were one third funded by the Department of Housing in the mid-1990's of which one unit is for a Legacy dependent. They contributed \$250,000 towards the units at the time.

As such Homes NSW (LHAC) retain a statutory interest in the asset that ensures the units are available to the community as designated social and affordable housing. The units are an asset of Council and while managed by Council, they are not our core business. There is an opportunity to investigate the transfer of the units, as social housing, to a Community Housing Provider (CHP) such as Argyle Housing. This would be of benefit to the Council, community and current and future tenants, including allowing Argyle Housing to have a larger holding in Hay which would increase the chances of it obtaining government funding for housing developments.



Again, CHP's attract Commonwealth Rent Assistance which allows the CHP to reinvest funds into the asset as well as social housing rental policy would apply (maximum of 30% of income can be charged as rent). In addition, other advantages include:

- Current tenants would not be disadvantaged nor any future tenants. Any potential change would be fully communicated with the current tenants. There will be no material impact on tenants but rather an increase in services provided to them.
- Tenants would receive the same program benefits as other Argyle Housing tenants

- The site would be managed out of their Griffith office with 24-hour assistance and use of local contractors. Timeframes for repairs are strict and Argyle has to report on these to the Registrar of Community Housing as part of its statutory obligations.
- Management of the units by Argyle would further strengthen the relationship between the community of Hay and Argyle Housing which in turn increases the equity ratio to support the Bishops Lodge Subdivision.
- A joint discussion with Homes NSW, Argyle Housing and Council would be required as any transfer of asset will require the approval of the State Government (Homes NSW) as an equity partner
- Council would retain a security interest over the site and would be returned to Council in the event of failure of the agreement with Argyle Housing

At this meeting, Council resolved to endorse the transfer of tile of Lot 11 DP868762 being Myers Lane Units to Argyle Housing Inc for the purpose of independent living, low income/social housing dwellings and be used strictly in accordance with the NSW Affordable Housing Ministerial Guidelines 2023-24 and subsequent editions as published; and that the land be gifted (\$1) for the purpose as described and that covenant(s) be placed on the Certificate of Title as necessary to ensure this occurs.

Since this meeting, staff have been working with NSW Land and Housing Corporation (LAHC) on how to best facilitate this transfer of the Property. LAHC solicitor in February 2026 advised:

LAHC has also considered the future plans of Council as set out in the undated Bishops Lodge Subdivision report sent to LAHC by David Webb of Council on 7 August 2024, and is willing to facilitate Council to transfer this Property to the CHP, in order to assist the tenants benefitting from the housing offered (defined in the Deed as 'rental accommodation for aged or invalid, pensioners and low to moderate income earners); and

Consequently, LAHC is willing to waive its right to first refusal of the sale of the property, and to waive its right to take any action consequent on the likely breaches of Agreement by Council, and agree to the transfer of Council's share of the property to the CHP, but only on the following conditions:

- a. Council and LAHC jointly engage a valuer to value the property. Council pays for the Valuation.*
- b. LAHC is then included in the title to the property as a tenant in common with Council in a share represented by its \$250,000 contribution divided by the current value of the property.*
- c. Council may then transfer its share in the property to the CHP, resulting in the CHP being on title with LAHC.*
- d. LAHC then leases its share in the property to the CHP.*
- e. All registration costs of transfer, including those from Council to LAHC of its share, are to be borne by the Council.*
- f. Each party otherwise pays for its own legal costs.*

In the alternative to a. to f. above, LAHC is willing to be paid out of its original share in the Property by Council, in return for providing a Withdrawal of the Caveat over the property,

Since this earlier position by the Department, there have been several meetings with Council and Argyle Housing, as well as Argyle Housing and the Department, with the position now:

LHAC to 'waive' Right of First Refusal under the Deed between Council and LHAC to buy the property, and also to waive its rights to take action against Council for any of its breaches under the Agreement, and agree to transfer Council's share of the property to Argyle, but under the following conditions:

- a. Council and LHAC jointly engage a valuer to value the property, and Council pays for the Valuation.
- b. LHAC is then included in the title to the property as a tenant in common with Council in a share represented by its \$250,000 contribution, divided by the current value of the property.
- c. Council may then transfer its share in the property to the CHP, resulting in the CHP being on the title with LHAC.
- d. LHAC then leases its share in the property to the CHP.
- e. All registration costs of transfer, including those from Council to LHAC of its share, are to be borne by the Council.
- f. Each party otherwise pays for its own legal costs.

In addition to the conditions stipulated by the Department, Council would wish to include:

1. Council has first Right of Refusal if Argyle Housing wished to dispose of the property and it is transfer back to Council for \$1; and
2. Argyle Housing pays for its own legal and valuation costs.

Council has obtained a valuation for the property from a registered valuer, being \$820,000.

It is recommended that Council continues to proceed with the “sale” of Myers Lane Units to Argyle Housing and authorises the General Manager to continue negotiations as outlined in the report.

Hay Health Precinct:

As reported to the February 2026 ordinary meeting, the Hay Health Precinct Legacy Housing Project - Strategic Business Case investigated the Hay Health Precinct Legacy Housing project, to provide up to 17 new homes for key health workers and seniors in Hay Shire, helping to address challenges arising from a lack of investment in appropriate housing supply.

The proposed Project will help mitigate additional demand pressure expected from the South West Renewable Energy Zone (SW REZ) projects. The proposed project would enable housing to be available as temporary accommodation for workers during the SW REZ construction period, who may otherwise take up scarce temporary or tourist accommodation. This will support social licence objectives for the REZ while also delivering a legacy benefit to the Hay community.

At the meeting Council resolved to endorse the Hay Health Precinct Legacy Housing Project Business Case, dated January 2026, and support the progression of the next steps for the Hay Health Precinct.

The developers of large-scale renewable energy projects in the SW REZ have expressed support for the project, including the provision of financial support. In addition, the project has been included for potential funding through the SW REZ Community Benefit and Employment Program (CEBP) and Regional Major Infrastructure Studies (RMIS), with Council last month ranking the project as Priority 2.

The scope of the project includes construction of 17 dwellings, which would be available to rent by SW REZ workers during the REZ construction period. Beyond this period, the project will provide:

- Seven dwellings for MHLN workers, being a mixture of two, three and four-bedroom dwellings.
- 10 dwellings for independent living for Hay's senior community members, being a mixture of one- and two-bedroom dwellings.

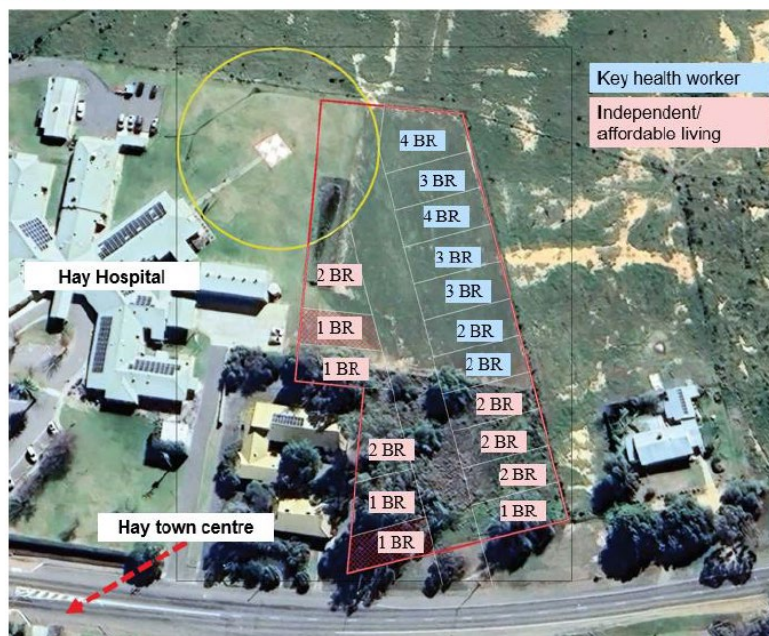
The Project would redevelop a parcel of vacant, residential-zoned land currently owned by Health Administration Corporation (NSW Government on behalf of MLHD) in the Hay Health and Aged Care

Precinct – which is proposed to be acquired by Council, as discussed with MLHD – and be delivered in partnership with a Community Housing Provider (CHP).

Hay Health Precinct Legacy Housing Project

Strategic Business Case

Figure 2-4: Project Site



Source: Arup Australia

Hay Shire has experienced insufficient investment in housing supply due to local market conditions, including comparatively lower capital gains, high costs of construction and limited availability of trades. These challenges are consistent with the findings of the 2021 NSW Regional Housing Taskforce and those facing other regional LGAs in NSW.

As a result, there is a significant mismatch between available housing and population needs. This particularly affects key health workers servicing Hay Hospital, seniors seeking to downsize and other low-income groups, with up to 65 households in Hay Shire experiencing rental stress in 2021. This is expected to be exacerbated by the construction of the SW REZ, which is due to commence in around 2027. This combination of a market failure in the housing market and the impact of other government policy initiatives present a strong need for government intervention.

The project objectives are to:

1. Increase the supply of temporary accommodation in Hay Shire to enable the economically and socially sustainable development of the SW REZ.
2. Improve the sustainability of essential services in Hay Shire by increasing long-term housing supply for key workers.
3. Enhance the amenity of the Hay Health Precinct through better use of existing land.
4. Provide legacy social and economy value to the local community by addressing longer-term housing needs of diverse cohorts within the population.

The project responds to the key recommendations of the NSW Regional Housing Taskforce, including bringing forward a supply of 'development-ready' land and increasing the availability of affordable and diverse housing across regional NSW. It also contributes towards State and national targets for increasing affordable housing supply.

Key SW REZ stakeholders have also indicated support for additional options in Hay town centre to supplement on-site accommodation, for temporary or specialist workers during project construction.

The Project is expected to generate a range of benefits, including:

- Better housing diversity and affordability in Hay Shire
- More sustainable access to key services in Hay Shire, such as health services and tourism
- More attractive and sustainable urban form in Hay town centre.

The dwellings will be constructed to minimise environmental impact and Hay Shire Council's preference is to use modern methods of construction to deliver low emissions homes and expedite delivery timeframes.

Council has obtained a valuation for the property (the land) from a registered valuer, being \$160,000.

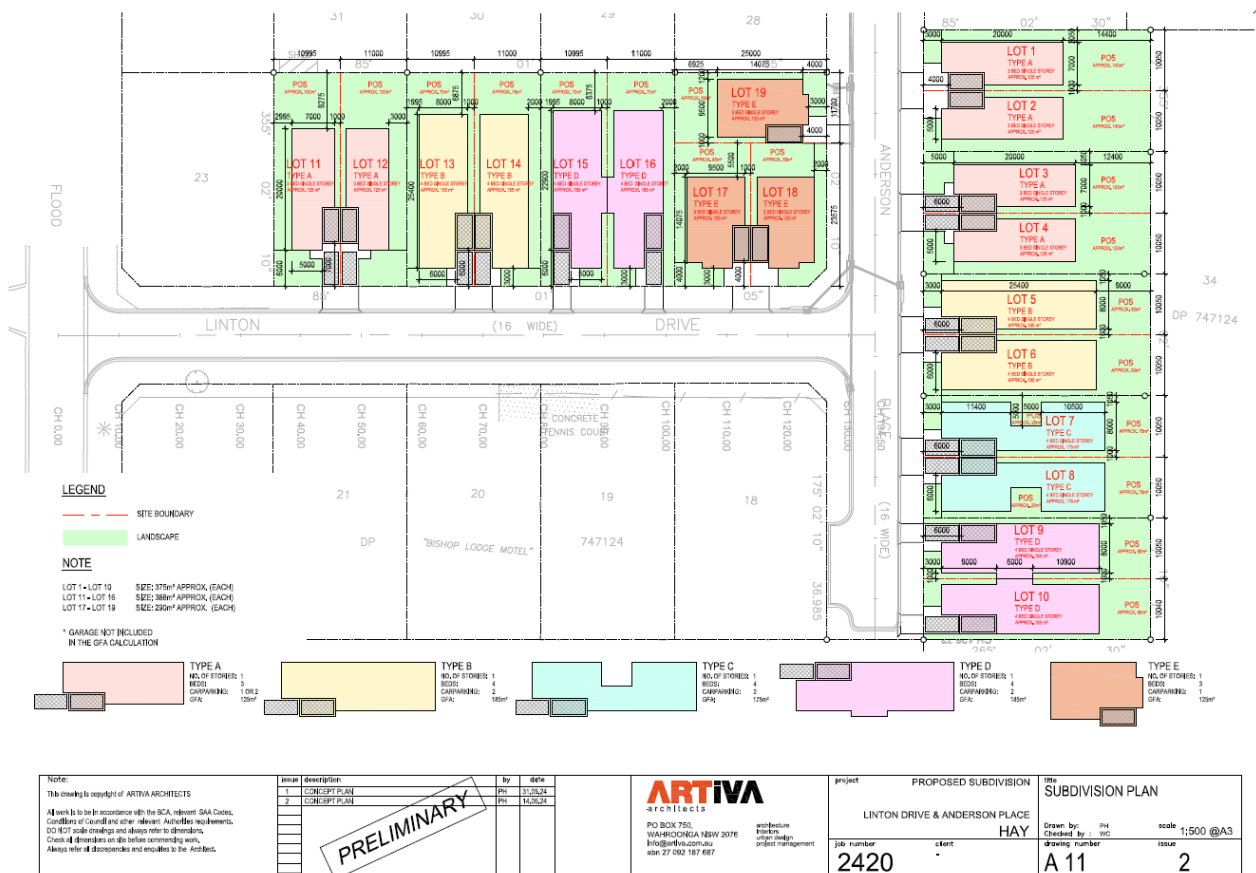
Staff have been actively engaging in discussions with MLHD and Argyle Housing on how best to undertake the proposed development. Staff are developing a Memorandum of Understanding (MOU) with Murrumbidgee Local Health District (MLHD), as land manager, to progress land acquisition negotiations, being the first critical step in the project.

The MOU will outline potential acquisition pathways and proposed ownership and management arrangements for the completed dwellings. For Council, the opportunity extends beyond essential worker accommodation and new housing supply to the creation of a long-term income-earning asset, with an outcome that must be secured in the terms of the MOU.

Bishops Lodge Subdivision:

The Contract, Call Option Deed and Deed of Agreement with Argyle Housing for the Bishops Lodge Subdivision was exchanged on 21st October 2025 and settlement occurred 2nd December 2025.

Hay Shire Council – Bishops Lodge Subdivision



It is proposed that dwellings on Lots 11 & 12 would be for Council staff and be transferred back to Council after 25 years for \$1, with Council have first right to “lease” the dwellings during the 25 year period. Further, the Hay Health Precinct Legacy Housing Project - Strategic Business Case provided the following in regard to the subdivision:

Bishops Lodge affordable housing (Hay Shire) Description: Proposal to develop nine vacant lots to deliver 17 affordable dwellings for essential workers in Hay Shire (police, healthcare, teachers, aged care and childcare) and two dwellings set aside for use by Hay Shire Council.		
		Source: <i>The Riverine Grazier</i>/Margie McClelland, 2024⁹¹
Procurement model: • Hay Shire Council gifts land to Argyle Housing (a CHP) to develop dwellings subject to Argyle Housing securing funding within four years • Argyle Housing to pursue funding through the Housing Australia Future Fund and other state and federal programs • Final layout and design of homes developed in consultation with Hay Shire Council⁹² • Homes to be owned and managed by Argyle Housing with two dwellings to be gifted back to Hay Shire Council in 25 years.⁹³	Insights for Project: • Land transfer/acquisition: Council-owned land transfer to CHP • Planning approvals and design: Council co-design with CHP • Construction: CHP led • Ownership: CHP with Client nomination rights for Hay Shire Council for council dwellings • Funding/finance: State/federal funding (Council not eligible to apply for HAFF funding).	

Argyle Housing applied in the last Housing Australia Future Fund (HAFF) round, which required a minimum of 50 dwellings split evenly between social and affordable housing, with at least 10% of social dwellings dedicated to First Nations households. Bishops Lodge was included within a larger portfolio application. While unsuccessful, the application has been placed on a reserve list and may be invited to submit an Expression of Interest should any funded projects not proceed. This is not a funding commitment, with an Expression of Interest a preliminary step rather than an application, and any funding would still need to deliver completed dwellings by the HAFF Round 3 deadline of July 2029. HAFF therefore cannot be relied upon as a certain pathway for Bishops Lodge.

If after four years Argyle Housing has not successfully obtained funding to for construction of the dwellings, the land (subdivision) reverts back to Council for \$1.

Bishops Lodge and the Hay Health Precinct currently remain separate projects, with distinct ownership arrangements and delivery pathways. There may be scope for the two to draw on common funding sources, though this has not yet been explored. Importantly, holding both projects in separate provides Council with optionality. Should either be unable to proceed, whether through funding uncertainty, timing constraints, or unresolved ownership and management arrangements, there is potential to pivot to the alternative site to secure the same core outcomes of essential worker housing, new housing stock, and a long-term income-earning asset for Council.

In particular, if discussions with MLHD do not resolve the MOU, or if timing becomes critical against REZ workforce demand, Bishops Lodge presents a serviced, development-ready site capable of delivering housing within a shorter timeframe. Any such pivot would be brought to Council for consideration, as it would materially alter the intended outcomes and delivery structure of both projects.

RELEVANCE TO STRATEGIC COMMUNITY PLAN	Social 1.4 Our youth and aged are supported
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	1.4.2 Support youth and aged services and initiatives Economic 3.3 Our community is resilient and adaptive 3.3.3 Reimagined Care Economy Civic Leadership 4.2 Our community is supported by a strong and resilient Council that is responsive to its needs 4.2.1 Provide an advocacy role on behalf of the community 4.2.2 Inform and empower community input into decision making 4.2.3 Our community has access to Council information, services and facilities
FINANCIAL IMPLICATION	Moderate: (i) Legal fees - \$30,000 (ii) Land purchase for Hay Health Precinct - \$160,000
LEGISLATIVE IMPLICATION	Local Government Act 1993 Aboriginal Land Rights Act 1983
POLICY IMPLICATION	N/A
ASSET IMPLICATION	Moderate – Council is required to maintain and renew the Myers Lane Units
RISK IMPLICATION	Moderate – reputational, financial and asset management

RECOMMENDATION

That Council:

- (a) Notes the information provided in the report and the actions being undertaken; and
- (b) Proceeds with the “sale” of Myers Lane Units to Argyle Housing and authorises the General Manager to continue negotiations as outlined in the report; and
- (c) Continues the progression of the next steps for the Hay Health Precinct, and authorises the General Manager to undertake negotiations, including the development of a Memorandum of Understanding (MOU) as outlined in the report.

C4 – Land Purchase

REPORTING OFFICER	General Manager
ATTACHMENTS	- Letter from Phil and Sharon Weymouth, dated 18th January 2018 - Letter from Phil and Sharon Weymouth, dated 17th August 2026

INTRODUCTION

Phil and Sharon Weymouth have requested that Council review the proposed purchase price of the small parcel of land adjoining 407 Lang Street, Hay.

COMMENTARY

Phil and Sharon Weymouth have requested that Council review the proposed purchase price of the small parcel of land adjoining 407 Lang Street, Hay. The land is 311.5 sqm:



The Weymouths first applied to Council to purchase the land in 2018, with Council approving the sale in 2020, subject to the applicants meeting the costs associated with road closure, obtaining a qualified valuation and there being no objections following public notification.

The process to finalise the sale has subsequently taken a considerable period of time and has involved a number of matters outside the applicants' control. These have included legislative and administrative changes, survey plan lodgement issues and delays associated with the closure of the road and creation of the individual title.

Crown Lands approval for the sale and road closure was received in December 2022. Following this, there were issues with the surveyor's lodgement of the relevant plans with Land Registry Services (LRS), including an initial misunderstanding regarding responsibility for lodgement. Once the plans were subsequently lodged and approved, Council contacted local solicitors in 2024 to progress the

road closure and title creation. Both advised that this was not work they had previously undertaken. The matter was subsequently referred to Public Works for processing on Council's behalf. The process through Public Works was protracted, including a change in the primary officer managing the matter and a lack of records being transferred to the replacement officer. The title creation was ultimately completed in mid-2026.

The applicants have continued to pursue the purchase throughout this period and have also incurred additional costs associated with having the land re-surveyed.

A valuation undertaken by Herron Todd White in February 2021 assessed the land at \$5,000. On 11 August 2026, the applicants were advised that the purchase could proceed at \$15,000, based on the current Valuer General valuation.

The applicants have requested that Council reconsider the proposed purchase price, noting that the parcel is not serviced by electricity or sewer and that the current price represents a significant increase from the 2021 independent valuation.

There is also some evidence that the current Valuer General valuation may be high when compared with other nearby land values. The Valuer General values provided for the relevant area were \$12,200 in 2022 and \$15,000 in 2025. By comparison, an adjoining residential property is reportedly valued at approximately \$26,700 for 855 m², while another property owned by the applicants in the same area is valued at approximately \$45,500 for 3,498 m². These comparisons suggest that the \$15,000 valuation for a 311.5 m² unserviced parcel warrants further consideration, although the differing characteristics and development potential of individual properties should also be recognised.

On balance, the extended timeframe in this matter appears to have resulted to a significant degree from survey, title creation, legislative and administrative issues outside the control of the applicants, rather than any failure by the applicants to progress the transaction. While Council has also contributed to progressing the matter, a number of the delays have occurred through processes involving external agencies.

Given the circumstances, it is considered reasonable for Council to reconsider the proposed purchase price. In particular, consideration could be given to the 2021 Herron Todd White valuation of \$5,000, the absence of electricity and sewer services to the parcel, the subsequent Valuer General valuations of \$12,200 in 2022 and \$15,000 in 2025, the relatively small size of the parcel, and the significant period that has elapsed since Council originally approved the sale.

Before determining a revised purchase price, Council may wish to obtain an updated independent valuation to establish the current market value of the parcel, taking into account its unserviced nature, its relationship to the adjoining property and its limited standalone development potential. This would provide Council with an objective basis for determining an appropriate sale price while recognising the unusual circumstances and extended delays associated with this particular transaction.

RELEVANCE TO STRATEGIC COMMUNITY PLAN	Civic Leadership 4.1 Our Council leads by example 4.1.1 Implement and promote best practice governance 4.1.2 Monitor and evaluate Council's strategic planning documents 4.1.3 Be environmentally responsible in decision making
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	4.1.4 Council will seek to continuously improve 4.2 Our community is supported by a strong and resilient Council that is responsive to its needs 4.2.1 Provide an advocacy role on behalf of the community 4.2.2 Inform and empower community input into decision making 4.2.3 Our community has access to Council information, services and facilities
FINANCIAL IMPLICATION	Minor
LEGISLATIVE IMPLICATION	Local Government Act 1993
POLICY IMPLICATION	N/A
ASSET IMPLICATION	Minor
RISK IMPLICATION	Minor

RECOMMENDATION

That Council:

- (a) Determines the sale price of the land adjoining 407 Lang Street, Hay; and
- (b) Authorises the Mayor and General Manager to proceed with the sale and execute Contracts under Council Seal as required.

18 JAN 2018

TRIM I /

General Manager Hay Shire Council
Hay Shire Council
Lachlan St
Hay

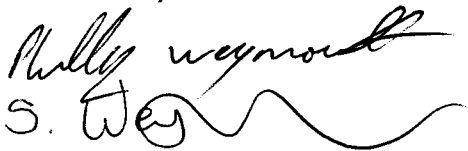
We wish to submit the following request for consideration to council.

Currently my we own the two properties 407 and 412 Lang St as the dwelling on 407 Lang is an older dwelling it is our intention in the future to renovate or rebuild on that block before we progress to a decision on what to do we would like to investigate the possibility of purchasing the land on either side of 407 Lang.

- 1) We wish to purchase the end of the lane way between our two properties the reason for this is we want to put in a gate and fence across for improved safety for our grandchildren as they move between the two properties without going near the road.
This section of lane does lead down to storm water outlet and if allowed to purchase the land we would agree provide council access to this outlet pipe and would not build any or place any objects that would restrict access.
Appendix 1 shows the area in question
- 2) If option one is not approved would you consider we can purchase 10mtrs out into the lane as shown on appendix 2 and allow us to place an access gate across to 412 Lang Street fence.
- 3) That we be able to lease the lane way fence it and maintain it as garden area with council access to outlet pipe.
- 4) Purchase the vacant land on the south side of 407 lang street this small parcel of land will enlarge the potential scope of what we can consider building on the block in the future, Appendix 3 shows the small parcel of land I have indicated 14mtr but would like council to consider range between 14mrt to 17mtrs additional street frontage.

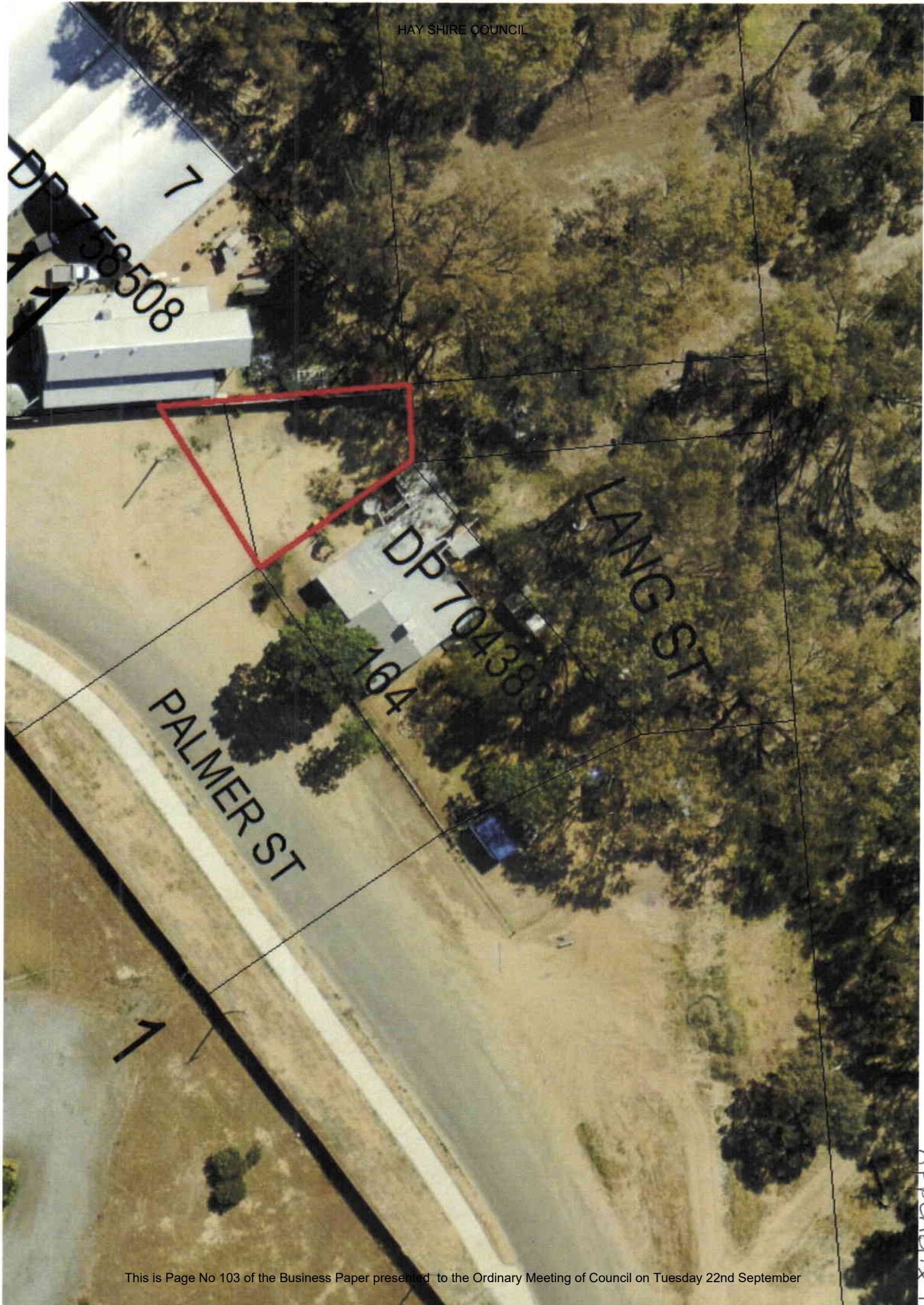
I would appreciate the opportunity to discuss this further with council staff and council.

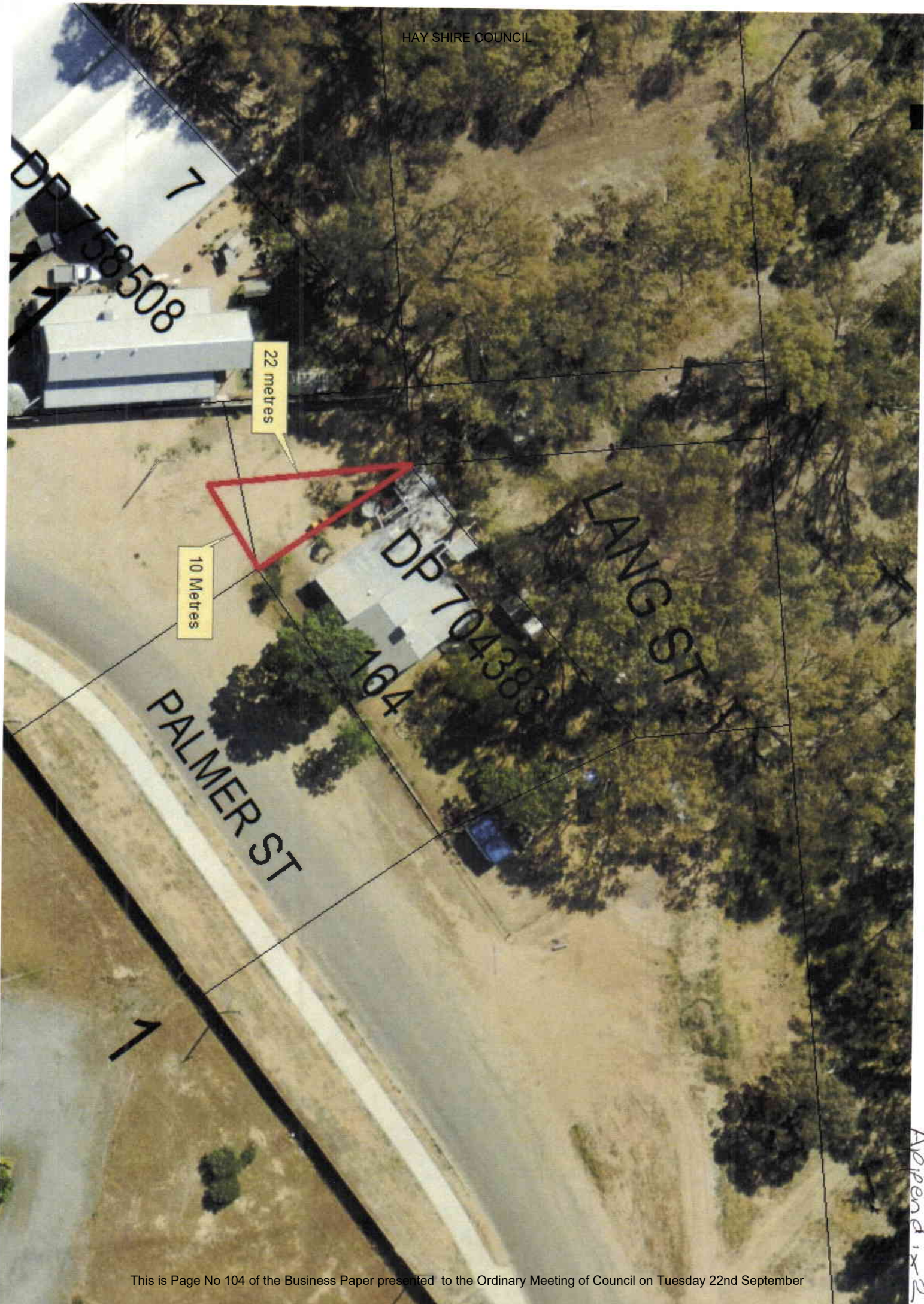
Yours Sincerely

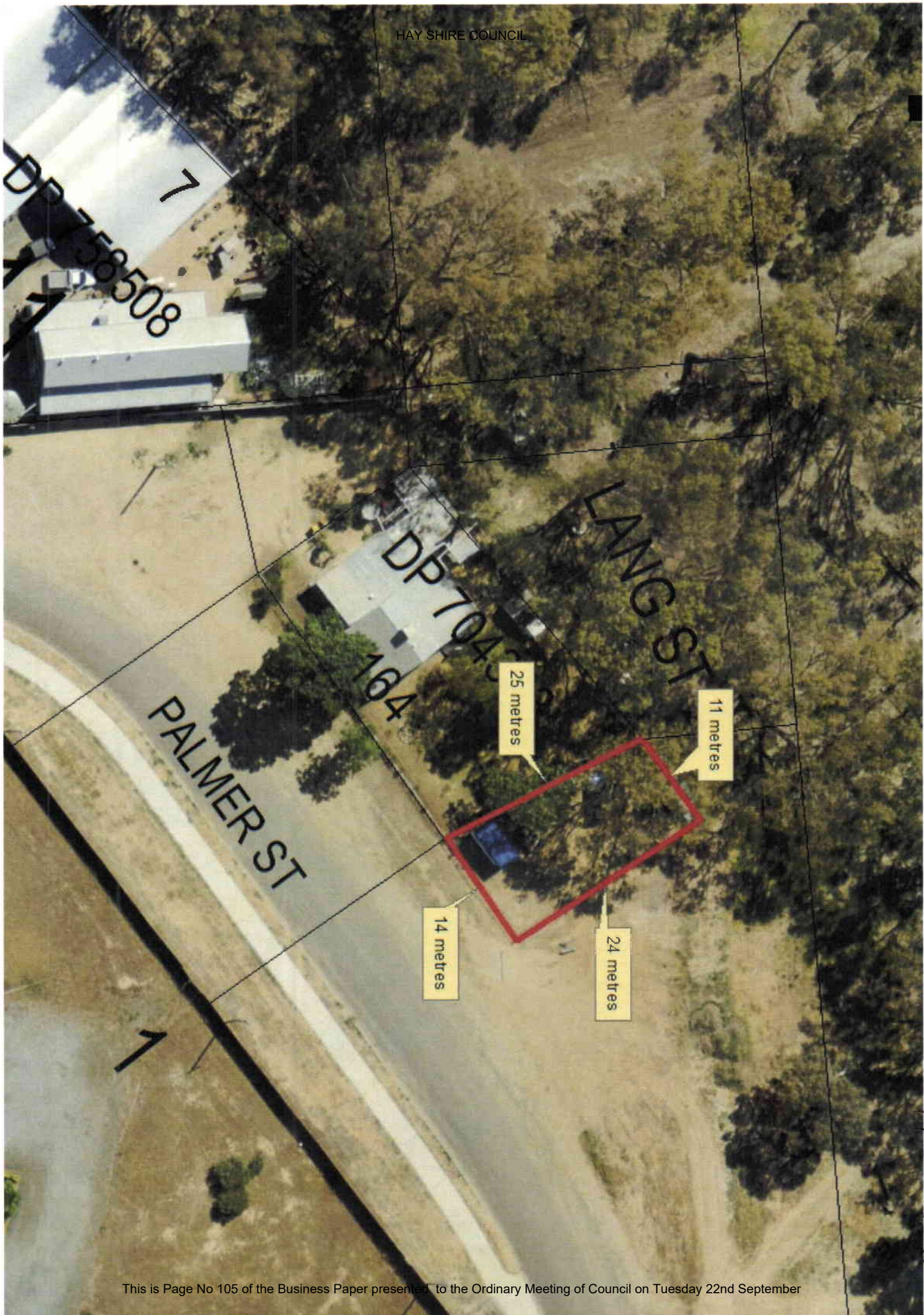


Phillip and Sharon Weymouth

Ph: 0498191158
Email: dippydots@hotmail.com







P & S Weymouth

412 Lang St

Hay

0498191158

dippydots@hotmail.com

17/8/2026

The General Manager

Hay Shire Council

134 Lachlan Street

PO Box 141

Hay NSW 2711

Subject: Request for Council Assistance and review

Dear General Manager,

I am writing to formally request that Hay Shire Council review the proposed purchase price for the small parcel of land adjoining 407 Lang Street, Hay. This request relates to our 2016 application to purchase the parcel, which was connected to our former ownership of 407 Lang Street and our intention for our daughter, Julie Weymouth, to purchase that property from us. At the time, we intended to subdivide the block and also apply to purchase the adjoining parcel, measuring approximately 14 metres on the street side, 24 metres on the eastern side, and 11 metres on the river bend side.

The original plan and surveyor's report prepared by Brian Mitch were submitted at the time of the application. In April 2016, Council granted approval to purchase the land, subject to the following conditions:

- a) Pay the costs associated with the road closure, which we did.
- b) A sale valuation amount was to be determined by a qualified valuer. This was completed by Herron Todd White in February 2021, with a valuation of \$5,000.
- c) No objections were received when the matter was gazetted.

Through no fault of our own, this process has taken more than 10 years. I will not set out the full list of reasons for the delays here, but I can provide that information if required. During this time, I have regularly kept in contact with various Council staff and continued to pursue our application, which Council staff should be able to confirm. We have also had to pay for the land to be re-surveyed because the original plans were no longer valid after 10 years.

On 11 August 2026, I was finally notified that we could proceed with the purchase of the land at a cost of \$15,000. Although I am reluctant to delay the process any further, I respectfully ask Council to reconsider the proposed price for the reasons set out below.

1) The parcel has no power or sewage services.

2) Our 2021 valuation was \$5,000. We would appreciate clarification about whether Hay land values have increased to a level that supports a \$15,000 purchase price within this period.

Throughout this process, whenever I raised concerns about the length of time involved, I was reassured that the value would remain similar to the original valuation. A proposed price of \$15,000, compared with the 2021 valuation of \$5,000, is a significant increase.

In light of the above, I respectfully request that Council review the proposed purchase price and advise whether the price can be reduced to better reflect the 2021 valuation, the limited services available to the parcel, and the delays that have occurred during the application process.

Thank you for your time and consideration. I look forward to your response.

Yours sincerely,

Phil & Sharon Weymouth

C5 - Renewable Energy Benefit Fund Committee – Establishment Plan and Revised Terms of Reference

REPORTING OFFICER	Executive Manager Economic Development, Tourism and Energy
ATTACHMENTS	- Revised Renewable Energy Benefit Fund Committee Terms of Reference, dated September 2026

INTRODUCTION

To seek Council's adoption of the revised Renewable Energy Benefit Fund Committee Terms of Reference and endorsement of the accompanying Establishment Plan.

COMMENTARY

Council adopted the original Terms of Reference for the Renewable Energy Benefit Fund Committee on 27 November 2025 as part of the wider Community Benefit Framework. Since that time, further work has been undertaken to develop the practical governance, financial and administrative arrangements required to establish the Committee and manage community benefit contributions received through Planning Agreements associated with renewable energy developments. The delivery of the Community Benefits Framework and establishment of the Renewable Energy Benefit Committee are noted as Actions in the Hay Economic Transition Roadmap (LL4 and LL5).

This work has provided a better understanding of how Planning Agreements will operate in practice, including the legislative limitations applying to the use of contributions, Council's non-delegable responsibilities and the need to manage funding received under multiple agreements over an extended period. It has also provided greater clarity about the respective roles of Council, the Committee, renewable energy developers and the community.

As a result, the Terms of Reference have been substantially revised and an Establishment Plan has been prepared. The Establishment Plan outlines the actions required to establish the Committee, the recruitment and appointment process, the application and assessment pathway, legislative requirements, funding arrangements, administration costs, implementation timetable and key risks.

Planning Agreements and legislative requirements

Hay Shire Council requires community benefit contributions received through Planning Agreements to be pooled and administered through a single Renewable Energy Benefit Fund. The Planning Agreements will be drafted to reflect this requirement, with consistent provisions enabling contributions from multiple developments to support coordinated investment in the community's identified priorities. The funds will remain restricted to the agreed public benefit purposes.

Legal review of the Planning Agreements will confirm that their provisions support this pooled funding approach and clearly establish:

- the purposes for which pooled contributions may be used;
- requirements for the timing, allocation and reporting of expenditure; and
- arrangements allowing governance and administration costs to be met from the contributions.

The revised Terms of Reference also recognise that a decision to provide financial assistance under section 356 of the Local Government Act 1993 cannot be delegated to a committee. The Committee will independently assess and rank proposals and make recommendations to Council; however, it will not have the authority to approve funding, expend money or otherwise bind Council. All funding allocations will remain decisions of Council made by resolution.

The Committee is proposed to be established as a wholly advisory committee using governance principles drawn from the audit, risk and improvement committee model under section 428A of the Local Government Act 1993. While section 428A does not directly apply to the Committee, the model provides appropriate safeguards through an Independent Chairperson, skills-based membership, independence requirements and annual assessment of the Committee's performance.

Legal confirmation of the proposed governance structure is recommended before the Committee is formally established. The establishing resolution should not describe the Committee as a section 355 committee, as it will exercise no function delegated by Council.

Integrity, transparency and longevity

The revised Terms of Reference have been designed to ensure the Fund operates with integrity and transparency over its full life. The governance model recognises that contributions will be received over several decades and that decisions made by the Committee and successive Councils must continue to reflect the purpose of each Planning Agreement and the long-term priorities of the Hay community.

The revised arrangements provide for:

- an Independent Chairperson and skills-based community membership;
- formal conflict-of-interest and pecuniary interest requirements;
- published eligibility and assessment criteria;
- consistent assessment and comparative scoring of Council-nominated projects and community applications;
- published investment priorities, funding decisions and reasons;
- annual reporting on income, expenditure, commitments and Fund balances, including a Planning Agreements Register;
- monitoring and evaluation of funded projects; and
- annual assessment of the Committee's effectiveness.

These measures will ensure there is a clear and documented connection between the contributions received, the priorities identified by the community and the projects ultimately funded.

The Fund will be supported by an investment mapping process that identifies where benefits have already been delivered, where gaps remain and where future investment is likely to have the greatest impact. This will allow contributions from multiple renewable energy developments to be coordinated over time rather than allocated through a series of disconnected funding decisions.

Proposals will be assessed against Council's Community Strategic Plan, Economic Transition Roadmap, Fundamental Principles for Renewable Energy Development and Renewable Energy Community Benefit Framework. The Committee will consider whether proposals deliver outcomes that are enduring, strategic, coordinated and inclusive.

Working with renewable energy developers

The revised Terms of Reference recognise that contributing developers hold information that can assist Council and the Committee to coordinate investment. This includes information about construction and workforce timing, developer-managed community programs and other investment proposed across the Shire as they relate to Access Rights Agreements.

Developers will be invited to provide written submissions and participate in consultation on the investment mapping process. This will help identify gaps, avoid duplication and ensure Planning Agreement contributions complement rather than replicate other developer or government programs.

Developer participation will be clearly separated from the assessment and allocation process. Developers will not be voting members of the Committee, will not participate in deliberations and will have no role in assessing individual applications or determining funding recommendations. Their participation in the investment mapping process will not provide an entitlement to direct how their contribution is allocated beyond the purpose established by the relevant Planning Agreement.

Developer submissions and the Committee's response to those submissions will be recorded. This approach enables Council to work constructively with developers and ensure they meet their commitments to the community while maintaining the independence, transparency and integrity of the Fund.

Committee structure

The Committee will comprise seven voting members:

- an Independent Chairperson;
- one Councillor representative; and

- five community members.

The Independent Chairperson will be appointed before expressions of interest are invited for community members. This will provide an independent perspective during the development of the recruitment and selection process.

Community members will be selected against an eight-competency skills matrix rather than appointed as representatives of particular organisations or interest groups. The selection process will seek an appropriate combination of governance, financial management, infrastructure and project delivery, community development, local knowledge, economic development and transition, engagement and evaluation capabilities.

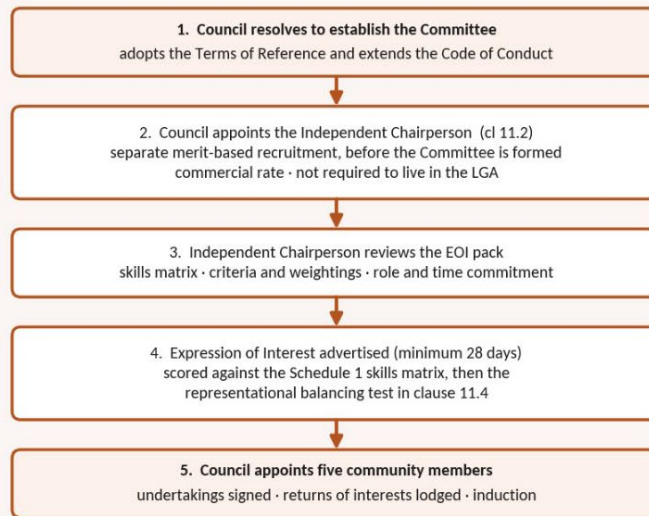
All members will be required to comply with Council's Code of Conduct, lodge returns of interests, declare actual, potential or perceived conflicts of interest and sign the undertakings included in the Terms of Reference.

HAY SHIRE COUNCIL — RENEWABLE ENERGY BENEFIT FUND COMMITTEE

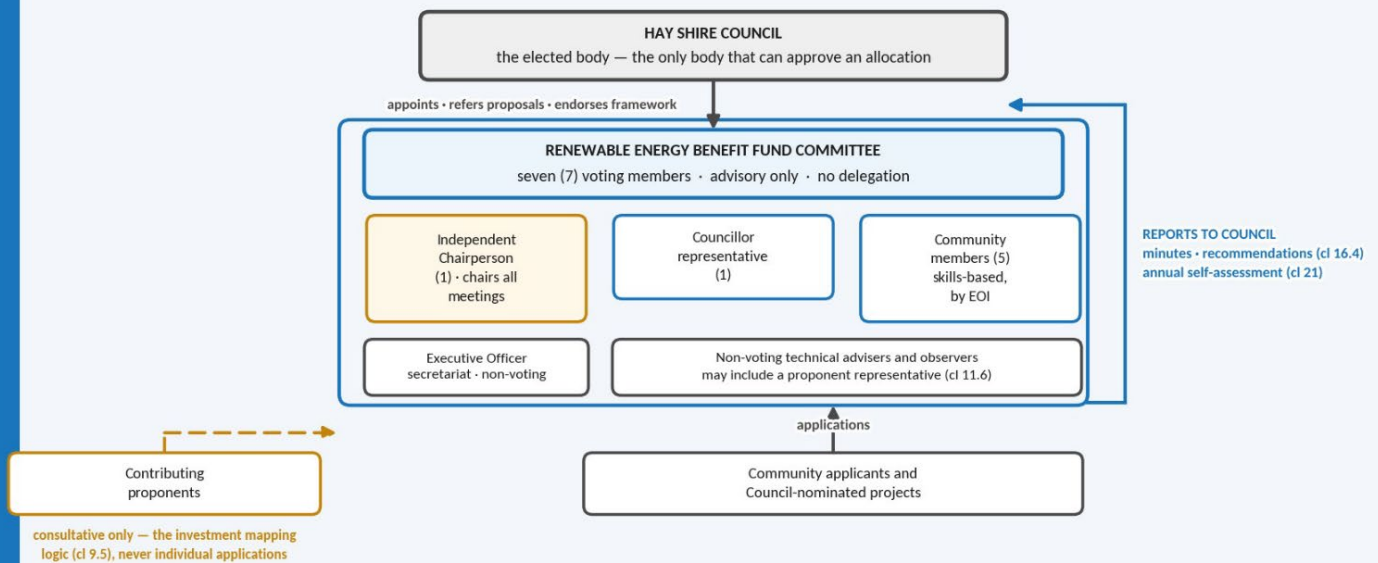
How the Committee is formed, and its reporting lines to Council

A wholly advisory committee, constituted on the audit, risk and improvement committee model · it holds no delegation

HOW IT IS FORMED



STRUCTURE AND REPORTING



Council approves every allocation by resolution. A recommendation of the Committee is not an approval (Local Government Act 1993 ss 356, 377(1)).

Funding and assessment model

For each two-year funding cycle, Council will determine the amount available for allocation. The revised Terms of Reference propose that available funding be divided into two ring-fenced allocations:

- 70% Council Strategic Allocation; and
- 30% Community Allocation.

The Council Strategic Allocation will support Council-nominated projects aligned with the Community Strategic Plan, Economic Transition Roadmap and Community Benefit Framework. The larger allocation recognises that significant legacy infrastructure will generally need to be delivered by Council, which holds the relevant land, procurement capability, asset management systems and long-term maintenance responsibility.

The Community Allocation will be reserved for eligible community applicants through an open and competitive funding round. It is not a residual allocation and cannot be used for Council-nominated projects without an express resolution of Council supported by published reasons.

Council-nominated projects and community applications will be assessed against the same published criteria. The Committee's report to Council will show the score achieved by each Council project and how that score compares with community applications assessed during the same cycle. This is an important integrity measure given the proposed size of the Council Strategic Allocation.

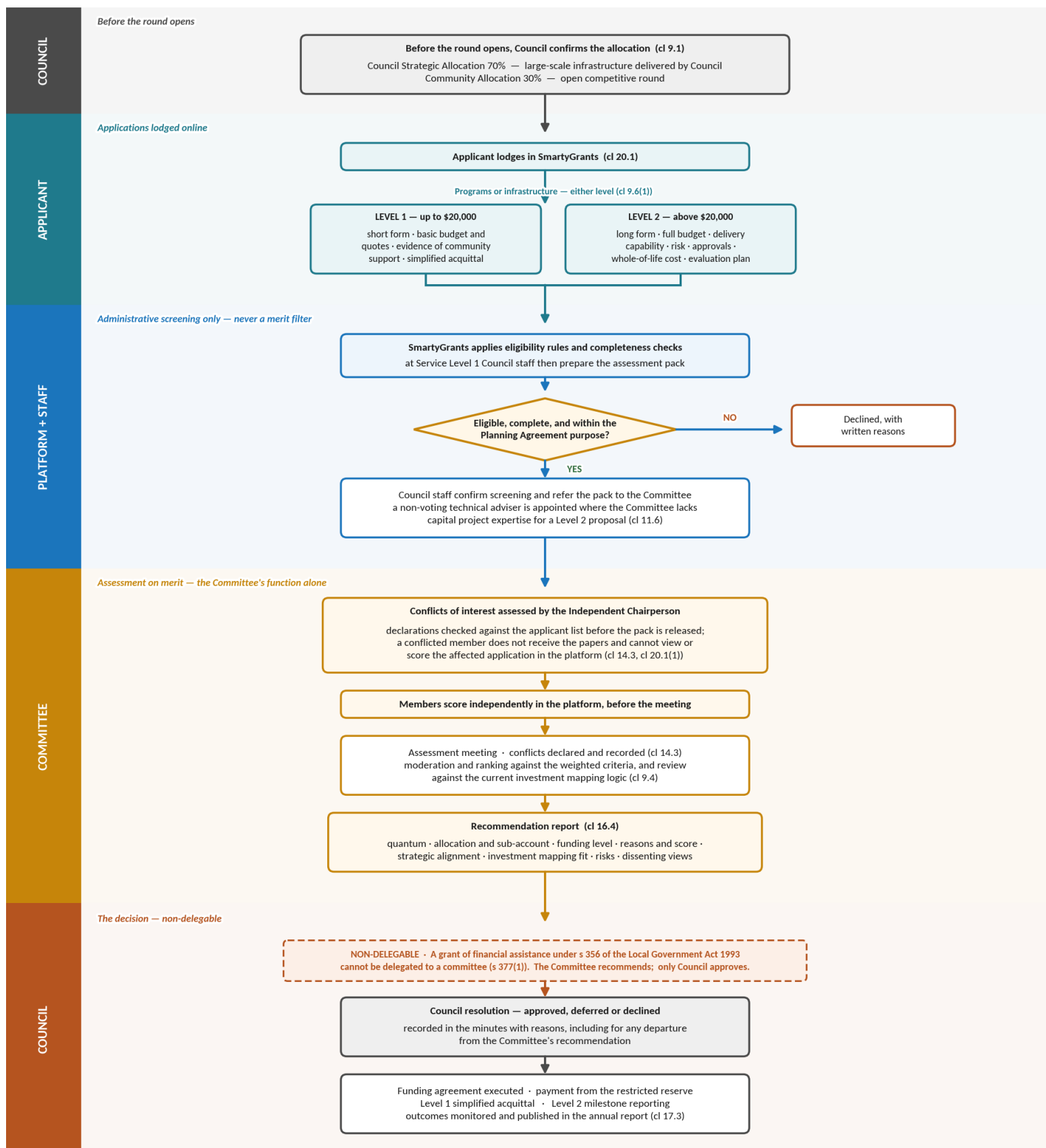
Two funding levels are proposed:

- Level 1 – Small Grants of up to \$20,000; and
- Level 2 – Major Grants above \$20,000.

One funding round will be held every two years. This will allow contributions to accumulate into more meaningful funding rounds and provide sufficient time for major projects to be planned, delivered and evaluated. It also ensures that administration costs are kept to a minimum (under 10%)

HOW APPLICATIONS ARE RECEIVED AND ASSESSED

Renewable Energy Benefit Fund · one round every two years · two funding levels
The coloured band shows who is responsible at each step · clause references are to the Terms of Reference



Establishment process

The following actions are required before the Committee and Fund can operate. The first funds could be expected by Q3 2027. Actions include::

- (a) Legal confirmation of the Committee's governance structure.
- (b) Legal review of each executed Planning Agreement.
- (c) Establishment of an externally restricted reserve
- (d) Inclusion of the grant program and annual budget in Council's Delivery Program and Operational Plan.
- (e) Extension of Council's Code of Conduct arrangements to members of the advisory Committee.
- (f) Recruitment and appointment of the Independent Chairperson.
- (g) Recruitment and appointment of the Councillor and community members.
- (h) Development of the investment mapping process, program guidelines, assessment criteria and funding agreement templates.
- (i) Establishment of the grant application, assessment, monitoring and acquittal system.
- (j) Determination by Council of the amount available and its allocation before the first funding round opens.

The Committee should be established before the first Planning Agreement contributions are available for allocation so the required governance, assessment and reporting arrangements are operating from the commencement of the Fund.

Relevance to Strategic Community Plan	B. Liveable and vibrant community <i>B3 Our community has access to a range of employment opportunities</i> B3.1 Develop a skilled labour force to meet community needs B3.3 Advocate, support and seek partnerships with providers to generate more options and scope for all levels of education C. Economic prosperity and sustainability <i>C1 Our community welcomes new and innovative industry to support our future</i> C1.1 Create a better business environment C1.2 Boost demand for products and services from Hay C1.3 Facilitate growth industries C1.4 Nurture and support the development and expansion of local industries C4 Our community is innovative and adaptive C4.3 Continue to seek investment in our community from State and Federal Government C4.4 Support education and training initiatives
FINANCIAL IMPLICATION	Based on current Letters of offer, it is anticipated that an upfront contribution of approximately \$2,307,690 would establish the fund, with annual contributions of approximately \$500,000 commencing from 2029/30, subject to executed Planning Agreements and the payment triggers specified within them. Delays in construction could defer the receipt of contributions, creating a funding gap where Committee establishment, secretariat and administration costs are incurred before funds become available. This could require interim funding from Council or another authorised source and delay the commencement or reduce the scale of funding rounds.

	Administration costs are estimated at \$219,400 over the first four years, representing approximately 7.8% of anticipated contributions during that period and approximately 9.3% over 30 years. These estimates depend on the assumed timing of receipts; delayed contributions would increase administration costs as a proportion of funds received. Secretariat support is proposed at 0.2 full-time equivalent through establishment and the first three funding rounds, reducing to 0.1 full-time equivalent from 1 July 2032. Council will need to review this timetable and associated expenditure against confirmed project milestones and contribution receipts, staging commitments to avoid an unfunded liability. Planning Agreements will need to clearly provide for the recovery of governance and administration costs, with these provisions confirmed through legal review.
LEGISLATIVE IMPLICATION	Local Government Act 1993; Local Government (General) Regulation 2021; Environmental Planning and Assessment Act 1979; Environmental Planning and Assessment Regulation 2021; Government Information (Public Access) Act 2009; Privacy and Personal Information Protection Act 1998; Public Interest Disclosures Act 2022; and State Records Act 1998.
POLICY IMPLICATION	Community Strategic Plan Renewable Energy Position Statements (2025) Community Benefit Framework Shaping Hay's Future: A 10-Year Economic Transition Roadmap (2026) Hay and Carrathool Regional Drought Resilience Plan (2025) Fundamental Principles for Successful Renewable Energy Development in Hay (2024) Code of Conduct; Code of Meeting Practice; Planning Agreements Policy Conflict of Interests Policy – Dealing with Council-Related Development Throughout the Development Process Policy Investment Policy Community Engagement Strategy and Participation Plan; Risk Management Policy and Strategy. Other relevant Council policies and strategies
ASSET IMPLICATION	Potentially significant. Projects supported through the Council Strategic Allocation may result in Council acquiring, constructing or managing additional community infrastructure. Business cases, whole-of-life costing, ownership arrangements and asset management implications will need to be assessed before Council commits funding to an individual project.
RISK IMPLICATION	Moderate to high. Key risks include: • expenditure outside the permitted purpose of a Planning Agreement, • actual or perceived conflicts of interest, • perceptions that Council projects are favoured, inappropriate developer influence, • insufficient technical expertise and future asset maintenance liabilities. These risks are addressed through legal review, independent and skills-based membership, published assessment criteria, comparative scoring, conflict-of-interest

	controls, ring-fenced allocations, technical assessment where required and comprehensive public reporting.
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RECOMMENDATION

That Council:

- (a) Adopts the revised Renewable Energy Benefit Fund Committee Terms of Reference, dated September 2026, and supersedes the Terms of Reference adopted on 27 November 2025;
- (b) Authorises the General Manager to obtain the required legal advice and commence recruitment of the Independent Chairperson and Committee members;
- (c) Establishes an externally restricted reserve and a Planning Agreements Register for contributions received under Planning Agreements,
- (d) Endorses, in principle, the allocation of 70% of available funding to the Council Strategic Allocation and 30% to the Community Allocation, noting that the amount available in each funding cycle will be determined by Council resolution before the relevant round opens; and
- (e) Receives a further report before the first funding round outlining the available funding, program guidelines, assessment criteria, allocation between funding rounds and the outcomes of the required legal and financial reviews.

HAY SHIRE COUNCIL



Renewable Energy Benefit Fund Committee (REBFC)

TERMS OF REFERENCE

A skills-based advisory committee of Council

Applying only to funds received under Renewable Energy Planning Agreements

REVISED DRAFT FOR ADOPTION

Version	Date	Author	Change
1	November 2025	Alison McLean	Adopted by Council
2	September 2026	Alison McLean	See summary of changes in body of document. Changes reflect intersection of planning agreements and legislation.

Contents

Contents	2
1. Introduction	4
2. Background	4
3. Establishment and character of the Committee	4
4. Legislative and policy framework	5
5. Scope of the Fund	6
6. Purpose and objectives	7
7. Tasks and deliverables	8
8. Limitations and delegations	8
9. Allocation, ring-fencing, investment mapping and funding levels	9
10. Term of the Committee	13
11. Membership — skills-based composition	13
12. Appointment of members and office bearers	15
13. Roles and responsibilities	15
14. Conflicts of interest and Code of Conduct	17
15. Meetings	18
16. Decision-making	20
17. Reporting and transparency	20
18. Sitting fees, administration costs and resourcing	22
19. Confidentiality and media	24
20. Operational support	24
21. Annual self-assessment	26
22. Amendments and dissolution	26
23. Dispute resolution	26
24. Related documents	26
25. Schedule 1 — Skills matrix	28
26. Schedule 2 — Legislative compliance summary	30
27. Schedule 3 — Member undertakings on appointment	32
28. Schedule 4 — Explanatory notes	33

Summary of changes from the Terms of Reference adopted 27 November 2025

The Committee is now expressly skills-based. Members are selected against the skills matrix in Schedule 1; the representational characteristics are applied as a secondary balancing test across the Committee as a whole (clause 11).

All reference to funds administered by EnergyCo under the Electricity Infrastructure Investment Act 2020 has been removed. The Committee's remit is confined to funds received under Planning Agreements (clause 5).

Clause 5.3 now sets out the strategic alignment expected of Planning Agreements — enduring, strategic, coordinated and inclusive outcomes — and the nine priority public benefits identified through community consultation, together with how the Committee applies them.

A new clause 9 ring-fences the Fund between a Council Strategic Allocation of 70% and a Community Allocation of 30%, with both assessed against the same criteria and the comparative scoring published. Clause 9.1 explains the majority Council share by reference to the large-scale infrastructure that Council will in practice deliver.

Clause 3 records that the Committee is not a section 355 committee. It is a wholly advisory body constituted on the audit, risk and improvement committee model in section 428A.

An Independent Chairperson is appointed by Council before the Committee is formed and reviews the Expression of Interest pack, and is remunerated at a commercial rate. The Committee now has seven voting members (clauses 11.1, 11.2 and 18.1).

New clauses 9.4 and 9.5 require the Committee to design an investment mapping logic, review all proposals against it each year, and consult contributing proponents on it annually.

A new clause 9.6 creates two funding levels — up to \$20,000 and above \$20,000 — with a separate application form for each. Both open to programs and to infrastructure, and may be delivered across the two year period between rounds.

A new clause 9.3 provides that money unallocated in a round stays within its own allocation stream, while money recovered from a grant that was not spent returns to the undivided Fund for re-splitting.

Clause 9.1 makes the determination of the allocation and its split a resolution of Council for each funding cycle, made having regard to the Community Strategic Plan. The Committee no longer recommends the split.

Clause 18.1 sets fees at \$450 ex GST per meeting for community members and \$1,197 ex GST for the Independent Chairperson, inclusive of preparation and travel for committee members, with no fee payable to the Councillor representative. Clause 20.1 proposes that applications be administered through SmartyGrants at level one of two service levels available from Smartygrants. Travel may be an applicable cost for the Independent Chair.

Clause 18.5 sets the secretariat and administrative support cycle at 0.2 FTE through the first three funding rounds, stepping to 0.1 FTE from 1 July 2032. The operating cycle includes, two meetings a year — four across each two-year cycle, with fixed business set out in clause 15.1 — and a biennial funding round. Administration is budgeted over the cycle rather than annually, because its cost is uneven between the two years, and clause 18.2(3) assesses the 10% limit on the same basis.

A new clause 18.3 deals with costs that fall due before the first contribution is received. The Independent Chairperson must be appointed and paid, and the first meeting held, before there is a Fund to pay them. Council may meet those costs and recover them from the Fund, provided it resolves to do so and records them as a receivable.

A new clause 18 provides that sitting fees and administration costs are payable from Planning Agreement funds only to the extent the individual Planning Agreement expressly permits, and fixes secretariat resourcing at 0.2 FTE during the establishment phase with the operating cycle calibrated accordingly.

Legislative references are stated against each clause and summarised in Schedule 2.

1. Introduction

The Renewable Energy Benefit Fund Committee (the Committee, or REBFC) is a skills-based advisory committee established by Hay Shire Council (Council) to provide advice to Council on the management, allocation and impact of Renewable Energy Community Benefit Sharing Funds received by Council under Planning Agreements entered into in connection with renewable energy developments within the Hay Local Government Area (LGA).

The Committee is advisory only. It holds no delegated authority, cannot commit or expend funds, and cannot bind Council in any way.

Explanatory notes on the reasoning behind particular clauses are collected at Schedule 4. Those notes are explanatory only and do not form part of the operative provisions.

2. Background

Hay Shire Council is a host community for significant renewable energy generation and transmission projects, including projects within the South West Renewable Energy Zone. Renewable energy developers contribute to community benefit through Planning Agreements made under Part 7 of the Environmental Planning and Assessment Act 1979.

Council has adopted the Hay Renewable Energy Community Benefit Framework (2025), which establishes the principles and objectives for the management of funds received from Planning Agreements, and the Fundamental Principles for Renewable Energy Development in Hay Shire Council (2024).

Separate community benefit funding is administered by the State through EnergyCo. Those funds are not held or allocated by Council and are outside the Committee's remit. Clause 5 addresses this expressly.

Legislative reference: Environmental Planning and Assessment Act 1979 (NSW), Part 7, Division 7.1 (planning agreements).

3. Establishment and character of the Committee

The Committee is established by resolution of Council as a wholly advisory committee. It holds no delegation, exercises no function of Council, cannot commit or expend funds, and cannot bind Council.

The Committee is not a committee of Council for the purposes of section 355 of the Local Government Act 1993. Section 355 governs the exercise of a function of Council by a committee. Because no function of Council is exercised by this Committee, section 355 is not the head of power for its establishment. Council establishes the Committee by resolution as an incident of its own functions, including its integrated planning and reporting functions and its obligation to apply money received for a specified purpose to that purpose.

The Committee is instead constituted on the model of an audit, risk and improvement committee under section 428A of the Act: an independent, skills-based body with an independent chair, which reviews, advises and reports to the governing body without exercising the functions of the council. Section 428A does not apply to this Committee of its own force. It is adopted as the governance model, and the features drawn from it are the independent chair (clause 11.2), the independence criteria for voting members (clause 11.5), the prescribed skill mix (clause 11.3 and Schedule 1), and the annual self-assessment (clause 21).

Legislative reference: Local Government Act 1993 (NSW) s 428A (audit, risk and improvement committees — adopted as the governance model); s 377(1) (functions that cannot be delegated); ss 402–406; s 409(3)(a).

4. Legislative and policy framework

The Committee operates within the following legislative and policy framework. Schedule 2 sets out the compliance obligations that attach to each instrument.

Instrument	Relevance to the Committee
Local Government Act 1993 (NSW)	s 428A — the audit, risk and improvement committee model, adopted by analogy for the Committee's skills-based composition, independent chair and self-assessment (clause 3). s 355 — not relied on. No function of Council is exercised by the Committee. s 356 — grants of financial assistance, and the public notice requirement and its exemption. s 377(1) — a decision under s 356 cannot be delegated to a committee. s 360 — code of meeting practice. s 409(3)(a) — money received for a specified purpose must be applied to that purpose. s 440 — code of conduct and its extension to advisory committee members. ss 441–459 — pecuniary interest obligations. s 55 — tendering thresholds where Council delivers works itself. ss 402–406 — Integrated Planning and Reporting. s 731 — protection of persons acting in good faith.
Local Government (General) Regulation 2021 (NSW)	Procedural requirements including tendering, and the application of pecuniary interest provisions to committee members and advisers.
Environmental Planning and Assessment Act 1979 (NSW)	Part 7, Division 7.1 — the Planning Agreements under which the Fund is received. The purpose clause of each Planning Agreement is the outer limit of what the Fund may be spent on.
Environmental Planning and Assessment Regulation 2021 (NSW)	Part 9 — procedural matters for planning agreements, including the planning agreement register and reporting.
Government Information (Public Access) Act 2009 (NSW)	Applications, assessment records, Committee papers and members' returns of interests are Council information and may be released. The planning agreement register is open access information.
Privacy and Personal Information Protection Act 1998 (NSW)	Collection, storage, use and disclosure of applicant and member personal information.
Public Interest Disclosures Act 2022 (NSW)	Reporting of serious wrongdoing, including in relation to funding decisions.
State Records Act 1998 (NSW)	Agendas, minutes, scoring records and conflict declarations are State records and must be captured in Council's records system.
Model Code of Conduct for Local Councils in NSW (2020) and the Code of Conduct for Council Committee Members, Delegates of Council and Council Advisers	Applied to members of this Committee by extension of Council's adopted code under s 440. See clause 14.
Model Code of Meeting Practice for Local Councils in NSW (2025)	Does not apply of its own force because the Committee includes persons who are not councillors. Council has determined that the Committee applies the meeting principles in clause 15.
NSW Benefit Sharing Guideline (November 2024) and the Renewable Energy Planning Framework	Policy setting for benefit sharing, including the expectation that funds are pooled, council-administered and community-informed.
Hay Renewable Energy Community Benefit Framework (2025); Fundamental Principles (2024); Community Strategic Plan; Economic Transition Roadmap (2026) Planning Agreement Policy (2025)	Council's own strategic and policy settings, against which the Committee assesses proposals.

5. Scope of the Fund

5.1 What the Fund is

The Renewable Energy Benefit Fund (the Fund) comprises monetary contributions received by Council under Planning Agreements entered into under Part 7 of the Environmental Planning and Assessment Act 1979 in connection with renewable energy developments affecting the Hay LGA, together with interest earned on those contributions.

Contributions from all such Planning Agreements are pooled into a single Fund and administered as one program, subject to clause 5.3.

5.2 Funding not in scope

The Committee has no role, advisory or otherwise, in relation to:

- Community and employment benefit funds administered by EnergyCo or any other State agency, including under the Electricity Infrastructure Investment Act 2020 and any access scheme declared under that Act. Those funds are not held, controlled or allocated by Council.
- Developer-managed community funds administered directly by a proponent.
- Private agreements between a proponent and individual landholders or neighbours.
- The negotiation or administration of Planning Agreements themselves.
- Any payment required of a developer as mitigation under a condition of development consent.

Where Council wishes to obtain community-informed advice on its own priorities, submissions or applications in relation to State-administered funds, it may do so through a separate process. It is not a function of this Committee.

5.3 Planning Agreements — purpose limits, strategic alignment and priority public benefits

Purpose limits

The purpose clause of each Planning Agreement is the outer limit of what money received under that agreement may be spent on. Where Planning Agreements contain materially different purpose clauses, Council will maintain sub-accounts within the Fund and the Committee's advice must identify the sub-account from which expenditure is proposed. Eligibility criteria published for a funding round must not permit an application that falls outside the purpose clause of the Planning Agreement from which it would be funded.

Strategic alignment

Planning agreements, made in connection with renewable energy developments, should generally align with Council's Position Statements, The Fundamental Principles of Successful Renewable Energy Development in Hay, the Economic Transition Roadmap and the Community Strategic Plan to support outcomes that are:

- (a) Enduring — delivering long-term legacies for future generations.
- (b) Strategic — aligned with the community's shared priorities.
- (c) Coordinated — complementary across multiple projects, where possible, and
- (d) Inclusive — geographically and socioeconomically equitable.

Priority public benefits

Following community consultation, priority public benefits for Hay include:

- (a) Legacy Housing
- (b) Skills & Education
- (c) Health & Childcare

- (d) Climate Resilience & Circular Economy
- (e) Support for the Primary Production Economy
- (f) First Nations Partnerships
- (g) Local Infrastructure
- (h) Economic development and investment, attraction opportunities and initiatives, and
- (i) Visitor Economy & Liveability

How the Committee applies this clause

The four outcome characteristics and the nine priority public benefits are the strategic frame within which the Committee works. Accordingly:

- (1) the assessment framework and weighted criteria developed under clause 7.1 must give effect to the outcome characteristics and must enable a proposal's contribution to one or more of the priority public benefits to be identified and scored;
- (2) a recommendation made under clause 16.4 must state which priority public benefit or benefits the proposal advances, and how the proposal is enduring, strategic, coordinated and inclusive;
- (3) in advising on the coordination of benefits, the Committee should have regard to what is being delivered under other Planning Agreements and by other projects in the LGA, so that funded projects are complementary rather than duplicative; and
- (4) the priority public benefits are a guide to what the community has identified as important. They do not create an entitlement to funding, do not limit the assessment criteria, and do not override the purpose clause of the Planning Agreement from which a proposal would be funded.

Council will review the priority public benefits at least once each Committee term, and on any material revision of the Economic Transition Roadmap or the Community Strategic Plan, and will advise the Committee of any change.

Legislative reference: Environmental Planning and Assessment Act 1979 (NSW) Pt 7 Div 7.1; Local Government Act 1993 (NSW) ss 402–406, 409(3)(a).

6. Purpose and objectives

The purpose of the Committee is to provide independent, community-informed and evidence-based advice to Council on the management and allocation of the Fund, through:

- (1) inclusive and transparent engagement with communities in the Hay region affected by renewable energy development;
- (2) independent and consistent assessment of funding proposals against published criteria; and
- (3) recommendations to Council that identify projects delivering broad and lasting community benefit.

In doing so the Committee will identify and recommend projects which deliver broad community benefit, support the long-term strategic outcomes of Council, and align with Council's Community Strategic Plan, Economic Transition Roadmap, Fundamental Principles and Community Benefit Objectives, and with the Renewable Energy Community Benefit Framework.

7. Tasks and deliverables

To achieve its objectives, the Committee will:

- (1) develop and maintain an assessment framework and weighted criteria for assessing and ranking proposals, aligned with Council's strategic and policy documents and with the purpose clauses of the relevant Planning Agreements, for endorsement by Council;
- (2) design, and review annually, an investment mapping logic under clause 9.4, and review all proposals against it;
- (3) assess proposals referred to it by Council, whether nominated by Council under clause 9 or received through a public funding round;
- (4) make recommendations to Council on the ranking of proposals and the allocation of the Fund to them, in the form required by clause 16.4;
- (5) monitor and report to Council on the progress, outcomes and impact of funded projects, including impact as perceived by the community;
- (6) provide advice on the continuous improvement of the governance and administration of the Fund, informed by the annual self-assessment under clause 21; and
- (7) build capacity among its members, and support capacity in the community, to ensure effective participation in the program.

8. Limitations and delegations

The Committee has no delegated authority. It cannot commit or expend funds, enter into any agreement, or bind Council in any way. Specifically, the Committee will not:

- hold or manage the Fund;
- negotiate or administer Planning Agreements;
- approve, decline or vary any grant, or communicate any recommendation to an applicant as though it were a decision;
- direct Council staff; or
- speak for Council, except as provided in clause 19.

Legislative reference: Local Government Act 1993 (NSW) ss 356, 377(1).

9. Allocation, ring-fencing, investment mapping and funding levels

9.1 Determination of the allocation for each cycle

For each two-year funding cycle, Council determines by resolution the amount of the Fund, to be 70% to the Council Strategic Allocations and 30% to the Community Allocation as outlined below, made available for allocation in the round, and divides that amount into two ring-fenced allocations. The determination is made before the round opens and is published with the resolution.

- (1) The determination is a matter for Council alone. The Committee does not recommend, and is not asked to advise on, the amount to be made available or its division between the two allocations.
- (2) Council makes the determination having regard to the Community Strategic Plan, and to the Economic Transition Roadmap, the Fundamental Principles and the Community Benefit Objectives. The resolution must state how the amount adopted supports the outcomes in those documents.
- (3) Where Council weights one round of a cycle more heavily than another, it must resolve and publish the weighting and its reasons before the round opens.
- (4) The determination is reflected in the Operational Plan for the years of the cycle.

Separating this from the Committee keeps the Committee to the function it was established for. The Committee assesses proposals against criteria and reports what it finds; how much money is available, and how it is divided between Council-nominated projects and the open community round, is a strategic allocation decision for the elected body.

Allocation	Description
Council Strategic Allocation	Available for projects nominated by Council that deliver against the Community Strategic Plan, the Economic Transition Roadmap or the Community Benefit Objectives. Seventy per cent (70%) of the amount made available for allocation in that year.
Community Allocation	Available to eligible community applicants through an open, competitive funding round. Thirty per cent (30%) of the amount made available for allocation in that year.

The majority share is directed to the Council Strategic Allocation because the large-scale infrastructure most likely to deliver an enduring legacy for the Shire — the priority public benefits at clause 5.3 relating to legacy housing, health and childcare facilities, and local infrastructure — will in practice be delivered by Council. Council holds the land, the asset management systems, the procurement capability and the whole-of-life maintenance obligation that projects of that scale require, and community organisations in a shire of Hay's size generally do not.

The Community Allocation is not a residual. It is the part of the Fund reserved for what the community itself identifies and delivers, and it is protected from the Council Strategic Allocation by the ring-fence in clause 9.2(1).

9.2 How the two allocations operate

- (1) The two allocations are ring-fenced. Money reserved for the Community Allocation may not be applied to a Council-nominated project, and money reserved for the Council Strategic Allocation may not be transferred to increase the Community Allocation, except by express resolution of Council recorded with reasons.
- (2) Council-nominated projects are assessed by the Committee against the same published assessment framework and weighted criteria as community applications. The Committee's report to Council must state the score achieved by each Council-nominated project and how that score compares with the community applications assessed in the same cycle.
- (3) A Council-nominated project must satisfy the same threshold requirements as a community application, including that it falls within the purpose clause of the Planning Agreement from which it would be

funded, and that it is not a substitute for Council's statutory service obligations or for developer mitigation required by a condition of consent.

- (4) Because the majority of the Fund is directed to Council-nominated projects, the comparative scoring obligation in sub-clause (2) and the publication obligation in sub-clause (5) carry particular weight. They are how Council demonstrates that the Council Strategic Allocation is applied on merit rather than by preference.
- (5) Council must publish, in the annual report required by clause 17.3, the amount allocated under each of the two allocations and the projects funded from each.

9.3 Funds not allocated, and funds returned

Funds that are not allocated and funds that are allocated but not spent are treated differently.

Not allocated in a round

- (1) Where a round does not allocate the full amount made available in an allocation, the unallocated balance is retained in the Fund and remains within the allocation from which it came. Money unallocated in the Community Allocation stays in the Community Allocation, and money unallocated in the Council Strategic Allocation stays in the Council Strategic Allocation.
- (2) The balance is carried forward and added to the same allocation in the following round. It does not lapse, and it is not re-split under clause 9.1.
- (3) This protects the Community Allocation from being eroded by a round in which few applications are received, and prevents an undersubscribed Council Strategic Allocation from displacing community funding in the next cycle.

Allocated but not expended

- (1) Where a grant is not acquitted, is only partly expended, or is surrendered, the unspent amount is recovered under the funding agreement and returns to the undivided Fund.
- (2) Returned money is re-split under clause 9.1 with the rest of the Fund in the next cycle. It is not quarantined to the allocation from which it was originally granted.
- (3) Every funding agreement must expressly provide for the recovery of unspent, unacquitted or surrendered money, and must state that recovered money returns to the undivided Fund. This is a mandatory term of the funding agreement templates.
- (4) Council must disclose in the annual report under clause 17.3 the amount recovered in the year and the allocation to which it was returned.

9.4 Investment mapping logic

The Committee will design an investment mapping logic, and will review all proposals against it each year. The investment mapping logic is the instrument by which the Committee tests where benefit has already been directed, where it has not, and where the next dollar will do the most good.

- (1) The investment mapping logic maps the priority public benefits in clause 5.3 against the geography and demography of the LGA, and against what has already been funded — from the Fund, by Council, by other Planning Agreements, and by other projects and programs operating in the LGA.
- (2) It must identify, for each priority public benefit and for each part of the LGA, the level of investment made to date, the gaps that remain, and the Committee's view of relative priority for the coming year.
- (3) The investment mapping logic is reviewed and updated in full at the first meeting of each two-year funding cycle (Meeting 1 under clause 15.1). That meeting is the Committee's principal strategic session, and the updated logic is submitted to Council prior to the application round opening.

- (4) Every proposal referred to the Committee, whether a community application or a Council-nominated project, is reviewed against the current investment mapping logic. The Committee's report to Council under clause 16.4 must state how each recommended proposal sits against it.
- (5) The investment mapping logic informs, but does not replace, the assessment framework and weighted criteria. A proposal that addresses an identified gap is not thereby entitled to funding, and a proposal that does not is not thereby excluded.
- (6) The current investment mapping logic is published on Council's website before each funding round opens.

9.5 Developer consultation on the investment mapping logic

Proponents who contribute to the Fund will be given the opportunity to have a say on the investment mapping logic each year, before it is finalised.

- (1) Before the first meeting of each two-year cycle, the Executive Officer will invite each proponent contributing to the Fund to make a written submission on the draft investment mapping logic, allowing not less than 21 days and closing in time for the submissions to be included in the papers for that meeting.
- (2) Contributing proponents may also present their views in person. To contain cost, this is held as a session of the first meeting of the cycle rather than as a separate event, and proponents withdraw before the Committee deliberates. Community organisations and other stakeholders may be invited to the same session at the Committee's discretion.
- (3) The forum is consultative. Proponents do not vote, do not participate in the Committee's deliberation on the final logic, and have no role in the assessment of individual proposals.
- (4) The Committee will record in its minutes the submissions received, and will state in the updated investment mapping logic submitted to Council which submissions it has acted on and which it has not, with reasons.
- (5) Participation in the forum does not create an entitlement for a proponent to direct the application of its contribution beyond the purpose clause of its Planning Agreement.

9.6 Funding levels and application pathways

The Fund operates two funding levels, with a separate application form for each, proportionate to the size of the request:

Funding level	Application requirements
Level 1 — Small Grants up to \$20,000	Short-form application. Basic project description, budget and quotes, evidence of community support, and a simple statement of how the project delivers a priority public benefit. Simplified acquittal — a short outcome report and evidence of expenditure. Designed so that a small volunteer organisation can apply without professional assistance. Delivery may extend across the period between rounds, with milestones set accordingly in the funding agreement
Level 2 — Major Grants above \$20,000	Long-form application. Detailed project plan, full budget with quotes, co-contributions, project management and delivery capability, risk assessment, approvals required, whole-of-life and maintenance costs, ownership of any asset created, and a monitoring and evaluation plan. Full acquittal with milestone reporting. Delivery may extend across the period between rounds, with milestones set accordingly in the funding agreement.

- (1) Both funding levels are open to applications for programs and for infrastructure. Neither level is restricted to one or the other.
- (2) An applicant must not divide a single project into multiple Level 1 applications in order to avoid the Level 2 requirements. The Executive Officer will screen for this at eligibility stage, and the risk is greater at a \$20,000 threshold than at a lower one.
- (3) The Committee may recommend that a Level 2 application be funded at a reduced amount within the Level 1 threshold, in which case the Level 2 acquittal requirements continue to apply.

- (4) Independent technical or financial assessment under the assessment framework is mandatory for Level 2 applications above the threshold set in the program guidelines, and discretionary for Level 1 applications.

9.7 Restricted reserve

Contributions received under Planning Agreements are externally restricted funds. Council will maintain them in a separate externally restricted reserve, credit interest earned to that reserve, and disclose the reserve in its annual financial statements. Money is drawn from the reserve only on the execution of a funding agreement following a resolution of Council.

Legislative reference: Local Government Act 1993 (NSW) ss 356, 409(3)(a), 404–405.

10. Term of the Committee

- (1) The Committee operates for the term of the elected Council plus one year, and is dissolved at the next ordinary meeting of Council following that date.
- (2) The term of a member is coterminous with the term of the Committee.
- (3) A member may serve a maximum of two consecutive terms. A former member is eligible for reappointment after an absence of one full term.
- (4) At the second appointment, and at each subsequent appointment where Council resolves it is necessary to preserve continuity, a maximum of three of the five community member positions will be appointed for a second term so that members do not all turn over at the same time.
- (5) Council appoints a new Committee following dissolution. A new Committee may include former members, subject to clause 10.3 and 10.4.
- (6) The Councillor representative will be appointed at the commencement of each new term of Council as per Council committee appointment protocol.

11. Membership — skills-based composition

11.1 Composition

The Committee comprises seven (7) voting members:

- an Independent Chairperson appointed by Council under clause 11.2;
- one (1) Councillor representative, or a delegate of the Councillors; and
- five (5) community members appointed through an open Expression of Interest process.

Community members must be residents of the Hay Shire LGA. The Independent Chairperson need not be a resident of the LGA.

11.2 Independent Chairperson

- (1) Council will appoint an Independent Chairperson before the Committee is formed. The appointment is made by Council following a separate merit-based recruitment process, and precedes the Expression of Interest for community members.
- (2) The Independent Chairperson must satisfy the independence requirements in clause 11.5 and must not be a councillor, a member of Council staff, or a resident office holder of an organisation likely to apply to the Fund.
- (3) The Independent Chairperson reviews the Expression of Interest pack before it is advertised — including the skills matrix, the selection criteria and their weightings, the role description and the time commitment statement — and provides advice to Council on it. The Independent Chairperson may also be invited by Council to sit on the selection panel.
- (4) The Independent Chairperson is a voting member and chairs all meetings of the Committee.
- (5) The Independent Chairperson is remunerated at a commercial rate determined by Council under clause 18.1, reflecting the independent and professional nature of the role. That rate is not derived from the councillor fee.
- (6) The Independent Chairperson is appointed for the term of the Committee and may be reappointed for one further term.

A Deputy Chairperson is elected by the Committee from among the community members at the first meeting of each term, and chairs a meeting in the absence of the Independent Chairperson.

11.3 Selection is skills-based

Community members are selected on the basis of demonstrated skills and capability, assessed against the skills matrix at Schedule 1. Skills are the primary selection criterion.

The Committee is assessed for aggregate coverage, not individual excellence. The selection panel's task is to identify the combination of members that leaves no essential competency uncovered, rather than to rank applicants individually. Where an essential competency cannot be covered by appointment, Council will appoint a non-voting technical adviser under clause 11.6 and the Committee will address the gap through training under clause 7.6.

11.4 Representational balancing

After skills assessment, the selection panel applies the following characteristics as a secondary balancing test to the shortlist, and documents how the recommended combination performs against each. These are balancing considerations, not reserved seats.

Proximity to development	At least one member resident in or immediately adjacent to an area directly affected by a renewable energy development
Town and rural	Not more than three of the five community members drawn from the town of Hay
Age	At least one member under 30
Gender	No fewer than two members of either gender
Sector concentration	Not more than one member drawn from any single sector or single major employer
Committee load	Not more than two members who currently sit on other Council committees

11.5 Independence

A person is not eligible to be appointed as a voting member of the Committee if they are, at the time of appointment:

- employed by, or engaged as a contractor or consultant to, a proponent whose contribution forms part of the Fund;
- a party to a landholder or neighbour agreement with such a proponent; or
- a director, office holder or substantial shareholder of such a proponent.

Renewable energy sector knowledge is a competency sought under the skills matrix, not a reserved seat. Where a member's circumstances change during a term so that they would no longer be eligible, they must notify the Executive Officer immediately, and Council will determine whether the member should be recused from particular matters or the appointment ended under clause 23.2.

11.6 Non-voting technical advisers and observers

Council or the Committee may invite non-voting technical advisers and observers to attend for a particular purpose, including a representative of a proponent. Advisers and observers do not vote, do not count towards a quorum, and are not present during deliberation or scoring unless the Committee resolves otherwise and records the reason. Advisers are bound by clauses 14 and 19.

Legislative reference: Local Government Act 1993 (NSW) s 428A, adopted as the governance model for skills-based composition, independence and an independent chair.

12. Appointment of members and office bearers

- (1) Members are appointed by resolution of Council following an Expression of Interest and selection process managed by Council. The Expression of Interest must publish the skills matrix, the selection criteria and their weightings, and the expected time commitment.
- (2) The Expression of Interest must be advertised for not less than 28 days, with targeted outreach to groups that are under-represented in the applicant pool.
- (3) The selection panel documents its assessment against the skills matrix, including a gap analysis identifying any essential competency not covered by the recommended combination.
- (4) The Independent Chairperson is appointed by Council under clause 11.2 before the Expression of Interest is advertised, and reviews the Expression of Interest pack under clause 11.2(3). The Deputy Chairperson is elected by the Committee from among the community members at the first meeting of each term.
- (5) A member may not participate in a meeting until they have signed the undertakings at Schedule 3 and lodged a return of interests.
- (6) Casual vacancies are filled by Council from a standing list of suitable applicants from the most recent Expression of Interest, or through a further Expression of Interest where no suitable applicant remains on that list.

13. Roles and responsibilities

13.1 Members

Members of the Committee must:

- participate actively, impartially and diligently in the work of the Committee;
- represent the interests of the broader community rather than sectoral, organisational or personal interests;
- declare actual, potential and perceived conflicts of interest and comply with clause 14;
- read the meeting papers and complete any independent scoring before the meeting at which a matter is considered;
- understand and act consistently with the Renewable Energy Community Benefit Framework and the relevant Planning Agreements;
- ensure that recommendations are evidence-based and aligned with the Community Benefit Objectives; and
- maintain confidentiality in accordance with clause 19.

13.2 Independent Chairperson

The Independent Chairperson facilitates meetings, ensures that every member has the opportunity to contribute, ensures that conflicts are declared and managed, confirms that recommendations are recorded accurately, and acts as spokesperson for the Committee subject to clause 19.2. The Independent Chairperson also leads the Committee's annual review of the investment mapping logic under clause 9.4 and chairs the developer consultation under clause 9.5.

13.3 Executive Officer

The Executive Manager Economic Development, Tourism & Energy, or delegate, is the Executive Officer of the Committee. The Executive Officer provides secretariat and administrative support, prepares and circulates agendas and papers in consultation with the Chairperson, records minutes, maintains the conflict of interest register, prepares the Committee's reports to Council, and manages the funding round. The Executive Officer is not a member and does not vote.

13.4 Councillor representative

The Councillor representative participates as a member of the Committee. When a recommendation of the Committee is considered by Council, the Councillor representative must disclose their membership of the Committee. The Committee's report to Council is authored by the Executive Officer, not by the Councillor representative.

Legislative reference: Local Government Act 1993 (NSW) s 439 (duty to act honestly and with care and diligence).

14. Conflicts of interest and Code of Conduct

14.1 Application of Council's code

Council's adopted Code of Conduct is extended to apply to members of this Committee and to non-voting advisers and observers, notwithstanding that a wholly advisory committee is not otherwise captured by the definition of a council committee in the Model Code of Conduct. Each member and adviser must sign the Code of Conduct for Council Committee Members, Delegates of Council and Council Advisers at Schedule 3 before participating in a meeting.

Legislative reference: Local Government Act 1993 (NSW) s 440; Model Code of Conduct for Local Councils in NSW (2020), which expressly permits a council's adopted code to extend to members of wholly advisory committees.

14.2 Returns of interests

Each member must lodge a written return of interests with the General Manager on appointment and annually thereafter, in the form prescribed by Council's adopted code.

14.3 Declarations at meetings

- (1) Declaration of interests is a standing item at the commencement of every agenda.
- (2) The Executive Officer cross-checks the register of interests against the list of applicants before each assessment meeting and brings any apparent conflict to the attention of the Chairperson.
- (3) A member with an actual or potential pecuniary interest, or a significant non-pecuniary conflict, in a matter must declare it and leave the meeting for the duration of that matter. The declaration and the departure and return are recorded in the minutes.
- (4) A member who is an office holder, employee or member of an applicant organisation is taken to have a conflict in respect of that application.
- (5) Where declarations reduce the number of members able to participate below the threshold in clause 16.3, the matter is deferred or referred to Council with the Committee's inability to form a recommendation recorded.

Legislative reference: Local Government Act 1993 (NSW) ss 441–459; Local Government (General) Regulation 2021 (NSW).

15. Meetings

15.1 Frequency

The Committee meets twice (2) each year, being four (4) meetings across each two-year funding cycle. Additional meetings may be held only with the agreement of Council and where the resourcing provided under clause 18.5 permits.

The four meetings of a cycle have fixed business, so that the Committee's limited meeting time is spent on the matters that must be dealt with in sequence:

Meeting	Timing	Business
Meeting 1	First meeting of the cycle, Year 1	Investment mapping logic: the Committee reviews and updates the logic under clause 9.4 and considers the proponent submissions received under clause 9.5, and submits the updated logic to Council. Confirms the assessment framework and criteria for the cycle.
Meeting 2	Second meeting, Year 1	Confirms the program guidelines and the two application forms. Reviews progress and outcomes of projects funded in the previous cycle. Settles the timetable for the round.
Meeting 3	First meeting, Year 2	The assessment meeting. Declarations of interest, moderation of independent scoring, ranking, and the recommendation report to Council under clause 16.4.
Meeting 4	Second meeting, Year 2	Monitoring and acquittal review of funded projects. Annual self-assessment under clause 21. Evaluation of the cycle, which becomes the starting point for the investment mapping logic at Meeting 1 of the next cycle.

Where a matter cannot wait for the next scheduled meeting, the Chairperson may seek Council's agreement to an additional meeting, or may deal with the matter by correspondence between members and report it to the next meeting.

15.2 Notice and papers

Agendas and supporting papers are prepared and circulated by the Executive Officer, in consultation with the Chairperson, not less than five (5) business days before the meeting. Papers for an assessment meeting must be circulated not less than ten (10) business days before the meeting.

15.3 Attendance

Meetings may be held in person or by audio-visual link, or a combination. A member attending by audio-visual link is present for the purposes of a quorum.

15.4 Quorum

A quorum is a majority of voting members, being four (4) of the seven (7) voting members. Clause 16.3 sets the threshold for a recommendation involving the expenditure of the Fund.

15.5 Meetings are closed

Meetings of the Committee are closed to the public. This is necessary to permit candid assessment of applicant capability and of commercially sensitive and personal information. The transparency measures in clause 17.2 apply as the counterweight to closed meetings and are not optional.

15.6 Meeting principles

Because the Committee includes persons who are not councillors, the Model Code of Meeting Practice does not apply to it of its own force. Council determines that the Committee will nonetheless observe the key principles of Council's adopted Code of Meeting Practice as to notice, quorum, the conduct of business, declarations of interest and the accurate recording of minutes.

Legislative reference: Local Government Act 1993 (NSW) s 360; Model Code of Meeting Practice for Local Councils in NSW (2025), clause 1.2 (a committee whose members include persons other than councillors may adopt its own rules unless the council determines otherwise).

16. Decision-making

16.1 Consensus preferred

Decisions of the Committee are made by consensus wherever possible.

16.2 Majority

Where consensus cannot be reached, a decision supported by a majority of the votes cast at a meeting at which a quorum is present is a decision of the Committee.

16.3 Minimum support for expenditure recommendations

Despite clause 16.2, no recommendation involving the allocation or expenditure of the Fund may be made unless it is supported by at least four (4) voting members, being a majority of all voting members whether or not present. Where recusals under clause 14.3 reduce the number of members able to participate below four, the matter is deferred to the next meeting or referred to Council with the Committee's inability to form a recommendation recorded. The Chair does not have a casting vote.

16.4 Content of recommendations

A recommendation to Council to allocate the Fund must state:

- (1) the recommendation and the quantum of funds required, and the allocation and sub-account from which it would be met;
- (2) the reasons for the recommendation, including the perceived benefits of the proposal and the score it achieved against the assessment criteria;
- (3) the funding level under clause 9.6 at which the application was made and assessed;
- (4) how the proposal sits against the current investment mapping logic under clause 9.4;
- (5) how the recommendation aligns with Council's Community Strategic Plan, Economic Transition Roadmap, Fundamental Principles and Community Benefit Objectives;
- (6) that the proposal falls within the purpose clause of the relevant Planning Agreement;
- (7) any perceived risks, including any recommendation for obtaining further information or advice;
- (8) whether the recommendation relates to a particular renewable energy development;
- (9) where the recommendation concerns a Council-nominated project, the comparative scoring required by clause 9.2(2); and
- (10) any opposing views of a member or members, and the reasons for them.

16.5 Records

All decisions, declarations, recusals and dissenting views are recorded accurately in the minutes of the meeting at which they are made.

17. Reporting and transparency

17.1 Reporting to Council

The Committee reports to Council through its minutes and its formal recommendations. Minutes are published as part of a Council meeting business paper, subject to redaction of confidential, commercially sensitive and personal information consistent with the Government Information (Public Access) Act 2009. Redactions are made by the General Manager or delegate and the fact of redaction is noted.

17.2 Published transparency measures

Because meetings are closed under clause 15.5, Council will publish:

- the assessment framework, criteria and weightings, before each funding round opens;
- the amount available in each of the two allocations under clause 9.1
- the current investment mapping logic, before each funding round opens (clause 9.4(6));
- the list of applications received in each round;
- the outcome of every application, with a short statement of reasons;
- declarations of interest made by members in the course of assessment; and
- an annual report on the Fund under clause 17.3.

Unsuccessful applicants receive written feedback.

17.3 Annual reporting

Council prepares and publishes an annual report on the Fund covering contributions received, allocations made under each of the two allocations, projects funded, outcomes and impact, and administration costs met from the Fund and from general revenue. This report forms part of Council's Integrated Planning and Reporting cycle and informs Council's reporting on planning agreements including the publicly available Planning Agreement Register listed on Council's website.

Legislative reference: Local Government Act 1993 (NSW) ss 402–406; Environmental Planning and Assessment Regulation 2021 (NSW) Pt 9; Government Information (Public Access) Act 2009 (NSW).

18. Sitting fees, administration costs and resourcing

18.1 Sitting fees and Chairperson remuneration

Fees are determined by resolution of Council and reviewed annually. They distinguish deliberately between the Independent Chairperson, who is engaged as an independent professional at a commercial rate comparable to what rural NSW councils pay the chair of an audit, risk and improvement committee, and community members, whose fee recognises the time and preparation the role requires without converting it into a professional engagement.

Rates

Member	Fee per meeting	Basis
Independent Chairperson	\$1,197 excluding GST	A commercial rate for an independent committee chair. The Chairperson invoices Council; GST is recoverable by Council as an input tax credit.
Community members (each)	\$450, excluding GST	Recognises the time, reading and preparation the role requires. It is not a professional fee. Any applicable GST is recoverable by Council as an input tax credit.
Councillor representative	Nil	No fee is payable for this Committee. The role is already remunerated through the councillor annual fee.
Non-voting advisers and observers	Nil	Clause 11.6.

- (1) The rates are reviewed annually by resolution of Council. The community member rate must be stated in the Expression of Interest, together with the fact that it is inclusive of travel, so that applicants decide with full information.
- (2) The fee is inclusive of preparation, reading time and travel. No separate travel or preparation allowance is payable to any member. The Independent Chairperson may be remunerated for preparation and travel with prior approval from the General Manager. .
- (3) The superannuation treatment of community member fees is to be confirmed. Whether the superannuation guarantee applies to members of this Committee must be determined by Council before appointment, together with the pay-as-you-go withholding treatment of the payments, and the budget adjusted accordingly. No superannuation guarantee is assumed in respect of the Independent Chairperson, who invoices with GST.
- (4) The proponent consultation under clause 9.5 is held as a session of Meeting 1 of the cycle and does not attract an additional fee. Where Council resolves to hold it as a separate event, attendance attracts a fee at the same rate.

Independent Chairperson — work before the Committee is formed

Work undertaken by the Independent Chairperson before the Committee is formed — including the review of the Expression of Interest pack under clause 11.2(3) and participation in the selection panel — is remunerated separately as an establishment cost, and is not covered by the meeting fee.

18.2 Source of sitting fees and administration costs — determined agreement by agreement

Sitting fees and the administration and governance costs of the Fund are payable from Planning Agreement contributions only to the extent that the individual Planning Agreement under which those contributions were received expressly permits contributions to be applied to governance and administration costs.

- (1) Council will maintain a schedule recording, for each Planning Agreement contributing to the Fund, whether governance and administration costs may be met from the contribution, any cap or percentage limit that applies, and any conditions on that recovery. The schedule is reviewed whenever a new Planning Agreement is executed.

- (2) Where an agreement permits recovery, costs are apportioned across contributing agreements in proportion to the contributions received from each in that year, subject to any cap applying to a particular agreement.
- (3) Total administration and governance costs met from the Fund must not exceed the lesser of any cap in the relevant Planning Agreement and ten per cent (10%) of contributions received. The limit is calculated on the contribution itself and applied across the period to which that contribution relates. Where a contribution is paid in advance and is expressed to cover a number of years, the entitlement is ten per cent of that contribution spread across those years, and is not extinguished in a year in which no payment is received. Interest earned on the Fund is not a contribution and is excluded from the calculation. Council must not draw more from the Fund across the relevant period than the limit permits.
- (4) Council will seek, in every future Planning Agreement negotiated in connection with renewable energy development in the LGA, an express provision permitting a stated proportion of the contribution to be applied to the governance and administration of the Fund, and permitting contributions to be pooled with contributions received under other Planning Agreements.

18.3 Costs incurred before the first contribution is received

The Committee must be established, the Independent Chairperson appointed and paid, and the first meeting held before any contribution is received into the Fund. This is a question of timing, not of funding source.

- (1) Costs properly payable from the Fund that are incurred before the first contribution is received may be met by Council in the first instance and are recoverable from the Fund once contributions are received.
- (2) Council must resolve, at the time it establishes the Committee, that those costs are recoverable, and must record them as a receivable against the Fund rather than as a grant to the program. Without that resolution the amounts become a permanent charge on general revenue.
- (3) Recovery is made in the first year in which a contribution is received, and counts against the administration limit in clause 18.2(3) for the period to which the contribution relates.
- (4) Where Council obtains external funding that may be applied to the establishment of the Committee — including funding administered by EnergyCo — that funding may be used for the costs it permits. Using such funding for this purpose does not bring those funds within the Committee's remit, which clause 5.2 continues to exclude, and the Committee has no role in their allocation.

18.4 Disclosure

The annual report under clause 17.3 discloses the total administration and governance costs of the Fund, the amount met from Planning Agreement contributions, the amount met from general revenue, and the administration cost as a percentage of contributions received.

18.5 Secretariat resourcing

Council provides secretariat and administrative support to the Committee at the following levels:

Period	Allocation	Reason
Establishment to 30 June 2032, being the first three funding rounds	0.2 FTE	Covers the one-off establishment work, and the first-time preparation of templates, guidelines and published material in each of the first three cycles. Round 1 builds every process; Round 2 is the first assessed against outcomes from a completed round; Round 3 is the first run under a mature investment mapping logic.
From 1 July 2032	0.1 FTE	The ongoing cycle, by which point the work is repetition rather than first-time preparation.

- (1) The higher allocation is funded from the administration entitlement created by the advance contribution, and is available only because that entitlement is assessed cumulatively under clause 18.2(3).

- (2) The step to 0.1 FTE takes effect on 1 July 2032. Council may bring it forward if the establishment and first-cycle work is complete sooner.
- (3) Any extension of the 0.2 FTE allocation beyond 30 June 2032 requires a resolution of Council supported by identified work. Spare capacity is not a reason to retain it: a permanent allocation at that level would exceed the limit in clause 18.2(3) over the life of the Fund.

Administration is budgeted over the two-year funding cycle rather than annually, because the cost of running a round falls in one year of the cycle and not the other. The Committee's operating cycle is calibrated to the level of resourcing and to the limit on administration costs in clause 18.2(3). Accordingly:

- the Committee meets twice each year, being four meetings across each two-year funding cycle, with the fixed business set out in clause 15.1;
- one competitive funding round is conducted every two years, across the two funding levels in clause 9.6;
- applications are administered through the external platform under clause 20.1 at Service Level 1, at a budgeted subscription of \$14,600 for each two-year funding cycle, falling in the round year;
- the cost of a cycle is uneven between its two years — the platform subscription, round promotion and applicant support, and the legal work on funding agreements all fall in the round year — and Council should budget on that basis rather than assuming an even draw;
- independent technical and financial assessment under clause 9.6(4) is obtained only where Council resolves to fund it separately; and
- additional meetings, an annual rather than biennial funding round, a higher platform service level, and any other expansion of the work program each require a separate resourcing decision by Council.

Council will review the adequacy of the resourcing level annually as part of the Operational Plan process, informed by the Committee's self-assessment under clause 21, by the actual inflow to the Fund, and by the cumulative headroom remaining under clause 18.2(3).

Legislative reference: Local Government Act 1993 (NSW) ss 356, 404–405, 409(3)(a); Environmental Planning and Assessment Act 1979 (NSW) Pt 7 Div 7.1.

19. Confidentiality and media

19.1 Confidentiality

Members, advisers and observers must maintain the confidentiality of confidential information, commercially sensitive information and personal information obtained through their participation in the Committee, both during and after their term. This obligation includes the content of applications, assessment scores and deliberations.

19.2 Media

The Independent Chairperson is the primary media spokesperson for the Committee and may speak to the media only with the prior approval of the Mayor or the General Manager. No other member may speak publicly on behalf of the Committee.

20. Operational support

20.1 Grants administration platform

Council will administer the application, assessment and acquittal process through an external grants management platform. It is proposed that Council engage SmartyGrants (the grants administration platform operated by Our Community and used widely across Australian local government) or similar Grant Application and Management service, , subject to Council's procurement requirements and to a satisfactory quotation and data-handling assessment.

Council will determine which of the following two service levels it engages, and may move between them at the annual review of the program.

Service level	What the platform does	What Council retains, and the trade-off
Service Level 1 Collection	Hosts the two application forms required by clause 9.6. Receives and stores applications. Applies automated eligibility and completeness rules. Provides the assessor portal in which Committee members score and moderate. Administers funding agreements, milestone reporting and acquittal.	Council staff prepare the assessment pack, write the briefing notes and collate scoring for the Committee. Higher secretariat workload; lower subscription cost.
Service Level 2 Collection, initial assessment and preparation	Everything in Service Level 1, and in addition: an initial assessment of each application against the published eligibility criteria and the requirements of the relevant funding level, and preparation of the assessment pack and comparative summary provided to the Committee for review.	Council staff confirm the initial assessment before it is released to the Committee. Lower secretariat workload; higher subscription cost. Appropriate where the Fund is large enough for the additional cost to sit within clause 18.2(3).

- (1) Prior to assessment, the Executive Officer will call for Conflict of Interest notifications based on the list of applications circulated by EO. The Chair will decide if a project is out of scope for assessment by a Committee member and access will be restricted accordingly.
- (2) Committee members assess and score applications within the platform. The Executive Officer configures assessor access so that a member who has declared a conflict under clause 14.3 cannot view or score the affected application.
- (3) Under Service Level 2, an initial assessment performed by the platform is preparatory only. It does not rank applications, does not recommend an outcome, and does not bind the Committee. The Committee must be able to see, and may depart from, every element of it, and the report to Council must record any departure.
- (4) Outsourcing the platform does not outsource the decision. Eligibility screening remains an administrative test confirmed by Council staff under clause 9.6(2), assessment on merit remains the function of the Committee alone, and approval remains a resolution of Council.
- (5) Council remains responsible for compliance with the Privacy and Personal Information Protection Act 1998 and the State Records Act 1998 in respect of information held in the platform, and will satisfy itself as to data location, retention and export before engagement.
- (6) The service level engaged, and its cost, is disclosed in the annual report under clause 17.3. Service Level 1 applies unless Council resolves otherwise, with Service Level 2 being outside the administration cost limit in clause 18.2(3) at the Fund's current scale.

20.2 Other support

Council will also provide:

- secretariat and administrative support at the level set in clause 18.5;
- meeting facilities, including audio-visual link;
- insurance cover extending to members, advisers and observers in their capacity as such, within Council's existing policies and at no separate cost to the Fund;
- induction on appointment, covering the Planning Agreements, the Community Benefit Framework, Council's strategic documents, conflict of interest obligations and assessment technique; and
- ongoing training to address competency gaps identified under clause 21.

Legislative reference: Local Government Act 1993 (NSW) s 731 (protection of persons acting in good faith).

21. Annual self-assessment

The Committee will conduct an annual self-assessment covering:

- (1) its performance against the skills matrix at Schedule 1, identifying any competency that has become uncovered;
- (2) its own effectiveness, including the quality of papers, the adequacy of assessment time and the consistency of scoring;
- (3) the concordance between its recommendations and Council's decisions, and the reasons recorded for any departure; and
- (4) the effectiveness of the investment mapping logic and of the developer consultation under clause 9.5; and
- (5) the adequacy of the resourcing provided under clause 18.5, including whether the higher allocation remains justified by identified work.

The self-assessment is reported to Council and forms part of the continuous improvement advice required by clause 7.5.

22. Amendments and dissolution

These Terms of Reference may be amended by resolution of Council. Council may at its discretion dissolve the Committee by resolution.

23. Dispute resolution

23.1 Disputes

A dispute that cannot be resolved within the Committee is referred to the Chairperson, then to the General Manager, and finally to Council for determination.

23.2 Removal of members

Council may resolve to remove one or more members where it considers this necessary for the effective and efficient operation of the Committee, including where a member's circumstances change such that they would no longer be eligible under clause 11.5, or where a member breaches the Code of Conduct or the undertakings at Schedule 3.

24. Related documents

- Fundamental Principles for Renewable Energy Development in Hay Shire Council (2024)
- Hay Shire Council Renewable Energy Community Benefit Framework (2025)
- Hay Shire Council Community Strategic Plan, Delivery Program and Operational Plan
- Hay Economic Transition Roadmap (2026)
- Council's Code of Conduct and Code of Meeting Practice
- Council's Financial Assistance Policy
- Renewable Energy Benefit Fund program guidelines and assessment framework (as endorsed by Council)
- Current investment mapping logic (clause 9.4)
- Level 1 and Level 2 application forms and acquittal templates (clause 9.6)
- Schedule of Planning Agreements and administration cost recovery (clause 18.2)

- Environmental Planning and Assessment Act 1979 (NSW) and Regulation 2021
- Local Government Act 1993 (NSW) and Local Government (General) Regulation 2021
- NSW Benefit Sharing Guideline (November 2024)

25. Schedule 1 — Skills matrix

The Committee is selected for aggregate coverage, not individual excellence. The panel's question is not which five applicants are strongest, but which combination of five leaves no competency uncovered.

Rating scale

0	No exposure to the competency.
1	Awareness — understands the concepts; would need support to apply them.
2	Working knowledge — has applied the competency with guidance.
3	Proficient — substantial practical experience; can lead the Committee's discussion on the topic and identify when something is wrong.

The eight competencies

	Competency	What it means in this Committee	Coverage target
1	Governance and integrity	Conflict of interest, probity, and the difference between advice and decision. Recognises when discussion has drifted from the criteria to personal relationships.	2 members at level 3
2	Financial and budget literacy	Reads a project budget, a quote and an applicant's financial statements. Tests whether costs are credible and whether the applicant can fund ongoing operating costs.	2 members at level 3
3	Competitive assessment	Applies weighted criteria consistently across a field of applications, evidences a score, and moderates with others without simply averaging.	2 members at level 3
4	Project delivery and assets	Reads a scope of works, understands procurement, contingency and whole-of-life cost, and asks who maintains the asset in year ten.	1 member at level 3
5	Community development and local knowledge	Understands how community organisations in a small shire operate, what capacity they have to deliver, and how information travels in Hay and the villages.	2 members at level 3
6	Economic development and transition	Connects funding decisions to the Economic Transition Roadmap, local labour market constraints and business capability.	1 member at level 3
8	Engagement and evaluation	Can test whether a proposal has genuine community support, explain a decision to people who disagree with it, and read an acquittal report critically.	1 member at level 3

Renewable energy sector knowledge is valuable but is not a listed competency, because clause 11.5 excludes those closest to the sector from voting membership. Where the Committee needs it, Council appoints a non-voting technical adviser under clause 11.6.

Matrix template

	Competency	M1	M2	M3	M4	M5	Target	Covered?
1	Governance and integrity						2 × L3	
2	Financial and budget literacy						2 × L3	
3	Competitive assessment						2 × L3	
4	Project delivery and assets						1 × L3	
5	Community development and local knowledge						2 × L3	

	Competency	M1	M2	M3	M4	M5	Target	Covered?
6	Economic development and transition						1 × L3	
8	Engagement and evaluation						1 × L3	

Completed twice: as an applicant self-assessment with the Expression of Interest, then as a panel-verified rating after interview and referee checks. Only the panel-verified rating is used to test coverage. The Independent Chairperson will be assessed for additional coverage in the skills matrix coverage.

Behavioural attributes — assessed at interview, not rated

Independence of mind	Will this person hold a position under pressure from a well-connected applicant, and change their mind when the evidence says they should?
Strategic and long-term thinking	Can they weigh a proposal that delivers in ten years against one that delivers next month?
Constructive challenge	Do they disagree with the argument rather than the person, and work through to a consensus without capitulating?
Confidentiality discipline	Will they keep an applicant's financial position confidential in a town where they will see that applicant at the supermarket?

Selection criteria and weightings for the Expression of Interest

Criterion	Weighting	Assessed by
Demonstrated capability against the eight competencies	55%	Panel-verified matrix ratings, applicant statement, referee checks
Contribution to the Committee's aggregate coverage, including the balancing test in clause 11.4	20%	Assessment of combinations, with a documented gap analysis
Behavioural attributes, particularly independence and constructive challenge	25%	Interview, scenario question, referee checks
Threshold requirements (pass or fail)		
Resident of the Hay Shire LGA	Pass/fail	Clause 11.1
Eligible under the independence requirements	Pass/fail	Clause 11.5
Available for approximately 25 hours per annum; the sitting fee is inclusive of travel	Pass/fail	Applicant declaration
Willing to sign the undertakings at Schedule 3	Pass/fail	Applicant declaration

26. Schedule 2 — Legislative compliance summary

The obligations below attach to the operation of the Committee and the Fund. The responsible officer is identified so that compliance is owned rather than assumed.

Provision	Obligation	How it is met	Responsible
LG Act s 428A	The governance model adopted — independence, skills mix, independent chair, self-assessment	Clauses 3, 11.2, 11.3, 11.5, 21	General Manager
LG Act s 355	Not relied on — the Committee exercises no function of Council	Clause 3; the establishing resolution must not describe the Committee as a s 355 committee	General Manager
LG Act s 356	Grants of financial assistance; 28 days public notice unless exempt	The program is named in the Delivery Program and Operational Plan, is within 5% of ordinary rates income and is uniformly available, engaging the s 356(3) exemption	Chief Financial Officer
LG Act s 377(1)	Decisions under s 356 cannot be delegated	Clause 8; every allocation is a resolution of Council	General Manager
LG Act s 360	Code of meeting practice	Clause 15.6; the Committee observes the key meeting principles	Executive Officer

Provision	Obligation	How it is met	Responsible
LG Act s 409(3)(a)	Money received for a purpose applied to that purpose	Clause 9.7; externally restricted reserve with sub-accounts	Finance Manager
LG Act s 440	Code of conduct extended to advisory committee members	Clause 14.1; Schedule 3 undertakings	EM Corporate Performance and Community
LG Act ss 441–459	Pecuniary interest obligations	Clause 14.2 and 14.3; returns of interests and standing declarations item	EM Corporate Performance and Community
LG Act s 55	Open tender for contracts of \$250,000 or more	Applied where Council delivers a funded project itself	General Manager
LG Act ss 402–406	Integrated Planning and Reporting	Clause 17.3; the program appears in the Delivery Program and Operational Plan	EM Economic Development, Tourism & Energy
LG Act s 731	Protection of persons acting in good faith	Clause 20.2; insurance cover extended to members	EM Corporate Performance and Community
EP&A Act Pt 7 Div 7.1	Planning Agreements; purpose limits	Clause 5.3; assessment framework tested against each agreement	General Manager
EP&A Reg 2021 Pt 9	Planning agreement register and reporting	Clause 17.3	EM Corporate Performance and Community
GIPA Act 2009	Access to information; open access information	Clause 17.1 redaction protocol; clause 17.2 proactive publication	EM Corporate Performance and Community
PPIP Act 1998	Handling of personal information	Collection notice on the application form; Schedule 3 undertakings; data-handling assessment of the grants platform under clause 20.1(4)	EM Corporate Performance and Community
State Records Act 1998	Capture of State records	Committee records captured in Council's records system	Information Services Manager.

27. Schedule 3 — Member undertakings on appointment

Each member, adviser and observer signs the following before participating in a meeting of the Committee. The signed undertakings are held by the General Manager.

1	I have read and understand the Terms of Reference of the Renewable Energy Benefit Fund Committee, including the limitation in clause 8 that the Committee is advisory only and holds no delegated authority.
2	I agree to comply with Hay Shire Council's Code of Conduct as extended to members of this Committee, and I have signed the Code of Conduct for Council Committee Members, Delegates of Council and Council Advisers.
3	I have lodged a return of interests with the General Manager, and I will update it annually and whenever my circumstances materially change.
4	I confirm that I am eligible under clause 11.5, and I will notify the Executive Officer immediately if my circumstances change so that I would no longer be eligible.
5	I will declare any actual, potential or perceived conflict of interest, will leave the meeting for the duration of any matter in which I have a conflict, and will not access or score an affected application in the grants platform.
6	I will keep confidential all confidential, commercially sensitive and personal information obtained through my participation in the Committee, both during and after my term.
7	I will not speak publicly or to the media on behalf of the Committee, and I understand that the Chairperson is the Committee's spokesperson subject to clause 19.2.
8	I will represent the interests of the broader community rather than sectoral, organisational or personal interests.
9	I confirm my availability to meet the time commitment of approximately 25 hours a year, and I understand that the sitting fee is inclusive of preparation, reading time and travel (clause 18.1).
10	I understand that Council may resolve to remove me from the Committee under clause 23.2.

Name	Position on the Committee
Signature	Date

28. Schedule 4 — Explanatory notes

These notes explain the reasoning behind particular clauses. They were previously set out in the body of this document and have been provided here so that the operative provisions read without interruption.

Status of these notes

The notes in this Schedule are explanatory only. They do not form part of the operative provisions of these Terms of Reference, do not create obligations, and do not affect the construction of any clause.

Where a note and a clause differ, the clause governs. The notes are retained because the reasoning behind several provisions is not obvious on the face of them, and a future Council or Committee should be able to see why a provision was drafted as it was before deciding to change it.

Clause 3 — Establishment and character of the Committee

Why this matters in practice

The distinction is not merely formal. A section 355 committee may be given a function of Council to exercise, and obligations follow from that. A wholly advisory committee carries none of them automatically, which is why this document deals expressly with the code of conduct (clause 14), meeting procedure (clause 15) and reporting (clause 17) rather than assuming them.

Council should have its solicitors confirm this characterisation before the establishing resolution is put, and should ensure the resolution itself does not describe the Committee as a section 355 committee.

Clause 8 — Limitations and delegations

A recommendation is not an approval

A decision to contribute money or otherwise grant financial assistance under s 356 of the Local Government Act 1993 is a function that Council cannot delegate to a committee. Every allocation from the Fund must be a resolution of Council made in open meeting.

The Committee recommends; only Council can approve. Applicants must be advised of this process in writing in the published program guidelines.

Clause 9.3 — Money not allocated, and money returned

Why the two are treated differently

Money that is not allocated has not left its stream. Returning it to that stream keeps faith with the split Council resolved at the start of the round, and means a quiet round for community applicants does not permanently reduce the community share.

Money that is recovered after a grant fails is different. The project it was allocated to no longer exists, the circumstances that justified the original split have passed, and the fairest course is to return it to the undivided Fund so that the next cycle allocates it on current priorities.

Clause 9.5 — Developer consultation on the investment mapping logic

Why proponents are consulted but not seated

Proponents hold information the Committee does not — construction and workforce timing, the sequencing of their own community programs, and what neighbouring projects are funding. Consulting them annually on the investment mapping logic captures that information and reduces duplication between the Fund and developer-managed programs.

Consultation on the logic is a different thing from participation in assessment. Clause 9.5(3) draws that line, and clause 11.5 keeps proponents off the voting membership.

Clause 11.2 — Independent Chairperson

Why the Chair is appointed first

Appointing the Independent Chairperson before the Expression of Interest opens gives the Committee an experienced, independent voice in the design of its own recruitment, and means the Chair is not selected from — and therefore beholden to — the membership they will later have to manage.

It also separates the two roles the old model conflated: the Chair as facilitator of the Committee, and the Chair as a person with an interest in who joins it.

Clause 18.2 — Source of sitting fees and administration costs

Why this clause is drafted this way

The ability to pay sitting fees and to fund the secretariat from the community benefit contribution is not a matter Council can determine by resolution. It depends entirely on the drafting of each executed Planning Agreement.

This clause therefore ties the source of funds to the individual agreement rather than assuming recovery, requires a schedule so that the position on each agreement is known and current, and requires Council to fix the problem prospectively in the drafting of future agreements.

Clause 18.5 — Secretariat resourcing

Why the cycle is set at this level

This cycle — four meetings across each two-year cycle, a biennial round, and a secretariat that runs at 0.2 FTE through the first three rounds before stepping to 0.1 FTE — costs about \$109,100 for a full cycle at the higher allocation, being roughly \$45,300 in the first year and \$63,800 in the round year. It falls to about \$74,300 a cycle once the secretariat steps back.

It is met in full from the Fund, apart from the first year. Nothing is received into the Fund until the first contribution arrives, so the costs of establishing the Committee and holding its first meeting fall due before there is a Fund to pay them. Clause 18.3 deals with that timing, and clause 18.2(3) assesses the limit cumulatively so that entitlement created by an advance payment is not lost.

The higher allocation is confined to the first three rounds because that is where the one-off work sits: Round 1 builds every template and process, Round 2 is the first assessed against the outcomes of a completed round, and Round 3 is the first run under a mature investment mapping logic. From Round 4 the work is repetition, and the ongoing cycle is comfortably delivered at 0.1 FTE.

The biennial round and the four-meeting cycle work together. The round accumulates two years of the Community Allocation into a single, more substantial round; the meeting pattern in clause 15.1 concentrates the Committee's limited time on the four things that must happen in sequence — set the strategy, prepare the round, assess it, and evaluate it.

Council should revisit this clause whenever the pooled annual inflow materially increases, and should watch two things in particular. Administration indexes at about 3.5% a year while a flat contribution does not, so the long-run position depends on whether the ongoing contribution is indexed. And a permanent 0.2 FTE is not sustainable — about 0.12 FTE is the highest level that could be held indefinitely inside the limit. If capacity is to be restored later, the first candidates are independent technical assessment of Level 2 capital proposals and a third meeting in the round year.

C6 - Investment Attraction Strategy Update – September 2026

Reporting Officer	Executive Manager Economic Development, Tourism and Energy
Attachments	- Updated July 2026 Hay Shire Investment Attraction Strategy

Introduction

To provide Councillors with an overview of the development of the updated Hay Shire Investment Attraction Strategy 2022–2027 and the market validation undertaken through the Hay 10-Year Economic Transition Roadmap, and to seek Council's adoption of the updated Strategy.

Commentary

The updated Investment Attraction Strategy provides a deliberate and evidence-based framework for focusing Council's investment attraction activity on the opportunities best suited to Hay Shire and most likely to deliver lasting community benefit. It consolidates the original Investment Attraction Strategy adopted in 2022, the 2023 Opportunity Framework refresh, market validation completed in January 2026 and subsequent community consultation into a single, current document.

Development and Market Validation

As part of the development of Shaping Hay's Future: A 10-Year Economic Transition Roadmap, Council commissioned detailed market validation to move beyond desktop research and test whether the investment opportunities previously identified for Hay were commercially realistic. Direct engagement was undertaken with renewable energy developers, original equipment manufacturers, agricultural businesses, engineering firms and other prospective investors. Community consultation was also undertaken to test whether those opportunities aligned with local values and the community's long-term aspirations.

This work confirmed that Hay's strongest prospects sit at the intersection of renewable energy, agriculture, freight and logistics, existing industry capability and the Shire's strategic location. It also identified opportunities that should be monitored, together with proposals that do not presently justify dedicated Council resources. The updated Strategy is therefore not simply a list of aspirations; it directs staff effort towards opportunities which have demonstrated both commercial potential and community support.

This discipline is particularly important for a small council. Effective investment attraction requires Council to concentrate limited staff and financial capacity on the opportunities most likely to create permanent employment, diversify the economy, strengthen local businesses and retain more value within the community.

Focused Investment Attraction Program

The updated Strategy establishes the following hierarchy for Council activity:

Focus	Priority opportunities	Council direction
Tier 1 – High potential	SW REZ operations and maintenance hub; green hydrogen production; circular biorefinery	Proactive – dedicate resources and relationships
Immediate	SW REZ construction-phase supply-chain integration	Proactive – act now while the procurement window is open
Tier 2 – Watch	SW REZ equipment refurbishment; water-neutral data centres	Reactive – monitor and respond to credible approaches
Continuing strengths	Sustainable agriculture and value-adding; visitor economy; transport and logistics	Enable – maintain programs and facilitate appropriate investment

Focus	Priority opportunities	Council direction
Low or no potential	Controlled-environment horticulture; cotton spinning; AgTech hub; advanced plastics recycling	No dedicated Council resources

Renewable Energy as Investment Attraction in Practice

The continued focus of Council staff on renewable energy development is not separate from the Investment Attraction Strategy; it is investment attraction in practice. The scale of investment proposed for the South West Renewable Energy Zone means this work currently represents Council's most significant opportunity to attract capital, strengthen local businesses, create new industries and secure long-term employment.

This work extends well beyond responding to individual development applications. It includes strategic business relationship management, maintaining detailed local and industry knowledge, connecting local firms with procurement opportunities, identifying infrastructure and workforce constraints, facilitating investment enquiries and advocating for outcomes that reflect the community's priorities. It also requires sustained engagement with project proponents, government agencies, contractors, training providers and local businesses so that opportunities can be identified early and barriers addressed before investment decisions are finalised.

The updated Strategy identifies more than \$17.8 billion in expected private investment across the South West Renewable Energy Zone. Responding effectively to investment of this scale is a substantial undertaking for a council and community of Hay's size.

Hay Shire Council has been forthright in setting expectations and ensuring that Hay is not treated simply as a location for infrastructure, but as a community entitled to influence how the transition occurs and to secure a lasting economic and social legacy. Compared with many host communities, Hay has taken an early and proactive approach to ensuring that community values are clearly expressed and reflected in the outcomes being pursued.

Policies, Frameworks and Council's Negotiating Position

Council's renewable energy response has required the development of new principles, policies, position statements and governance frameworks. These instruments provide proponents and government agencies with clear and consistent expectations regarding community benefit, local content, housing and workforce outcomes, infrastructure impacts, transport arrangements and long-term legacy.

This work is supported by Shaping Hay's Future: A 10-Year Economic Transition Roadmap, which provides the broader strategic framework for creating the conditions needed to attract and retain investment. The Roadmap identifies the interconnected actions required across housing, workforce development, business capability, education and training, enabling infrastructure, land-use planning and community services. By addressing these foundations in a coordinated way, Council can focus its efforts on creating an investment-ready environment while ensuring that new development contributes to the long-term resilience of the community.

The Roadmap also provides a basis for prioritising Council's limited resources. It connects the market-tested opportunities identified through the Investment Attraction Strategy with the practical work required to bring those opportunities to fruition. This enables Council to direct its advocacy, partnerships and project development towards the infrastructure, workforce and business conditions most likely to support investment, rather than pursuing opportunities in isolation or responding to individual enquiries on an ad hoc basis.

Together, the Roadmap and Council's renewable energy frameworks strengthen Council's wider investment attraction capability. They create a repeatable approach to assessing major proposals, clarify the outcomes Council is seeking and provide an evidence base for negotiation. Council can therefore engage with investors from an informed and coordinated position supported by adopted community values, market evidence and clear strategic priorities.

The Community Benefit Framework, Renewable Energy Position Statements, Fundamental Principles for Successful Renewable Energy Development and associated governance and negotiation arrangements have placed Hay in a stronger position when engaging with major investors. These policies and frameworks can also inform the assessment and facilitation of other significant investment proposals, helping Council to support appropriate development while protecting community interests and securing enduring local benefits.

This approach reflects Council's consistent position that the economic transition must happen with the community, not to it. It has helped move Council from being considered only as a potential project location to being an informed and proactive investment partner with a defined proposition, established priorities and greater agency over the outcomes sought for the community.

Implementation and Next Steps

The Strategy's 2026–2027 Action Plan translates the market validation into practical activity across proponent and investor account management, workforce development, supply-chain facilitation, housing and services, community benefit funding, green hydrogen and circular biorefinery development, investment marketing and monitoring of emerging opportunities.

Implementation will continue through the Economic Development, Tourism and Energy work program and in collaboration with other Council functions where planning, assets, infrastructure or regulatory matters are involved. Renewable energy engagement will remain the principal focus of staff activity because it represents the largest current investment pipeline and provides the platform from which related opportunities in manufacturing, transport, agriculture, workforce development, housing and services may be secured.

Progress will be reported annually, with a full review to be undertaken at the conclusion of the 2022–2027 Strategy period. Any action requiring additional budget, capital investment, a Council co-contribution or a new policy position will be separately reported to Council as required.

Relevance to Strategic Community Plan	B. Liveable and vibrant community <i>B3 Our community has access to a range of employment opportunities</i> B3.1 Develop a skilled labour force to meet community needs B3.3 Advocate, support and seek partnerships with education and training providers C. Economic prosperity and sustainability <i>C1 Our community welcomes new and innovative industry to support our future</i> C1.1 Create a better business environment C1.2 Boost demand for products and services from Hay C1.3 Facilitate growth industries C1.4 Nurture and support the development and expansion of local industries <i>C4 Our community is innovative and adaptive</i> C4.1 Identify opportunities to grow the agriculture sector C4.3 Continue to seek investment from State and Federal Government C4.4 Support education and training initiatives
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Financial Implication	Minimal impact/requirement on Council budget Significant opportunity for Hay community Adoption of the Strategy does not, of itself, commit Council to additional expenditure. Initial implementation will occur within the adopted work program and available budgets.
Legislative Implication	- Local Government Act 1993- - Environmental Planning and Assessment Act 1979- - Electricity Infrastructure Investment Act 2020 - NSW Community Benefit Sharing Guidelines 2024
Policy Implication	- Community Strategic Plan- - Hay Shire Investment Attraction Strategy 2022–2027 - Shaping Hay's Future: A 10-Year Economic Transition Roadmap - Hay and Carrathool Regional Drought Resilience Plan - Fundamental Principles for Successful Renewable Energy Development in Hay - Renewable Energy Position Statements - Community Benefit Framework - Other relevant Council policies and strategies
Asset Implication	- Potentially significant. Priority opportunities may depend on Council-controlled land or enabling infrastructure, including industrial land, the aerodrome precinct, roads, water, wastewater and community infrastructure. - Any asset commitment will require project-specific business cases, lifecycle costing and separate Council approval.
Risk Implication	- Moderate. Renewable energy development presents significant economic and community opportunities for Hay Shire; however, risks exist in relation to infrastructure delivery, transport impacts, funding availability, governance of Community Benefit Funds, community expectations and future asset ownership and maintenance liabilities. These risks are being managed through Council's Community Benefit Framework, Renewable Energy Position Statements, Planning Agreement negotiations, policy documents. Risks will be managed through the market-validated hierarchy, adopted policy frameworks, structured relationship management, partnerships and separate consideration of material financial, infrastructure and policy decisions.

Recommendation

That Council:

- (a) Notes the work undertaken to market test and update the Hay Shire Investment Attraction Strategy 2022–2027
- (b) Adopts the Updated July 2026 Hay Shire Investment Attraction Strategy 2022–2027; and
- (c) Endorses the progression of the Updated July 2026 Strategy, including the actions and priorities outlined in the report.

DRAFT



Investment Attraction Strategy 2022/2027

Including market validated report – July 2026

Table of Contents

1. About this Update	3
2. Introduction	3
2.1 Scope and Purpose	3
2.2 Key Objectives	4
2.3 Guiding Principles – Community “Non-Negotiables”	4
3. The Hay LGA – Profile and Strategic Position	4
3.1 Location – The Middle of Everywhere	4
3.2 Economy	5
3.3 The Energy Transition – A Transformed Position Since 2022	6
3.4 The Hay Advantage – Key Strengths	6
4.1 Decarbonisation Megatrend	7
4.2 Agriculture Megatrend	7
5. Market-Validated Opportunity Framework 2026	8
5.1 Tier 1 – High Potential	8
5.2 Immediate Opportunity – SW REZ Construction Phase Supply Chain (the “Sugar Hit”)	10
5.4 Continuing Strengths from the 2022/23 Framework	11
5.5 Low / No Potential – Deprioritised Opportunities	14
6. Action Plan 2026/27	15
7. The Investment Proposition – Why Invest in Hay	17

1. About this Update

Hay Shire Council adopted its Investment Attraction Strategy (IAS) 2022/27 to focus effort on attracting the investment best suited to the Shire. The Strategy committed Council to a regular review cycle, with an opportunity framework refresh completed in 2023 and a full review at the four-year mark.

This 2026 Update delivers that review. It consolidates three bodies of work into a single, current document:

- **The original IAS 2022/27:** statistical and desktop analysis, business survey and industry focus groups conducted by ID Population Experts and NDP Economics (2022);
- **The 2023 Opportunity Framework refresh:** which reshaped the four opportunity groups following Council's first year of delivery;
- **The Market Validation for Investment Attraction:** commissioned by Council and completed by Pytheas Advisory (January 2026), which moved beyond theoretical research to direct engagement with project proponents and industry leaders — including Goldwind, Someva, BayWa.re, Nordex, Hirlinga Energy, Ravensworth Ag, Crighton Engineering, Costa Group and Centuria Ag — to test real market appetite for establishing operations in Hay Shire.
- **Community consultation** - As part of the Market Validation process, Council undertook community consultation to ensure the identified investment opportunities align with local aspirations and the region's long-term economic development vision. This process confirmed broad community support for the priority industries and development opportunities identified in the Strategy, providing prospective investors with greater confidence that these investment directions reflect community expectations and are less likely to encounter widespread community opposition.

The result is a strategy that is no longer a list of aspirations. Each priority opportunity in this document has been tested with the community for social licence and with the market for commercial reality. The Update also reflects the material change in Hay's strategic position since 2022: Project EnergyConnect is now complete and energised, access rights for 3.56 gigawatts of generation and storage in the South West Renewable Energy Zone (SW REZ) have been allocated, and the first projects are expected online between 2027 and 2030.

This work is consistent with, and should be read alongside, the Hay and Carrathool Regional Drought Resilience Plan and the Hay Region Economic Transition Roadmap.

2. Introduction

2.1 Scope and Purpose

Hay Shire Council has identified investment attraction as a key focus area for economic development, responding to community and stakeholder feedback that revealed a desire for Council to foster a strong and diversified local economy that sustains existing business and attracts new business, industry and employment opportunities.

Investment attraction facilitates growth within the local community in two ways: encouraging the growth of existing businesses, and attracting new business and the flow of capital from outside the local area. The purpose of this Strategy is to set out a deliberate, evidence-based plan of action to achieve a clear set of objectives for attracting business investment — focusing Council's limited resources on the opportunities where Hay holds a genuine, market-confirmed competitive advantage.

2.2 Key Objectives

- Identify a series of market-validated investment opportunities suited to the Hay LGA and consistent with the community's future aspirations.
- Encourage and engage private investors in progressing investment projects that deliver economic benefits, particularly permanent, high-value employment.
- Engage with local industry to identify opportunities for growth and integrate local businesses into new supply chains.
- Work with key government agencies and stakeholders including EnergyCo NSW, Regional Development NSW, RDA Riverina, the Department of Primary Industries and Regional Development, the Department of Climate Change, Energy, the Environment and Water, and Invest Regional NSW to align priorities and facilitate the policy, infrastructure and regulatory conditions needed to attract investment, create jobs and strengthen regional economic growth.
- Provide economic and statistical analysis of the LGA's population, demographics, resources? and industry profile to support investor decision-making.

2.3 Guiding Principles – Community “Non-Negotiables”

Investment attraction in Hay is guided by core non-negotiables identified through community consultation. To be supported, new operations must advance Hay's aspirations for a prosperous regional economy, thriving ecosystems, healthy and connected communities, and development that is sustainable.

Council will prioritise resources on attracting projects that are:

- **Drought-Proof:** independent of traditional water-vulnerable agricultural cycles;
- **Climate-Resilient:** built for long-term environmental stability;
- **Supportive of Sustainable Population Growth:** adding permanent residents and families, not just transient workforces;
- **Future-Focused:** building a modern workforce with transferable, high-tech skills that keeps young people in the region.

3. The Hay LGA – Profile and Strategic Position

3.1 Location

Hay Shire lies in the south-west of NSW on the Murrumbidgee River, approximately 8 hours drive from Sydney and closer still to Melbourne, meaning the region has historically benefited as much from trade with Victoria as with NSW. The town of Hay sits at the junction of nationally significant road corridors:

- **Sturt Highway** – the main east–west road transport route linking Sydney with Adelaide;
- **Mid Western Highway** – connecting central-western NSW with the Riverina;
- **Cobb Highway** – the sealed north–south link on the Melbourne–Brisbane corridor.

The Shire lies within two natural catchments of the Murray–Darling Basin: the Murrumbidgee (Hay and Maude) and the Lachlan (Booligal).

3.2 Economy

Hay is recognised as a centre for agriculture and has attracted significant long-term foreign investment. The Shire holds an obvious comparative advantage in agriculture relative to regional NSW as a whole: the industry supports more than one in five local jobs and close to 40% of all value added, at more than three times the regional NSW average share of jobs and almost seven times the average share of value added. The region is renowned as one of Australia's best merino wool growing districts, with production diversified across dryland livestock (sheep and cattle), irrigated cropping — including cotton, supported by one of the world's largest cotton gins, rice, corn and wheat — intensive livestock production and horticulture. Availability of, and access to, water remains a key factor in the productivity of these industries from year to year.

The Hay Region Economic Transition Roadmap Early Insights Paper (The Next Economy, August 2025) provides an updated picture of the Shire's economy. Gross Regional Product reached \$212 million in the year ending June 2024, growing 4.5% on the previous year. The Shire supported 1,421 local jobs and 434 local businesses (up 14% since 2020), with an unemployment rate of 3.1% — below the state average — indicating a tight labour market and potential scarcity of skilled labour. One in five workers is in a managerial occupation, well above the state average. Since 2018/19 the economy has recorded upward trends in construction, retail trade, health care, manufacturing and transport — with transport support services increasing more than five-fold in value added — trends expected to continue as the South West Renewable Energy Zone develops.

The Early Insights Paper maps Hay's economy as a series of interconnected clusters: an informal economy of volunteering, cost-sharing and community-led initiatives that does much of the region's 'heavy lifting'; a land-based economy built on the region's natural resources; a town economy of local businesses and services; and a 'through' economy generated by Hay's strategic position on national freight, transport and touring routes. Visitors and those passing through spent more in the Hay economy in 2025/26 (\$27.6 million) than residents (\$23.2 million), accounting for more than half of all transactions. At the same time, the economy is 'leaky': around three-quarters of resident spending flows out of the region through escape spending (\$32.5 million) and online spending (\$36.8 million). Retaining and recirculating more of this value locally is a central economic development challenge for the Shire, and one this Strategy directly addresses.

Tourism and hospitality make an above-average contribution to Hay's economy. The town's strategic location midway between Sydney and Adelaide generates strong overnight visitation, while its natural and cultural assets encourage visitors to extend their stay. The Murrumbidgee River, together with nationally recognised attractions including Shear Outback – the Australian Shearers Hall of Fame – and the Dunera Museum, underpin a visitor economy that contributed more than **\$27 million** in economic activity in 2026, representing over **54%** of the local economy.

Consistent with best-practice investment attraction, the Strategy notes that while traditional economic development policy has typically focused on attracting businesses from outside a region, lasting local economic wellbeing more often comes from expanding existing businesses and increasing current productivity; import substitution — replacing goods and services currently purchased from outside the region; creating new businesses that produce goods and services for 'export'; supporting local entrepreneurs to put their capital into new ventures; and building capacity for local and coordinated decision-making. This Strategy applies these practices by pairing targeted external investment attraction with local content uplift, supply-chain integration and business readiness, so that new investment strengthens — rather than bypasses — the local economy.

3.3 The Energy Transition – A Transformed Position Since 2022

The most significant change since the IAS was adopted is the maturing of the South West Renewable Energy Zone, in which Hay is centrally located. Key developments:

- **Project EnergyConnect**, Australia's largest transmission project, is now complete, with the final 540 km Buronga–Wagga Wagga section energised and market operator testing underway in 2026. Additional funding to complete the Wagga to Guga line, committed by NSW Government, provides investment certainty for Access Rights Holders.
- **Four generation and storage projects** have been granted access rights in the SW REZ following a competitive tender: Origin Energy's Yanco Delta Wind Farm, Spark Renewables' Dinawan Energy Hub, Someva's Pottinger Energy Park and BayWa r.e.'s Bullawah Wind Farm — 3.56 GW of wind, solar and more than 700 MW of battery storage, enough to power over 1.6 million homes.
- **More than \$17.8 billion** of private investment is expected to flow into the SW REZ — revised upward from the ~\$10 billion estimated at the time of the market validation — supporting an average of about 1,690 direct local jobs per year during construction (over 2,800 at peak, including around 265 apprentices) and ongoing operational jobs from 2030.
- **An initial \$60 million in community benefit funding** has been announced under the SW REZ Community and Employment Benefit Program, funded by generator access fees, with Hay among the eligible communities.
- **The window is now open**, with first SW REZ projects expected to come online from 2027 to 2030 — meaning the construction-phase economic opportunity for Hay businesses is immediate.

3.4 The Hay Advantage – Key Strengths

The “Hay Advantage” is built on foundational pillars that make the Shire a high-potential destination for industrial investment:

- **1. Agricultural Strength:** a world-class primary production base.
- **2. Heart of the South West REZ:** Hay is located in the geographical heart of the SW REZ and its transmission spine.
- **3. Transport corridor:** Hay sits at the junction of nationally significant east–west and north–south highways.
- **4. Strong Community Spirit:** a proactive, forward-thinking and welcoming local culture with demonstrated social licence for significant structural change such as renewable energy.
- **5. Economic Readiness:** availability of inexpensive, flat, developable land, plus a co-located TAFE NSW and Country Universities Centre campus for workforce development.
- **6. Water Security and Liveability:** Hay's location on the Murrumbidgee River provides a reliable and secure water source that underpins the town's liveability, agricultural productivity and future economic growth. This water security provides confidence for new industry investment and supports the long-term sustainability and resilience of the Hay community.

4. Key Megatrends

Hay is uniquely positioned to benefit from two primary global and national shifts.

4.1 Decarbonisation Megatrend

- **The Goal:** Australia's aim for net zero by 2050 is driving an 82% renewable electricity target by 2030 (DCCEEW, Electricity and Energy Sector Plan).
- **The Primary Opportunity:** located in the heart of the SW REZ, Hay can host the workforce and supply chain that constructs and services large-scale renewable energy projects.
- **The Secondary Opportunity:** growing demand for decarbonised food supply chains and decarbonised transport positions Hay to play a major role in decarbonising freight and food production. The 2026 global fuel supply disruptions have highlighted the importance of improving Australia's fuel security and reducing reliance on imported diesel and fertiliser. Hay is well positioned to attract investment in renewable hydrogen, low-emissions fertiliser production and electric heavy vehicle infrastructure, supporting a more resilient regional economy while leveraging the region's renewable energy resources.

4.2 Agriculture Megatrend

- **The Demand:** global food demand is expected to increase by 56% by 2050 (World Resources Institute).
- **The Value:** Australian food exports are forecast to grow from \$43 billion in 2023 to over \$100 billion by 2030 (National Farmers' Federation 2030 Roadmap).
- **The Opportunity:** Hay can leverage its assets to both increase and decarbonise crop and livestock production, and to convert agricultural by-products into energy and high-value inputs.

5. Market-Validated Opportunity Framework 2026

The framework below replaces the 2022 Results Table and 2023 refresh. Every opportunity has been assessed through a three-stage process: research to identify preliminary target operations; testing with the Hay community for support and social licence; and final market validation through direct engagement with companies to test genuine appetite for establishing operations in Hay Shire.

Framework at a glance

Tier	Opportunities	Council direction
Tier 1 – High Potential	SW REZ Operations & Maintenance Hub; Green Hydrogen Production; Circular Biorefinery, Electric Heavy Vehicle transport	Proactive – dedicate resources and relationships
Immediate – “Sugar Hit”	SW REZ Construction Phase supply chain integration	Proactive – act now, window is open
Tier 2 – Watch	SW REZ Equipment Refurbishment Facility; Data Centres (water-neutral only)	Reactive – monitor, respond to approaches
Continuing strengths	Sustainable agriculture and value-adding; Visitor economy; Transport & logistics (airport precinct, freight hub)	Enable – maintain existing programs
Low / No Potential	Controlled Environment Horticulture; Cotton Spinning; AgTech Hub; Advanced Plastics Recycling	No dedicated resource

5.1 Tier 1 – High Potential

These three opportunities together are expected to deliver 75–135 (potentially over 110) permanent, high-value roles in industries that are drought-proof, climate-resilient and ongoing.

5.1.1 SW REZ Operations & Maintenance (O&M) Hub

Jobs	50–100 permanent roles
Alignment	● High alignment with Hay’s values and aspirations
Timeframe	● Immediate
Industry interest	● Strong – validated with proponents

A central service and logistics base for routine and unscheduled maintenance of surrounding wind and solar farms in the SW REZ, including homes for the workforce and their families and supply chain opportunities for Hay-based businesses. With 3.56 GW to be constructed, significant ongoing operational roles will be created across the zone from 2030, and Hay’s logistical centrality reduces travel time and cost for maintenance crews.

Market validation findings:

- Someva, BayWa.re and Goldwind will require a collective operational workforce of over 80 people, with Hay the obvious location to house them.

- Goldwind requires technicians to live within a one-hour radius for a 7:00 am start; proponents note that 100% of service technicians are typically locally based.
- The workforce must include qualified operators, specifically electricians with High Voltage (HV) qualifications.
- Proponents have elsewhere offered relocation bonuses and six months' rent-free accommodation — making local housing availability the primary constraint.
- All three companies identified supply chain opportunities — ongoing civil and electrical works through to administrative and support services — that would ideally be sourced locally.

Strategic impact: establishes Hay as the administrative and technical centre of the South West REZ, with strong community support recorded in consultation.

5.1.2 Green Hydrogen Production

Jobs	10–15 highly skilled roles
Alignment	● High alignment with Hay's values and aspirations
Timeframe	● Medium
Industry interest	● Strong – two active proponents

Production of hydrogen from renewable energy for use as fertiliser (anhydrous ammonia) or fuel for heavy transport and irrigation. Hay's advantage rests on proximity to major freight routes, interest from local primary producers, potential to secure offtake from REZ operators, and access to secure water supply via groundwater, Murrumbidgee River.

Market validation findings:

- Industry actively exploring green hydrogen production in Hay Shire —initially focused on fertiliser applications and transport.
- Council has previously completed a NSW Government-funded business case for green hydrogen development identifying investment opportunities and partners, and has hosted proponent site visits.

Strategic impact: establishes Hay as a decarbonisation leader, generating low-carbon fertiliser and pioneering green freight fuel for inland corridors, with strong community support.

5.1.3 Circular Biorefinery

Jobs	10–15 roles
Alignment	● High alignment with Hay's values and aspirations
Timeframe	● Short to medium
Industry interest	● Strong – committed local proponent

Processing of organic waste — primarily manure — into renewable electricity, heat, high-value bio-fertilisers and, potentially, green hydrogen, pharmaceuticals, nutraceuticals and decarbonised cattle feed supplements.

Market validation findings:

- Industry is very interested in developing an anaerobic digester using manure feedstock from the local feedlots, for both commercial and environmental reasons.
- The planned feedlot industry expansion in Hay to 150,000 cattle will increase manure feedstock from 60,000 to 150,000 tonnes per annum.
- Co-investment from the NSW or Federal Governments could accelerate these projects by 8–10 years.

Strategic impact: provides the foundation for a circular economy in Hay — turning a liability (manure) into a high-value renewable asset (fertiliser and energy) that supports local farms and future-focused roles.

5.2 Immediate Opportunity – SW REZ Construction Phase Supply Chain (the “Sugar Hit”)

Alignment	● High alignment with Hay’s values and aspirations
Timeframe	● Short to medium – construction is commencing now
Industry interest	● Strong – both proponents and local firms

With more than \$17.8 billion of investment and an average of about 1,690 direct local construction jobs per year forecast across the SW REZ, there are significant supply chain opportunities for Hay businesses in the construction phase — traffic control, civil works, logistics, site catering and accommodation among them. Capturing these opportunities diversifies income for local firms and injects spend into the Hay economy.

Market validation findings:

- Local industry has heavy fleet and workshop capacity, water supply solutions and transport ready for REZ projects, and advises that proponents can better achieve their objectives by engaging early and directly with local expertise and capability.
- Project proponents have expressed strong interest in engaging more closely with local companies and in raising the profile of REZ skills requirements — construction and operational — with locals.
- Generator access rights commitments require local content quotas and workforce development; these could be leveraged to catalyse local industry development.

• 5.3 Tier 2 – Watch (Reactive Resource Allocation)

5.3.1 SW REZ Equipment Refurbishment Facility

Jobs	20–50 permanent trade roles
Alignment	● High alignment with Hay’s values and aspirations
Timeframe	● Long – minimum 10 years post-installation
Industry interest	● Questionable at this stage

A specialised operation repairing high-value wind turbine components (gearboxes, generators) domestically. The Australian wind turbine operation and maintenance market is projected to reach \$1.88 billion by 2033 (Spherical Insights), and Hay’s central location could significantly reduce asset downtime.

However, Industry advise the opportunity is a minimum of 10 years after wind tower installation, with viability dependent on the geographic concentration of turbines of the same make and model. Council should maintain relationships but allocate resources reactively.

5.3.2 Data Centres

Jobs	2–5 high-pay roles (operational stage)
Alignment	● Medium strategic alignment
Timeframe	● Short to medium
Industry interest	● Questionable – depends on technology

Facilities for remote data storage and processing leveraging green energy surplus, co-located with SW REZ renewable farms and fibre conduits along transmission corridors. Industry advise they are already being approached by data centre operators. Distance is not a barrier for many data workloads and co-location with renewable energy is attractive. Any data centre in Hay Shire would need water-neutral cooling technology: competing with existing water users is not commercially or socially acceptable. Jobs are few but high-value and high-paid.

5.4 Continuing Strengths from the 2022/23 Framework

The January 2026 market validation focused on new industrial operations. The following opportunity groups from the 2022 Strategy and 2023 refresh remain part of Council's economic development program and complement the Tier 1 priorities. They are presented here in the same format for consistency; ratings reflect Council's assessment based on delivery to date rather than Pytheas company interviews.

5.4.1 Sustainable Agriculture & Value-Adding

Jobs	Underpins the Shire's largest employer – more than 1 in 5 local jobs and ~40% of value added
Alignment	● High alignment with Hay's values and aspirations
Timeframe	● Immediate and ongoing
Industry interest	● Strong – established sector with active expansion

Definition: Strengthening and decarbonising the Shire's world-class primary production base through water efficiency, value-add R&D and technology adoption, on-farm decarbonisation, and biodiversity offsets and carbon credits on the Hay Plain rangelands.

Market data: Global food demand is expected to increase by 56% by 2050, and Australian food exports are forecast to grow from \$43 billion in 2023 to over \$100 billion by 2030. Local confidence is demonstrable: agricultural land prices in the Shire increased 26.5% in 2019/20, AFF operates one of Australia's largest cotton gins south of Hay, and the Ravensworth Feedlot is planning to expand from 100,000 head.

Evidence and delivery to date:

- Partnership with Department of Primary Industry and Regional Development and Invest Regional NSW to review opportunities for Sustainable Aviation Fuel and Biofuel production, through the Regional Drought Hub, connecting producers to Research and Development Corporations.
- Industry meetings held with government agencies on the Rangelands setting to investigate biodiversity offset and carbon credit opportunities.
- Demand-side linkages confirmed through market validation: green hydrogen proponents are targeting low-carbon fertiliser (anhydrous ammonia) for local farmers, and the circular biorefinery converts feedlot manure into bio-fertiliser and energy for the sector.

Strategic impact: protects and grows the economic core of the Shire while positioning Hay produce for premium decarbonised supply chains. This group is the demand anchor for the Tier 1 hydrogen and biorefinery opportunities — each strengthens the business case of the others.

5.4.2 Visitor Economy

Jobs	Dispersed roles across hospitality, retail and attractions – sector already contributes above-average share of the economy
Alignment	● High alignment with Hay's values and aspirations
Timeframe	● Short (river product) to long (Rail Trail, major attractions)
Industry interest	● Emerging – requires targeted private investment attraction

Definition: New visitor product built off the Murrumbidgee River and Hay's established attractions — river activities and access, a Sunset Viewing Area celebrating the Hay Plains horizons, the proposed Rail Trail, Tree Tops Adventure, and a Mad Max Experience leveraging the region's film heritage — anchored by Shear Outback (Australian Shearers Hall of Fame), the Dunera Museum and the water tower murals.

Market context: Tourism and hospitality already contribute an above-average share of the Hay economy. The sealed Cobb Highway completes a Melbourne–Brisbane touring route through Hay, and the SW REZ construction phase — averaging about 1,690 direct local jobs per year across the zone — is generating substantial demand for accommodation, food and services in the short term.

Evidence and delivery to date:

- River Masterplan developed to guide river access and amenity investment, with destination and river product development taken to industry to encourage private investment in new tourism offerings.
- The Visit Hay Destination Marketing Plan 2024/25 developed, positioning Hay as a desirable stopover and gateway destination on the Sydney–Adelaide road journey, with SMART goals across website traffic, unpaid media coverage, email direct marketing, social media growth and Visitor Information Centre engagement, underpinned by a monthly, quarterly and annual analytics and reporting framework.
- Marketing focus sharpened on Hay's 'Top 5' experiences — the Water Tower Art, Hay's museums, the Murrumbidgee River and Sandy Point, Cycle Hay, and Sunset & The Plains — and four hero annual events (Hay Fishing Competition, Hay Rodeo, Rainbow on the Plains and Hay Races), with target visitor segments defined for touring families, caravan and camping travellers and event attendees, informed by Visit Hay and Destination Riverina Murray research.

- An Integrated Digital Advertising Plan prioritised for delivery within available budget, with owned and earned tactics — website enhancements, email direct marketing, an online reviews program and unpaid media outreach — sequenced through a ‘do now / do next / do later’ priority schedule supported by defined content pillars and destination key messages.

Strategic impact: diversifies the economy and builds the amenity and liveability that underpin the Tier 1 opportunities — proponents confirmed through market validation that attracting a permanent O&M workforce depends on families choosing to relocate, and visitor-economy amenity is central to that choice.

5.4.3 Transport & Logistics

Jobs	Medium–long-term potential across freight, warehousing, aviation and heavy-vehicle services
Alignment	● High alignment with Hay’s values and aspirations
Timeframe	● Medium to long
Industry interest	● Emerging – developer and freight-user discussions underway

Definition: Development of Hay as a freight and logistics node at the junction of the Sturt, Mid Western and Cobb Highways — comprising an Airport Precinct, a transport and logistics hub with warehousing, hydrogen and/or electric refuelling for heavy vehicles on inland corridors, and a Regional Transport and Logistics Value Chain Analysis to attract government and private sector infrastructure investment in Hay.

Market context: Hay’s geographic position places it on the main Sydney–Adelaide corridor and the sealed Melbourne–Brisbane route, roughly equidistant from major southern capitals. Hydrogen is assessed nationally as critical for decarbonising long-haul freight, and the SW REZ construction phase is generating immediate heavy-vehicle, logistics and warehousing demand across the zone. The transition to electric heavy vehicles is expected to reshape Australia's freight network, making the availability of high-capacity charging infrastructure a critical factor in future transport routes and logistics decisions. Securing this infrastructure in Hay will help ensure the town remains a key freight and service centre, supporting local businesses while maintaining its strategic role within the national transport network.

Evidence and delivery to date:

- Airport Master Plan complete, identifying suitable land for a logistics hub, with discussions held with an airport developer and air-freight users.
- Hydrogen for Heavy Vehicles business case completed to identify investment pathways — connecting this group directly to the Tier 1 Green Hydrogen opportunity and its transport-fuel proponent.
- Hay Shire Council has progressed strategic land-use planning, including the proposed rezoning of land around Hay Airport, to increase the supply of land available for future industrial and employment-generating development. This will help bring strategically located industrial land to market, supporting business expansion, new investment and emerging opportunities associated with freight, energy and industry

Strategic impact: converts Hay’s locational advantage into permanent economic infrastructure, positions the Shire as a green freight corridor node as decarbonised- heavy transport matures, and captures logistics demand from both agriculture and the REZ build-out.

5.5 Low / No Potential – Deprioritised Opportunities

A disciplined strategy is defined as much by what it declines to pursue. The following were assessed as low or no priority through market validation and community workshops, due to market forces and/or social licence considerations. No Council resource should be devoted to attracting them:

- **Controlled Environment Horticulture (advanced glasshouses):** REZ proponents advise access to cheap REZ power is likely to be difficult due to technical and regulatory barriers, and CEH demand is unlikely to justify enabling infrastructure. Costa Group advises Hay is not a strategic priority; Centuria Ag notes six established growers dominate a primarily domestic market anchored to Coles and Woolworths; Sundrop Farms, Flavorite and Perfection Fresh failed to engage.
- **Cotton Spinning:** Australia does not hold a competitive advantage against Southeast Asia; 99% of Australian cotton is exported as raw lint.
- **AgTech Hub:** other locations such as Orange hold stronger advantages; Hay's limited resources are better focused elsewhere.
- **Advanced Plastics Recycling:** recycling is more likely to occur, and should occur, closer to major cities.
- **Additional Cattle Feedlots:** the market will drive growth without proactive Council intervention.

6. Action Plan 2026/27

The role of Hay Shire Council in investment attraction is to provide enablers and incentives. Local governments have a limited sphere of influence and must work within resource constraints. Council's levers remain: Control (site, land and premises availability; infrastructure; streamlined approvals), Influence (quality of life; labour availability through targeted training; network facilitation; advocacy to State and Federal governments) and Monitor (tracking economic indicators; collecting business feedback).

The 2022 Action Plan is substantially delivered — including engagement of an Economic Development Manager, the Housing Strategy, the “More Time for Life” labour attraction campaign, the Airport Master Plan and the NSW Government-funded Green Hydrogen business case. The refreshed plan below directs effort to the market-validated priorities.

Action	Key activities	Timeframe	Partners
1. Project proponent relationships	Maintain open, structured relationships with confirmed SW REZ proponents (Origin, Spark, Someva, BayWa r.e., Goldwind) and hydrogen/biorefinery proponents (Hiringa, Ravensworth Ag) to position Hay and gather timely intelligence Council and the community can act on.	Immediate & ongoing	EnergyCo, Developers
2. Account Management	Maintain ongoing strategic relationship management across key industry sectors, ensuring Council maintains strong partnerships with existing businesses while proactively engaging with emerging industries and investors. These relationships are critical to identifying opportunities, resolving barriers to investment, advocating for local priorities, and supporting sustainable economic growth across the Hay Shire.	Immediate & ongoing	Industry, Govt, community
3. Workforce development	Partner with energy developers, industry, TAFE, training providers and schools to establish local skills development, training and employment pathways that create a lasting workforce legacy beyond REZ construction and support long-term job growth across renewable energy, agriculture, transport and logistics, tourism and emerging industries.	Short term	TAFE NSW, CUC, HWMHS, Developers
4. Supply chain facilitation	Establish an ongoing two-way engagement program connecting Hay businesses with renewable energy developers, Balance of Plant (BoP)	Immediate	Proponents, local business, EnergyCo, ICN

Action	Key activities	Timeframe	Partners
	contractors and Operations, Engineering and Maintenance (OEM) providers to align local capability with procurement, workforce and service requirements. Targeted funding for Business Coordinator. Facilitate targeted B2B sessions and information exchange that enable local businesses to understand upcoming opportunities and uplift capability, while ensuring industry has visibility of local suppliers and commits to maximising local content. Extend this approach to the broader “Plus One” economy—including tourism, hospitality, accommodation, transport and professional services—to capture indirect economic opportunities generated by renewable energy investment and strengthen local supply chains.		
5. Housing & services	Foster development of family-ready housing and expand childcare capacity so the permanent O&M workforce resides in Hay; implement the Housing Strategy and Hay Health Precinct Legacy Housing Business Case	Short–medium	NSW Govt, developers, CHPs
6. Community benefit funding	Position Hay to maximise its share of the \$60 million+ SW REZ Community and Employment Benefit Program by aligning funding priorities with strategic enabling investments in housing, childcare, workforce development, industry growth, investment attraction and community amenity. Leverage the planning agreement funding to maximise legacy outcomes for the community	Immediate	EnergyCo, community
7. Green hydrogen facilitation	Progress outcomes of the Green Hydrogen business case with Hiringa Energy and Ravensworth Ag; advocate for State/Federal co-investment; secure WWTP water access arrangements.	Medium	DCCEEW, NSW Govt, developers
8. Circular biorefinery facilitation	Support local industry to develop anaerobic digester through planning pathways and advocacy for government co-investment (which could accelerate the project by 8–10 years).	Short–medium	Feedlot Industry, DPIRD NSW/Fed Govt

Action	Key activities	Timeframe	Partners
9. Investment marketing	Refresh prospectuses for the three Tier 1 opportunities; maintain data tools and insights (Spendmapp, economy.id) on Council's Economic Development pages.	Short term	Internal
10. Watch-list monitoring	Monitor refurbishment facility and data centre interest via proponent relationships; respond to credible approaches (data centres: water-neutral cooling only).	Ongoing	Proponents
11. Strategy review	Report annually against this plan; conduct the next full strategy review in 2027 at the conclusion of the 2022/27 period.	Annual / 2027	Council

7. The Investment Proposition – Why Invest in Hay

Hay is agricultural at heart, strategically located and future focused.

As one of the key regional centres supporting Australia's energy transition, Hay offers investors the rare combination of renewable energy, freight connectivity, agricultural strength, workforce development and proactive local leadership. It is a community committed to turning a once-in-a-generation infrastructure investment into decades of sustainable economic growth.

A nationally significant investment opportunity – Hay sits at the centre of the South West Renewable Energy Zone (SW REZ), one of Australia's largest renewable energy precincts. More than 3.5 GW of renewable generation and over 700 MW of battery storage have secured access rights, supported by around \$17.8 billion in private investment and new nationally significant transmission infrastructure. Construction activity will extend well into the next decade, creating sustained demand for industrial services, manufacturing, logistics, accommodation, professional services and workforce development.

The service and supply hub for the energy transition – Hay is strategically positioning itself to capture value well beyond construction. Rather than simply hosting projects, the community is building capability across operations and maintenance, balance of plant services, transport, manufacturing, agribusiness and professional services. Through proactive industry engagement, local business capability development and direct business-to-business facilitation, Hay is creating an environment where investment leaves a permanent economic legacy.

Connected to Australia's freight network – Located at the intersection of the Sturt, Mid Western and Cobb Highways, Hay provides direct access between Sydney, Melbourne and Adelaide and sits on nationally significant freight corridors servicing inland Australia. This strategic location supports efficient movement of oversized renewable energy components, agricultural commodities and manufactured products while already generating almost \$30 million annually in traveller expenditure, demonstrating the strength of the passing economy.

An economy built on resilience and growth – Hay combines the stability of a productive agricultural economy with emerging opportunities in clean energy and advanced industry. Gross Regional Product continues to grow (\$0.20 billion in 2025), local business numbers have increased significantly, unemployment remains below the NSW average and almost nine in ten employed residents work locally. This strong economic base provides confidence for businesses seeking long-term investment opportunities.

A skilled workforce with a clear pipeline – Hay is investing in the workforce required for the next generation of industry. The co-located TAFE NSW and Country Universities Centre create pathways from school through vocational and higher education. Council is working directly with industry to develop training aligned to renewable energy, electrical trades, operations, engineering, transport and emerging manufacturing opportunities, and with local schools to showcase the diverse range of industries and careers available to encourage young people to build their careers and future locally. This approach is designed to ensure today's students and construction workforce becomes tomorrow's permanent skilled workforce.

Agricultural strength creates industrial opportunity – Agriculture remains Hay's competitive advantage, contributing around 40% of regional value added and providing secure feedstocks for emerging industries including renewable fuels, fertiliser production and advanced manufacturing. Combined with access to non-potable recycled water and abundant renewable energy, Hay offers ideal conditions for value-added processing and decarbonised industrial investment.

A community ready for investment – Extensive community engagement through the Hay Economic Transition Roadmap has established a clear vision for sustainable growth. The community supports investment that creates long-term employment, strengthens local services and builds enduring industries beyond renewable energy construction.

A proactive investment partner – Hay Shire Council is taking an active role in enabling investment through streamlined planning support, investment facilitation, workforce development, housing initiatives, business capability programs and strategic infrastructure planning. The Council is also positioning projects to secure a significant share of the community benefits that flow from renewable energy development, ensuring investment is matched with improvements in housing, childcare, skills, liveability and enabling infrastructure.

C7 – Long Term Financial Plan Update

REPORTING OFFICER	General Manager
ATTACHMENTS	Under Separate Cover - Budget reports for General, Water and Sewer Funds, Cashflow Statement and Balance Sheets, Fees of Council Private Works

INTRODUCTION

When financial plans were previously discussed cashflow statements and balance sheets were not completed for all three funds, these now have been completed, and performance ratios have been updated for review.

COMMENTARY

Staff have completed cashflow statements and balance sheets for the three funds and updated the performance ratios. There are no additional items of expenditure or any changes to the LTFP adopted at the June 2026 ordinary meeting.

Long Term Financial Plan (LTFP)

The Long-term financial plan as presented contains several assumptions with a minimal number of unknowns included in the budget. The main assumptions include: -

- CPI to return to normal levels.
- No additional funding allowance in the budget to replace the Regional and Local Roads Repair program after 2026/2027.
- Roads to recovery allocation to remain after the current funding program.
- Rates to increase by 4.8% in 2026/27 and then 3% yearly thereafter.
- Small reduction in 2026/27 investment income with a further reduction in 2027/28.
- Financial assistance grants to increase by 5% a year for each year of the LTFP.
- No extra allowance for additional staffing costs to replace existing specialist staff
- No additional staff unless externally funded.
- Service delivery to remain largely unchanged.

In the General Fund, the forecast is that Council will be able to largely maintain its cash position despite fairly substantial operating deficits for the next five years. The reason the cash position is being maintained is that apart new road works in 2026/2027 and 2027/2028 the forecasts are to spend less than 60% on average of our depreciation cost on capital renewal over the life of the plan. It is anticipated that external funding will be allocated over time to increase the percentage of renewal works undertaken.

Council is in the fortunate position that over the last five years it has had an expansive capital program largely grant funded which means that it is low risk to adopt this strategy in the short term. Council is still maintaining its essential or higher risk capital works such as reseals, water and sewerage services renewal, and high use building works. As discussed at previous councillor development sessions, Council has always struggled to generate sufficient revenue to fund its own capital works, having relied on external funding for a significant amount of its infrastructure and community assets renewal and upgrade programs.

There is no capacity in the LTFP for discretionary spending. More than ever, it is important to accurately measure what we do, maintain strict budgetary control and be adaptive.

At this point there is no capacity to transfer funds to reserves, such as levee bank, waste or infrastructure. This will need to be revisited for 2026/27 budget preparations.

In the most part the Long-Term Financial Plan is a continuation of plans and services already in place whether they be Council or grant funded. There are some significant infrastructure items including:-

- Heavy Vehicle Access Hay Aerodrome
- South Hay Heavy Vehicle Rest Area

Items not in the Plan

The long-term financial plan does not include the construction of a new levee bank in Hay and Maude as this project is still in the design phase. This will be the largest single infrastructure project ever undertaken by Council and arguably the most important. Unfortunately, Council does not have the funds to complete the main street master plan works which are reliant on external funding.

Also not included in the Plan is any financial benefits to Council in regard to the large-scale renewable developments. This is still unknown at this point, and will be quantified, if any, when announcements are made on the successful developments, Planning Agreements and funding streams such as the Community & Employment Benefits Program.

Overall, the LTFP focus is to maintain the current level of service to the community and at least maintain, if not, improve the liveability of Hay. The LTFP aligns to the new Community Strategic Plan (CSP) and Delivery Plan (DP) to achieve the outcome of having Hay Shire to be a better place to live.

Updated ratios

Council's overall projected result for the 2025/26 income statement is a deficit of \$4,634,000. Council has received 80% of the Financial Assistance Grant for 2026/27 year which equates to \$4M in advance.

Projected performance ratios as at 30/6/2026 on a consolidated basis are:

- Operating performance ratio -12.28%
- Own source operating revenue ratio 29.64%
- Rates annual charges, interest and extras outstanding 13%
- Unrestricted current ratio, Debt service cover ratio and Cash expense cover ratios have all been removed

Financial Strategy

The workpapers previously presented show the following results for 2026/27:

Working Capital

General Fund

\$71,452 (surplus)

Water Fund

\$47,110 (surplus)

Sewer Fund

\$129,064 (surplus)

Operating Result before capital Grants**General Fund**

\$2,138,487 (deficit)

Water Fund

\$7,890 (deficit)

Sewer Fund

\$109,353 (surplus)

The positive for Council is that all three funds are in a satisfactory cash position. It is acknowledged that both the General Fund operating ratio, own source revenue and asset renewal ratios are below the benchmark and Council is actively managing these matters. The Local Government financial sustainability issue has been well documented in recent months, and Council is not immune from these factors.

In addition, the NSW Grants Commission is currently undertaking a review of the methodology for the allocation of the Financial Assistance Grants, along with OLG's review of asset valuations and performance ratios, all of which are anticipated to have a positive impact on Council's financial sustainability moving forward.

RELEVANCE TO STRATEGIC COMMUNITY PLAN	D Governance and Organisational Performance <i>D.1 Our community is supported by a strong and resilient Council that is responsive to its needs</i> D1.2 Council effectively manages its resources D1.4 Council decision making is based on a sound appreciation of community issues and needs, supported by reliable information and asset management systems.
FINANCIAL IMPLICATION	The Long-Term Financial Plan prescribes Councils financial activities for the next 10 years which has significant implications.
LEGISLATIVE IMPLICATION	In accordance with section 403 of the Local Government Act 1993 Council must prepare a resourcing strategy inclusive of a long-term financial plan.
POLICY IMPLICATION	Council Long Term Financial Plan
ASSET IMPLICATION	The amount of revenue Council derives has implications on asset management funding
RISK IMPLICATION	Who Councils resources its operations has implications across major risk areas.

Recommendation:

That Council:

- a) Notes the information provided in the report; and
- b) Adopts the cashflow statements and balance sheets as presented.

C8 – Swimming Pool Management

REPORTING OFFICER	General Manager
ATTACHMENTS	- Nil

INTRODUCTION

Update on the management of the swimming pool for the upcoming season.

COMMENTARY

As reported to the October 2025 meeting, the construction of the new John Houston Memorial Swimming Pool was progressing well and opened December 2025. The new facility is most definitely the jewel in the crown for the community.

The new pool, while largely automated, still requires daily supervision, maintenance and attention. It has been found that chemical use and manhours is more than anticipated, however, electricity use and water consumption is less than expected. While the pool has a winter run mode, it still requires regular care.

The cost to run the pool for the upcoming season is budgeted for \$382,000. This is in line with the final cost from the 2025/26 year.

Council is required to determine how it wishes to manage the swimming pool for the upcoming season.

As reported in 2022, Council has, for quite some time, managed the pool with its own staff. The last time this was reviewed prior to 2022 was in 2012 where Council resolved to continue managing the pool with its own staff. Experience has shown that this may not be the most cost-effective solution. In addition, Council has had difficulty in obtaining casual pool staff. This is a common problem across rural LGA's with many councils' reporting difficulty in attracting staff or contractors to manage their local pools. For the 25/26 season, Council operated the pool in-house with its own staff.

The John Houston Memorial Swimming Pool is free of charge and operated the following supervised hours last season:

Tuesday - 3pm to 6pm
Other Weekdays - 3pm to 7pm
Saturday and Sunday - 12pm to 7pm

There is no plan to reduce the opening hours or implement an entry fee for the upcoming season.

With the new pool build having heating, it is proposed that the pools be open for six months (26 weeks). Accordingly, any retainer for a contractor is recommended to be set at \$80,000 for the season. It is suggested, weather permitting, the pool opens at the October 2026 long weekend (Saturday 3rd October 2026) and closes Easter 2027 (Monday 29th March 2027).

Last season the staff ran a booking system for swimming lessons, and this seemed to work well.

Regardless of whether the pool is operated in-house or by contract, other than employing pool lifeguards, there are other activities that would need to be managed include:

- Cleaning of the pools
- Testing/monitoring/backwashing of the pool water
- Cleaning of the amenities and site
- Mowing of the site

Having the management and lifeguarding back in house requires a minimum of 60 hours/week of staff time. Allowing for casual lifeguards, supervision and mowing, it is estimated that it would cost Council \$190,000 for the season, in lieu of \$80,000 for a contractor.

Towards the end of the 25/26 season, staff had the unsupervised entry system operational. This was well received by the community. For the John Houston Memorial Swimming Pool, the unsupervised 7am to 7pm seven days a week, with lifeguards on duty (supervision) as follows:

3pm to 7pm – Monday to Friday; except Tuesdays being 3pm to 6pm

12pm to 7pm – Saturday and Sunday, school holidays and public holidays (except Christmas Day and Boxing Day)

Staff are required to be on site 6am to 8am, as well as 7pm to 8pm each day for cleaning and water monitoring, as well managing the splash park facility. The mowing and other activities would occur during the day during the unsupervised periods, with the new robotic mowers certainly improving the efficiency. The pools would be available to morning swimmers from 7am unsupervised.

It is proposed to run the unsupervised pool entry system as was at the end of last season.

Options for the swimming pool management to consider are:

1. Employ staff to manage the pool complex as it has in the past, where a minimum of three casuals is typically required to service the season.
2. Advertise an Expression of Interest (EOI) for a contractor to manage the complex during the season (this could be a local family or group/organisation).
3. Have the pool unsupervised. This would be at a high risk, and Council would still need to undertake the cleaning of the pools & amenities, water testing and control, and mowing.
4. Combination of Options 1 or 2 above with Option 3. Staff feel this would be the preferred option and provide an increased availability of the new pools to the public.

It should also be noted that failure to attract either a contractor or staff could result in the pool not opening at the commencement of the upcoming season.

Additionally, Council leased the pool canteen to Mara On Food last season, which was a great success. It is recommended that Mara On Food be given a two-year lease (2026/27 and 2027/28 seasons), on the same commercial arrangement as last season, to provide some continuity of service to the community.

At the August 2026 ordinary meeting, Council resolved to:

- (a) Notes the information provided in the report;
- (b) Manages the swimming pool for the 2026/27 season internally (own staff);
- (c) Awards the lease of the pool canteen for the 2026/27 and 2027/28 seasons to 'Mara On Food' and authorises the General Manager to execute the lease accordingly.

Since the meeting, staff have commenced preparations for the opening of the pool on 3 October 2026 and have called for applications for pool attendants, with applications closing on 18 September 2026. Two casual staff have now been onboarded to assist with pre-opening preparations.

The splash park has been commissioned for the upcoming season and is now open to the public.

Unfortunately, Mara on Food has declined the offer to take up the lease of the pool canteen due to resourcing constraints. Staff have subsequently called for Expressions of Interest for the operation of the canteen, with applications closing on 2 October 2026. Given the timing of the EOI process, it is unlikely that the canteen will be operational at the commencement of the pool season and, depending on the availability of a suitable lessee, it may not operate during the season.

A further report will be presented to Council in due course to provide an update on the pool season and the outcome of the canteen EOI process.

RELEVANCE TO STRATEGIC COMMUNITY PLAN	Social 1.2 Recreational, Civic Spaces, and Infrastructure that meet community needs 1.2.1 Enhance public recreation areas and facilities 1.2.2 Placemaking with purpose 1.2.3 Deliver infrastructure that are responsive to the community's needs 1.2.4 Create a safe, inclusive, and resilient community where all members feel secure, supported, and empowered to thrive Environmental 2.1 Council is resilient and adaptive 2.1.1 Council considers climate change resilience in our services, and the maintenance and management of our buildings, public spaces and infrastructure. 2.1.2 Foster sustainable energy solutions and practices to reduce Council's footprint. 2.1.3 Climate change risks and opportunities are embedded in our decision making process. 2.3 Celebrate and Promote our unique natural environment 2.2.3 Implement sustainable and eco friendly tourism initiatives 2.4 Enhance the built environment 2.4.1 Maintain and beautify urban areas. 2.4.3 Provision of sustainable infrastructure that is adaptive to changing needs, suitability, betterment and funding levels. Economic 3.2 Our community values its history and tourism 3.2.1 Increase tourism and visitor spend 3.2.4 Showcase our open space, recreation and cultural facilities Civic Leadership 4.1 Our Council leads by example 4.1.1 Implement and promote best practice governance 4.1.2 Monitor and evaluate Council's strategic planning documents 4.1.3 Be environmentally responsible in decision making
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	4.1.4 Council will seek to continuously improve 4.2 Our community is supported by a strong and resilient Council that is responsive to its needs 4.2.1 Provide an advocacy role on behalf of the community 4.2.2 Inform and empower community input into decision making 4.2.3 Our community has access to Council information, services and facilities 4.3 Our Council is inclusive and sustainable 4.3.1 Enable an engaged workforce with suitable skills, available in the right place at the right time 4.3.2 Build a strong, collaborative, and supportive team culture 4.3.3 Ensure a financially sound Council that is responsible and sustainable
FINANCIAL IMPLICATION	Moderate -- Council's adjusted pool operations and maintenance budget for 2025/26 is \$389,000, which included pre-opening staff expenses - Council's pool operations and maintenance budget for 2026/27 is \$382,000 - Cost per day to keep open - \$1,800
LEGISLATIVE IMPLICATION	Local Government Act 1993
POLICY IMPLICATION	Asset Management Policy and Strategy John Houston Memorial Swimming Pool Master Plan Risk Management Policy Signs as Remote Supervision Policy
ASSET IMPLICATION	Major – the new swimming pool complex will be one of Council's largest single assets
RISK IMPLICATION	Moderate – reputational and safety

RECOMMENDATION

That Council notes the information provided in the report and the actions being undertaken.

C9 - Circulars and other Government Correspondence

REPORTING OFFICER	General Manager
ATTACHMENTS	(i) OLG Circular 26-17 – Performance Ratios Discussions Paper, dated 26th August 2026 + local-government-performance-ratios-discussion-paper and appendices + Copy of Council's submission (ii) OLG Circular 26-18 - Consultation on Model Code of Conduct for Council Staff + Draft Model Code of Conduct, Delegates and Committee Members, dated 31st August 2026 (iii) OLG Circular 26-19 - Completion of Evaluation – Public Spaces (Unattended Property) Laws, dated 1st September 2026 (iv) ALGA Media Release – Invest in councils to lift regional productivity+ RAI Regional Productivity Solutions Report 2026; dated 20th August 2026 (v) RAMJO Submission on the Water Act 2007 Review + Appendices 1, 2a, 2B, 2C, 2D & 3, dated 31 August 2026 (vi) NSW Government – DPHI – Community Participation Plan + Statewide Community Participation Plan, dated 1st September 2026 (vii) NSW Government – DIAP Progress Reporting Consultation Summary, dated August 2026 (viii) Letter from Office of Responsible Gambling – GambleAware Week 2026, dated August 2026 (ix) Letter Local Government Grants Commission – Financial Assistance Grants Allocation 2026-27, dated 24th August 2026 (x) Letter from Minister Sam Rae – Commonwealth Home Support Program (CHSP), dated 25th August 2026 (xi) Letter from NSW Ombudsman – Conflicts of interest in councils role to property, dated 24th August 2026 (xii) LGNSW Member Message - Legal opinion: Local Government (General) Amendment (Meetings) Regulation 2026 – Briefings before meetings, dated 14th August 2026 + Email from Port Stephens Council, dated 10th September 2026 (xiii) State Library NSW – Amendment to Library Act 1939 – Library Rules, dated 21st August 2026 (xiv) Letter from National Trust – Oxley Bridges + National Trust Register Listing Report, dated 25th May 2026 (xv) LGNSW Member Message – Securing Our Water Supply, dated 4th September 2026 + Action Plan + Letter to Premier & Minister Template (xvi) Letter from NSW Grants Commission – Financial Assistance Grants Methodology Review, received 28th July 2026 + Proposed Methodology Consultation Presentation + Council Submission Template + OLG Letter – Financial Modelling for Hay Shire, dated 4th September 2026 (xvii) OLG Circular 26-20 - 2026 Updated Pensioner Concession Application Forms for Council Rate Rebates, dated 4th September 2026 (xviii) Letter from NSW Department of Education – Dolly Parton's Imagination, dated 11th September 2026

INTRODUCTION

Update on various Office of Local Government (OLG) Circulars and other Government advice.

COMMENTARY

Various Office of Local Government (OLG) Circulars and other NSW Government advice have been recently provided to Council:

(i) *OLG Circular 26-17 – Performance Ratios Discussions Paper, dated 26th August 2026*

The Office of Local Government (OLG) released a Discussion Paper seeking feedback on proposed changes to the financial performance measures and ratios used to assess the financial sustainability of NSW local government authorities.

The Discussion Paper considers potential changes to the existing suite of performance indicators, including the way councils' financial performance and sustainability are measured and reported. The proposed changes are intended to improve the usefulness, consistency and transparency of financial performance information and provide a more meaningful assessment of the financial sustainability of individual councils.

The proposed changes are of particular relevance to Hay Shire Council given the financial challenges faced by smaller rural councils, including limited own-source revenue, reliance on grant funding and the significant impact that changes to accounting treatments, depreciation and infrastructure asset costs can have on reported financial performance.

Staff have reviewed the Discussion Paper and provided a submission to OLG outlining its concerns and recommendations (copy attached for information). The submission supports improvements to the financial performance reporting framework but emphasises the need for the ratios to appropriately recognise the different operating environments and financial circumstances of rural councils and not disadvantage councils due to factors largely outside their control.

(ii) *OLG Circular 26-18 - Consultation on Model Code of Conduct for Council Staff, Delegates and Committee Members, dated 31st August 2026*

The Office of Local Government (OLG) has undertaken consultation on proposed amendments to the Model Code of Conduct framework, including the introduction of a separate Model Code of Conduct for Council staff, delegates and committee members.

The existing Model Code of Conduct applies to both councillors and council staff. Under the proposed framework, the Code has been separated into two documents, with a Model Code of Conduct applying to councillors and a separate Code applying to council staff, delegates and committee members.

The proposed staff Code is largely unchanged from the existing provisions. The separation is primarily intended to provide greater clarity regarding the conduct obligations that apply to councillors compared with council staff, delegates and committee members.

The process for making, managing and determining Code of Conduct complaints also remains substantially unchanged. The existing framework for dealing with alleged breaches, including the roles and responsibilities of relevant parties in managing complaints, is retained.

Staff have considered the proposed changes and supports the separation of the Codes, noting that the substantive conduct requirements and complaint-handling processes remain largely consistent with the current framework.

(iii) OLG Circular 26-19 - Completion of Evaluation – Public Spaces (Unattended Property) Laws, dated 1st September 2026

The Office of Local Government (OLG) has advised of the completion of its evaluation of the Public Spaces (Unattended Property) Laws, which regulate the management and removal of unattended property in public places.

The evaluation has resulted in amendments to the relevant legislation aimed at improving the operation and clarity of the regulatory framework and addressing issues identified through its application by councils.

The amendments are expected to have limited impact on Hay Shire Council, given the relatively low volume of unattended property matters experienced within the Shire. Council staff have reviewed the proposed amendments and support the changes, noting that they provide improvements to the existing legislative framework without creating significant additional operational requirements for Council.

(iv) ALGA Media Release – Invest in councils to lift regional productivity; dated 20th August 2026

The Australian Local Government Association (ALGA) has highlighted the important role of local government investment in supporting regional productivity and economic growth. ALGA's recent media release calls for greater investment in councils and regional infrastructure, noting that appropriately funded local governments are critical to maintaining the infrastructure and services that underpin regional economies.

The Regional Australia Institute's Regional Productivity Solutions report similarly identifies significant opportunities to improve productivity in regional Australia through targeted investment in infrastructure, workforce, housing, transport, digital connectivity and other enabling infrastructure. The report highlights that regional communities make a substantial contribution to Australia's economy but face constraints that can limit productivity and future growth.

The matters raised are particularly relevant to Hay Shire Council, where the condition and capacity of local infrastructure, housing availability, workforce shortages and the cost of maintaining a large road and infrastructure network are significant constraints on economic development.

The reports reinforce the need for continued advocacy for increased and sustainable investment in regional local government and infrastructure. They also support Council's ongoing position that regional and rural councils require funding arrangements that recognise the additional costs associated with servicing large geographic areas with relatively small populations.

(v) RAMJO Submission on the Water Act 2007 Review + Appendices 1, 2a, 2B, 2C, 2D & 3, dated 31 August 2026

The Riverina and Murray Joint Organisation (RAMJO) has made a submission to the Australian Government as part of the review of the Water Act 2007 (Cth).

The submission raises a range of issues of importance to regional and rural communities, including the need for the legislative framework to appropriately recognise the social, economic and environmental impacts of water management decisions across the Murray-Darling Basin. RAMJO has emphasised the importance of ensuring that water policy supports sustainable regional communities and economies while maintaining appropriate environmental outcomes.

The review is particularly relevant to the Riverina and Murray region, where water availability and management have significant implications for agriculture, regional employment, population sustainability and the long-term viability of communities.

Council has previously made a submission as part of the Murray-Darling Basin Plan review, which focused on the importance of securing water for basic human needs, improving water quality, and ensuring that the needs and responsibilities of local government are appropriately recognised, particularly in its role as a Local Water Utility responsible for providing essential water and sewer services to its community.

Council's previous submission highlighted that water policy and planning frameworks need to recognise the essential nature of local government water services and provide appropriate support for councils to maintain secure, reliable and high-quality water supplies for their communities.

RAMJO's current submission is consistent with Council's previous advocacy and provides an opportunity for the region to present a coordinated position on the importance of balanced water policy that considers environmental outcomes alongside the needs of regional communities, agriculture and local government.

(vi) NSW Government – DPHI – Community Participation Plan, dated 1st September 2026

The NSW Government has released an updated Community Participation Plan setting out the framework for community participation in the NSW planning system.

The changes include amendments to the notification and exhibition requirements for development applications and other planning matters, including changes to the notification periods that apply to various types of development. These changes are intended to provide greater consistency across the planning system and ensure community participation requirements reflect the State's current planning framework.

Council staff have reviewed the changes and will update Council's existing community engagement and notification arrangements to ensure they are consistent with the revised State requirements.

An updated Community Engagement Strategy and Community Participation Plan will be presented to Council for consideration at the October 2026 Council meeting, incorporating the changes made by the NSW Government and any consequential amendments required to Council's existing procedures.

(vii) NSW Government – DIAP Progress Reporting Consultation Summary, dated August 2026

The NSW Government has released a consultation summary relating to Disability Inclusion Action Plan (DIAP) progress reporting, following engagement with councils and other stakeholders to consider how progress against DIAP commitments is monitored and reported.

Council staff participated in the consultation and engagement process, providing input from a local government perspective.

Hay Shire Council's DIAP forms part of Council's Community Strategic Plan (CSP) and is incorporated into Council's broader strategic planning and reporting framework. Council staff monitor progress against the actions identified in the DIAP and report annually to the NSW Government Department in accordance with the relevant reporting requirements.

The consultation and proposed improvements to progress reporting provide an opportunity to strengthen consistency and transparency in reporting disability inclusion outcomes across NSW, while recognising the existing planning and reporting processes undertaken by councils.

(viii) Letter from Office of Responsible Gambling – GambleAware Week 2026, dated August 2026

The Office of Responsible Gambling has advised Council of GambleAware Week 2026. Council staff supported the initiative by promoting GambleAware Week through Council's social media channels.

(ix) Letter Local Government Grants Commission – Financial Assistance Grants Allocation 2026-27, dated 24th August 2026

Council has been advised of its Financial Assistance Grants allocation for 2026-27 year, being \$5,184,029, representing an increase of 5.3%. This is slightly more than budgeted (\$115,000) and is approximately 1.7 times the income received from rates. Council appreciated the ongoing support of the grants commission.

(x) Letter from Minister Sam Rae – Commonwealth Home Support Program (CHSP), dated 25th August 2026

Council has received correspondence from Minister Rae advising that the Commonwealth Home Support Programme (CHSP) has been extended until 30 June 2029.

This is welcome news for Hay Shire Council and the local community, providing certainty for the continuation of this important program. The CHSP enables Council to support older and disadvantaged members of the community to remain independent, connected and safely age in place, while continuing to live in their own homes and community.

(xi) Letter from NSW Ombudsman – Conflicts of interest in councils role to property, dated 24th August 2026

Council has received correspondence from the NSW Ombudsman regarding the management of conflicts of interest arising from Council's role in property matters.

Council staff have reviewed the relevant guidelines and Council's current 2023 Policy. The review confirms that the policy remains compliant, relevant and suitable for Council's current operations.

Council has established processes to identify, declare and manage conflicts of interest associated with Council property, development and planning matters, supporting transparent and accountable decision-making.

(xii) LGNSW Member Message - Legal opinion: Local Government (General) Amendment (Meetings) Regulation 2026 – Briefings before meetings, dated 14th August 2026

Local Government NSW (LGNSW) has circulated a legal opinion regarding the Local Government (General) Amendment (Meetings) Regulation 2026, which commenced on 26 June 2026 following amendments to the Local Government (General) Regulation 2021.

The amendments address aspects of the policy objectives of the previously proposed Model Code of Meeting Practice amendments, which were disallowed by the Legislative Council in May 2026, including matters relating to briefings and councillor meetings.

Council staff have reviewed the legal opinion and will make any necessary changes to the format and operation of Councillor Development Sessions to ensure Council's practices remain consistent with the amended legislative requirements.

Port Stephens Council has written to all NSW councils following its Ordinary Meeting of 25 August 2026, seeking support for its position and requesting that councils write to the Minister for Local Government and Shadow Minister for Local Government.

Staff have considered the matters raised by Port Stephens Council, including in the context of Hay Shire Council's current practices and the advice received by Council.

Hay Shire Council's practices differ from those identified by Port Stephens Council and, based on the advice available, staff consider that Council can continue to operate effectively within the existing legislative framework. Accordingly, staff do not consider that there is a demonstrated need for Hay Shire Council to support the proposed advocacy or separately write to the Minister for Local Government and Shadow Minister for Local Government at this time.

(xiii) State Library NSW – Amendment to Library Act 1939 – Library Rules, dated 21st August 2026

State Library NSW has advised Council of amendments to the Library Act 1939, Library Rules and Library Regulation.

Council staff have reviewed the changes and will make any minor amendments to Council's library rules and processes as required to ensure compliance.

The changes are minor in nature and are not expected to have any material impact on the current practices or operations of the Hay Library.

(xiv) Letter from National Trust – Oxley Bridges, dated 25th May 2026

Council has received correspondence from the National Trust of Australia advising that Oxley Bridge No. 1 and Oxley Bridge No. 2 have been added to the National Trust of Australia Register.

The bridges are considered significant examples of late nineteenth-century bridge construction, having been designed and assembled as wrought iron assembly kits using bolted connections, rather than the hot-riveted connections commonly used in bridges of the era. The design was prepared by G. H. Royce and Co., approved by the Public Works Department, with G. H. Royce and Co. subsequently engaged as the construction contractors.

The bridges are particularly rare in NSW due to their construction as wrought iron assembly kits and the use of rolled wrought iron joists, which were manufactured for only a short period in the late nineteenth century and whose use in Australia for this purpose appears to be unusual. Despite major deck alterations in the early 1980s and subsequent changes to the abutments, both bridges remain representative of their original 1880s design and construction. The bridges have survived for more than 135 years, demonstrating an unusual level of longevity given the simplicity of their construction. They continue to be maintained by Balranald Shire Council.

The National Trust Register listing report provides further information on the history, construction and heritage significance of the bridges and is provided as an attachment to this report.

(xv) LGNSW Member Message – Securing Our Water Supply, dated 4th September 2026

Local Government NSW (LGNSW), in conjunction with the NSW Water Directorate, has launched the "Securing Our Water Supply" Regional Water Action Plan, calling for increased State Government support for Local Water Utilities (LWUs) across regional, rural and remote NSW.

The Action Plan identifies significant challenges facing regional water utilities, including ageing infrastructure, increasing operational and compliance costs, emerging water quality risks, workforce shortages and the substantial long-term investment required to maintain and renew water and sewer infrastructure. LGNSW has identified an immediate need for almost \$1 billion

to maintain existing infrastructure, with broader sector estimates identifying priority investment requirements of approximately \$5 billion.

The Plan proposes six key actions:

1. \$5 billion in capital grant funding for LWUs over at least a further 10 years;
2. Strengthened drinking water quality support, including assistance to address emerging contaminants such as PFAS;
3. Reduced regulatory burdens on regional LWUs;
4. A Community Service Obligation model providing more targeted and predictable funding for councils unable to generate sufficient revenue from water and sewer operations;
5. A \$4 million per annum Local Water Utilities Alliance Program to facilitate the sharing of expertise, specialist skills, planning and emergency response capability; and
6. A Regional Water Workforce Development Program to support a sustainable regional water workforce and career pathways.

Council staff support the Action Plan and its increased focus on the sustainability and security of regional water services. It is noted that Actions 2, 3 and 4 are already progressing to some extent through existing State Government initiatives.

Importantly, Hay Shire Council has received State Government funding to participate in a pilot program associated with Action 5: The Local Water Utilities Alliance Program. This provides Council with an opportunity to participate in initiatives focused on sharing expertise, accessing specialist skills and strengthening the capacity and resilience of regional water utilities.

The Action Plan provides an important advocacy platform for regional councils and LWUs to present a coordinated position to State and Commonwealth Governments regarding the long-term funding, infrastructure, regulatory and workforce requirements of regional water services. The objectives of the Action Plan are also consistent with the direction of Council's Local Water Utility Strategic Plan adopted earlier in 2026, particularly in relation to long-term asset renewal, financial sustainability, regulatory compliance, water security and the provision of safe, reliable and affordable water and sewer services to the community.

Council staff welcome the Action Plan and any additional financial, technical and regulatory support that may assist Hay Shire Council in sustainably managing its local water and sewer services.

It is recommended that Council write to the Premier and Minister Jackson expressing its support for the "Securing Our Water Supply" Regional Water Action Plan and its proposed actions.

Shadow Water Minister, Steph Cooke, has undertaken a significant amount of work in this space, including meeting with the General Manager on a couple of occasions. Steph has made presentation to the local government industry on the findings of her work and the proposed 'Royalties for Regional Water Fund'. The coalition has committed to funding the program.

(xvi) *Letter from NSW Grants Commission – Financial Assistance Grants Methodology Review*

The NSW Local Government Grants Commission (LGGC) is undertaking a review of the methodology used to allocate Commonwealth Financial Assistance (FA) Grants to NSW councils. The review is welcomed by rural and regional councils, with the LGGC conducting a series of in-person and online stakeholder consultation sessions across Sydney and regional NSW.

The consultation process provides councils with an opportunity to consider the proposed methodology and provide feedback on its potential impacts. The draft methodology has been developed having regard to the National Principles for the Allocation of Commonwealth Financial Assistance Grants and the NSW Government's policy of targeting Financial Assistance Grants, as far as possible, towards councils experiencing the greatest relative disadvantage.

Hay Shire Council is currently in the highest bracket for Financial Assistance Grants as a percentage of total Council income, reflecting the significant reliance of Council on this funding source.

On initial review, the proposed methodology appears to be significantly beneficial to Hay Shire Council. The LGGC has provided Council with indicative modelling comparing the 2025–26 actual allocation with the estimated allocation under the proposed methodology, assuming the total annual NSW funding pool remains unchanged.

Financial Assistance Grant Component	2025–26 Actual	Proposed Methodology	Indicative Increase
General Purpose Component	\$3,804,678	\$4,375,941	\$571,263
Local Road Component	\$1,116,288	\$1,724,407	\$608,119
Total	\$4,920,966	\$6,100,348	\$1,179,382

The modelling therefore indicates a potential increase in Hay Shire Council's annual Financial Assistance Grant allocation of approximately \$1.18 million, or 24.0%, based on the 2025–26 funding level. The indicative increase comprises approximately \$571,000 in the General Purpose Component and \$608,000 in the Local Road Component.

It is important to note that these figures are indicative estimates only. The Commonwealth Government determines the total funding pool available to NSW councils, which varies according to Commonwealth budget allocations. The proposed methodology cannot increase the total Commonwealth funding available to NSW councils; rather, it may alter the distribution of funding between councils.

The General Manager has requested further information from the Commission regarding the metrics, data sources and assumptions underpinning the modelling, particularly in relation to:

- Remoteness classification: What remoteness classification has been applied to Hay Shire in the modelling? Hay township is currently classified as Outer Regional, which Council disputes and continues to raise with the Commonwealth Government. Importantly, approximately 98% of the Hay Shire LGA is classified as Remote. Council has therefore sought clarification as to how the different remoteness classifications have been reflected in the modelling and the resulting allocation.
- Roads component remoteness factor. The roads component under the new methodology uses Rawlinsons costings adjusted for remoteness. It is unclear what these factors are and how they are applied to Hay.
- Services provided by Council in the absence of other government services: Council has also sought clarification as to whether the proposed methodology recognises the additional costs incurred by councils where services that would ordinarily be provided by other levels of government are unavailable or have been withdrawn.

In Hay Shire, Council provides or supports a range of services and facilities necessary to meet community needs due to the limited provision of government services and the significant distance to larger regional centres. These include medical and health-related services, HSMO, community transport, Centrelink-related services, youth services and the Hay Airport.

These services impose significant additional costs on Council and, ultimately, local ratepayers. Council has therefore sought to understand whether, and how, these additional service responsibilities and associated expenditure are recognised within the proposed methodology.

Understanding the metrics and assumptions underpinning the indicative modelling will assist Council in assessing the robustness and longer-term implications of the proposed methodology and determining whether there are opportunities to improve the treatment of remote and highly disadvantaged councils such as Hay Shire.

The General Manager attended the regional consultation session in Griffith on 14 September 2026, providing an opportunity to advocate for the interests of Hay Shire Council and other

rural and regional councils and to seek clarification regarding the proposed methodology and the indicative modelling.

The General Manager will provide a further update to Council following the Griffith consultation session, including any further modelling or information provided by the Commission and an assessment of the potential implications for Hay Shire Council's future Financial Assistance Grant allocations. It is intended that a submission will be made on the review.

The review of the Financial Assistance Grants methodology is also an action arising from Council's Financial Sustainability Strategy adopted in early 2026. The Strategy identified the need to pursue opportunities to improve Council's long-term financial sustainability, including advocating for a fairer allocation of Financial Assistance Grants. This work forms part of a broader program of actions being progressed by Council, including the review of fees and charges and the review of service delivery, with the objective of improving Council's financial position while ensuring that available resources are directed towards priority community services and infrastructure. The NSW Government's current review of local government asset valuation requirements will also be critical to Council's longer-term financial position, particularly given the potential impact of changes to asset valuations and associated depreciation expenses on Council's reported financial performance and sustainability.

(xvii) OLG Circular 26-20 - 2026 Updated Pensioner Concession Application Forms for Council Rate Rebates, dated 4th September 2026

OLG has provided updated pensioner concession forms for councils to upload to their websites. Pensioner Concession Application Forms across all three formats have been revised to align with current legislative, privacy and consent requirements, including Services Australia's Centrelink Confirmation eServices (CCeS) procedural guide and Department of Veterans' Affairs (DVA) requirements.

(xviii) Letter from NSW Department of Education – Dolly Parton's Imagination, dated 11th September 2026

The NSW Department of Education has written to advise that its partnership with United Way Australia – Dolly Parton's Imagination program will close on 30th September 2026. Council had previously resolved to withdraw from the program and continues to support and work with the children to improve early literacy development through a number of initiatives, including the Brighter Beginnings.

RELEVANCE TO STRATEGIC COMMUNITY PLAN	Civic Leadership 4.1 Our Council leads by example 4.1.1 Implement and promote best practice governance 4.1.2 Monitor and evaluate Council's strategic planning documents 4.1.3 Be environmentally responsible in decision making 4.1.4 Council will seek to continuously improve 4.2 Our community is supported by a strong and resilient Council that is responsive to its needs 4.2.1 Provide an advocacy role on behalf of the community 4.2.2 Inform and empower community input into decision making 4.2.3 Our community has access to Council information, services and facilities 4.3 Our Council is inclusive and sustainable 4.3.1 Enable an engaged workforce with suitable skills, available in the right place at the right time 4.3.2 Build a strong, collaborative, and supportive team culture
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	4.3.3 Ensure a financially sound Council that is responsible and sustainable
FINANCIAL IMPLICATION	Minor
LEGISLATIVE IMPLICATION	Local Government act 1993 Local Government (General) Regulation 2005 Environmental Planning & Assessment Act 1979 Companion Animals Act 1998
POLICY IMPLICATION	Nil
ASSET IMPLICATION	Nil
RISK IMPLICATION	Minimal

RECOMMENDATION

That Council:

- (a) Notes the information provided in the report; and
- (b) Writes to the Premier and Minister Jackson expressing its support for the “Securing Our Water Supply” Regional Water Action Plan and its proposed actions.

Circular to Councils

Subject/title	Local Government Performance Ratios Discussion Paper
Circular Details	Circular No 26-17 / 26 August 2026 / A1011845
Who should read this	Councillors / General Managers / Council finance staff
Contact	Performance Team / 02 4428 4100 / olg@olg.nsw.gov.au
Action required	Information / Response to OLG

What's new or changing?

- In March 2024, the Hon. Ron Hoenig MP, Minister for Local Government asked the Legislative Council's State Development Committee to undertake a review into the Ability of councils to fund infrastructure and services (the Inquiry).
- In response to the NSW Government's acceptance of Recommendation 17 from the Inquiry, the Office of Local Government (OLG) has undertaken a comprehensive review of the former performance ratio framework.
- OLG, in consultation with the Expert Advisory Panel and a range of stakeholders has developed the *Local Government Performance Ratios Discussion Paper* (the Discussion Paper) which seeks feedback from the sector on the proposed Performance Ratio Framework, including the proposed ratios, benchmarks and reporting approach, prior to finalisation.
- The proposed framework includes a combination of retained, refined and new performance ratios. The Discussion Paper includes targeted discussion questions to seek stakeholder views and test the applicability of the proposed framework across different council contexts.

What will this mean for council?

- Councils are invited to review the Discussion Paper and provide feedback on the proposed Performance Ratio Framework, including the proposed ratios, benchmarks and reporting approach. Feedback received will inform the finalisation of the framework.

- Councils are also encouraged to review the Appendices to the Performance Ratios Discussion Paper, which provide additional context and supporting information to inform their feedback.
- The proposed framework includes a combination of performance ratios across key areas of operating performance, liquidity, leverage and developer contributions.
- The Discussion Paper seeks feedback on proposed reporting matters, including benchmarking, the use of rolling five-year averages, three-year trends, forward-looking projections and reporting frequency.
- If adopted, the final framework may inform future council performance reporting requirements and the assessment of council financial performance against established benchmarks.
- OLG will consider all submissions received during the four-week consultation period as part of the review process. Feedback will help ensure the final framework is practical, evidence-based and appropriate for councils across NSW.

Key points

- The proposed framework has been developed in response to initial stakeholder engagement and a review of the previous framework, which identified opportunities to improve the relevance, comparability and timeliness of performance reporting.
- The proposed framework introduces six council classification for benchmarking purposes, recognising the diverse operating environments and financial characteristics of NSW councils
- The proposed framework includes a combination of retained, refined and new ratios, as well as updated benchmarking provisions. Proposed changes are outlined in the Discussion Paper and OLG seeks the views of the sector on the proposals.

Where to go for further information

- The Discussion Paper is available on the OLG website under [Financial Sustainability Reforms](#) webpage.
- Feedback is welcome from councils, individual councillors, council staff and key sector stakeholders. Feedback can be provided via:
 - **Online:** Complete the online feedback form on OLG website at [Financial Sustainability Reforms](#), or
 - **By email:** Complete the Word version of the feedback form and email it to olg@olg.nsw.gov.au with the subject 'Performance Ratios Review', or

- **By post:** Complete the Word version of the feedback form and post it to

Performance Ratios Review

Sector Performance

Office of Local Government

Locked Bag 3015

Nowra NSW 2541

- Submissions will be accepted until 5:00 pm on Wednesday 7 October 2026.

A blue ink signature of Brett Whitworth.

Brett Whitworth PSM

Deputy Secretary, Local Government



Acknowledgement of Country

The Department of Planning, Housing and Infrastructure acknowledges that it stands on Aboriginal land. We acknowledge the Traditional Custodians of the land, and we show our respect for Elders past, present and emerging through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

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Local Government Performance Ratios

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Contents

1	Introduction.....	1
	Background.....	1
	Purpose of Performance Ratios	2
	History of Performance Ratios in NSW Local Government	2
	Comparative Use of Financial Performance Ratios Across Australian Jurisdictions.....	3
2	Financial Sustainability Review	4
	Objective - Review of Performance Ratios for Local Councils.....	5
3	Proposed Performance Ratio Assessment Framework	6
	Assessment Approach	6
	What We Heard and Areas for Improvement	6
	Core Focus Areas for the Proposed Framework.....	7
	Performance Ratio Assessment Principles	8
	Performance Ratio Assessment Template.....	8
	Benchmarking Approach	Error! Bookmark not defined.
4	Evaluation of Performance Ratios.....	10
	Evaluation Methodology.....	10
	Evaluation Outcomes – Proposed Framework.....	10
5	Next Steps in the Review Process.....	21
	Have Your Say.....	21
	Privacy Notice	22
	What Will Happen with Submissions?.....	22

1 Introduction

Background

Local councils must maintain effective control of their finances to deliver infrastructure and services efficiently and sustainably. Communities expect councils to demonstrate sound financial oversight, plan for the long-term, and make informed decisions that support ongoing service delivery.

New South Wales has 128 local councils operating across metropolitan, regional and rural areas, with significant variation in scale, revenue capacity, growth pressures, service responsibilities and community needs. The NSW local government also includes eight county councils, which provide specialised services across multiple local government areas and operate under different governance and funding arrangements. This diversity requires performance measures that support transparency and comparability while remaining meaningful across different council contexts.

Performance ratios are a key mechanism for summarising and communicating aspects of a council's financial performance and position. In NSW, the Office of Local Government (OLG) has historically used a defined set of financial ratios and benchmarks to support financial reporting and sector-wide oversight. Performance data is also published through the Your Council website to support transparency and enable comparison across councils and council groups.

In May 2025, the NSW Government responded to the Legislative Council State Development Committee's review into the *Ability of local governments to fund infrastructure and services* (the Inquiry). The Inquiry made 17 recommendations aimed at strengthening financial sustainability, transparency and oversight in the local government sector, including Recommendation 17, which called for a review of the performance measurement ratios used for local councils. While performance ratios have at times been perceived as tools to critique councils or support broader structural reform, including amalgamations, this review does not adopt that perspective and instead reaffirms their role in monitoring financial performance and supporting informed decision-making.

Ongoing engagement with the sector and feedback to the Parliamentary Inquiry indicated that previously used performance ratios are a valuable and an adequate tool, although there are opportunities to improve their effectiveness. Stakeholders highlighted the need for ratios to be more meaningful, timely and proportionate, and to better reflect the diversity of councils across NSW.

In response, OLG has undertaken a review of the former performance ratio framework, informed by targeted consultation with councils, regulatory and oversight bodies, and other experts. Historically, ten performance indicators were reported in councils' annual financial statements (six audited financial and four unaudited infrastructure asset ratios), with the six financial performance indicators reported up to 2023–24.

Following the 2024–25 update to the Code of Accounting Practice and Financial Reporting (the Code), the six financial performance ratios were removed from the Code while under review. Infrastructure asset performance ratios remain unchanged. Since performance ratios ceased to be

reported from 2024–25 following their removal from the Code, the sector has reported the loss of a consistent and established tool for financial analysis and informed decision-making.

This Discussion Paper presents the proposed performance ratio framework and seeks sector feedback prior to finalisation to ensure it is robust, practical and fit-for-purpose. Infrastructure asset performance ratios are currently out of scope. However, OLG may consider reviewing them at a later stage following the completion of broader work on local government asset valuation.

Purpose of Performance Ratios

Performance ratios are key financial indicators used to assess a council's financial sustainability, service delivery and asset management.

Each performance ratio focuses on a specific aspect of council operations, such as operating performance, liquidity, leverage, or infrastructure asset performance, and is intended to translate complex financial and asset information into clear, consistent measures.

Performance ratios are intended to support an understanding of council financial performance and sustainability by helping to:

- identify trends and emerging risks
- highlight potential financial or asset management issues
- provide insight into spending priorities, cash availability and infrastructure investment
- support informed decision making and oversight by councils, regulators and the community

Performance ratios are not intended to provide a definitive assessment of a council's overall financial health when considered in isolation. Rather, they should be interpreted together and in context, recognising differences in council size, operating environment and service delivery responsibilities.

When applied appropriately, performance ratios support transparency and comparability by enabling assessment over time and across councils. In the NSW context, they have been used to support a forward-looking view of financial sustainability, with trend analysis helping to assess councils' capacity to fund services, manage cash and debt, and maintain infrastructure over the long-term.

NSW councils, including county councils, were required to report a standard set of performance ratios, grouped into defined categories. These ratios were calculated using prescribed formulas and assessed against benchmark targets set for NSW councils. A summary of the former ratios is provided in Appendix A. Historically, ratios have been reported on both a consolidated and fund basis and presented over a three-year period, supporting trend analysis.

History of Performance Ratios in NSW Local Government

Financial performance ratios have evolved from internally used measures with inconsistent application to a formalised and benchmarked framework introduced through the Integrated

Planning and Reporting (IP&R) reforms and the Fit for the Future program. These reforms embedded ratios as a key tool for assessing financial sustainability and enabling sector-wide comparability.

Unfortunately, the connection between performance ratios and council amalgamations has tainted the views on the value of the data and reporting. OLG continues to view the ratios as a reliable tool for quickly and accurately understanding a council's performance in a range of areas.

More recently, financial performance ratios were removed from the Code while under review. In response to the Inquiry and stakeholder feedback, OLG has commenced a comprehensive review to ensure the framework remains clear, relevant and fit for purpose.

Further detail on the evolution of performance ratios in NSW local government is provided in Appendix B.

Comparative Use of Financial Performance Ratios Across Australian Jurisdictions

Recent updates across Australian states confirm that financial performance ratios remain central to local government oversight, with most jurisdictions using a small, defined set focused on financial sustainability. While approaches vary in scope and structure, there is broad consistency in how ratios are applied:

State	Financial Performance Ratio Framework by Jurisdiction
Queensland	Queensland's Local Government Sustainability Framework is underpinned by a fit-for-purpose approach to financial sustainability. The framework includes nine financial sustainability measures (including three asset-related), supported by annual reporting and long-term planning. Benchmarking uses sustainability groupings based on council characteristics.
Victoria	Victoria's Local Government Performance Reporting Framework (LGPRF) includes a defined suite of financial indicators embedded within a broader performance reporting regime. Financial ratios covering liquidity, operating position, debt and asset renewal are reported annually in audited performance statements. LGPRF also incorporates a wider set of indicators (16 in total), including measures related to rates, staff turnover and socio-economic and population characteristics, reflecting a more comprehensive approach to council performance reporting.
South Australia	South Australia's Financial Indicators framework has the most limited ratio reporting requirements of all Australian jurisdictions. Councils are required to report on only three financial ratios: the operating surplus ratio, net financial liabilities ratio, and asset renewal funding ratio. These ratios must be reflected in councils' long-term financial plans, budgets and annual reporting, reinforcing their role in strategic financial decision making.

Western Australia	Western Australia requires councils to report seven financial ratios in their annual financial reports. The ratios cover operating performance, liquidity, debt servicing capacity and infrastructure asset management.
Tasmania	Tasmania's current arrangements rely on a limited set of financial sustainability indicators established in 2011–12. The framework focuses on operating performance, net financial liabilities and asset sustainability, including several infrastructure asset management ratios.

Common features across jurisdictions

Despite these differences, there is strong alignment across jurisdictions in the use of a core set of financial ratios to assess sustainability. These typically focus on:

- **Operating performance sustainability:** Operating performance and own-source ratio
- **Liquidity:** Broadly unrestricted current ratio
- **Leverage:** Debt service cover or net financial liabilities ratio
- **Asset renewal and funding adequacy:** Asset renewal and asset renewal funding ratio

While calculation methods and definitions vary, the objectives and application of these measures are broadly consistent.

A detailed comparison of financial ratios across jurisdictions is provided in Appendix C.

2 Financial Sustainability Review

In response to issues raised through the Inquiry, including Recommendation 17 of the Legislative Council review, OLG has initiated a review of the performance ratios used by local councils in NSW.

The review aims to support the local government sector by:

- assessing the previous performance ratios framework and how it is used in practice
- considering whether previous ratios provide meaningful and timely information, and how they can be improved without increasing reporting burden
- seeking feedback on how performance ratios could better support financial sustainability, transparency and risk-based oversight.

This Discussion Paper presents a revised performance ratio framework and seeks feedback on the objectives, design and application of the proposed ratios. It aims to improve clarity, consistency and proportionality, while recognising the diversity of councils across NSW.

The review draws on analysis of previous ratio definitions and benchmarks, interstate approaches, and testing of proposed options with stakeholders to identify practical improvements and unintended impacts. Non-financial measures are out of scope due to measurement complexities, and any changes to depreciation or accounting treatment will be considered as part of other reviews.

OLG is working closely with the local government sector and key stakeholders to identify opportunities and challenges associated with the previous framework. Initial consultation has

occurred with selected councils, the NSW Audit Office, DCCEEW – Water, DPHI Planning, NSW Treasury Corporation (TCorp), the Independent Pricing and Regulatory Tribunal (IPART) Secretariat¹, and interstate counterparts, including Queensland Department of Local Government, Water and Volunteers. Feedback from councils and these agencies has informed the proposed framework. The Expert Advisory Panel (EAP) has also reviewed this Discussion Paper.

Feedback is now sought from the sector by Wednesday 7 October 2026 to inform the finalisation of the framework. Please refer to the *Next Steps in the Review Process* section of this Discussion Paper for information on how to submit feedback.

Objective - Review of Performance Ratios for Local Councils

The new performance ratio framework should:

1. Develop performance ratios that enhance councillor, public and OLG oversight over the financial performance of councils.
2. Provide timely and frequent data on a council's liquidity, spending on major projects and service delivery, to enable the community to monitor how well their council is performing, highlighting key measures such as:
 - a) how much money is being spent against how much is being earned
 - b) available cash, and
 - c) how much money council is spending on the maintenance and renewal of its assets
3. Introduce a consistent ratio that measures and compares the collection, utilisation, and carry-forward of developer contributions across councils.
4. Enable the community and councils to benchmark their performance against similar councils using standard measures, improving transparency and accessibility of performance information.
5. Apply a proportionate risk management framework to inform OLG activities and contribute to Council's decision-making throughout the year, while minimising unnecessary reporting burden on councils.

The framework provides a stable and consistent approach to assessing performance, with only minor refinements made over time based on sector feedback.

¹ Preliminary discussions with the IPART Secretariat were undertaken at an officer level and do not represent consultation with, or endorsement by, the IPART Tribunal.

3 Proposed Performance Ratio Assessment Framework

Assessment Approach

No single measurement can fully capture a council's financial sustainability, given the diversity of councils and complexity of their operating environments. Performance ratios therefore act as indicators to support oversight, transparency and informed decision-making, rather than definitive assessments in isolation.

To support the objectives of this review, a consistent assessment framework has been applied to evaluate whether previous and proposed ratios are fit-for-purpose. This ensures ratios are assessed on a like-for-like basis, with conclusions informed by evidence, stakeholder feedback and practical application.

What We Heard and Areas for Improvement

Stakeholders broadly support the previous ratios but identified a small number of recurring issues that limit comparability, interpretability and effective use.

What works well in the previous ratios

Theme	What stakeholders said
Overall Value	Former performance ratios are broadly valuable and adequate, serving different purposes for different users and decisions.
Core ratio set	A small number of core ratios effectively summarise financial sustainability and support oversight, particularly for operating performance and liquidity.
Liquidity focus	Liquidity and cash measures are actively used in practice as indicators of short-term resilience, particularly by councillors and executive leadership. There was strong interest in measures showing available cash especially on a three-month coverage view.
Transparency	Ratios support transparency and comparability when reported but require clear explanation and context to support interpretation.

Where gaps exist

Area	Issue	What stakeholders highlighted
Comparability	Council diversity	Like-for-like comparison remains difficult across councils with very different profiles (metropolitan, regional and

		rural). Stakeholders support the use of segmented benchmarks, particularly for grant-dependent councils.
Ratio design	Operating performance ratio	While widely supported, the operating performance ratio may be misleading due to accounting treatment, particularly the inclusion of depreciation, which can distort underlying performance for infrastructure-intensive councils using developer contributions.
Liquidity interpretation	Cash Cover Expense Ratio	Distorted by restricted funds, especially for councils with large externally restricted balances (including developer contributions).
Data quality	Data quality & volatility	Usefulness is constrained by data quality and volatility, particularly for grants, which can be highly variable year-to-year due to one-off events.
Understanding & use	Purpose and interpretation	A recurring issue is limited understanding of the purpose and interpretation of ratios. They are often used for compliance rather than decision-making. Stakeholders highlighted a strong need for clearer guidance on definitions and application.
Long-term financial planning	Integration with LTFPs	Strong support for better integration of ratios with long-term financial planning, including projecting ratios over a 10-year horizon.
Timeliness	Reporting frequency	Mixed views as some support quarterly reporting (e.g. via QBRS) for in-year oversight; others consider annual reporting sufficient for certain regulatory uses.
Proportionality	Reporting burden	Strong emphasis on keeping the framework simple, replicable and easy to understand, recognising variation in council systems and capability.

Core Focus Areas for the Proposed Framework

Consistent with the objectives of this review, the proposed performance ratio framework focuses on a small number of core areas central to understanding council financial sustainability and supporting effective oversight. These areas reflect evidence on the information most relied upon in practice and where improved clarity, comparability and timeliness would add value.

The proposed framework focuses on the following core areas:

- 1. Financial performance and operating sustainability**

Visibility over how much money is being spent relative to how much is being earned, to support understanding of councils' ongoing operating position and financial sustainability.

2. Available cash and liquidity

Insight into available cash and liquidity to support assessment of short-term financial resilience and the early identification of emerging financial risk.

3. Timeliness of information

Consideration of whether the framework should prioritise more frequent reporting of key information, including quarterly reporting where feasible.

4. Benchmarking and comparability

Consideration of how benchmarking can be supported through appropriate council segmentation or groupings, recognising the diversity of councils' size, operating environments, revenue structures and service responsibilities.

5. Data volatility and smoothing of results

Recognises that some ratios are affected by volatility or one-off events and supports the use of trend analysis or multi-year averages to improve interpretability.

Performance Ratio Assessment Principles

The assessment of previous and proposed performance ratios is guided by a set of principles to ensure the framework is transparent, evidence-based and proportionate. These principles are applied consistently when determining whether a ratio should be retained, replaced, removed or introduced.

The performance ratio assessment principles are:

1. Relevance to oversight and financial risk

Whether the ratio provides meaningful insight into council financial performance or emerging financial risk that supports oversight by councillors, the community and regulatory and oversight bodies.

2. Data quality and reliability

Whether the ratio can be calculated consistently using available data, with sufficient reliability to support interpretation and comparison over time.

3. Timeliness and usability

Whether the ratio can be produced reliably and consistently within a timeframe that supports effective oversight and decision-making.

4. Comparability and interpretability

Whether the ratio support meaningful comparison between councils and can be clearly understood by users, taking account of differences in council context.

5. Proportionality and reporting burden

Whether the value of the ratio justifies the reporting effort required, without introducing unnecessary complexity or duplication.

Performance Ratio Assessment Template

To support a consistent and transparent evaluation of performance ratios, a standard Performance Ratio Assessment Template has been developed and applied as part of this review.

The template sets out the key elements used to assess each ratio, including its objective, recommendation with supporting rationale, formula and benchmarking approach. This enables like-for-like comparison across categories and supports evidence-based decisions on whether a ratio should be retained, replaced, removed or introduced. The detailed assessment template applied in this review, along with the relevant principles, is provided in Appendix D.

Benchmarking Approach

This review recognises that councils operate in diverse financial, geographic and service delivery environments. Differences in scale, location, growth patterns and community needs can significantly influence financial performance indicators.

Council benchmarking in NSW has historically been supported through OLG groupings and classification based on the Australian Classification of Local Governments (ACLG), developed by the Australian Bureau of Statistics (ABS). These classifications reflect broad demographic and functional characteristics and have been used to support high-level comparison across the sector.

For the purposes of this review, the existing OLG classifications have been used to inform the calibration of benchmarks within the proposed ratio framework and support more consistent comparison. County councils have been added as a separate classification, recognising their distinct governance and service delivery arrangements. This approach supports more fit-for-purpose benchmarks and enhances the usefulness of performance ratios. The six council classifications used for benchmarking as part of the proposed framework are summarised below:

Classification	Council Group ²
Metro	Capital Metro, L and SM Metro
Metro Fringe	L and SM Metro Fringe
Regional Towns/Cities	L and SM Reg Town/City
Large Rural	VL and L Rural
Rural	M and S Rural
County	County

The review also recognises that not all ratios require differentiated benchmarks. For some ratios, a single statewide benchmark remains appropriate where performance is broadly comparable across councils or where the ratio functions as a minimum safeguard or early warning indicator.

Accordingly, the review applies a combination of benchmarking approaches, using:

- classification-based benchmarks where structural differences between councils materially influence results, and

² Small (S), Medium (M), Large (L), Very Large (VL)

- statewide benchmarks where consistency and comparability are more appropriate.

This approach ensures that benchmarks are both meaningful and proportionate, while supporting consistent interpretation across the sector.

4 Evaluation of Performance Ratios

Evaluation Methodology

The review assessed whether the previous performance ratio framework remains fit-for-purpose and how alternative ratios and benchmarks were tested to inform the proposed framework.

Each ratio has been assessed consistently using the Performance Ratio Assessment Template and the principles outlined in this paper. The evaluation draws on both quantitative analysis and qualitative inputs, including targeted stakeholder consultation and research. Stakeholder engagement helped identify key gaps and limitations in the previous framework, ensuring proposed changes respond to practical issues raised by councils and other users. The review also considers approaches used in other jurisdictions and existing sector practices to inform ratio design and refinement.

The quantitative component of the evaluation is informed by historical NSW council data over the period 2019 to 2025, tested across both single-year results and rolling five-year averages. Analysis included:

- assessment of average, minimum and maximum results
- analysis of standard deviation to understand variability and data reliability
- evaluation of performance against previous and proposed benchmarks
- analysis of pass rates to assess how effectively benchmarks differentiate performance
- comparison of previous ratios with alternative ratio designs
- consideration of whether benchmarking and segmentation is appropriate, or whether a statewide benchmark is more suitable

This approach ensures findings are grounded in empirical analysis and support evidence-based policy decisions.

Evaluation Outcomes – Proposed Framework

Each ratio has been assessed against the framework, with both preferred and alternative options considered. This section summarises the options and proposed approach. Detailed assessment tables, along with supporting evidence and analysis, are provided in Appendix E.

All proposed ratios are intended to be reported through:

- Councils' annual financial statements
- Time Series and Your Council.

Whether the final ratios are subject to audit (i.e. included in the Code) will be considered as part of the 2026-27 Code review, to be released in December 2026.

Discussion Questions

A summary of the discussion questions and their reference page numbers is provided below. These questions are presented throughout the paper following each ratio analysis table, and the feedback form seeks input on the same questions.

1. What are your views on whether depreciation should be included or excluded in the Operating Performance Ratio? How does this influence the usefulness of the ratio in assessing financial performance? **(Pg 12-13)**
2. What feedback do you have on the Own Source Ratio benchmark, including whether the Metro benchmark should be increased to >70% or retained at >60%? **(Pg 14-15)**
3. What are your views on the role of the Unrestricted Current Ratio in assessing council liquidity? Is the proposed benchmark still appropriate? **(Pg 15)**
4. What feedback do you have on the proposed Rates and Annual Charges Outstanding Ratio benchmarks, including whether the Metro Fringe benchmark should be increased to <7% or retained at <5%? **(Pg 16-17)**
5. What are your views on the proposed Unrestricted Cash Expense Cover Ratio, including its definition, calculation and usefulness as a measure of underlying liquidity? **(Pg 17-18)**
6. What are your views on how councils' leverage should be reported, and the usefulness of leverage-based approach compared to debt servicing measures? If a Leverage Ratio is adopted, should lease liabilities be included in the calculation? **(Pg 18-20)**
7. What are your views on introducing a Contributions Expenditure Performance Ratio to measure how councils convert developer contributions into infrastructure delivery? **(Pg 20-21)**

The following questions apply to all performance ratios (excluding Infrastructure Asset Performance Ratio):

8. Should councils also include forward-looking projections (i.e., 10 years) with ratio reporting to support long-term financial planning?
9. Should the ratios be incorporated into QBRs return template, or reported through alternative arrangements (e.g. supporting commentary or operational reporting), noting that the following ratios cannot currently be derived from current QBRs return and would require template changes:
 - Unrestricted Current Ratio
 - Rates and Annual Charges Outstanding Ratio
 - Debt Service Cover Ratio or Leverage Ratio
10. What value, if any, do you see in presenting a three-year trend (such as the most recent three years of results) compared with relying on annual, year-by-year reporting?
11. Should ratios be simplified (formula, inputs, reporting frequency) where possible without reducing decision usefulness?
12. Should councils provide a narrative explanation of key drivers and contributing factors to support interpretation of each ratio?

Category: Operating Performance

1. Operating Performance Ratio

Objective	Measures a council's ability to contain operating expenditure within operating income. The ratio is intended to identify structural operating deficits and assess the long-term sustainability of day-to-day service delivery.
Recommendation	Option 1: Preferred – Retain Previous NSW Ratio Option 2: Alternative – Replace with Proposed Ratio - Operating Performance Ratio (Excl Depreciation)
Key Difference	Option 1 focuses on long-term financial sustainability, including asset consumption, while Option 2 focuses on short-term operating capacity.
Formula (Option 1)	$\frac{\text{Total continuing operating revenue}^3 \text{ excluding capital grants and contributions less operating expenses}}{\text{Total continuing operating revenue excluding capital grants and contributions}}$
Rationale (Option 1)	The previous NSW Operating Performance Ratio provides a strong indicator of long-term operating sustainability by capturing the full cost of service delivery, including asset consumption. Excluding depreciation (Option 2) reduces visibility of asset use and may overstate financial performance. Accordingly, Option 1 provides a more complete measure of financial sustainability.
Formula (Option 2)	$\frac{\text{Total continuing operating revenue excluding capital grants and contributions less (operating expenses plus depreciation, amortisation and impairment expense)}}{\text{Total continuing operating revenue excluding capital grants and contributions}}$
Rationale (Option 2)	Excluding depreciation provides a clearer view of short-term, cash-based operating capacity by removing non-cash expenses. As council assets are largely held for service delivery and not readily realisable, depreciation is not an immediate funding requirement. Excluding it therefore provides clearer insight into councils' ability to fund operations from recurring revenue.

³ Excludes fair value adjustments, net gain/loss on sale of assets, net share/loss on joint ventures

Benchmark

The proposed benchmark is applied consistently across all council classification using:

- Annual results, and
- Rolling five-year average results

The ratio is reported for each fund and on a consolidated basis.

Proposed benchmark:

- **For Option 1: >0.00%**
 - Indicates operating income covers operating costs over time
 - Encouraging councils to budget for operating surpluses
- **For Option 2: >20.00%**
 - Aligned with observed depreciation (approx. 22% of operating revenue excluding capital grants), capturing cost pressures while remaining achievable

Refer to Appendix E Section 1 for supporting information.

Discussion Questions

- What are your views on whether depreciation should be included (Option 1: Preferred) or excluded (Option 2: Alternative) in the Operating Performance Ratio? How does this influence the usefulness of the ratio in assessing financial performance?

2. Own Source Ratio

Objective	Measures a council's financial flexibility by assessing the extent to which operating revenue is generated from own sources rather than external grants and contributions, highlighting structural reliance on grants as a potential sustainability risk.	
Recommendation	Retain The NSW Own Source Revenue Ratio should be retained as a core indicator of councils' revenue structure and reliance on external funding. It provides a consistent and comparable measure of financial flexibility, supported by its long-standing definition and use across councils. The ratio also provides context for interpreting financial performance and risk, including differences across council classifications and emerging risks where own source capacity declines.	
Formula	$\frac{\text{Total continuing operating revenue excluding all grants and contributions}}{\text{Total continuing operating revenue}}$	
Benchmark	The proposed benchmarks under each option are to be applied consistently using: • Annual results, and • Rolling five-year average results The ratio is to be reported for each fund and on a consolidated basis. <i>Refer to Appendix E Section 2 for supporting information.</i>	
	Option 1: Recalibrated benchmarks • Metro: >70.0% • Metro Fringe: >60.0% • Regional Towns/Cities: >60.0% • Large Rural: >50.0% • Rural: >40.0% • County: No prescribed benchmark Rationale for benchmark • Historic data shows: ○ Metro councils exceeded 60%, supporting increase to 70% ○ Previous threshold not effective for Large Rural and Rural councils • Revised benchmarks align with structural capacity • County councils excluded due to reliance on council contributions.	Option 2: Retain previous Metro benchmark • Metro: >60.0% • Metro Fringe: >60.0% • Regional Towns/Cities: >60.0% • Large Rural: >50.0% • Rural: >40.0% • County: No prescribed benchmark Rationale for benchmark • Retains the metro benchmark for continuity • Recalibrated thresholds applicable for Rural councils (previous benchmark: >60%)

Discussion Questions

- What feedback do you have on the proposed Own Source Ratio benchmarks, including whether the Metro benchmark should be increased to >70% (Option 1) or retained at >60% (Option 2)?

Category: Liquidity

3. Unrestricted Current Ratio

Objective	Assesses whether a council has sufficient unrestricted working capital to meet short-term obligations and provides an early-warning indicator where available liquidity buffers may be insufficient.
Recommendation	Retain The NSW Unrestricted Current Ratio should be retained as a well-established indicator of short-term liquidity risk. It is widely used and understood by councils, councillors and executives as a practical early-warning indicator of emerging cash-flow stress, particularly as performance deteriorates. Its simplicity supports clear interpretation and effective governance oversight, enabling timely response to liquidity pressures. The ratio remains a reliable and decision-useful measure of short-term financial resilience.
Formula	$\frac{\text{Current assets less all external restrictions}}{\text{Current liabilities less specific purpose liabilities}}$
Benchmark	The previous benchmark of >1.5x is retained and applied consistently across all council classification using: - Annual results, and - Rolling five-year average results The ratio is to be reported for each fund and on a consolidated basis. Rationale for benchmark - Retains >1.5x as a consistent minimum safeguard - Functions as an early warning indicator of liquidity risk - Single benchmark supports comparability and consistent expectations across all council classifications <i>Refer to Appendix E Section 3 for supporting information.</i>

Discussion Questions

- What are your views on the role of the Unrestricted Current Ratio in assessing council liquidity? Is the proposed benchmark still appropriate?

4. Rates and Annual Charges Outstanding Ratio

Objective	Measures the proportion of statutory rates and annual charges that remain unpaid. The ratio is intended to assess the impact of arrears on council liquidity and the effectiveness of rates collection, recovery and debt-management practices.	
Recommendation	Retain The Rates and Annual Charges Outstanding Ratio should be retained as a supporting indicator of liquidity and debt-management performance. It provides reliable insight into revenue collection and emerging cash-flow pressures. Widely used by councils and stakeholders, it supports assessment of collection practices and informs hardship and rates-relief policies. When interpreted alongside other ratios, it provides early signals of collection risk and local economic stress.	
Formula	$\frac{\text{Rates and annual charges outstanding}}{\text{Rates and annual charges collectable}}$	
Benchmark	The proposed benchmarks are to be applied consistently using: • Annual results, and • Rolling five-year average results The ratio is to be reported for each fund and on a consolidated basis. <i>Refer to Appendix E Section 4 for supporting information.</i>	
	Option 1: Revise benchmarks for Metro Fringe and County Councils • Metro: <5.0% • Metro Fringe: <7.0% (previously <5%) • Regional Towns/Cities: <10.0% • Large Rural: <10.0% • Rural: <10.0% • County: No prescribed benchmark (previously <10%) Rationale for benchmark • Benchmarks retained for most classifications as effective early-warning indicators • Metro Fringe benchmark increased to better reflect the weighted average performance of councils within this classification and recognise the diverse operating, growth and ratepayer	Option 2: Retain existing Metro Fringe benchmark • Metro: <5.0% • Metro Fringe: <5.0% • Regional Towns/Cities: <10.0% • Large Rural: <10.0% • Rural: <10.0% • County: No prescribed benchmark (previously <10%) Rationale for benchmark • Retains the existing Metro Fringe benchmark to support consistent rates collection expectations • Supports comparability between Metro and Metro Fringe councils • No benchmark proposed for County Councils (same as Option 1)

	characteristics of Metro Fringe councils County councils excluded due to structurally different funding arrangements	
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Discussion Questions

- What feedback do you have on the proposed Rates and Annual Charges Outstanding Ratio benchmarks, including whether the Metro Fringe benchmark should be increased to <7% (Option 1) or retained at <5% (Option 2)?

5. Cash Expense Cover Ratio

Objective	Measures a council's short-term liquidity by estimating how many months current cash and term deposits can sustain operating and financing cash outflows in the absence of additional inflows. The ratio serves as a conservative, worst-case indicator of short-term cash coverage.
Recommendation	Replace with Proposed Ratio - Unrestricted Cash Expense Cover Ratio The previous NSW Cash Expense Cover Ratio should be replaced with the Unrestricted Cash Expense Cover Ratio. Previous measure includes externally restricted cash, which distorts liquidity and overstates funds available for operational use, resulting in a weaker and often delayed indicator of liquidity risk. The proposed ratio focuses on available cash, providing a clearer and more reliable measure of underlying liquidity. It strengthens its effectiveness as an early-warning indicator.
Previous Formula	$\left(\frac{\text{Current year's cash and cash equivalents plus all term deposits}}{\text{Monthly payments from cash flow of operating and financing activities}} \right) \times 12$
Proposed Ratio Name	Unrestricted Cash Expense Cover Ratio
Proposed Ratio Objective	Measures underlying liquidity by estimating how many months available cash and investments can sustain core operating expenses.
Proposed Formula	$\left(\frac{\text{Total cash, cash equivalents and investments less total external restrictions}}{\text{Total operating expenses less depreciation, amortisation and impairment less interest expense}} \right) \times 12$
Benchmark	A single benchmark of >3.0 months is applied consistently across all council classification using:

- Annual results, and
- Rolling five-year average results

The ratio is to be reported for each fund and on a consolidated basis.

Rationale for benchmark

- Establishes a minimum cash buffer for short-term resilience
- Signals liquidity risk as an early-warning threshold
- Not intended as a performance target
- In line with the NSW Audit Office threshold

Refer to Appendix E Section 5 for supporting information.

Discussion Questions

- What are your views on the proposed Unrestricted Cash Expense Cover Ratio, including its definition, calculation and usefulness as a measure of underlying liquidity?

Category: Leverage

6. Debt Service Cover Ratio or Leverage Ratio

Recommendation	Option 1: Preferred – Replace with Proposed Ratio – Leverage Ratio Option 2: Alternative - Retain Previous NSW Ratio
Key Difference	Option 1 focuses on leverage and long-term financial sustainability, assessing debt levels relative to operating capacity. Option 2 focuses on short-term debt servicing capacity, assessing whether operating earnings are sufficient to meet current repayment obligations.
Objective (Option 1)	Measures the scale of a council's total debt relative to its operating earnings capacity, supporting assessment of long-term financial sustainability.
Formula (Option 1)	$\frac{\text{Total Borrowings}}{\text{Operating result before capital plus depreciation, amortisation and impairment plus interest expense}^4 \text{ (EBITDA)}}$
Rationale (Option 1)	A leverage ratio provides a more timely and stable view of financial risk by assessing total debt relative to operating capacity and identifying when debt is growing faster than earnings. By contrast, repayment-based measures (Option 2) can understate risk where obligations are low or deferred (e.g. interest-only periods) and may appear strong despite high debt levels. Accordingly, a leverage ratio provides a stronger

⁴ Interest expense includes only interest charged on debt balances included in the numerator (total borrowings).

	basis for identifying emerging risk and assessing long-term financial sustainability.
Benchmark (Option 1)	The proposed benchmarks are to be applied consistently using: • Annual results, and • Rolling five-year average results The ratio is to be reported for each fund and on a consolidated basis. Proposed benchmarks: • Metro: <4.0x • Metro Fringe: <4.0x • Regional Towns/Cities: <3.0x • Large Rural: <3.0x • Rural: <3.0x • County: <3.0x Rationale for benchmark • Benchmarks reflect differences in earnings capacity and revenue stability • Higher thresholds for metro councils; lower for regional and rural councils • Lower thresholds provide earlier warning of sustainability risk
Objective (Option 2)	Assesses whether a council's current operating earnings are sufficient to meet scheduled debt servicing obligations in the period. The ratio indicates whether operating cash flows can cover interest and principal repayments in the short term.
Formula (Option 2)	$\frac{\text{Operating result before capital less depreciation, amortisation and impairment less interest expense (EBITDA)}}{\text{Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)}}$
Rationale (Option 2)	The Debt Service Cover Ratio focuses on short-term repayment capacity, while the Leverage Ratio assesses overall debt levels relative to operating capacity and provides a clearer view of long-term financial risk.
Benchmark (Option 2)	A single benchmark of >2.0x is applied consistently across all council classification using: • Annual results, and • Rolling five-year average results The ratio is to be reported for each fund and on a consolidated basis. Rationale for benchmark • Historic Data pass rates indicate this ratio to be used as a minimum threshold, not a performance benchmark • Effectively supports identification of emerging debt-servicing stress

Single benchmark maintains simplicity and comparability
Refer to Appendix E Section 6 for supporting information.

Discussion Questions

- What are your views on how councils' leverage should be reported, and the usefulness of leverage-based (Option 1: Preferred) approach compared to debt servicing measure (Option 2: Alternative)? If a Leverage Ratio (Option 1: Preferred) is adopted, should lease liabilities be included in the calculation?

Category: Developer Contributions

7. Contributions Expenditure Performance Ratio

Objective	Measures how effectively councils convert developer contributions into infrastructure delivery over time. The ratio supports assessment of whether contributions collected from development are expended in a timely and planned manner, and whether unspent balances are accumulating unreasonably.
Recommendation	Proposed Ratio - Contributions Expenditure Performance Ratio The Contributions Expenditure Performance Ratio should be introduced to address a gap in the current framework, where no standardised measure exists to assess councils' use of developer contributions. It responds to longstanding concerns about the accumulation of unspent contribution balances by linking expenditure to available funding, improving visibility of performance and enabling clearer assessment of how contributions are translated into infrastructure delivery. The ratio also supports more effective planning and delivery by encouraging alignment between contributions inflows and project timing, reducing prolonged accumulation and strengthening governance and accountability.
Formula	$\frac{\text{Total contributions expenditure}}{\text{Opening contributions balance plus total contributions revenue plus interest and investment income earned during the period}}$
Benchmark	A single benchmark of ≥20% applied consistently to Metro, Metro Fringe and Regional Towns/Cities⁵, using: - Annual results, and - Rolling five-year average results

⁵ Ratio is not applicable for Large Rural, Rural and County Councils as they have low or irregular contributions revenue

The ratio applies only to Division 7.1 Development Contributions collected by councils under the *Environmental Planning and Assessment Act 1979 (EP&A Act)*, including Planning Agreements, Sections 7.11 and 7.12. Section 64 and other contribution types are excluded.

Aligns with the Statement of Expectations Order 2026, signed by the Minister for Planning and Public Spaces on 1 July 2026, which expects Metro, Metro Fringe and Regional councils to expend at least 20% of available infrastructure contribution funds annually, averaged over the preceding five-year period.

Rationale for benchmark

- Sets a minimum expenditure expectation ($\geq 20\%$)
- Balances fund accumulation with delivery
- Reflects multi-year infrastructure cycles
- Limits prolonged unspent balances

Refer to Appendix E Section 7 for supporting information.

Discussion Questions

- What are your views on introducing a Contributions Expenditure Performance Ratio to measure how councils convert developer contributions into infrastructure delivery?

Category: Infrastructure Asset Performance

Infrastructure asset performance ratios are currently out of scope, and no changes are proposed to the existing ratios:

1. Buildings and infrastructure renewals ratio
2. Infrastructure backlog ratio
3. Asset maintenance ratio
4. Cost to bring assets to agreed service level

OLG may consider reviewing these ratios at a later stage, following the completion of work on local government asset valuation, including consideration of depreciation methodologies.

5 Next Steps in the Review Process

Have Your Say

Interested parties, including councils, other stakeholders and the wider community, are invited to provide feedback on this discussion paper to OLG. Feedback can be provided via:

Online: Complete the online feedback form on the OLG website at [Financial Sustainability Reforms](#), or

By email: Complete the Word version of the feedback form and email it to olg@olg.nsw.gov.au with the subject 'Performance Ratios Review', or

By post: Complete the Word version of the feedback form and post it to

Performance Ratios Review
Sector Performance Team
Office of Local Government
Locked Bag 3015
NOWRA NSW 2541

Submissions will be accepted until 5 pm on Wednesday 7 October 2026.

Privacy Notice

When you provide your submission, OLG will collect your personal information, including:

- name
- postal address
- telephone number
- email address
- role/position (if applicable)
- any other personal information you provide in your submission.

Providing a submission is entirely voluntary and you are under no obligation to provide OLG with any of your personal information, except as otherwise required by law.

OLG will review submissions and may amend the proposed Performance Ratio Framework.

A copy may be made publicly available on OLG's website at www.olg.nsw.gov.au. You can elect to have your personal information withheld from publication on OLG's webpage. If you choose this option, please do not include any personal information in the body of your submission, including any comments to the Targeted Questions, or in any attachment that may be provided as part of your submission.

OLG may choose to withhold from publication any submission considered offensive, threatening, defamatory or inappropriate.

If you want to access or amend your personal information, or want more details about privacy, please contact OLG at www.olg.nsw.gov.au or on (02) 4424 4100.

What Will Happen with Submissions?

OLG will review and evaluate the submissions received, and amendments may be made to the proposed Performance Ratio Framework.

Submissions may be published on OLG's webpage at www.olg.nsw.gov.au. If you do not want your personal details or your submission published, please clearly state this when you make your submission.

OLG may choose to withhold from publication any submission considered offensive, threatening, defamatory or inappropriate.

Appendices to the Performance Ratios Discussion Paper

Contents

Appendix A – Previous NSW Ratio Framework	3
Appendix B – History of Performance Ratios in NSW Local Government	5
Appendix C – Financial Performance Ratios Across Australian Jurisdictions	6
Appendix D – Performance Ratio Assessment Template	10
Appendix E – Detailed Evaluation Outcomes - Proposed Framework	11
Section 1 - Operating Performance Ratio	11
Section 2 – Own Source Ratio	14
Section 3 – Unrestricted Current Ratio	16
Section 4 – Rates and Annual Charged Outstanding Ratio	18
Section 5 – Cash Expense Cover Ratio	21
Section 6 – Debt Service Cover Ratio or Leverage Ratio	23
Section 7 - Contributions Expenditure Performance Ratio.....	26

Appendix A – Previous NSW Ratio Framework

Category	Ratio Name	Formula	Benchmark
Operating Performance	Operating Performance Ratio	Total continuing operating revenue excluding capital grants and contributions less operating expenses	>0.0%
		Total continuing operating revenue excluding capital grants and contributions	
	Own source operating revenue ratio	Total continuing operating revenue less all grants and contributions	>60.0%
		Total continuing operating revenue inclusive of capital grants and contributions	
Liquidity	Unrestricted current ratio	Current Assets less all external restrictions	>1.5x
		Current liabilities less specific purpose liabilities	
	Rates and annual charges outstanding percentage	Rates & Annual Charges Outstanding	<5% for city and coastal councils; <10% for regional and rural areas.
		Rates & Annual Charges Collectible	
	Cash expense cover ratio	Current year's cash and cash equivalents including term deposits	> 3.0 months
		Payments from Statement of Cash flow of operating and financing activities	
Leverage	Debt service cover ratio	Operating results before capital excluding interest and depreciation/impairment/amortisation (EBITDA)	>2.0x
		Principal repayments (from Statement of Cash flow) and borrowing interest costs (from Income Statement)	
Infrastructure Asset Performance	Buildings and infrastructure renewals ratio	Asset Renewals	>0.0%
		Depreciation, Amortisation and Impairment	
	Infrastructure backlog ratio	Estimated cost to bring assets to a satisfactory standard	<2.0%
		Net carrying amount of infrastructure assets	
	Asset maintenance ratio	Actual asset maintenance	<100.0%
		Required asset maintenance	

	Cost to bring assets to agreed service level	<table><tr><td>Cost to bring assets to agreed level of service set by council</td></tr><tr><td>Gross replacement cost</td></tr></table>	Cost to bring assets to agreed level of service set by council	Gross replacement cost	N/A
Cost to bring assets to agreed level of service set by council					
Gross replacement cost					

Appendix B – History of Performance Ratios in NSW Local Government

1990s – early 2000s

Financial ratios were used by councils and the (then) Department of Local Government primarily for comparative reporting and internal management purposes. Ratio use varied across councils, with inconsistent definitions and no common benchmarks, limiting their effectiveness for sector-wide performance assessment.

2006

The *Are Councils Sustainable?* independent inquiry identified widespread operating deficits and significant infrastructure backlogs across NSW local government. It strongly recommended the use of consistent financial sustainability indicators, reinforcing the need for standardised performance ratios to assess underlying financial health, such as operating performance, asset management and debt service capacity.

2009–2010

The Integrated Planning and Reporting (IP&R) framework was introduced, strengthening the link between long-term financial planning and strategic decision-making, with an increased focus on financial sustainability.

2012–2013

NSW Treasury Corporation (TCorp) undertook a statewide financial sustainability assessment of all councils, calculating and applying a standardised set of financial and infrastructure asset ratios using council financial and asset data for the first time across the sector.

2014–2015

The NSW Government's *Fit for the Future* reforms were implemented, administered by the OLG. These reforms formalised and benchmarked a defined subset of financial performance and infrastructure asset ratios to assess council sustainability. Performance ratios became central to sector oversight and public reporting.

2015 onwards

Performance ratios were embedded in councils' annual financial statements, long-term financial planning and asset management practices. Results were publicly reported, including through the Your Council website, supporting transparency and comparability across the sector.

2024–25

As part of updates to the Code, the six financial performance ratios were removed from the Code while under review. Infrastructure asset performance ratios continued to be reported through special schedules.

2025–present

In response to Recommendation 17 of the Inquiry and stakeholder feedback, OLG commenced a comprehensive review of the performance ratio framework to ensure it remained clear, relevant and fit for purpose.

Appendix C – Financial Performance Ratios Across Australian Jurisdictions

	Jurisdiction	NSW	QLD	VIC	SA	WA	TAS
Operating Performance	Operating Performance Ratio	= Net Operating Results (Excl. Grants And Contributions) / Operating Revenue (Excl. Grants And Contributions)	= Operating Result / Total Operating Revenue	= Adjusted Underlying Surplus (Or Deficit) / Adjusted Underlying Revenue	= Operating Surplus (Deficit) / Operating Revenue	= Operating Revenue MINUS Operating Expense / Own Source Operating Revenue	= Operating Income (Excluding Amounts Received Specifically For New Or Upgraded Assets And Physical Resources Received Free Of Charge) Less Operating Expenses For The Reporting Period / General And Other Rate Income And Operating Grants.
	Own Source Operating Revenue Ratio / Council Controlled Revenue Ratio	= Total Continuing Operating Revenue (Excl All Grants And Contributions) / Total Continuing Operating Revenue	= Net Rates, Levies And Charges Add Fees And Charges / Total Operating Revenue	= Rate Revenue / Adjusted Underlying Revenue			
	Own Source Coverage Ratio					= Own Source Operating Revenue / Operating Expense	
	Operating Cash Ratio		= Operating Result Add Depreciation And Amortisation Add Finance Costs / Total Operating Revenue				
	Population Growth Ratio		= (Prior Year Estimated Population / Previous Year Estimated Population) - 1				
Liquidity	Unrestricted Current Ratio	= Current Assets Less All External Restrictions / Current Liabilities Less Specific Purpose Liabilities		= Unrestricted Cash / Current Liabilities		= Current Assets MINUS Restricted Assets / Current Liabilities MINUS Liabilities Associated With Restricted Assets	

	Cash Expense Cover Ratio	= Current Year's Cash And Cash Equivalents Plus All Term Deposits / Monthly Payments From Cash Flow Of Operating And Financing Activities	= [(Total Cash And Equivalents Add Current Investments Add Available Ongoing QTC Working Capital Facility Limit Less Externally Restricted Cash) / (Total Operating Expenditure Less Depreciation And Amortisation Less Finance Costs)] *12				
	Rates And Annual Charges Outstanding Percentage	= Rates And Annual Charges Outstanding / Rates And Annual Charges Collectable					
Leverage	Debt Service Cover Ratio	= Operating Result Before Capital Excluding Interest And Depreciation, Impairment And Amortisation / Principal Repayments Plus Borrowing Costs				= Annual Operating Surplus BEFORE Interest And Depreciation / Principal And Interest	
	Leverage Ratio		= Book Value Of Debt / Operating Results Add Depreciation And Amortisation And Finance Costs				
	Net Financial Liabilities Ratio				= Total Liabilities Less Financial Assets (Current Cash And Cash Equivalents Plus Current Trade & Other Receivables Plus Current And Non-Current Financial Assets) / Total Operating Income		= Total Liabilities Less Financial Assets (Cash And Cash Equivalents Plus Trade And Other Receivables Plus Other Financial Assets) / Operating Income
	Loans Vs Rates / Repayments Vs Rates (VIC)			Loans Vs Rates = Interest Bearing Loans And Borrowings / Rate Revenue			

				Repayments Vs Rates = Interest And Principal Repayments On Interest Bearing Loans And Borrowings / Rate Revenue			
	Non-Current Liabilities As A Percentage Of Own Source Revenue (VIC)			= Non-Current Liabilities / Own Source Revenue			
Infrastructure Asset Performance	Buildings And Infrastructure Renewals Ratio / Asset Sustainability Ratio (QLD, WA And TAS) / Asset Renewal And Upgrade Expense Compared To Depreciation (VIC)	= Asset Renewals / Depreciation, Amortisation And Impairment	= Capital Expenditure On Replacement Of Infrastructure Assets (Renewals) / Depreciation Expenditure On Infrastructure Assets	= Asset Renewal And Asset Upgrade Expenditure / Asset Depreciation		= Capital Renewal And Replacement Expenditure / Depreciation Expense	= Capital Expenditure On Replacement (Renewal Of Existing Plant And Equipment And Infrastructure Assets) / Annual Depreciation Expense
	Infrastructure Backlog Ratio	= Estimated Cost To Bring Assets To A Satisfactory Standard / Net Carrying Amount Of Infrastructure Assets					
	Asset Consumption Ratio		= Written Down Replacement Cost Of Depreciable Infrastructure Assets / Current Replacement Cost Of Depreciable Infrastructure Assets			= Depreciated Replacement Cost Of Depreciable Assets / Current Replacement Cost Of Depreciable Assets	= Depreciated Replacement Cost Of Plant, Equipment And Infrastructure Assets / Current Replacement Cost Of Depreciable Assets
	Asset Maintenance Ratio	= Actual Asset Maintenance / Required Asset Maintenance					
	Asset Renewal Funding Ratio		= Total Of Planned Capital Expenditure On Infrastructure Asset Renewals Over 10 Years /		= Expenditure On Renewal (Replacement Of Assets) / Optimal Level Of Such	= NPV Of Planned Capital Renewals Over 10 Years / NPV Of Required Capital	= NPV Of Projected Ten-Year Capital Renewal Funding Outlays In A Long-Term Financial Plan

			Total Of Required Capital Expenditure On Infrastructure Asset Renewals Over 10 Years		Expenditure Per Infrastructure & Asset Management Plan(S)	Expenditure Over 10 Years	/ NPV Of Projected Ten- Year Capital Renewal Expenditures In An Asset Management Plan In Current Values
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Note:

1. Northern Territory is excluded from this table because councils are required to prepare audited financial statements and report performance against objectives in their adopted plans, but there is no mandated, standardised set of financial performance indicators or ratios under their Guideline.
2. Excludes indicators that are not expressed as financial ratios (e.g. staff turnover, socio-economic measures).

Appendix D – Performance Ratio Assessment Template

Template element	How	Principles Applied
Objective	Defines the purpose of the ratio, including the key financial risk or issue it is intended to identify.	Relevance to oversight & financial risk
Recommendation	Sets out a clear recommended approach, including whether the ratio should be retained, replaced, removed or newly introduced, with supporting rationale.	All principles applied (overall judgement), particularly relevance, proportionality, and data quality
Key Difference (where applicable)	Identifies key differences between options where multiple approaches are considered.	Comparability & interpretability
Formula	Specifies how the ratio is calculated.	Data quality & reliability
Benchmark	Assesses whether benchmarks should differ across council groups and identifies the proposed benchmark and the rationale for why it is appropriate.	Comparability & interpretability; Timeliness & usability

Appendix E – Detailed Evaluation Outcomes - Proposed Framework

Category: Operating Performance

Section 1 - Operating Performance Ratio

a. Option 1: Preferred - Retain Previous NSW Ratio

Status	Previous NSW
Objective	Measures a council's ability to contain operating expenditure within operating income. The ratio is intended to identify structural operating deficits and assess the long-term sustainability of day-to-day service delivery.
Formula	$\frac{\text{Total continuing operating revenue}^1 \text{ excluding capital grants and contributions less operating expenses}}{\text{Total continuing operating revenue excluding capital grants and contributions}}$
Assessment	Strengths • Captures the full cost of service delivery, including asset consumption • Strong indicator of long-term financial sustainability • Aligns with asset management and renewal planning objectives • Provides a consistent and established measure across NSW councils • Supports early identification of structural operating deficits Limitations • Includes non-cash depreciation, reducing clarity of underlying operating capacity • Results may be influenced by asset revaluations and depreciation methodologies • May be less intuitive for assessing underlying operating performance
Benchmark	Previous single benchmark of >0.0% is retained and applied consistently across all council classification using: • Annual results, and • Rolling five-year average results The ratio is to be reported for each fund and on a consolidated basis. Rationale for benchmark A benchmark of >0.0% indicates that operating income is sufficient to cover operating costs over time, supporting sustainable service delivery. Councils are encouraged to budget for operating surpluses and consider asset condition and maintenance needs when assessing performance against this benchmark.

¹ Excludes fair value adjustments, net gain/loss on sale of assets, net share/loss on joint ventures

	Use of a rolling five-year average smooths year-to-year volatility arising from grant timing and accrual adjustments, providing a more stable and representative view of underlying operating performance.
Quarterly suitability	Quarterly reporting is possible using the QBRS return, but the ratio is best assessed using projected year-end results.

- b. Option 2: Alternative – Replace with Proposed Ratio - Operating Performance Ratio (Excl Depreciation)

Status	Proposed Ratio: Operating Performance Ratio (Excl Depreciation) <i>Only if Previous NSW Operating Performance Ratio needs to be replaced</i>
Objective	Evaluate a council's ability to fund continuing operations from recurring revenues, focusing on operating results before non-cash depreciation, amortisation and impairment.
Formula	$\frac{\text{Total continuing operating revenue excluding capital grants and contributions less (operating expenses plus depreciation, amortisation and impairment expense)}}{\text{Total continuing operating revenue excluding capital grants and contributions}}$
Assessment	Strengths - Provides a clearer view of short-term, cash-based operating capacity - Focuses on ability to fund operations from recurring revenue - Reduces volatility from asset valuation changes and accounting treatments - More intuitive for operational and financial decision-making Limitations - Removes visibility of asset consumption and renewal pressures - May overstate financial performance if assessed in isolation - Weaker indicator of long-term sustainability - Requires separate consideration of asset condition and funding needs - May create disconnect between financial and asset planning frameworks
Benchmark	A single benchmark of >20.0% applied consistently across all council classification using: - Annual results, and - Rolling five-year average results The ratio is to be reported for each fund and on a consolidated basis. Rationale for benchmark A benchmark of >20.0% is proposed, reflecting the capacity of councils to generate operating surpluses from continuing revenue after meeting day-to-day service delivery costs. It aligns with observed depreciation levels (approximately 22% of operating revenue excluding capital grants), ensuring it captures underlying cost pressures while remaining achievable. A single benchmark supports comparability and consistent expectations across councils, and five-year average analysis shows results above this level are achievable, providing a realistic and differentiating target.

**Quarterly
suitability**

Quarterly reporting is possible using the QBRs return, but the ratio is best assessed using projected year-end results.

Section 2 – Own Source Ratio

a. Own Source Ratio (Previous NSW)

Ratio Status	Previous NSW	
Objective	Measures a council's financial flexibility by assessing the extent to which operating revenue is generated from own sources rather than external grants and contributions, highlighting structural reliance on grants as a potential sustainability risk.	
Formula	$\frac{\text{Total continuing operating revenue excluding all grants and contributions}}{\text{Total continuing operating revenue}}$	
Assessment	Strengths - Provides a clear measure of financial flexibility and revenue structure - Highlights structural reliance on grants and contributions as a sustainability risk - Differentiates effectively across council classifications, supporting proportionate analysis - Long-standing definition, reducing risk of inconsistent application using audited data - Widely used and understood, with most users reporting the ratio as helpful for assessing revenue structure. Limitations - Does not measure operating performance or sustainability directly - Can be influenced by classification of revenue streams (includes interest revenue), reducing comparability in some cases - Requires contextual interpretation alongside other indicators to assess risk	
Benchmark	The proposed benchmarks under each option are to be applied consistently using: - Annual results, and - Rolling five-year average results The ratio is to be reported for each fund and on a consolidated basis.	
	Option 1: Recalibrated benchmarks Metro: >70.0% - Metro Fringe: >60.0% - Regional Towns/Cities: >60.0% - Large Rural: >50.0% - Rural: >40.0% - County: No prescribed benchmark Rationale for benchmark Rolling five-year analysis shows Metro councils consistently and comfortably exceed the former 60% benchmark, supporting an increase to 70% to preserve the ratio's signalling value. Only 12% of Large Rural and 7% of Rural councils met the benchmark on a rolling five-	Option 2: Retain previous Metro benchmark Metro: >60.0% - Metro Fringe: >60.0% - Regional Towns/Cities: >60.0% - Large Rural: >50.0% - Rural: >40.0% - County: No prescribed benchmark Rationale for benchmark Option 2 retains the previous Metro benchmark to preserve continuity with historical settings, while applying recalibrated thresholds to only structurally grant-dependent cohorts.

	year basis, indicating it is no longer effective for these cohorts. The revised benchmarks set realistic expectations aligned with structural capacity, with County councils excluded from targets as council contributions dominate their revenue base; reporting is retained for transparency.	
Quarterly suitability	Quarterly reporting is possible using the QBRS return, but the ratio is best assessed using projected year-end results.	

b. Council Controlled Revenue Ratio (QLD equivalent) – Alternative Considered

Ratio Status	QLD Ratio – Alternative Considered <i>A council-controlled revenue ratio (as used in Queensland) was considered as an alternative design option.</i>	
Objective	Measures the proportion of revenue directly controlled by councils, focusing on rates and user charges rather than all own-source revenue. The ratio is intended to sharpen focus on councils' pricing and revenue-setting capacity.	
Formula	$\frac{\text{Net rates, levies and charges add fees and charges}}{\text{Total continuing operating revenue}}$	
Assessment	Strengths • Focuses on revenue directly controlled by councils, providing insight into pricing and charging capacity • Offers a more targeted measure of councils' ability to influence revenue outcomes • Uses a clear and simple formulation, closely aligned with existing revenue classifications • Maintains high reliability, with minimal variation from established definitions Limitations • Focus on controllable revenue may overemphasise pricing capacity relative to overall financial structure • Does not measure operating performance or sustainability directly • Requires contextual interpretation alongside other indicators to assess risk This option was considered but is not progressed.	

Category - Liquidity

Section 3 – Unrestricted Current Ratio

a. Unrestricted Current Ratio (Previous NSW)

Ratio Status	Previous NSW
Objective	Assesses whether a council has sufficient unrestricted working capital to meet short-term obligations and provides an early-warning indicator where available liquidity buffers may be insufficient.
Formula	$\frac{\text{Current assets less all external restrictions}}{\text{Current liabilities less specific purpose liabilities}}$
Assessment	Strengths - Provides a clear measure of short-term liquidity and available working capital buffers - Acts as a strong early-warning indicator of emerging cash-flow stress - Widely used and understood, supporting timely governance and management response - Simple and intuitive to interpret, enabling effective oversight - Demonstrates high reliability, with consistent calculation across councils Limitations - Reflects a point-in-time position, which may be influenced by timing of cash flows (e.g. grants) - Does not capture drivers of liquidity and requires contextual analysis to distinguish temporary fluctuations from underlying risk - Cannot be readily calculated from published financial statements, as it relies on specific components (e.g. specific purpose liabilities) that are not separately disclosed
Benchmark	Previous single benchmark of >1.5x is retained and applied consistently across all council classification using: - Annual results, and - Rolling five-year average results The ratio is to be reported for each fund and on a consolidated basis. Rationale for benchmark A benchmark of >1.5x indicates that councils have sufficient unrestricted working capital to meet short-term obligations. It functions as a minimum safeguard of liquidity, signalling potential cash-flow stress rather than encouraging performance optimisation. Applying a single benchmark across all council classifications supports comparability and consistent expectations. Rolling five-year analysis shows the benchmark remains broadly achievable, with higher performance by some cohorts not warranting differentiated thresholds given the ratio's role as a common minimum safeguard.

Quarterly suitability	Quarterly reporting is conceptually suitable. However, the ratio cannot be calculated from the current QBRS return, as required data are not captured. Quarterly reporting would require changes to the QBRS template or additional council reporting.
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b. Current Ratio – Alternative Considered

Ratio Status	Current Ratio – Alternative Considered <i>A current ratio was considered as an alternative design option.</i>
Objective	Assess whether a council's total current assets are sufficient to meet its short-term liabilities, providing a high-level snapshot of liquidity without distinguishing between restricted and unrestricted reserves.
Formula	$\frac{\text{Current assets}}{\text{Current liabilities}}$
Assessment	Strengths • Simple and transparent measure of overall liquidity using broadly available balance sheet data • Provides a high-level snapshot of ability to meet short-term liabilities • Easily calculated from published financial statements • Straightforward and widely understood formulation • Supports basic comparison across councils using a standard liquidity metric Limitations • Does not distinguish between restricted and unrestricted cash, overstating available liquidity • Provides a weak signal of financial health, with no link to operating sustainability • Reflects a point-in-time position, requiring contextual interpretation • Presents a risk of misinterpretation of usable liquidity without adjustment for restrictions This option was considered but is not progressed.

Section 4 – Rates and Annual Charged Outstanding Ratio

a. Rates and Annual Charged Outstanding Ratio (Previous NSW)

Ratio Status	Previous NSW
Objective	Measures the proportion of statutory rates and annual charges that remain unpaid. The ratio is intended to assess the impact of arrears on council liquidity and the effectiveness of rates collection, recovery and debt-management practices.
Formula	$\frac{\text{Rates and annual charges outstanding}}{\text{Rates and annual charges collectable}}$
Assessment	Strengths - Provides a clear measure of collection performance and arrears impacts on liquidity - Acts as an early signal of emerging cash-flow pressure where arrears increase - Widely used by councils to assess collection and recovery effectiveness, including informing hardship and rates-relief policy settings - Demonstrates high reliability due to clear statutory definitions and consistent reporting Limitations - Provides a partial early-warning signal, with movements influenced by timing and recovery practices - Does not include user charges and fees or other own source revenue streams, limiting its coverage of total revenue collection performance - May not reflect underlying financial position, particularly where arrears fluctuate seasonally - Less informative for councils with diverse revenue structures
Benchmark	The proposed benchmarks are to be applied consistently using: - Annual results, and - Rolling five-year average results The ratio is to be reported for each fund and on a consolidated basis.

	Option 1: Revise benchmarks for Metro Fringe and County Councils • Metro: <5.0% • Metro Fringe: <7.0% (previously <5%) • Regional Towns/Cities: <10.0% • Large Rural: <10.0% • Rural: <10.0% • County: No prescribed benchmark (previously <10%) Rationale for benchmark Benchmarks are retained for most classifications as effective early-warning indicators of collection risk. Metro Fringe benchmark increased to better reflect the weighted average performance of councils within this classification and recognise the diverse operating, growth and ratepayer characteristics of Metro Fringe councils. County councils do not have a prescribed target due to structurally different funding arrangements; reporting is retained, with performance assessed contextually.	Option 2: Retain existing Metro Fringe benchmark • Metro: <5.0% • Metro Fringe: <5.0% • Regional Towns/Cities: <10.0% • Large Rural: <10.0% • Rural: <10.0% • County: No prescribed benchmark (previously <10%) Rationale for benchmark Retains the existing Metro Fringe benchmark to maintain consistent expectations regarding rates collection performance across metro all council classifications. Supports comparability and consistent expectations across Metro and Metro Fringe councils, while encouraging effective rates collection and debt-management practices. No benchmark is proposed for County Councils due to their different funding arrangements and limited reliance on rates revenue.
Quarterly suitability	Quarterly reporting is conceptually suitable. However, the ratio cannot be calculated from the current QBRS return. Many councils already produce this information as part of routine operational reporting and could provide quarterly results outside the statutory QBRS process. Otherwise, quarterly reporting would require changes to the QBRS template.	

b. Total Receivable Outstanding Ratio – Alternative Considered

Ratio Status	Total Receivable Outstanding Ratio – Alternative Considered <i>A total receivable outstanding ratio was considered as an alternative design option.</i>
Objective	Measures the proportion of total receivables outstanding across all revenue streams, providing a broad view of councils' exposure to delayed or non-payment. It supports assessment of liquidity risk arising from uncollected income by focusing on aggregate receivables across statutory charges, fees, grants and other items.
Formula	$\frac{\text{Current receivables}}{\text{Total continuing operating revenue}}$

Assessment

Strengths

- Provides a comprehensive view of receivables exposure across all revenue streams
- Captures a broad range of receivables, including fees, grants and other income
- Can highlight collection and timing risks, particularly in grant-reliant councils
- Uses a simple, high-level formulation to assess outstanding receivables

Limitations

- Aggregates diverse receivables, limiting insight into individual revenue streams and identifying specific areas of collection risk
- Provides a weak signal of financial performance or sustainability
- Results are highly sensitive to timing and accounting effects, reducing reliability as an early-warning indicator

This option was considered but is not progressed.

Section 5 – Cash Expense Cover Ratio

a. Cash Expense Cover Ratio (Previous NSW)

Ratio Status	Previous NSW
Objective	Measures a council's short-term liquidity by estimating how many months current cash and term deposits can sustain operating and financing cash outflows in the absence of additional inflows. The ratio serves as a conservative, worst-case indicator of short-term cash coverage.
Formula	$\left(\frac{\text{Current year's cash and cash equivalents plus all term deposits}}{\text{Monthly payments from cash flow of operating and financing activities}} \right) \times 12$
Assessment	Strengths - Provides a simple measure of short-term liquidity coverage using cash and deposit balances - Easy to calculate and consistently applied across councils - Offers a conservative worst-case view of cash sufficiency - Uses a well understood formulation, supporting basic comparability Limitations - Includes externally restricted cash, overstating funds available for operational use - Results can be artificially high, reflecting total cash balances rather than usable liquidity - Provides a weak and often late signal of liquidity risk - Poorly aligned with its intent, as it does not reflect available cash for day-to-day operations - Sensitive to funding structure and restricted balances, reducing comparability This ratio is suggested to be replaced.

b. Replace with Proposed Ratio - Unrestricted Cash Expense Cover Ratio

Ratio Status	Proposed Ratio: Unrestricted Cash Expense Cover Ratio
Objective	Measures underlying liquidity by estimating how many months available cash and investments can sustain core operating expenses. By excluding externally restricted cash and non-cash expenses, the ratio focuses on resources available to support day-to-day service delivery.
Formula	$\left(\frac{\text{Total cash, cash equivalents and investments less total external restrictions}}{\text{Total operating expenses less depreciation, amortisation and impairment less interest expense}} \right) \times 12$

Assessment	Strengths • Provides a clear measure of underlying liquidity, focusing on cash available for operational use • Excludes externally restricted cash and non-cash expenses, improving alignment with actual cash availability • Acts as a strong early-warning indicator of emerging liquidity pressure • Links available cash to core operating expenses, supporting assessment of ongoing financial resilience • Demonstrates high reliability, with clear economic interpretation and consistent application • Improves sensitivity to genuine liquidity stress, compared to the previous ratio Limitations • Requires interpretation alongside other indicators to assess overall financial risk • Sensitive to timing of cash flows and investment balances
Benchmark	A single benchmark of >3.0 months is applied consistently across all council classification using: • Annual results, and • Rolling five-year average results The ratio is to be reported for each fund and on a consolidated basis. Rationale for benchmark The proposed benchmark establishes a minimum cash buffer to support resilience to short-term shocks and reduce the risk of councils operating close to liquidity stress. It is intended to function as an early-warning threshold of vulnerability rather than a performance target or indicator of surplus strength. The threshold is consistent with expectations applied by the NSW Audit Office for local councils.
Quarterly suitability	Quarterly reporting is possible using the QBRS return. However, the ratio is most appropriately assessed using both projected year-end results or annualised year-to-date figures.

Category – Leverage

Section 6 – Debt Service Cover Ratio or Leverage Ratio

a. Option 1: Preferred – Replace with Proposed Ratio – Leverage Ratio

Ratio Status	Proposed Ratio: Leverage Ratio <i>Only if Previous NSW Debt Service Cover Ratio needs to be replaced</i>
Objective	Measures the scale of a council's total debt relative to its operating earnings capacity, supporting assessment of long-term financial sustainability.
Formula	$\frac{\text{Total Borrowings}}{\text{Operating result before capital plus depreciation, amortisation and impairment plus interest expense (EBITDA)}}$
Assessment	Strengths • Links debt to operating capacity, supporting long-term financial sustainability • Forward-looking view of risk by highlighting when debt grows faster than earnings • Acts as an early warning of structural imbalances before repayment pressure emerges • Connects debt levels to underlying operating performance over time Limitations • May be less intuitive for stakeholders focused on whether current operating cash flows can meet debt repayments • Does not directly measure short-term debt servicing capacity or repayment timing • Does not capture refinancing risk or debt maturity profiles • Requires interpretation alongside other indicators to assess overall financial position
Benchmark	The proposed benchmarks are to be applied consistently using: • Annual results, and • Rolling five-year average results The ratio is to be reported for each fund and on a consolidated basis. Proposed benchmarks: • Metro: <4.0x • Metro Fringe: <4.0x • Regional Towns/Cities: <3.0x • Large Rural: <3.0x • Rural: <3.0x • County: <3.0x Rationale for benchmark Benchmarks are calibrated to reflect differences in operating capacity, revenue stability and risk tolerance across council classifications. Metro and Metro Fringe councils generally have larger, more diversified revenue bases and stronger, more stable operating surpluses, enabling them to sustain higher levels of leverage. Thresholds of up to four times EBITDA for metropolitan councils

	and three times for other classifications provide capacity for essential infrastructure borrowing, while maintaining a clear signal when debt begins to exceed sustainable operating capacity.
Quarterly suitability	Quarterly reporting is conceptually suitable. However, the ratio cannot be calculated from the current QBRS return, as required data are not captured. Quarterly reporting would require changes to the QBRS template or additional council reporting.

b. Option 2: Alternative – Retain Previous NSW Ratio

Ratio Status	Previous NSW
Objective	Assesses whether a council's current operating earnings are sufficient to meet scheduled debt servicing obligations in the period. The ratio indicates whether operating cash flows can cover interest and principal repayments in the short term.
Formula	$\frac{\text{Operating result before capital less depreciation, amortisation and impairment less interest expense (EBITDA)}}{\text{Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)}}$
Assessment	Strengths - Provides a direct measure of current capacity to meet debt servicing obligations - Clearly links operating earnings to interest and principal repayments - Useful for identifying near-term repayment stress - Widely understood and embedded in previous reporting and oversight frameworks - Can highlight rapid deterioration in operating performance leading to immediate servicing pressure Limitations - Measures current repayment capacity only, not overall debt sustainability - Can mask risk where repayments are low or deferred (e.g. interest-only periods or longer maturity) - May show strong results despite high underlying debt levels - Provides a late signal of risk, with pressure only emerging as repayments increase - Limited effectiveness as an early-warning indicator of longer-term financial stress
Benchmark	A single benchmark of >2.0x applied consistently across all council classification if using: - Annual results, and - Rolling five-year average results The ratio is to be reported for each fund and on a consolidated basis. Rationale for benchmark Historic data show consistently high pass rates across most council classifications, indicating the ratio is best suited as a minimum threshold to identify emerging debt-servicing stress rather than a calibrated performance benchmark. Retaining a single benchmark supports simplicity and comparability, with results below the threshold signalling potential short-term repayment risk.

Quarterly
suitability

Quarterly reporting is conceptually suitable. However, the ratio cannot be calculated from the current QBRS return, as required data are not captured. Quarterly reporting would require changes to the QBRS template or additional council reporting.

Category – Developer Contribution Ratio

Section 7 - Contributions Expenditure Performance Ratio

a. Proposed Ratio – Contributions Expenditure Performance Ratio

Ratio Status	Proposed Ratio: Contributions Expenditure Performance Ratio
Objective	Measures how effectively councils convert developer contributions into infrastructure delivery over time. The ratio supports assessment of whether contributions collected from development are expended in a timely and planned manner, and whether unspent balances are accumulating unreasonably.
Formula	$\frac{\text{Total contributions expenditure}}{\text{Opening contributions balance plus total contributions revenue plus interest and investment income earned during the period}}$
Assessment	Strengths - Addresses a key gap in the framework by providing a standardised measure of contributions performance - Links expenditure to available funding, improving visibility of how contributions are used - Highlights accumulation of unspent balances and delays in infrastructure delivery - Encourages alignment between contributions inflows and infrastructure timing, reducing prolonged accumulation of funds where projects are deferred - Improves transparency, comparability and accountability across councils Limitations - May not fully reflect performance where projects are staged or deferred - Less meaningful for councils with low contributions activity - Requires contextual interpretation to assess underlying delivery performance
Benchmark	A single benchmark of $\geq 20\%$ applied consistently to Metro, Metro Fringe and Regional Towns/Cities², using: - Annual results, and - Rolling five-year average results The ratio applies only to Division 7.1 Development Contributions collected by councils under the <i>Environmental Planning and Assessment Act 1979 (EP&A Act)</i>, including Planning Agreements and Sections 7.11 and 7.12. Section 64 and other contribution types are excluded. Rationale for benchmark The formula and benchmark of at least 20% over a five-year rolling period is designed to balance the inherently lumpy and multi-year nature of infrastructure delivery with the need to demonstrate ongoing expenditure activity. This threshold allows councils to accumulate funds for large, high-cost infrastructure projects, including land acquisition, while still establishing a minimum expectation of expenditure over time

² Ratio is not applicable for Large Rural, Rural and County Councils as they have low or irregular contributions revenue

	to reduce prolonged accumulation of unspent balances. It also supports transparent comparison across councils with active development contributions. Use of a rolling five-year average aligns with long infrastructure delivery cycles and supports sustainable, upfront funding of major projects.
Quarterly suitability	Not suitable for quarterly reporting. Quarterly reporting would be misleading due to timing mismatches between revenue and expenditure, payment-driven volatility, and multi-year infrastructure delivery cycles.

Department of Planning, Housing and Infrastructure

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28th August 2026

Performance Ratios Review
Sector Performance Team
Office of Local Government
NSW Government

Email: olg@olg.nsw.gov.au

CC: Louise Taylor – louise.taylor@olg.nsw.gov.au

Re: Local Government Performance Ratios – A Review of Performance Ratios for Local Councils

Hay Shire Council welcomes the review of the performance ratios for NSW local councils and supports improvements that can be made to the transparency, consistency and overall financial sustainability of local government.

Council considers that financial performance ratios are an important component of assessing the financial health of councils. However, ratios should not be considered in isolation. They represent financial performance at a particular point in time and should always be considered in the context of the individual circumstances of each council, together with historical trends and other relevant financial and operational indicators.

Hay Shire Council is financially stable and maintains sufficient cash reserves to meet its current obligations. However, Council has a declining operating result, historic outstanding rates and annual charges that remain above Council's desired level, and an own source revenue profile that is typical of a small rural council. These factors reflect the particular financial circumstances and service delivery environment of a rural council with a relatively small rate base and significant reliance on external grant funding.

Earlier in 2026, Council adopted a *Financial Sustainability Strategy* and a *Local Water Utility Strategic Plan*, both of which identify actions to improve Council's financial position and long-term sustainability. Council considers that these strategies, together with the Integrated Planning and Reporting (IP&R) framework, provide important context when assessing Council's financial performance.

Context for assessing local government financial performance

Council considers it important that the review recognise the complexity of local government as a business and the breadth of responsibilities undertaken by councils.

Local government is a complex operating environment, with councils responsible for delivering a very wide range of services and managing substantial financial and operational responsibilities. Council budgets can contain hundreds of individual expenditure and revenue lines across numerous functions, programs and services. These include roads, bridges, drainage, water, sewer, waste, parks and reserves, community facilities, planning, regulatory services, environmental services, economic development and a range of community and corporate services.

Councils also have a substantial asset base that must be maintained, renewed and ultimately replaced. The financial sustainability of a council therefore cannot be assessed simply by considering its annual operating result. Consideration must also be given to whether a council is adequately maintaining its assets, has sufficient capacity to fund asset renewal when required, and can sustainably meet the costs associated with its infrastructure over the longer term.

The complexity is further increased by the number and variety of funding streams available to local government. Councils receive rates and annual charges, user charges, fees, grants, contributions and other forms of revenue, many of which are subject to specific conditions, restrictions, acquittal requirements and separate accounting and reporting obligations. The timing and treatment of these funding streams can have a significant influence on reported financial performance without necessarily reflecting an underlying change in the financial sustainability of a council.

For many rural councils, water supply and sewerage services add a further layer of complexity. These services are effectively operated as separate businesses, with their own infrastructure, revenue streams, expenditure requirements, restricted funds and regulatory and reporting obligations. The financial performance of these operations needs to be considered separately as well as in the context of the council's overall financial position.

Council also considers it important that the review recognise that the cost of delivering local government services in rural and regional areas does not necessarily reduce simply because a council has a smaller population or rate base. Many services have significant fixed costs, and councils must maintain extensive road networks, bridges, water and sewer infrastructure and community facilities across large geographic areas. A smaller rate base therefore does not necessarily equate to a proportionately lower cost of service delivery.

In Council's view, the fundamental question when assessing the financial sustainability of an individual council should be relatively straightforward. Notwithstanding that small rural councils will always need to rely on external funding, particularly for major infrastructure and asset renewal, a council should be able to demonstrate that:

- it has the capacity to fund its ongoing operations and, over time, pay its own way to the greatest extent reasonably possible;
- it has sufficient available cash and liquidity to meet its obligations;
- its level of debt and other liabilities is manageable and sustainable;
- it is appropriately maintaining its existing asset base; and
- it has sufficient long-term financial capacity to renew and replace its assets when required.

These considerations provide a more meaningful assessment of financial sustainability than any single performance ratio in isolation. Performance ratios should therefore be regarded as indicators that assist in identifying areas requiring further examination, rather than as definitive measures of whether a council is financially sustainable or effectively managed.

This broader context is particularly important for small rural councils, where the combination of a limited rate base, significant infrastructure responsibilities, extensive geographic areas, reliance on government grants and the provision of water and sewer services can produce financial ratios that appear weaker than those of larger councils, despite the council maintaining an appropriate and sustainable financial position.

General comments on the review

Hay Shire Council supports the five objectives outlined in the discussion paper. Council considers these objectives to be appropriate and broadly reflective of the need for a consistent and transparent approach to assessing the financial sustainability of NSW councils.

Council also supports the "what we heard and areas for improvement" identified in the discussion paper, the proposed focus areas and the stated performance ratio assessment principles.

Council supports the continued use of the Integrated Planning and Reporting (IP&R) framework as an important component of financial sustainability assessment. Financial performance should be considered alongside Council's Community Strategic Plan, Delivery Program, Operational Plan, Resourcing Strategy and Long-Term Financial Plan.

Council supports the development of a standard performance ratio assessment template, which would improve consistency and transparency in the presentation and assessment of council financial performance.

Council does, however, have significant concerns regarding the use of benchmarking and comparisons between councils. While benchmarking can provide useful information, the results can be significantly influenced by differences in council size, geographic circumstances, population characteristics, service levels, asset profiles, grant funding, development activity and the timing of expenditure and revenue recognition.

These differences are particularly significant for small rural councils. A ratio that may indicate financial concern for one council may reflect an entirely reasonable financial position for another council because of its particular operating environment.

If benchmarking is pursued, Council supports the proposed classification and council grouping outlined in the discussion paper. However, Council strongly cautions against the development of a single statewide benchmark, given the substantial variability between NSW councils.

Ultimately, decisions regarding service levels and service delivery should be made by individual councils in response to the needs, expectations and priorities of their communities. Councils should not be encouraged to alter appropriate service delivery decisions simply to achieve a particular performance ratio or benchmark.

Specific performance ratios

1. Operating Performance Ratio

Council supports Option 1 – Retain previous NSW ratio.

Council supports the continued inclusion of depreciation in the Operating Performance Ratio. Depreciation is an important consideration in assessing the true cost of providing council services and maintaining assets over their useful lives.

However, Council considers that the methodology used to determine depreciation requires careful consideration. Hay Shire Council has made a separate submission to the current asset valuation review and has expressed a preference for Option 3 – Mixed Approach to Asset Valuation.

Council considers that improvements to asset valuation and depreciation methodologies will assist in producing a more accurate and meaningful depreciation expense and, consequently, a truer representation of operating performance.

Council's more significant concern relates to the treatment and timing of grant revenue in the calculation of the operating result.

Grants are currently accounted for under AASB 15 or AASB 1058, depending on the nature and conditions of the grant. In practice, the timing of grant revenue recognition can have a significant impact on a council's reported operating result. In some circumstances, following advice from external auditors, grant income must be recognised in the year in which it is received rather than the year in which the associated expenditure occurs.

This can materially distort the reported operating performance of councils, particularly where substantial grant funding is received in advance.

For example, Hay Shire Council received approximately \$3.3 million in Financial Assistance Grant pre-payment for 2026-27 during 2025-26. This revenue will be recognised in the 2025-26 financial statements rather than the 2026-27 financial year in which the funding relates to expenditure. The result is that Council's reported operating performance for 2025-26 will be significantly improved by the pre-payment, despite the funding not representing an improvement in Council's underlying financial sustainability for that year.

Council considers that the performance ratio methodology should recognise the impact of such timing differences. Consideration should be given to allowing grant revenue to be recognised for performance ratio purposes in the year in which the associated expenditure is incurred or otherwise adjusting the ratio to remove the distortion caused by significant grant pre-payments.

This would provide a much more meaningful indication of the underlying operating performance of a council.

Council supports a proposed benchmark of greater than 0.00% in principle. However, for small rural councils with an own source revenue ratio in the low 40 per cent range, the benchmark may be difficult to achieve consistently due to the significant reliance on external grant funding, particularly for asset renewal and infrastructure projects.

Council therefore suggests that a more appropriate Operating Performance Ratio benchmark for small rural councils would be greater than -10%.

2. Own Source Operating Revenue Ratio

Council supports Option 1 – Recalibrated benchmarks.

Council considers Option 1 to be reasonable and more reflective of the financial circumstances of small rural councils, which commonly have a significantly greater reliance on external grant funding than metropolitan and larger regional councils.

Council supports the reporting of both an annual result and a rolling five-year average. The five-year average will provide a more meaningful indication of the underlying position and reduce the impact of individual years in which there are significant grant receipts or other one-off events.

3. Unrestricted Current Ratio

Council supports the continued use of the Unrestricted Current Ratio as outlined in the review.

The ratio is a useful measure of a council's capacity to meet its short-term obligations and provides an important indication of liquidity.

Council supports reporting both an annual result and a rolling five-year average, which will provide greater context than relying on a single year's result.

4. Rates and Annual Charges Outstanding Ratio

Council supports Option 1 – Revise benchmark for metro fringe and county councils.

Council supports the proposed approach and recognises the importance of monitoring outstanding rates and annual charges as part of assessing financial sustainability.

Council also supports the reporting of an annual result and a rolling five-year average.

As with the other ratios, Council considers that the individual circumstances of each council should be taken into account when interpreting the result. Factors such as historical debt, hardship arrangements, economic circumstances and local property markets can influence the ratio and should be considered when assessing performance.

5. Cash Expense Cover Ratio

Council supports the proposed Unrestricted Cash Expense Cover Ratio.

The ratio provides a useful indication of a council's ability to meet its ongoing cash expenditure commitments and is particularly relevant when considered alongside the Unrestricted Current Ratio and other liquidity measures.

6. Debt Service Cover Ratio

Council supports Option 1 – Replace with the proposed Leverage Ratio.

Council considers that the long-term objective should be financial sustainability rather than simply the capacity to service existing debt.

A financial assessment should therefore provide an appropriate measure of a council's overall financial position and its capacity to sustainably manage liabilities over the longer term.

Council supports the proposed benchmarks under Option 1, as well as the reporting of both an annual result and a rolling five-year average.

Council also supports the inclusion of lease liabilities in the calculation. All material debt-like obligations should be considered when assessing the financial position and long-term sustainability of a council.

7. Contributions Expenditure Performance Ratio

Hay Shire Council supports the proposed approach under which small rural councils would be exempt from this ratio.

Council has negligible developer contributions and does not consider itself to represent a financial risk in this area. Requiring councils with immaterial developer contribution balances to report against this ratio would add administrative burden without providing meaningful additional information regarding financial sustainability.

Conclusion

Hay Shire Council supports the overall intent of the review and recognises the value of consistent, transparent and meaningful financial performance measures across the NSW local government sector.

Council supports the continued use of performance ratios, provided they are used as indicators rather than definitive measures of financial performance or council effectiveness.

The most important consideration is that ratios are interpreted in the context of each individual council. Particular caution is required when comparing councils with different populations, geographic circumstances, asset bases, service delivery responsibilities, revenue structures and levels of government grant funding.

Council does not support the introduction of a single statewide benchmark for financial performance ratios. A benchmark that is appropriate for a metropolitan council may not be appropriate for a small rural council such as Hay Shire Council.

Council also considers that greater attention should be given to the impact of grant funding recognition and timing, as this can materially distort reported operating performance and undermine the usefulness of the Operating Performance Ratio as an indicator of underlying financial sustainability.

Hay Shire Council appreciates the opportunity to provide feedback on the review and supports the Office of Local Government continuing to work with the sector to develop financial performance measures that are transparent, meaningful, consistent and appropriately reflective of the diverse circumstances of NSW local government.

Thank you for your consideration of our comments. Hay Shire Council is willing to participate in further discussions if required.

If you have any further queries, please do not hesitate to contact me on mobile 0429693499 or email dwebb@hay.nsw.gov.au.

Yours faithfully,



David Webb
General Manager
Hay Shire Council

Circular to Councils

Subject/title	Consultation on Model Code of Conduct for Council Staff, Delegates and Committee Members
Circular Details	Circular No 26-18 / 31 August 2026 / A1014917
Previous Circular	<i>Circular 26-08 Consultation on Councillor Conduct Reforms</i>
Who should read this	Councillors / General Managers / Council Governance and Human Resources Staff
Contact	Council Governance Team / 02 4428 4100 / olg@olg.nsw.gov.au
Action required	Response to OLG

What's new or changing?

- The Office of Local Government (OLG) is inviting feedback from the Local Government sector on the Model Code of Conduct for Council Staff, Delegates and Committee Members.
- A draft of the Model Code of Conduct for Council Staff, Delegates and Committee Members and information on how to make a submission is available on OLG's website: www.olg.nsw.gov.au.
- Submissions may be made up to 5pm 12 October 2026.

What will this mean for council?

- As part of the development of the new Councillor Conduct Framework, the Model Code of Conduct for Local Councils in NSW is being split into 2 separate codes: one that applies specifically to councillors and another that will apply to council staff, delegates, and committee members. This will allow the prescription of ethical and behavioural standards for councillors on the one hand and council staff and others on the other, to better reflect the different nature of their roles.

- The new Model Code of Conduct for Council Staff, Delegates and Committee Members largely retains many of the existing provisions of the current Model Code of Conduct for Local Councils in NSW in a more simplified form.
- Like the new Model Code of Conduct for Councillors, the Model Code of Conduct for Council Staff, Delegates and Committee Members will modernise how designated persons disclose their personal interests.
- It is unlikely that there will be significant changes to current requirements for the management of code of conduct complaints about council staff, delegates, and committee members under the new Councillor Conduct Framework. Councils will continue to be required to manage breaches of the Model Code of Conduct for Council Staff, Delegates and Committee Members under an amended version of the Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW.

Key points

- The Model Code of Conduct for Councillors has previously been issued for consultation. The consultation is now closed, and submissions are being assessed.
- Both the Model Code of Conduct for Councillors and the Model Code of Conduct for Council Staff, Delegates and Committee Members will be prescribed at the same time.

Where to go for further information

- The Model Code of Conduct for Council Staff, Delegates and Committee Members and information about how to make a submission is available on the '[Reforms to the regulation of councillor conduct](#)' webpage on OLG's website.
- For more information, contact OLG's Council Governance Team by telephone on 02 4428 4100 or by email at olg@olg.nsw.gov.au.

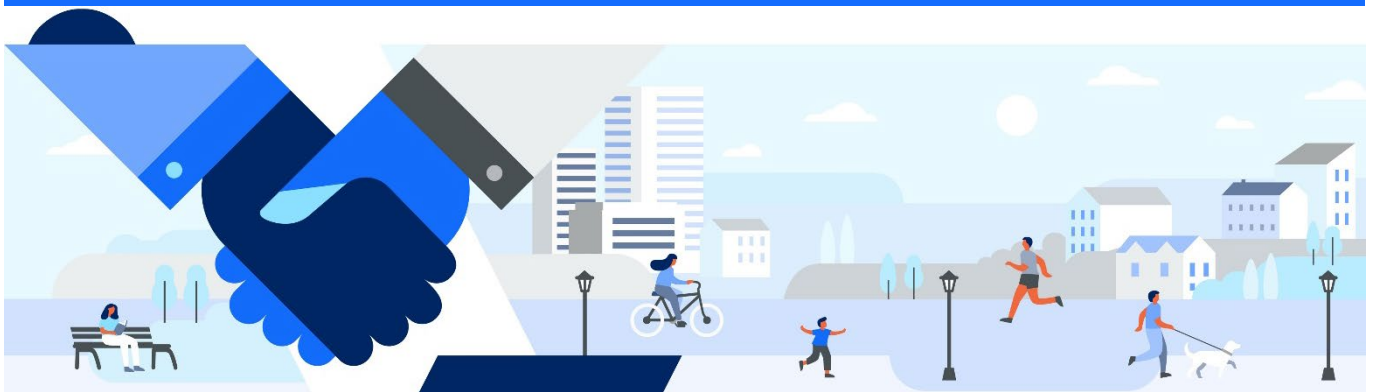


Brett Whitworth PSM
Deputy Secretary, Local Government

THE MODEL CODE OF CONDUCT FOR COUNCIL STAFF, DELEGATES AND COMMITTEE MEMBERS

Draft for consultation

2026



Acknowledgement of Country

The Office of Local Government acknowledges the Traditional Custodians of the lands where we work and live. We celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of NSW.

We pay our respects to Elders past, present and emerging and acknowledge the Aboriginal and Torres Strait Islander people that contributed to the development of this Model Code of Conduct for Council Staff, Delegates and Committee Members.

The Model Code of Conduct for Council Staff, Delegates and Committee Members

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www.olg.nsw.gov.au

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Contents

Introduction.....	4
Dictionary.....	5
PART 1 APPLICATION OF THIS CODE	7
PART 2 GENERAL CONDUCT OBLIGATIONS.....	8
PART 3 CONFLICTS OF INTEREST	11
PART 4 PERSONAL BENEFIT	18
PART 5 RELATIONSHIPS BETWEEN COUNCIL OFFICIALS	20
PART 6 ACCESS TO INFORMATION AND COUNCIL RESOURCES	21
PART 7 MAINTAINING THE INTEGRITY OF THIS CODE.....	24
SCHEDULE 1: INTERESTS AND OTHER MATTERS TO BE DISCLOSED IN AN INTEREST DISCLOSURE RETURN	26
SCHEDULE 2: INTEREST DISCLOSURE RETURN FORM	35
SCHEDULE 3: ANNUAL DECLARATION FORM	42

Introduction

The Model Code of Conduct for Council Staff, Delegates and Committee Members (“the Model Code of Conduct”) is made under section 440 of the *Local Government Act 1993* (“LGA”) and the Local Government (General) Regulation 2021 (“the Regulation”).

The Model Code of Conduct prescribes the minimum standards of conduct the council officials it applies to are obliged to comply with. It is designed to assist them to understand and comply with the standards of conduct that are expected of them and to act in a way that enhances public confidence in their council.

Section 440 of the LGA requires every council (including rural and remote councils), county council and joint organisation to adopt a code of conduct that incorporates the provisions of the Model Code of Conduct. A council’s or joint organisation’s adopted code of conduct may also include provisions that supplement the Model Code of Conduct and that extend its application to other persons who undertake work for the council such as volunteers, contractors and members of wholly advisory committees.

A council’s or joint organisation’s adopted code of conduct for council staff, delegates and committee members has no effect to the extent that it is inconsistent with the Model Code of Conduct. However, a council’s or joint organisation’s adopted code of conduct may prescribe requirements that are more onerous than those prescribed in the Model Code of Conduct.

Council staff, delegates and committee members (including members of council committees that are delegates of a council) and any other person a council’s adopted code of conduct applies to, must comply with the applicable provisions of their council’s code of conduct. It is the personal responsibility of the council officials the code applies to, to comply with the standards prescribed in the code and to regularly review their personal circumstances and conduct with this in mind.

Note: References in the Model Code of Conduct to councils are also to be taken as references to rural and remote councils, county councils and joint organisations.

Note: In adopting the Model Code of Conduct, 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”.

Note: In adopting the Model Code of Conduct, county councils should adapt it to substitute the term “chairperson” for “mayor” and “member” for “councillor”.

Dictionary

In this code the following terms have the following meanings:

audit, risk and improvement committee	a committee appointed under section 428A of the LGA
conduct	includes acts and omissions
council committee	a committee established by the council that the council has delegated functions to
council committee member	a person other than a councillor who is a member of a council committee
council official	includes members of staff of a council, council committee members, delegates of council and, in relation to requirements relating to the disclosure of pecuniary interests, members of wholly advisory committees, the audit, risk and improvement committee and council advisers
councillor	any person elected or appointed to civic office, including the mayor and includes appointed and elected members of rural and remote councils, members and chairpersons of county councils and voting representatives of the boards of joint organisations and chairpersons of joint organisations
de facto partner	has the same meaning as in section 21C of the <i>Interpretation Act 1987</i>
delegate of council	a person (other than a councillor or member of staff of a council) or a committee or other body, and the individual members of that committee or body, to whom a function of the council is delegated
designated person	a person referred to in clause 3.20
election campaign	includes council, state and federal election campaigns
LGA	<i>Local Government Act 1993</i>
personal information	has the same meaning as in section 4 of the <i>Privacy and Personal Information Protection Act 1998</i>

the Procedures	the Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW prescribed under the Regulation
the Regulation	the Local Government (General) Regulation 2021
relative	means any of the following: (i) a spouse or de facto partner (ii) a parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child (iii) a spouse's or de facto partner's parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child (iv) the spouse or de facto partner of a person referred to in paragraphs (ii) and (iii)
wholly advisory committee	a committee established by the council that the council has not delegated any functions to

PART 1 APPLICATION OF THIS CODE

- 1.1 The purpose of this code is to prescribe the ethical and behavioural standards council staff, delegates and committee members (referred to below as a “council officials”) must comply with. This code does not apply to the following:
 - a) decisions or actions of the council,
 - b) the making of a decision or exercise of a discretion or any other function by a council official in good faith, whether or not involving error,
 - c) the exercise of a policy judgement,
 - d) private conduct of a council official that is not substantively related to their role as a council official,
 - e) the expression of an opinion unless involving other conduct that would constitute a breach of this code,
 - f) a failure by a council official to perform their duties to an acceptable standard.
- 1.2 The provisions of this code relating to the disclosure of pecuniary interests also apply to members of wholly advisory committees of the council, the council’s audit, risk and improvement committee and advisers to the council under section 440(2) of the LGA and the Regulation.
- 1.3 Clause 1.2 does not prevent a council when adopting this code, from:
 - a) extending the application of all its provisions to members of wholly advisory committees of the council, the council’s audit risk and improvement committee, advisers to the council and any other person who performs work for the council, or
 - b) making compliance with this code a condition of the appointment or engagement by the council of a person who is not otherwise subject to it under the LGA or Regulation.
- 1.4 Complaints alleging a breach of this code by council officials other than the general manager are to be made to the general manager or their delegate and managed in accordance with the Procedures.
- 1.5 Complaints alleging a breach of this code by the general manager are to be made to the mayor or their delegate and managed in accordance with the Procedures.
- 1.6 Expressions which are defined in the dictionary in this code have the meanings set out in the dictionary.

PART 2 GENERAL CONDUCT OBLIGATIONS

General conduct

- 2.1 You must not conduct yourself in a manner that:
- a) is likely to bring the council, councillors or other council officials into disrepute,
 - b) is contrary to statutory requirements or the council's administrative requirements or policies,
 - c) is improper or unethical,
 - d) is an abuse of power, or
 - e) involves the misuse of your position to obtain a private benefit.

Fairness and equity

- 2.2 You must act lawfully and honestly and exercise a reasonable degree of care and diligence in carrying out your functions under the LGA or any other Act. (section 439 of the LGA).
- 2.3 You must consider issues consistently, promptly and fairly. You must deal with matters in accordance with established procedures, in a non-discriminatory manner.
- 2.4 You must take all relevant facts known to you, or that you should be reasonably aware of, into consideration and have regard to the particular merits of each case. You must not take irrelevant matters or circumstances into consideration when making decisions.
- 2.5 An act or omission in good faith, whether or not involving error, will not constitute a breach of clauses 2.2 to 2.4.

Intimidation, harassment, bullying and discrimination

- 2.6 You must not engage in intimidation, verbal abuse, harassment or bullying towards others or support others who engage in such conduct.
- 2.7 For the purposes of this code, "harassment" is any form of behaviour towards a person that:
- a) is not wanted by the person,
 - b) offends, humiliates or intimidates the person, and
 - c) creates a hostile environment.

- 2.8 For the purposes of this code, “bullying” is any behaviour in which:
- a) a person or a group of people repeatedly behaves unreasonably towards another person or a group of persons, and
 - b) the behaviour creates a risk to health and safety.
- 2.9 Bullying may involve, but is not limited to, any of the following types of behaviour:
- a) aggressive, threatening or intimidating conduct,
 - b) belittling or humiliating comments,
 - c) spreading malicious rumours,
 - d) teasing, practical jokes or ‘initiation ceremonies’,
 - e) exclusion from work-related events,
 - f) unreasonable work expectations, including too much or too little work, or work below or beyond a worker's skill level,
 - g) displaying offensive material,
 - h) pressure to behave in an inappropriate manner.
- 2.10 Reasonable management action carried out in a reasonable manner does not constitute bullying behaviour for the purposes of this code. Examples of reasonable management action may include, but are not limited to:
- a) performance management processes,
 - b) disciplinary action for misconduct,
 - c) informing a worker about unsatisfactory work performance or inappropriate work behaviour,
 - d) directing a worker to perform duties in keeping with their job,
 - e) maintaining reasonable workplace goals and standards,
 - f) legitimately exercising a regulatory function,
 - g) legitimately implementing a council policy or administrative processes.
- 2.11 You must not unlawfully discriminate against others on the grounds of race, colour, sex, sexual orientation, breastfeeding, gender identity, intersex status, age, physical or mental disability, marital status, family or carer’s responsibilities, pregnancy, religion, political opinion, national extraction, social origin, or of experiencing (or having experienced) family and domestic violence.

Work health and safety

2.12 All council officials owe statutory duties under the *Work Health and Safety Act 2011* (WHS Act). You must comply with your duties under the WHS Act and your responsibilities under any policies or procedures adopted by the council to ensure workplace health and safety. Specifically, you must:

- a) take reasonable care for your own health and safety,
- b) take reasonable care that your acts or omissions do not adversely affect the health and safety of other persons,
- c) comply, so far as you are reasonably able, with any reasonable instruction that is given to ensure compliance with the WHS Act and any policies or procedures adopted by the council to ensure workplace health and safety,
- d) cooperate with any reasonable policy or procedure of the council relating to workplace health or safety that has been notified to council staff,
- e) report accidents, incidents, near misses, to the general manager or such other staff member nominated by the general manager, and take part in any incident investigations,
- f) so far as is reasonably practicable, consult, co-operate and coordinate with all others who have a duty under the WHS Act in relation to the same matter.

Land use planning, development assessment and approval and other regulatory functions

2.13 In exercising land use planning, development assessment and approval and other regulatory functions, you must take all reasonable steps to ensure that decisions relating to those functions are properly made, and that all parties are dealt with fairly. You must avoid any occasion for suspicion of improper conduct in the exercise of land use planning, development assessment and approval and other regulatory functions.

2.14 In exercising land use planning, development assessment and approval and other regulatory functions, you must ensure that no action, statement or communication between yourself and others conveys any suggestion of willingness to improperly provide concessions or preferential or unduly unfavourable treatment.

PART 3 CONFLICTS OF INTEREST

What is a conflict of interest?

3.1 For the purposes of this code, the following constitutes a conflict of interest:

- a) a pecuniary conflict of interest,
- b) a non-pecuniary conflict of interest.

What is a pecuniary conflict of interest?

3.2 You will have a pecuniary conflict of interest in a matter you are dealing with where there is a reasonable likelihood or expectation of appreciable financial gain or loss to:

- a) you,
- b) a relative
- c) your partner or employer, or
- d) a company or other body of which you, or your nominee, partner or employer, is a shareholder or member.

3.3 You will not have a pecuniary conflict of interest in relation to a person referred to in paragraphs (b) to (d) of clause 3.2:

- a) if you are unaware of the relevant pecuniary interest, or
- b) just because the person is a member of, or is employed by, a council or a statutory body, or is employed by the Crown, or
- c) just because the person is a member of, or a delegate of a council to, a company or other body that has a pecuniary interest in the matter, so long as the person has no beneficial interest in any shares of the company or body.

3.4 You will not have a pecuniary conflict of interest in a matter if the relevant interest is so remote or insignificant that it could not reasonably be regarded as likely to influence any decision you might make in relation to the matter.

What is a non-pecuniary conflict of interest?

- 3.5 Non-pecuniary interests are private or personal interests that do not amount to a pecuniary interest. These commonly arise out of family or personal relationships, or out of involvement in sporting, social, religious or other cultural groups and associations, and may include an interest of a financial nature.
- 3.6 You will have a non-pecuniary conflict of interest in a matter you are dealing with where a reasonable and informed person could perceive that you would be influenced by a private interest when carrying out your official functions in relation to that matter.
- 3.7 The following do not constitute private interests for the purposes of clause 3.6:
- personal or political views,
 - religious beliefs or affiliations,
 - a relationship with a person that is not close - closeness is defined by the nature of a friendship or business relationship, the frequency of contact and the duration of the friendship or relationship,
 - an affiliation with or membership of an organisation unless as a member of the governing body or management of the organisation,
 - the exercise of any functions as a council official,
 - membership of an external body as the council's representative, unless the interests of the council and the external body are potentially in conflict in relation to the matter the council is dealing with.
- 3.8 You will not have a non-pecuniary conflict of interest in a matter for the purposes of clause 3.6, if a person or organisation you have a relationship or affiliation with, will not be directly and materially affected by a decision in relation to the matter

Management of conflicts of interest by the general manager

- 3.9 If you are the general manager and have a conflict of interest in a matter you are dealing with, you must disclose that you have a conflict of interest in the matter in writing to the council and identify the nature of the interest you have in the matter as soon as practicable after becoming aware of the conflict of interest.
- 3.10 A disclosure made by the general manager under clause 3.9 must, as soon as practicable after the disclosure is made, be laid on the table at a meeting of the council and the council must determine, by resolution, what action must be taken to appropriately manage the conflict of interest.

Management of conflicts of interest by other members of staff and delegates of council

- 3.11 If you are a member of staff of the council other than the general manager or a delegate of the council and have a conflict of interest in a matter you are dealing with, you must disclose that you have a conflict of interest in the matter in writing to your manager, or the general manager if you are a designated person for the purposes of clause 3.20, and identify the nature of the interest you have in the matter as soon as practicable after becoming aware of the conflict of interest.
- 3.12 If your manager or the general manager agree that you have a conflict of interest in the matter, they must determine what action must be taken to appropriately manage the conflict of interest and document their decision and the reasons for it in writing.

Management of conflicts of interest by members of council committees

- 3.13 If you are a member of a council committee and have a conflict of interest in any matter the committee is dealing with and you are present at a meeting of the committee at which the matter is being considered, you must disclose the nature of the interest to the meeting as soon as practicable and must not be present at, or in sight of, the meeting of the committee:
- a) at any time during which the matter is being considered or discussed by the committee, or
 - b) at any time during which the committee is voting on any question in relation to the matter.
- 3.14 A disclosure made at a meeting of a council committee must be recorded in the minutes of the meeting.

Management of pecuniary conflicts of interest by members of wholly advisory committees and the audit, risk and improvement committee

- 3.15 If you are a member of a wholly advisory committee of the council or the audit, risk and improvement committee and have a pecuniary conflict of interest in a matter the committee is dealing with, you must disclose and manage your conflict of interest in accordance with clauses 3.13 and 3.14.

Management of pecuniary conflicts of interest by council advisers

- 3.16 If, at the request or with the consent of the council or a council committee, you give advice on any matter at any meeting of the council or committee, you must disclose the nature of any

pecuniary interest you have in the matter to the meeting at the time the advice is given. You are not required to disclose your interest as an adviser. The council or committee must determine, by resolution, what action must be taken to appropriately manage the conflict of interest.

What interests do not have to be disclosed?

- 3.17 You will not breach this code if you did not know, and could not reasonably be expected to have known, that a matter you were dealing with was a matter in which you had a conflict of interest.
- 3.18 If you are a member of staff of the council, you are not required to disclose an interest if the interest relates only to your remuneration as a member of staff of the council, or to other conditions of your employment.
- 3.19 You do not have to disclose the following interests for the purposes of this Part:
- a) your interest as an elector,
 - b) your interest as a ratepayer or person liable to pay a charge,
 - c) an interest you have in any matter relating to the terms on which the provision of a service or the supply of goods or commodities is offered to the public generally, or to a section of the public that includes persons who are not subject to this code,
 - d) an interest you have in any matter relating to the terms on which the provision of a service or the supply of goods or commodities is offered to your relative by the council in the same manner and subject to the same conditions as apply to persons who are not subject to this code,
 - e) if you are a council committee member, an interest you have as a person chosen to represent the community, or as a member of a non-profit organisation or other community or special interest group, if you have been appointed to represent the organisation or group on the council committee,
 - f) an interest you have relating to a contract, proposed contract or other matter, if the interest arises only because of a beneficial interest in shares in a company that does not exceed 10 per cent of the voting rights in the company,
 - g) an interest you have arising from the proposed making by the council of an agreement between the council and a corporation, association or partnership, being a corporation, association or partnership that has more than 25 members, if the interest arises because your relative is a shareholder (but not a director) of the corporation, or is a member (but not a member of the committee) of the association, or is a partner of the partnership,
 - h) an interest you have arising from the making by the council of any contract or agreement with your relative, but only if the proposed contract or agreement is similar in terms and conditions to such contracts and agreements as have been made, or as are proposed to be made, by the council in respect of similar matters with other residents of the area,

- i) an interest arising from the payment of the remuneration of a council employee who is your relative,
- j) an interest arising from being covered by, or a proposal to be covered by, indemnity insurance,
- k) an interest arising from an appointment to a body as a representative or delegate of the council, whether or not a fee or other recompense is payable.

Disclosures of interests in written returns

3.20 For the purposes of this code, designated persons include:

- a) the general manager,
- b) a person who is a member of staff or a delegate of the council and who holds a position identified by the council as the position of a designated person because it is a senior executive role or involves the exercise of key functions that, in their exercise, could give rise to a conflict between the person's duty as a member of staff or delegate and the person's private interest,
- c) a person who is a member of a committee of the council identified by the council as a committee whose members are designated persons because the committee exercises key functions that, in their exercise, could give rise to a conflict between the member's duty as a member of the committee and the member's private interest.

3.21 If you are the general manager, you must, within 1 month of your appointment, lodge an interest disclosure return with the mayor in the form set out in Schedule 2 to this code containing the disclosures required by Schedule 1.

3.22 If you are a designated person other than the general manager, you must, within 1 month of your appointment, lodge an interest disclosure return with the general manager in the form set out in Schedule 2 to this code containing the disclosures required by Schedule 1.

3.23 You must lodge a further interest disclosure return with the general manager, (or the mayor in the case of the general manager), within 1 month if:

- a) a matter disclosed, or required to be disclosed by Schedule 1 changes, or
- b) a matter required to be disclosed by Schedule 1 arises, or
- c) you become aware of a mistake in an interest disclosure return you have lodged.

3.24 When lodging a further interest disclosure return under clause 3.23 about a matter or mistake, you must complete only the part of the interest disclosure return that relates to the matter or mistake.

- 3.25 You may also lodge an interest disclosure return with the general manager, (or the mayor in the case of the general manager), if you wish to make a discretionary disclosure.
- 3.26 You must not lodge an interest disclosure return that you know or ought reasonably to know is false or misleading in a material particular.
- 3.27 The general manager must keep an electronic register of the disclosures made under clauses 3.21, 3.22, 3.23 and 3.25 and update the register as soon as practicable after an interest disclosure return is lodged.
- 3.28 The register is to be kept in 2 parts, being:
- a) a part (the publicly available part) containing disclosures relating to designated persons made in Part A of an interest disclosure return,
 - b) a part (the confidential part) containing disclosures made in Part B of an interest disclosure return relating to the addresses of parcels of real property relating to designated persons that are the principal or secondary places of residence of a designated person or a relative or tenanted real property.
- 3.29 The general manager must publish a searchable copy of the publicly available part of the register on council's website.
- 3.30 The confidential part of the register must be kept confidential to protect the privacy and safety of persons occupying real property required to be disclosed under this code. This clause does not prevent the general manager from providing access to the confidential part of the register in response to a lawful request made for the purposes of dealing with an alleged breach of this code or investigating corrupt conduct within the meaning of the *Independent Commission Against Corruption Act 1988*.
- 3.31 You must within 1 month of each 30 June, lodge an annual declaration with the general manager. (or with the mayor in the case of the general manager), in the form set out in Schedule 3 to this code, stating that the register as at 30 June, to the best of your knowledge:
- a) accurately compiles the information lodged in your interest disclosure returns, and
 - b) contains all the information required to be disclosed under Schedule 1 of this code.
- 3.32 You are not required to lodge an annual declaration under clause 3.30 if you lodged your first interest disclosure return under clause 3.21 or clause 3.22 in the 6 months before 30 June in the same year.

Other business or employment by the general manager

3.33 If you are the general manager, you must not engage, for remuneration, in private employment, contract work or other business outside the service of the council without the approval of the council.

Other business or employment by other staff

3.34 If you are a member of staff other than the general manager, you must not engage, for remuneration, in private employment, contract work or other business outside the service of the council that relates to the business of the council or that might conflict with your council duties unless you have notified the general manager in writing of the employment, work or business and the general manager has given their written approval for you to engage in the employment, work or business.

3.35 The general manager may at any time prohibit a member of staff from engaging, for remuneration, in private employment, contract work or other business outside the service of the council that relates to the business of the council, or that might conflict with the staff member's council duties.

3.36 You must not engage, for remuneration, in private employment, contract work or other business outside the service of the council if prohibited by the general manager from doing so.

3.37 You must ensure that any outside employment, work or business you engage in will not:

- a) conflict with your official duties,
- b) involve using confidential information or council resources obtained through your work with the council including where private use is permitted,
- c) require you to work while on council duty,
- d) discredit or disadvantage the council,
- e) pose, due to fatigue, a risk to your health or safety, or to the health and safety of your co-workers.

Personal dealings with council

3.38 You may have reason to deal with your council in your personal capacity (for example, as a ratepayer, recipient of a council service or applicant for a development consent granted by council). You must undertake any personal dealings you have with the council in a manner that is consistent with the way other members of the community deal with the council. You must not expect or request preferential treatment in relation to any matter in which you have a private interest because of your position.

PART 4 PERSONAL BENEFIT

What is a gift or benefit?

- 4.1 For the purposes of this Part, a gift or a benefit is something offered to or received by you, or someone personally associated with you for personal use and enjoyment.
- 4.2 A reference to a gift, benefit or hospitality in this Part does not include:
- a) items or hospitality of token value,
 - b) a gift provided to the council as part of a cultural exchange or sister-city relationship that is not converted for the personal use or enjoyment of any individual council official or someone personally associated with them,
 - c) a benefit or facility provided by the council to an employee,
 - d) attendance by a council official at a work-related event or function for the purposes of performing their official duties, or
 - e) free or subsidised meals, beverages or refreshments provided to council officials in conjunction with the performance of their official duties such as, but not limited to:
 - i) the discussion of official business,
 - ii) work-related events such as council-sponsored or community events, training, education sessions or workshops,
 - iii) conferences,
 - iv) council functions or events,
 - v) social functions organised by community groups such as, but not limited to, sporting, social, religious, cultural, educational or business organisations.

How are offers of gifts and benefits to be dealt with?

- 4.3 You must not:
- a) seek or accept a bribe or other improper inducement,
 - b) seek gifts, benefits or hospitality of any kind,
 - c) accept any gift, benefit or hospitality that may create a sense of obligation on your part, or that may be perceived to be intended or likely to influence you in carrying out your public duty,
 - d) subject to clause 4.6, accept one or more gifts, benefits or hospitality from the same person or someone associated with them over a 12-month period with a combined value that exceeds \$50,
 - e) accept an offer of cash or a cash-like gift as defined by clause 4.4(c), regardless of the amount,

- f) participate in competitions for prizes where eligibility is based on the council being in or entering into a customer–supplier relationship with the competition organiser,
- g) personally benefit from reward points programs when purchasing on behalf of the council,
- h) accept a gift, benefit or hospitality from a property developer within the meaning of Division 7 of Part 3 of the Electoral Funding Act 2018 or a close associate of a property developer within the meaning of section 53 of that Act.

4.4 For the purposes of clause 4.3:

- a) a gift, benefit or hospitality is deemed to have been accepted by you where it is received by you or someone personally associated with you,
- b) the value of a gift, benefit or hospitality is its monetary value inclusive of GST,
- c) a “cash-like gift” includes, but is not limited to, gift vouchers, credit cards, debit cards with credit on them, prepayments such as phone or internet credit, lottery tickets, memberships or entitlements to discounts that are not available to the general public or a broad class of persons.

4.5 Where you receive a gift, benefit or hospitality of any value other than one referred to in clause 4.2, you must disclose this promptly to your manager or the general manager in writing. The recipient, manager, or general manager must ensure that, at a minimum, the following details are recorded in the council’s gift register:

- a) the nature of the gift, benefit or hospitality,
- b) the estimated monetary value of the gift, benefit or hospitality,
- c) the name of the person who provided the gift, benefit or hospitality, and
- d) the date on which the gift, benefit or hospitality was received.

4.6 Where you receive a gift or benefit that exceeds \$50 in value that cannot reasonably be refused or returned, the gift or benefit must be surrendered to the council, unless the nature of the gift or benefit makes this impractical.

Improper and undue influence

4.7 You must not use your position to improperly influence other council officials in the performance of their official functions to obtain a private benefit for yourself or for somebody else.

4.8 You must not take advantage (or seek to take advantage) of your status or position with council, or of functions you perform for council, in order to obtain a private benefit for yourself or for any other person or body.

PART 5 RELATIONSHIPS BETWEEN COUNCIL OFFICIALS

Obligations of staff

- 5.1 If you are a member of staff of council, (including the general manager), you must:
- a) give your attention to the business of the council while on duty,
 - b) ensure that your work is carried out ethically, efficiently, economically and effectively,
 - c) carry out reasonable and lawful directions given by any person having authority to give such directions,
 - d) give effect to the lawful decisions, policies and procedures of the council, whether or not you agree with or approve of them,
 - e) ensure councillors are provided with all the information necessary to effectively perform their official functions in accordance the council's policy and procedures governing the interaction of councillors and council staff and the council's code of conduct for councillors,
 - f) ensure that any participation in political activities outside the service of the council does not interfere with the performance of your official duties.

Inappropriate interactions

- 5.2 You must not engage in any of the following inappropriate interactions:
- a) discussing individual or operational staff matters (other than matters relating to broader workforce policy), grievances, workplace investigations and disciplinary matters with councillors,
 - b) refusing to give information that is available to other councillors to a particular councillor, unless the councillor has a conflict of interest in the matter and the information is not available to members of the public,
 - c) providing ad hoc advice to councillors without recording or documenting the interaction as you would if the advice was provided to a member of the community,
 - d) meeting with applicants or objectors alone and outside office hours to discuss planning applications or proposals.

PART 6 ACCESS TO INFORMATION AND COUNCIL RESOURCES

Use of certain council information

6.1 You must:

- a) only access council information needed to perform your official functions,
- b) not use council information for private purposes,
- c) not seek or obtain, either directly or indirectly, any financial benefit or other improper advantage for yourself, or any other person or body, from any information to which you have access by virtue of your position with council,
- d) only release council information in accordance with established council policies and procedures and in compliance with relevant legislation.

Use and security of confidential information

6.2 You must maintain the integrity and security of confidential information in your possession, or for which you are responsible. You must:

- a) only access confidential information that you have been authorised to access and only do so for the purposes of exercising your official functions,
- b) protect confidential information,
- c) only release confidential information if you have authority to do so,
- d) only use confidential information for the purpose for which it is intended to be used,
- e) not use confidential information gained through your official position for the purpose of securing a private benefit for yourself or for any other person,
- f) not use confidential information with the intention to cause harm or detriment to the council or any other person or body,
- g) not disclose any confidential information discussed in a closed part of a council or committee meeting or any other confidential forum.

Personal information

6.3 When dealing with personal information you must comply with:

- a) the *Privacy and Personal Information Protection Act 1998*,
- b) the *Health Records and Information Privacy Act 2002*,
- c) the Information Protection Principles and Health Privacy Principles,

- d) the council's privacy management plan,
- e) the Privacy Code of Practice for Local Government.

Use of council resources

- 6.4 You must use council resources ethically, effectively, efficiently and carefully in exercising your official functions. You must not:
- a) use council resources for private purposes, except when supplied as part of a contract of employment (but not for private business purposes), unless this use is lawfully authorised and proper payment is made where appropriate, or
 - b) permit the misuse of council resources by any other person or body.
- 6.5 Union delegates and consultative committee members may have reasonable access to council resources and information for the purposes of carrying out their industrial responsibilities, including but not limited to:
- a) the representation of members with respect to disciplinary matters,
 - b) the representation of employees with respect to grievances and disputes,
 - c) functions associated with the role of the local consultative committee.
- 6.6 You must not use or permit the use of council resources (including council staff), property or facilities, for the purpose of assisting an election campaign unless the resources, property or facilities are otherwise available for use or hire by the public and any publicly advertised fee is paid for use of the resources, property or facility.
- 6.7 You must not use or permit the use of council letterhead, council crests, council email or social media or other information that could give the appearance it is official council material:
- a) for the purpose of assisting an election campaign, or
 - b) for other non-official purposes.
- 6.8 You must not convert any property of the council to your own use unless properly authorised.

Internet access

- 6.9 You must not use council's devices to search for, access, download or communicate any material of an offensive, obscene, pornographic, threatening, abusive or defamatory nature, or that could otherwise lead to criminal penalty or civil liability and/or damage the council's reputation.

Council record keeping

- 6.10 All information created, sent and received in your official capacity is a council record and must be managed in accordance with the requirements of the *State Records Act 1998* and the council's approved records management policy and practices.
- 6.11 All information stored in either soft or hard copy on council supplied resources (including technology devices and email accounts) is deemed to be related to the business of the council and will be treated as council records, regardless of whether the original intention was to create the information for personal purposes.
- 6.12 You must not destroy, alter, or dispose of council information or records, unless authorised to do so. If you need to alter or dispose of council information or records, you must do so in consultation with the council's records manager and comply with the requirements of the *State Records Act 1998*.

PART 7 MAINTAINING THE INTEGRITY OF THIS CODE

Complaints made for an improper purpose

- 7.1 You must not make or threaten to make a complaint or cause a complaint to be made alleging a breach of this code for an improper purpose.
- 7.2 For the purposes of clause 7.1, a complaint is made for an improper purpose where it is trivial, frivolous, vexatious or not made in good faith, or where it otherwise lacks merit and has been made substantially for one or more of the following purposes:
- a) to bully, intimidate or harass another council official,
 - b) to damage another council official's reputation,
 - c) to influence the council or a council official in the exercise of their functions or to prevent or disrupt the exercise of those functions,
 - d) to avoid disciplinary action,
 - e) to take reprisal action against a person who has made a complaint alleging a breach of this code or who has dealt with a complaint.

Detrimental action

- 7.3 You must not take detrimental action or cause detrimental action to be taken against a person substantially in reprisal for a complaint they have made alleging a breach of this code or for dealing with a complaint.
- 7.4 For the purposes of clause 7.3, a detrimental action is an action causing, comprising or involving any of the following:
- a) injury, damage or loss,
 - b) intimidation or harassment,
 - c) discrimination, disadvantage or adverse treatment in relation to employment,
 - d) dismissal from, or prejudice in, employment,
 - e) disciplinary proceedings.

Disclosure of information about code of conduct complaints

- 7.5 All allegations of breaches of this code or the code of conduct for councillors must be made and dealt with under and in accordance with the applicable procedures. You must not allege

breaches of this code or the code of conduct for councillors other than by way of a complaint made or initiated under the applicable procedures.

- 7.6 You must not disclose or publish information about alleged code of conduct breaches until such time as they have been determined in accordance with the applicable procedures except for the purposes of seeking legal advice.
- 7.7 Nothing under this Part prevents a person from making a public interest disclosure to an appropriate public authority or investigative authority under the *Public Interest Disclosures Act 2022*.

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SCHEDULE 1: INTERESTS AND OTHER MATTERS TO BE DISCLOSED IN AN INTEREST DISCLOSURE RETURN

Part 1: Preliminary

1.1 Interpretation

- a) A reference in this Schedule to a disclosure about real property, income, a corporation or another thing includes a reference to a disclosure about real property situated, income derived, a corporation incorporated, or another thing arising or received outside New South Wales.
- b) For this Schedule, gifts or contributions to travel given, loans made, or goods or services supplied to a designated person by two or more corporations that are, for section 50 of the *Corporations Act 2001* of the Commonwealth, related to each other, are taken to have been given, made or supplied by a single corporation.
- c) A reference in this Schedule to a description that is reasonably sufficient to identify a matter is a reference to a description that would enable a reasonable person to identify the nature or kind of matter.

1.2 Dictionary

For the purposes of the Schedules to this code, the following terms have the following meanings:

address means:

- a) in relation to a person other than a corporation, the last residential or business address of the person known to the designated person disclosing the address, or
- b) in relation to a corporation, the address of the registered office of the corporation in New South Wales or, if there is no office in New South Wales, the address of the principal office of the corporation in the place in which it is incorporated, or
- c) in relation to real property, the street address of the property.

debt means a debt arising from a loan of money or the supply of goods or services.

disposition of property means a conveyance, transfer, assignment, settlement, delivery, payment or other alienation of property, and includes the following:

- a) the allotment of shares in a company,
- b) the creation of a trust in relation to property,
- c) the grant or creation of a lease, mortgage, charge, easement, licence, power, partnership or interest in relation to property,

- d) the release, discharge, surrender, forfeiture or abandonment, at law or in equity, of a debt, contract or chose in action, or of an interest in relation to property,
- e) the exercise by a person of a general power of appointment over property in favour of another person,
- f) a transaction entered into by a person with the intent to diminish, directly or indirectly, the value of the person's own property and to increase the value of the property of another person.

donor means a person who makes a gift.

gift means a disposition of property by a person to another person, otherwise than by will, that is a disposition without consideration in money or money's worth or with inadequate consideration but does not include a financial or other contribution to travel.

immediate family member means the spouse, de facto partner or a dependent child of the person making a return.

income means assessable income within the meaning of the Income Tax Assessment Act 1936 of the Commonwealth or the Income Tax Assessment Act 1997 of the Commonwealth but does not include the payment of a salary, fee or other remuneration to a designated person in connection with their position as a designated person or the performance of their duties in that position.

interest means:

- a) in relation to property, an estate, interest, right or power, whether at law or in equity, in or over the property, or
- b) in relation to a corporation, a relevant interest, within the meaning of the *Corporations Act 2001* of the Commonwealth, in securities issued or made available by the corporation.

listed corporation means a listed corporation within the meaning of the *Corporations Act 2001* of the Commonwealth.

occupation includes a trade, profession or vocation.

political party means a body or organisation, whether incorporated or unincorporated, having as one of its objects or activities the promotion of the election of a candidate or candidates endorsed by it or by a body or organisation of which it forms part.

professional or business association means a body or organisation, whether incorporated or unincorporated, having as one of its objects or activities the promotion of the economic interests of its members in an occupation.

property includes money.

relative has the same meaning as in the dictionary to this code.

securities has the same meaning as in section 92(1) of the *Corporations Act 2001* of the Commonwealth.

tenanted means occupied under a residential tenancy agreement.

tenanted real property means a parcel of real property that is occupied by a tenant under a residential tenancy agreement.

travel includes accommodation incidental to a journey.

water access licence means an access licence within the meaning of the *Water Management Act 2000*.

Part 2: General Disclosures

2.1 Real property

- a) You must disclose:
 - i) the address of each parcel of real property, in or outside of Australia, in which you have an interest, and
 - ii) the nature of the interest in the parcel of real property.
- b) You may provide the following information about a parcel of real property in which you have an interest as an alternative to disclosing the address of the parcel if the parcel is used by you or a relative for residential purposes or it is tenanted:
 - i) a statement that the parcel is, for you or your relative, the principal place of residence, or a secondary place of residence, or
 - ii) a statement that the parcel is tenanted, and
 - iii) the location of the parcel by suburb or area.
- c) If you disclose the location of a parcel of real property in which you have an interest by suburb or area instead of the address, you must disclose the address of the parcel in Part B of the interest disclosure return.
- d) You are not required to disclose an interest in a parcel of real property if:
 - i) you have the interest only in your capacity as the executor or administrator of the estate of a deceased person, and you are not a beneficiary under the will or intestacy, or
 - ii) you have the interest only in your capacity as a trustee, and acquired the interest in the ordinary course of an occupation that is not related to your duties as a designated person, or
 - iii) the interest in the parcel of real property is disclosed under clause 2.2 of this Schedule.

2.2 Trusts

- a) You must disclose a trust if you or an immediate family member has a beneficial interest in the trust, including a mere expectancy as a beneficiary of a discretionary trust, or are a trustee of the trust.
- b) The following information must be disclosed about the trust:
 - i) the name of the trust,
 - ii) a description of the activities of the trust,
 - iii) the nature of the interest you or your immediate family member have in the trust,

- iv) the interests held by the trust, including interests in real property and investments.
- c) You are not required to disclose a trust if you or your immediate family member are a trustee:
 - i) as the executor or administrator of the estate of a deceased person and are not a beneficiary under the will or intestacy, or
 - ii) in the ordinary course of an occupation that is not related to your duties as a designated person.
- d) To avoid doubt:
 - i) trusts that are superannuation funds, whether public or self-managed, and listed investment trusts must be disclosed under this clause, but
 - ii) for a public superannuation fund where you or your immediate family member have not elected to invest the interest in particular assets or classes of assets, you are not required to disclose a description of the activities of the trust under paragraph (b)(ii) or the interests held by the trust under paragraph (b)(iv).
- e) You may give the following information about a parcel of real property in which a trust has an interest as an alternative to disclosing the address of the parcel if the parcel is used by you or a relative for residential purposes or is tenanted:
 - i) a statement that the parcel is, for you or your relative the principal place of residence, or a secondary place of residence, or
 - ii) a statement that the parcel is tenanted, and
 - iii) the location of the parcel by suburb or area.
- f) If you disclose the location of a parcel of real property in which a trust has an interest instead of disclosing the address, you must disclose the address of the parcel in Part B of the interest disclosure return.

2.3 Interests and positions in corporations

- a) You must disclose the following:
 - i) the name and address of each corporation in which you have an interest or hold a position, whether remunerated or not,
 - ii) the nature of the interest, or a description of the position held, in each named corporation,
 - iii) except for a listed corporation, a description of the principal objects of each named corporation.
- b) You are not required to disclose an interest or position held in a corporation if the corporation is:
 - i) formed to provide recreation or amusement, to promote commerce, industry, art, science, religion or charity or for another community purpose, and
 - ii) required to apply its profits, if any, or other income in promoting its objects, and
 - iii) prohibited from paying dividends to its members.

- c) You are not required to disclose a matter you would otherwise be required to disclose under this clause if you have already made a disclosure about the matter when making a disclosure for another clause in this Schedule.

2.4 Positions in trade unions and professional or business associations

- a) You must disclose:
 - i) the name of each trade union and each professional or business association in which you hold a position, whether remunerated or not, and
 - ii) a description of the position held in each named union or association.

2.5 Debts

- a) You must disclose the name and address of each person to whom you are liable to pay a debt.
- b) You must disclose a liability to pay a debt whether or not the amount, or a part of the amount, to be paid is immediately due and payable or is due and payable at another time.
- c) You are not required to disclose a liability to pay a debt if the amount to be paid is not greater than \$500 unless:
 - i) the debt is one of two or more debts you are liable to pay to one person, and the amounts to be paid are greater than \$500 in total, or
 - ii) you are liable to pay the debt to a relative, or
 - iii) for a debt arising from a loan of money, you are liable to pay the debt to a bank, building society, credit union or other person whose ordinary business includes lending money, and the loan was made in the ordinary course of business of the lender, or
 - iv) for a debt arising from the supply of goods or services, the period since the goods or services were supplied is not greater than 12 months, or the goods or services were supplied in the ordinary course of an occupation that is not related to your duties as a designated person.

2.6 Sources of income

- a) You must disclose the following sources of income exceeding \$500 in a financial year:
 - i) each source of income you have received since your appointment as a designated person or in the last 3 years, whichever is the lesser period,
 - ii) each source of income you reasonably expect to receive during the next 2 years.
- b) In paragraph (a), a reference to each source of income is a reference to:
 - i) for income from being an employee of another person, including an employee of a corporation:
 - i. the name of the occupation in which you are engaged, and

- ii. a description that is reasonably sufficient to identify the kinds of services provided, or to be provided, for the income, and
 - iii. the name and address of your employer, and
 - ii) for income from being the holder of another office, including the holder of an office in a corporation or other body:
 - i. the name or title of the office you hold, and
 - ii. a description that is reasonably sufficient to identify the kinds of services provided, or to be provided, for the income, and
 - iii. for an office held in a corporation or other body, the name and address of the corporation or body, and
 - iii) for income from a partnership you have entered into with other persons:
 - i. the name of the occupation, if any, in which you are engaged, and
 - ii. a description that is reasonably sufficient to identify the kinds of services provided, or to be provided, for the income, and
 - iii. the name, if any, under which, and the address from which, the partnership is conducted, and
 - iv) for income for a service provided under another kind of contract, agreement or arrangement:
 - i. the name of the occupation, if any, in which you are engaged, and
 - ii. a description that is reasonably sufficient to identify the service provided, and
 - iii. the name and address of the person from whom the income was, or is reasonably expected to be, received, and
 - v) for income from a trust, the name and address of the settlor and the trustee, and
 - vi) for other income, a description that is reasonably sufficient to identify the person from whom, or the circumstances in which, the income was, or is reasonably expected to be, received.
- c) Without limiting paragraph (b), a disclosure required by paragraph (a) must include a description that is reasonably sufficient to identify the business carried on by the employer, body or other party to the contract or agreement if:
- i) the source of income was, or is reasonably expected to be, received:
 - i. from your employer, including if the employer is a corporation, or
 - ii. for an office you hold in a body, including if the body is a corporation, or
 - iii. under a contract or another agreement, and
 - ii) you know the source of income was, or is reasonably expected to be, received for the provision of a service involving the use of your position as a designated person.

2.7 Gifts

- a) You must disclose a description of each gift you have received and the name and address of the donor of each gift.
- b) You are not required to disclose a gift if:
 - i) the amount of the gift was not greater than \$500, unless the gift was one of two or more gifts made by one person during a 12-month period, and the amount of the gifts was greater than \$500 in total, or
 - ii) the gift was a political donation disclosed, or required to be disclosed, under Part 3 of the Electoral Funding Act 2018, or
 - iii) the donor was your relative.
- c) For this clause, the amount of a gift comprising property other than money is an amount equal to the value of the property.

2.8 Contributions to travel

- a) You must disclose:
 - i) the name and address of each person who made a financial or other contribution to travel you have undertaken since your appointment as a designated person or in the last 3 years, whichever is the lesser period, and
 - ii) the dates on which the travel was undertaken, and
 - iii) the name of each State, Territory and foreign country in which the travel was undertaken.
- b) You are not required to disclose a financial or other contribution to travel you have undertaken if:
 - i) the contribution was made by the council for purposes related to your duties as a designated person, or
 - ii) the contribution was made from public funds, including a contribution arising from travel on free passes issued under an Act or from travel in government vehicles, or
 - iii) the contribution was made by a relative, or
 - iv) the contribution was made in the ordinary course of an occupation that is not related to your duties as a designated person, or
 - v) the amount of the contribution was not greater than \$250, unless the contribution was one of two or more contributions made by one person during a 12-month period, and the amount of the contributions was greater than \$250 in total, or
 - vi) the contribution was a political donation disclosed, or required to be disclosed, under Part 3 of the *Electoral Funding Act 2018*, or
 - vii) the contribution was made by a political party you are a member of, and the travel was undertaken for the political activity of the party in New South Wales, or to enable you to represent the party in Australia.

- c) For this clause, the amount of a contribution, other than a financial contribution, is an amount equal to the value of the contribution.

2.9 Dispositions of certain interests

- a) You must disclose particulars of each disposition of a relevant interest by you if you kept, wholly or in part the use and benefit of the interest, or the right to reacquire the interest at a later time.
- b) You must disclose particulars of each disposition of property by another person under arrangements made by you if you kept, wholly or in part, the use and benefit of the property.
- c) In this clause, a “relevant interest” means an interest you have that would, but for the disposition of the interest, be required to be disclosed under this code.

2.10 Water access licences

- a) You must disclose the water access licence number of each water access licence in which you have an interest, and the nature of the interest in the water access licence.
- b) You are not required to disclose an interest in a water access licence if you have the interest only in your capacity as the executor or administrator of the estate of a deceased person, and you are not a beneficiary under the will or intestacy.

2.11 Interests as a property developer or a close associate of a property developer

- a) You must disclose whether you are a property developer, or a close associate of a corporation that, or an individual who, is a property developer.
- b) In this clause:
 - i) “close associate”, in relation to a corporation or an individual, has the same meaning as in section 53 of the *Electoral Funding Act 2018*, and
 - ii) “property developer” has the same meaning as in Division 7 of Part 3 of the *Electoral Funding Act 2018*.

Part 3: Discretionary Disclosures

3.1 Discretionary disclosures generally

- a) You may, at your discretion, disclose in an interest disclosure return a direct or indirect benefit, advantage, liability or other matter, whether pecuniary or not, that:

- i) is not required to be disclosed by another provision in this Schedule, and you consider may appear to raise a conflict between your private interest and your public duty as a designated person, or
- ii) otherwise wish to disclose.

DRAFT

SCHEDULE 2: INTEREST DISCLOSURE RETURN FORM

Important information

The information collected in this return will be kept by the general manager in an electronic register in two parts:

- a publicly available part containing disclosures made in Part A of the return, and
- a confidential part containing disclosures made in Part B of the return relating to addresses of parcels of real property used by you or a relative for residential purposes or that are tenanted.

A searchable copy of the publicly available part of the register will be published on council's website. The confidential part of the register must be kept confidential to protect the privacy and safety of persons occupying real property disclosed in the return.

You have an obligation to keep the information contained in this return up to date. You must lodge a further interest disclosure return with the general manager, or the mayor in the case of the general manager, within 1 month if:

- a matter disclosed, or required to be disclosed in the return changes, or
- a matter required to be disclosed in the return arises, or
- you become aware of a mistake in an interest disclosure return you have lodged.

You may also lodge an interest disclosure return with the general manager, or the mayor in the case of the general manager, if you wish to make a discretionary disclosure.

When lodging a further interest disclosure return, you must complete only the part of the interest disclosure return that relates to the matter or mistake.

You must not lodge an interest disclosure return that you know or ought reasonably to know is false or misleading in a material particular.

Directions

1. This return must be completed using block letters or typed.
2. If there is insufficient space for all the information you are required to disclose, you must attach an appendix which is to be properly identified and signed by you.
3. If there are no relevant interests or other matters of the kind required to be disclosed under a heading in this return, the word "NIL" is to be placed in an appropriate space under that heading.

Disclosure of interests and other matters by:

as at

.....
(full name of designated person)

.....
(return date)

.....
(designated person's position)

.....
(designated person's signature)

Part A – Disclosures relating to designated person – to be made publicly available

Section 1 Real Property

Address of parcel of real property	Nature of interest

Direction

You may provide the following information about a parcel of real property in which you have an interest as an alternative to disclosing the address of the parcel if the parcel is used by you or a relative for residential purposes or is tenanted:

- a statement that the parcel is, for you or your relative, the principal place of residence, or a secondary place of residence, or
- a statement that the parcel is tenanted, and
- the location of the parcel by suburb or area.

If you disclose the location of the parcel by suburb or area instead of the address, you must disclose the address in Part B of this return.

Section 2 Trusts

Name of trust	Description of activities of trust	Nature of interest in trust	Interests held by trust

Direction

You may provide the following information about a parcel of real property in which a trust has an interest as an alternative to disclosing the address of the parcel if the parcel is used by you or your relative for residential purposes or is tenanted:

- a statement that the parcel is, for you or your relative, the principal place of residence, or a secondary place of residence, or

- a statement that the parcel is tenanted, and
- the location of the parcel by suburb or area.

If you disclose the location of the parcel by suburb or area instead of the address, you must disclose the address in Part B of this return.

Section 3 Interests and positions in corporations

Name and address of corporation	Nature of interest or description of position held	Description of principal objects of the corporation, if the corporation is not a listed corporation

Section 4 Positions in trade unions and professional or business associations

Name of union or association and description of position held

Section 5 Debts

Disclosure of information about debts

Section 6 Sources of income

6.1 Income from employment, offices, partnerships and services

Table 6.1.1 Income received as employee

Name of occupation	Description of kinds of services provided	Name and address of employer	Description of business carried on by employer, if services provided relate to your position as a designated person

Table 6.1.2 Income received a holder of office

Name or title of office and description of kinds of services provided	Name and address of corporation or body, if any, in which office is held	Description of business carried on by entity, if services provided relate to your position as a designated person

Table 6.1.3 Income from partnership

Name of occupation, if any	Description of kinds of services provided	Name and address of partnership	Description of business carried on by partnership, if services provided relate to your position as a designated person

Table 6.1.4 Income from services provided under another contract, agreement or arrangement

Name of occupation, if any, and description of services provided	Name and addresses of parties to contract, agreement or arrangement to provide services	Description of business carried on by other parties, if services provided relate to your position as a designated person

6.2 Income from trust

Name and address of settlor	Name and address of trustee

6.3 Other income

Disclosure of information about other income

Section 7 Gifts

Description of gift received	Name and address of donor

Section 8 Contributions to travel

Name and address of person who made contribution to travel	Dates of travel	Places of travel (name State, Territory or country)

Section 9 Dispositions of interests

Disclosure of dispositions of interests

Section 10 Water access licenses

Water access license number	Nature of interest

Section 11 Are you a property developer or a close associate of one? (yes/no)

Yes ☐ No ☐

Section 12 Discretionary disclosures

Disclosures that are discretionary - general

Part B – Disclosures relating to real property that is used for residential purposes or tenanted

Section 1 Real property

Address of parcel of real property	Nature of interest

Direction

If in Part A of this return, you have disclosed the location of a parcel of real property in which you have an interest that is used by you or a relative for residential purposes or that is tenanted by suburb or area as an alternative to disclosing the address of the parcel, you must disclose the address of the parcel in this section.

Section 2 Trusts

Name of trust	Description of activities of trust	Nature of interest in trust	Interests held by trust

Direction

If in Part A of this return, you have disclosed the location of a parcel of real property in which a trust has an interest that is used by you or a relative for residential purposes or that is tenanted by suburb or area as an alternative to disclosing the address of the parcel, you must disclose the address of the parcel in this section.

SCHEDULE 3: ANNUAL DECLARATION FORM

Important information

Designated persons have an obligation to continuously update the register of their interests kept by the general manager. The following declaration must be lodged with the general manager, or the mayor in the case of the general manager, within 1 month of each 30 June.

Annual declaration – designated person

The register maintained by the general manager of [insert name of council] as at 30 June this year, to the best of my knowledge:

- a) accurately compiles the information lodged in my interest disclosure returns, and
- b) contains all the information required to be disclosed by me under [insert name of council]'s code of conduct.

as at

(full name of designated person)

(declaration date)

(designated person's position)

(designated person's signature)

The Office of Local Government

5 O'Keeffe Avenue
Nowra NSW 2541

Locked Bag 3015
Nowra NSW 2541

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Monday to Friday
9:00 am – 4:30 pm

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Circular to Councils

Subject/title	Completion of Evaluation – Public Spaces (Unattended Property) Laws
Circular Details	Circular No 26-19 / 1 September 2026 / A1007310
Previous Circular	25-09
Who should read this	Councillors / General Managers / Regulatory staff / Staff managing public spaces
Contact	Sector Policy and Frameworks team / 02 4428 4100 / olg@olg.nsw.gov.au
Action required	Information

What's new or changing?

- The Office of Local Government (OLG) has completed an evaluation of the *Public Spaces (Unattended Property) Act 2022* and the *Public Spaces (Unattended Property) Regulation 2022* (the PSUP laws).

What will this mean for council?

- The evaluation report has been publicly released.
- Councils are encouraged to review the evaluation report and consider any findings that may support improvements to their regulatory role and outcomes under the PSUP laws.
- Based on the findings, OLG proposes 4 short term key actions, specifically to:
 - Educate the community and raise awareness about responsible owner obligations, focussed on vehicles, trailers and vans.
 - Educate the community that retailers have primary responsibility to manage shopping trolleys.
 - Improve corporate awareness of responsibilities and compliance from retailers on collection and management of shopping trolleys.

- Provide clearer guidance and education for councils to assist in the enforcement, compliance and exercise of discretion.
- A longer term action is proposed to consider the legislative and regulatory matters identified in the evaluation.

Key points

- This is the first evaluation of the PSUP laws since commencement on 1 November 2022 to help keep our public places safe, accessible, and enjoyable for communities in NSW, now and into the future.
- The evaluation examined the effectiveness of the legislative framework and how the laws have been applied in practice.
- The evaluation was informed by correspondence received about PSUP laws,¹⁴¹ submissions to an online public survey, and analysis of 7,956 Penalty Infringement Notices (PIN) issued under the PSUP laws.
- Overall, the evaluation indicated that the PSUP laws have provided, or have the potential to provide, an effective framework to better manage unattended property left in public spaces. There is broad support for the increased regulatory powers and offence penalties the PSUP laws provide, particularly for vehicles.
- Councils that responded to the survey generally consider the laws effective, but raised challenges relating to resourcing, community expectations, regulatory complexity and consistent application of discretion, including determining whether property is 'unattended'.
- Community feedback reflected specific concerns about certain types of private property remaining unattended beyond what is considered to be reasonable timeframes in public spaces, in particular, trailers and shopping trolleys. It also reflected strong expectations for swift enforcement action from councils and assumed there was no discretion in enforcement.
- Penalty data shows most PINs relate to vehicle offences and are predominantly issued by metropolitan councils.

Where to go for further information

- The evaluation report has been publicly released on the [Public Spaces Unattended Property](#) webpage on the OLG website at www.olg.nsw.gov.au.

A handwritten signature in blue ink, appearing to read "Brett Whitworth".

Brett Whitworth PSM
Deputy Secretary, Local Government

David Webb

From: ALGA Media Release <ALGA.Media@alga.asn.au>
Sent: Thursday, 20 August 2026 2:21 PM
To: David Webb
Subject: ALGA Media Release | Invest in councils to lift regional productivity | 20 Aug 2026

[View in browser](#)



MEDIA RELEASE

Australian Local Government Association

Lift regional productivity? Invest in the councils that deliver in regional Australia.

The Australian Local Government Association says a new report on regional productivity reinforces the case for greater direct and untied funding for councils, which are best placed to identify and deliver the infrastructure their communities need.

The Regional Australia Institute's *Regional Productivity Solutions* report highlights the importance of infrastructure, housing, workforce capacity, connectivity and resilience to stronger regional economies.

ALGA President Mayor Matt Burnett said councils were already delivering across all of these areas, but were being held back by inadequate and fragmented funding.

“Regional councils know their communities, understand their local economies and know where investment will make the biggest difference,” Mayor Burnett said.

“What they need is the financial capacity to get on with the job.

“Too much Commonwealth funding is tied up in competitive programs that require councils to spend significant time and resources applying for grants, often for priorities determined in Canberra rather than locally.

“Providing councils with more direct, untied and predictable funding would allow them to invest where it is needed most, whether that is roads, water and wastewater infrastructure, housing-enabling works, community facilities, digital connectivity or disaster resilience.”

Mayor Burnett said restoring Financial Assistance Grants to at least one per cent of Commonwealth taxation revenue would provide councils with the flexible funding needed to support productivity and growth across regional Australia.

“The report makes a strong case for a more place-based approach to regional productivity, recognising that the barriers to growth are different from one community to the next,” Mayor Burnett said.

“We strongly support its focus on housing-enabling infrastructure, transport, water security, climate resilience, digital connectivity, skills and essential services.

“These are all areas where councils have a critical delivery role, and where additional investment can unlock economic activity and improve the liveability of regional communities.”

Mayor Burnett said the report also highlighted the challenges created by fragmented grant programs, limited revenue bases and workforce shortages,

particularly for smaller rural and remote councils.

“It is important that future regional policy recognises these constraints and gives councils the capacity to plan and invest for the long term,” he said.

“ALGA also supports the report’s emphasis on better regional economic data and stronger place-based decision-making.

“Regional productivity is shaped by industry mix, private investment, commodity prices, workforce availability and local infrastructure, so policy responses need to reflect the very different circumstances of individual regions.

“The central message is one we strongly support: lifting Australia’s productivity means investing in regional communities and giving local institutions, including councils, the capacity to deliver.”

//END

For further information please contact:

ALGA Media & Communications

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Our mailing address is:

Australian Local Government Association

Australian Local Government Centre

Regional Productivity Solutions



Intergovernmental Shared Inquiry Program

August 2026

This is Page No 305 of the Business Paper presented to the Ordinary Meeting of Council on Tuesday 22nd September



ABOUT THE REGIONAL AUSTRALIA INSTITUTE

The Regional Australia Institute (RAI) is the nation's first and only independent think-tank dedicated to empowering Australia's regions. We are a not-for-profit organisation that undertakes research to inform, educate and activate our rural and regional communities.

RAI celebrates 15 years in 2026. We are proud of the vast array of research, data, and detailed insights the RAI has provided into many of the significant issues and challenges facing regional Australia. The work of the Institute is made possible through research partnerships with the Australian and state governments, the national Regions Rising event series, regional consultancy projects, membership, and philanthropic funding.

In 2022, the RAI launched the *Regionalisation Ambition 2032 - A Framework to Rebalance the Nation*. The Ambition is a 10-year plan for regional Australia that seeks balanced growth across our nation's regional towns and cities. It outlines key targets, actions and benefits that will contribute to building prosperous regional communities, and a stronger Australia.

The RAI exists so that decision-makers at all levels of government, not-for-profits, industry, and community have the information they need to ensure the best outcomes for regional Australia. By replacing myths and stereotypes with facts and knowledge, the RAI seeks to build a more inclusive, unified, and prosperous future for all Australians.

WE CARE ABOUT THE REGIONS, BECAUSE WHEN OUR REGIONS ARE STRONG, AUSTRALIA IS STRONG.

This research report was funded by the RAI's Intergovernmental Shared Inquiry Program. The program delivers an annual public interest research agenda focusing on topics of strategic importance to regional Australia through a partnership with the Australian, state, and territory governments.

The RAI acknowledges our funding partners: Australian Government Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts; New South Wales Government Department of Primary Industries and Regional Development; Queensland Government Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development; South Australian Government Department of Primary Industries and Regions; Victorian Government Department of Jobs, Skills, Industry and Regions; and Western Australian Government Department of Primary Industries and Regional Development.

The Regional Australia Institute is dedicated to empowering Australia's regions, undertaking research to inform, educate and activate our rural and regional communities.



DISCLAIMER AND COPYRIGHT

This research report translates and analyses findings of research to enable an informed public discussion of regional issues in Australia. It is intended to assist people to think about their perspectives, assumptions and understanding of regional issues. No responsibility is accepted by RAI Limited, its Board, or its funders for the accuracy of the advice provided or for the quality of advice or decisions made by others based on the information presented in this publication.

METHODOLOGY AND AI TRANSPARENCY DECLARATION

This research project combined desktop research, statistical analysis, in-depth interviews and broader stakeholder consultation undertaken by the RAI and subcontractors. Artificial intelligence tools were also used to support aspects of the research and reporting process. See Appendix 1 for the full report methodology.

REFERENCE

This report should be cited as: Regional Australia Institute (2026), Regional Productivity Solutions. Canberra.

The RAI acknowledges the contributions of the Centre for Efficiency and Productivity Analysis (CEPA) at the University of Queensland, the National Institute of Economic and Industry Research (NIEIR) and Informed Decisions. CEPA conducted detailed analysis of regional productivity, including recommendations on improving regional productivity data gathering and measurement. NIEIR and Informed Decisions provided detailed economic data for small regions of Australia.

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CONTACTS AND FURTHER INFORMATION

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Further information can be found at:

www.regionalaustralia.org.au

ACKNOWLEDGMENT OF COUNTRY

The RAI acknowledges Traditional Owners throughout Australia and the continuing connections to land, waters, and community. We pay our respects to Elders past, present and emerging and extend that respect to all traditional custodians of this land.

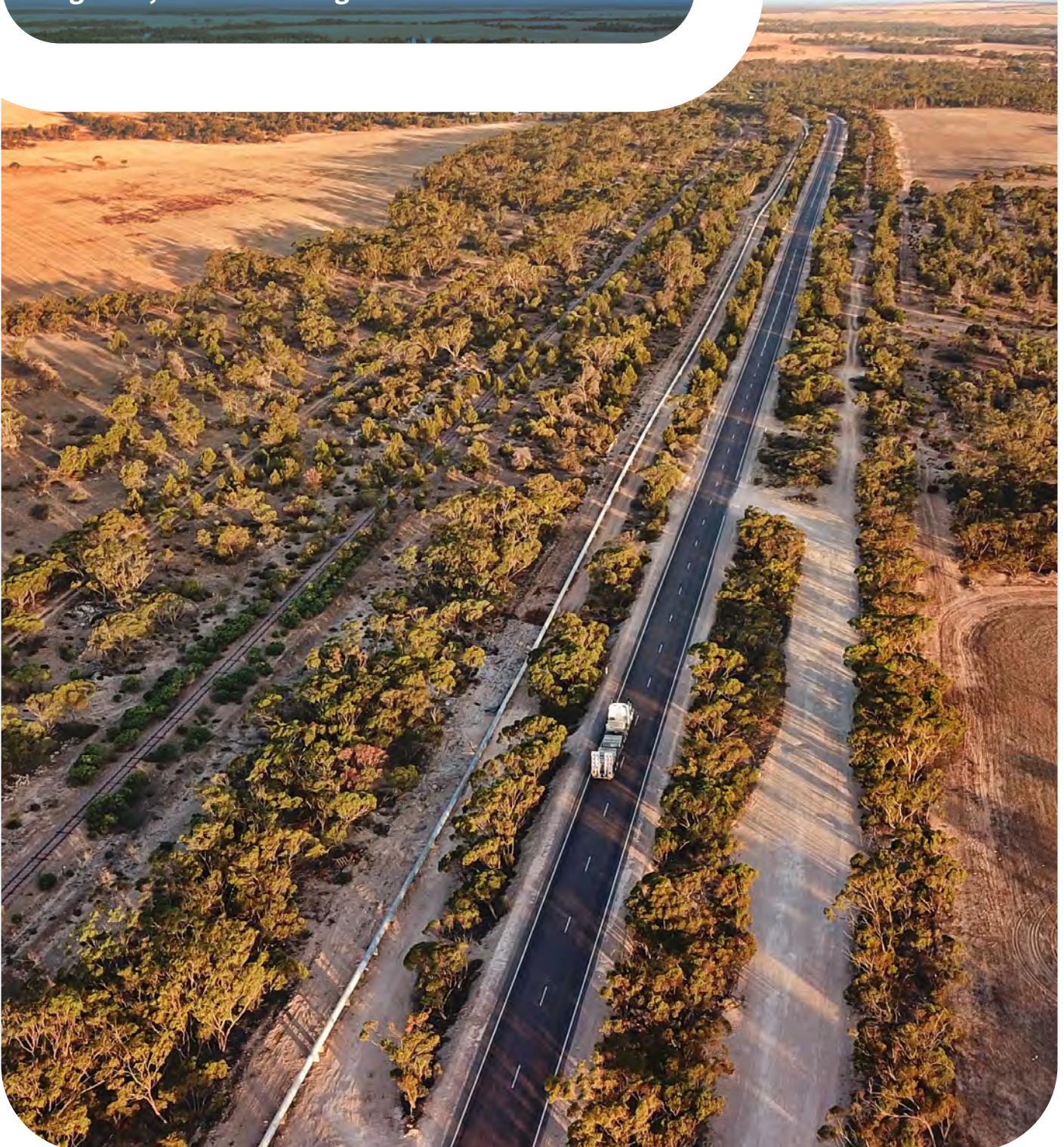


CONTENTS

EXECUTIVE SUMMARY	5
KEY FINDINGS	6
POLICY RECOMMENDATIONS	9
1. INTRODUCTION	13
2. REGIONAL PRODUCTIVITY PERFORMANCE	15
3. DRIVERS, ENABLERS AND BARRIERS OF REGIONAL PRODUCTIVITY	29
4. REGIONAL PRODUCTIVITY POLICY IN AUSTRALIA	57
5. PLACE-BASED PRODUCTIVITY IN PRACTICE	69
6. CONCLUSION	73
REFERENCES	74
APPENDIX 1: METHODOLOGY	79
APPENDIX 2: GLOSSARY	80
APPENDIX 3: RAI REGIONAL TYPOLOGIES	82
APPENDIX 4: IMPROVING REGIONAL PRODUCTIVITY MEASUREMENT	83



Regional Australia accounts for around 37% of national output, driven by globally competitive industries including agriculture, mining, energy, logistics, manufacturing and tourism.



EXECUTIVE SUMMARY

Productive regions are fundamental to Australia's long-term economic prosperity. Regional Australia accounts for around 37% of national output, driven by globally competitive industries including agriculture, mining, energy, logistics, manufacturing and tourism. It is home to Australia's major exporting industries that underpin our high standard of living and the fiscal sustainability of government budgets.

Regional Australia generated higher output per hour worked (\$129.7) than metropolitan Australia (\$103.1) in 2024. Regional economies in Queensland, Western Australia and South Australia outperformed their capital cities, while regional Victoria and New South Wales trailed only slightly behind Melbourne and Sydney.

The regions with the highest labour productivity in Australia, by some margin, are rural and remote regions (like the Pilbara in Western Australia) which are home to Australia's highly productive mining, energy and agriculture sectors. Peri-urban connected regions record similar labour productivity results to capital cities. Regional cities record slightly lower levels of labour productivity.

Productivity performance across regional Australia is widely dispersed. Across Australia's 425 regional Local Government Areas (LGAs), the average headline productivity of the top five LGAs is 23 times higher than that of the bottom five, at \$1,192.1 per hour worked compared to \$51.4 per hour worked in 2024.

Australia has experienced a productivity slowdown since the mid-2000s. Key contributing factors include weaker private investment, declining economic dynamism, geopolitical tensions and emerging trade barriers, and the growing share of non-market sector services in the economy.

Lifting the productivity of all regional economies should be a priority for regenerating productivity at the national level. Many regions face persistent structural and place-specific constraints that limit productivity growth and which go largely unnoticed in the national productivity discussion. These constraints vary markedly by location and include infrastructure and service gaps, skills shortages, housing constraints, thin labour markets, and limited access to capital and innovation ecosystems.

Improving regional productivity will require place-based actions to remove binding constraints and invest in local productivity enablers. This means working with regional institutions and stakeholders to identify the specific mix of infrastructure, workforce, housing, services, innovation, regulatory and competition reforms needed in each place, rather than applying uniform solutions across diverse regional economies.

The next wave of productivity growth in Australia should be place-based and regional. Historically, Australia's productivity agenda has focused on economy-wide or sectoral reforms, with limited integration of regional or place-based perspectives. Regional Australia already does the heavy lifting in driving national income growth from exports and has further substantial and underutilised opportunities to unlock productivity growth.

Lifting regional productivity is not only an economic priority but also key to reducing spatial inequality and building resilient, inclusive and prosperous communities all over Australia. Integrating effective place-based approaches within national and state productivity agendas will help ensure that long-term investment in people, infrastructure and innovation capacity is aligned with local conditions, supporting a more productive, balanced and sustainable trajectory for Australia's future.



KEY FINDINGS

1. Australia has experienced a structural and long-term productivity growth slowdown



- Productivity growth has slowed since the mid-2000s, reflecting global trends but also domestic structural challenges.
 - Over the past 30 years, Australian annual labour productivity growth has slowed markedly, declining from 2.3% in 1995-2005 to 1.4% in 2005-2015, and further to 0.3% in 2015-2025.
- Key challenges include:
 - Flat private investment and weaker capital deepening
 - Declining economic dynamism and reduced labour mobility
 - Growth in non-market sectors, including the expansion of employment in care services
 - Housing constraints that divert capital from productive uses and limit workforce mobility.

2. Regional Australia, on average, delivers higher labour productivity than metropolitan Australia, but outcomes vary substantially across Australia



- Measured by headline labour productivity, regional Australia delivered higher output per hour worked of \$129.7 than metropolitan Australia, \$103.1 in 2023-24.
 - The regional economies in Queensland, Western Australia and South Australia recorded higher labour productivity than their capital cities, and regional Victoria and regional New South Wales only slightly trail Melbourne and Sydney.
- Using the RAI's regional typologies, the regions with the highest labour productivity are remote Heartland regions and Industry and Service Hubs. Connected Lifestyle Regions record similar labour productivity results to capital cities. Regional Cities record the lowest labour productivity.
- There is significant dispersion in productivity performance across Australia's regions, driven by differences in industry composition, scale, infrastructure, and access to labour and capital.
 - Across Australia's 425 regional LGAs, the average headline productivity of the top five LGAs is 23 times higher than that of the bottom five, at \$1,192.1 per hour worked compared to \$51.4 per hour worked in 2024.
 - Using 'local-industry' measures of regional output and productivity – which remove income flows leaving the region, such as taxes and dividends, and reduce the effects of commodity prices – the disparity narrows but remains significant, with a fivefold gap.
- Regions with highly capital-intensive industries (such as mining) often record very high productivity using headline measures, while metropolitan areas and many service-based regions tend to exhibit stronger productivity outcomes when assessed using local-industry measures.

KEY FINDINGS

3. Official measures do not adequately capture regional productivity performance



- Australia lacks official productivity measures at the regional level.
 - The ABS does not produce regional productivity measures below the national or state level.
 - Regional productivity estimates in this report are calculated as regional output divided by hours worked and are produced by the National Institute of Economic and Industry Research and Informed Decisions.
- The absence of official regional productivity measures can limit insight into the drivers of regional productivity differences and place-based policy development. National and sectoral averages mask substantial spatial variation and risk enforcing one-size-fits-all problem definitions and policy approaches.
- It would be beneficial to collect data and produce labour productivity and multi-factor productivity measures at the regional level to provide broader insights into the productive use of all factors of production - labour, capital, intermediate inputs, energy, etc. These measures and techniques can also allow for analysis of the impact of factors such as climate change and drought on productivity.

4. Productivity is fundamentally shaped at the regional level



- Regional economies and their industry mix is tied to local geography, resource endowment and comparative advantage. Productivity is generated within regional economies through the interaction of firms, workers, infrastructure, and institutions.
- Many of Australia's major income generating and globally traded industries – such as agriculture, mining, energy, tourism, manufacturing, logistics, as well as emerging industries - are heavily located in regional Australia. Lifting regional productivity growth in these regions and industries is critically important for growing Australia's national income. Productivity growth in regional Australia is also important for lifting living standards, for example, by improving service delivery.
- Effective policy requires recognising regions as a primary unit for understanding and improving productivity outcomes.

5. Regional productivity is shaped by a common set of drivers – but their effects are place-specific



- Core drivers include environmental conditions, distance to market, demographics, labour mobility, skills, industry structure, innovation systems, infrastructure, housing, education and care services, and regulatory settings.
- The strength, interaction, and constraints of these factors differ across regions, meaning productivity challenges are not uniform.



KEY FINDINGS

6. Current productivity policy frameworks do not sufficiently incorporate geographical dimensions



- National productivity growth can be accelerated by supporting growth in Australia's high productivity regions, as well as improving productivity performance in lower productivity regions.
- Australia's national and state productivity agendas have historically focussed on economy-wide and sectoral policies, with less focus on regional productivity.
- While regional development programs exist, they often do not explicitly target productivity or align with broader productivity policy objectives or programs.
- This creates a persistent gap between regional policy and productivity policy, with regional and place-based considerations rarely considered as priority areas for reform.

7. Place-based approaches are essential to lifting regional and national productivity



- Regional productivity should be embedded in national and state productivity agendas. Investment in regional productivity growth should be informed by locally collected data and evidence and developed in collaboration with regional stakeholders. Place-based policy allows interventions to be tailored to local conditions, targeting the specific drivers and barriers in each region. This has been emphasised by recent OECD and other international studies.
- Effective approaches require recognition of functional economic regions (rather than administrative boundaries), tailoring policy tools to local contexts, coordinating investments across different priority areas and different levels of government and empowering local and regional institutions and stakeholders.
- Case studies in this report provide examples of place-based productivity policy making:
 - **Cairns and Far North Queensland** – cultivated a vibrant innovation ecosystem by taking advantage of its natural endowments
 - **Eyre Peninsula in South Australia** – lived with decades of water scarcity but employed world-leading practices and research in dryland agriculture
 - **Peel in Western Australia** – building on existing strengths while developing new industries to become a food product manufacturing hub
 - **Wodonga in Victoria and Parkes in New South Wales** – regional logistics hubs developed through long-term planning, strong local government-industry partnerships, and targeted state infrastructure investment.

POLICY RECOMMENDATIONS

Governments should embed place-based productivity as a core pillar of Australia's productivity agenda and move beyond uniform national or state-based policy settings to establish a structured system that empowers regions, aligns investment, and rewards productivity outcomes. Australia's next wave of productivity reform should be place-based.

Recommendation 1: Improve regional productivity measurement

The Australian Government should task the Australian Bureau of Statistics (ABS) with providing measures and analysis of productivity by region to enable a deeper understanding of regional productivity performance.

This could require:

- An assessment of currently collected ABS data, including in the BLADE and PLIDA datasets, and analysis of gaps in data collection required for the estimation of regional labour productivity and Multifactor Productivity (MFP) measures by region
- Enhanced data collection to obtain required inputs by region: labour, capital, energy, materials, intermediate services
- Development of methodologies to calculate gross regional product, labour productivity and MFP by region
- Regular publication of regional labour productivity and MFP estimates by region (LGA or SA4), including by industry sector (potentially commencing as a pilot program).

Recommendation 2: Embed regional productivity growth as a core pillar of economic policy

The Australian, state and territory governments should embed regional productivity growth as a core pillar of economic policy and adopt place-based productivity policies to complement economy-wide reform.

Productivity growth in regional Australia should be a core objective of economic policy and productivity growth objectives should apply to every region. Australia's productivity reforms have typically prioritised economy-wide or sectoral productivity initiatives, with less consideration given to productivity issues by region and inconsistent integration of co-existing place-based development programs. Governments should implement structured systems that empower regions, align investment, and reward productivity outcomes. Drawing from OECD recommendations and international developments, regional, place-based initiatives should be implemented that unlock productivity at the local level, with regions empowered to identify local challenges and solutions.

Representatives from regional economies and industries should be engaged in national, state and territory productivity policy development. Place-based productivity should be explicitly incorporated into major national, state and territory economic reform inquiries and programs.

Recommendation 3: Establish funded, place-based regional productivity programs

The Australian, state and territory governments should implement Regional Productivity Solutions programs that fund the identification and delivery of locally tailored productivity solutions.

Regional entities and stakeholders should be invited to nominate priority productivity projects for program funding, tailored to the individual needs of their region. Regional entities and stakeholders may include regional local governments, joint organisations, RDA Committees and other regional development organisations, local business chambers, or local community groups.

Funding assessment criteria should ensure initiatives are demonstrated to lift productivity and provide long term benefits to a region's economic and social development. Initiatives should be aligned with building on local economic strengths.

Adopting the same principles as National Competition Policy, governments should provide regional productivity payments to fund regional productivity initiatives. Investments in regional productivity growth will lift Australia's economic competitiveness and grow the economy. Increases in tax revenues from productivity-enhancing measures should be used to pay for productivity investments and reforms in regional Australia.

Priority actions for increasing productivity in regional Australia

Actions for improving productivity in regional Australia that could be prioritised and funded by governments are set out below.

Environment

Strengthen regional resilience to climate risks

- Governments should prioritise building regional resilience to climate change, drought and environmental shocks through targeted investment in adaptation infrastructure, disaster preparedness, and climate-resilient technologies.
- This includes improving water security and supply, strengthening transport and energy systems to withstand extreme weather, and supporting industries and workers to adapt to changing environmental conditions.

Population

Grow regional cities to build scale and take advantage of agglomeration economies

- Regional cities and large regional centres are well placed to be major sources of productivity growth due to agglomeration economies, and less exposed to the costs of congestion than major cities.
- High growth regional centres should be supported with a broad range of enabling conditions: infrastructure, housing, jobs, training opportunities, lifestyle amenities.

Lift skilled migration to regional Australia

- To grow regional labour markets, address skills shortages and better align migrant settlement with national population dispersion, a greater share of overseas migrants should be encouraged or directed to settle in regional Australia, with a target of around one-third of new migrants settling outside major capital cities.

Industry structure

Build on regional strengths while expanding economic diversity

- Governments should continue to develop regional specialisation strategies, cluster precincts, and supply-chain development programs, tailored to a region's natural competitive advantages. This could include targeted investment in technology, skills, and modernisation in leading industries within the region.
- At the same time, policy settings should promote economic diversification to enhance resilience to external shocks and create new pathways for growth, particularly in regions exposed to structural or environmental risks.

Labour market

Strengthen regional skills pipelines with further investment in human capital

- The Australian and state governments should continue to strengthen regional education and training pathways aligned to regional workforce needs, including:
 - Expanding regional higher and vocational education pathways, including improved access to education through Regional University Study Hubs
 - Further investment and support for apprenticeships
 - Building lifelong learning infrastructure so that regional firms can access and develop high-skill workers
 - Expanding use of flexible delivery models such as employer-embedded training, mature age apprenticeships, online learning, micro-credentials, and specialist post-graduate qualifications.

Facilitate labour mobility allowing a better match between jobs and workers in regions

- Promote employment opportunities in regional Australia and encourage movement by workers to fill regional job vacancies.
- Governments to remove barriers to occupational licensing recognition between jurisdictions.
- Governments should support adequate provision of key worker housing in regions and consider stamp duty reform to reduce the costs of transferring home ownership associated with worker relocation (see additional housing recommendations below).
- Governments should review the enforceability of non-compete clauses (NCCs) across different regions and promote fair mobility rules.

Support workforce participation by vulnerable and disengaged cohorts through expanded pathways to work and training

- Expand place-based pathways that integrate training, employment and wraparound supports, tailored to the needs of vulnerable and disengaged cohorts in regional labour markets.
- Strengthen the role of community organisations and employers in delivering inclusive, flexible and supportive work environments that enable sustained workforce participation.

Knowledge infrastructure and innovation ecosystems

Support the creation and development of regional innovation ecosystems to facilitate collaboration and knowledge transfers between industry, university, and government

- Targeted investment into the development of regional innovation clusters has the potential to boost regional productivity through accelerated technology adoption, encouraging knowledge spillovers and enabling firms to move to higher-value business activities.
- Support may include targeted R&D incentives, physical hubs and business parks, technology extension services, collaboration with universities and research centres, secretariat support for region-wide collaboration bodies, digital capability uplift programs, and facilitation of industry-research partnerships.

Improve access to early-stage finance and capability support for regional innovators

- Policy should focus on expanding early-stage and risk-tolerant finance for regional firms, where reliance on traditional bank lending can constrain experimentation and scale-up.
- Relevant measures could include regionally tailored patient capital funds, co-investment and matched-funding schemes to crowd in private finance, and mechanisms to extend venture and angel investment into regional markets. These should be complemented by advisory support to strengthen investment readiness, managerial capability, and navigation of regulatory requirements during the innovation development phase.

Enhance regional market competition

- Encourage new market entrants in regional markets, whether through regulatory reform, improved infrastructure, reducing barriers to entry or targeted investments.
- Require competition policy reforms, such as those considered in the National Competition Policy review, to include explicit analyses of regional markets to ensure policies promote competition and increase consumer welfare.

Physical and social infrastructure

Strengthen transport infrastructure

- Invest in regional transport links and mobility infrastructure to reduce costs, improve efficiency and allow firms to scale up more efficiently and effectively by connecting markets, services, and workforces.
- Strengthen place-based planning and delivery, drawing on region-specific infrastructure gaps and opportunities to overcome structural disadvantages associated with distance and small markets.

Improve regional digital communications infrastructure and build regional capability for digital technology use

- Improve regional, rural and remote digital communications infrastructure and increase accessibility, reliability and affordability of digital communication services for regional communities and businesses.
- Implement the recommendations in the 2024 Regional Telecommunications Review, prepared by the Regional Telecommunications Independent Review Committee, which stresses the importance of ensuring all regional Australians can fully take part in the digital economy. The Review suggests the Australian Government:
 - Create a connectivity strategy for regional, rural, and remote areas
 - Establish a permanent Regional Telecommunications Commissioner or Advisory Panel
 - Build a national telecommunications data platform
 - Continue support for the First Nations Digital Inclusion Advisory Group.
- The regional connectivity strategy, as outlined in the report, should provide a coordinated, long-term framework to prioritise regional infrastructure investment, align funding programs, and target underserved areas. It should also incorporate investment in emerging and alternative technologies and support place-based solutions, recognising that standard commercial models may not meet the needs of smaller or remote communities.



Increase housing supply to align with regional economic growth and facilitate workers moving to regions where their skills are needed

- The National Housing Accord should incorporate a strong target for new housing in regional Australia within the national target of 1.2 million homes. Each state and territory should adopt commensurate regional housing supply targets.
- State and territory governments should support the rapid provision of key worker housing in regional and remote markets in response to need, using government financing support, modern methods of construction and investments in enabling infrastructure.
- The Australian and state governments to provide funding for enabling infrastructure for housing, with specific programs targeted to regions on a needs-based approach.

Strengthening education, care, and other services delivery in regional and remote communities

- Governments should prioritise improved access to and quality of education, care, and essential services in regional and remote communities as a foundation for workforce attraction, labour force participation and human capital and productivity growth.

Policy and Regulation

Supplement economy-wide productivity policies with region-specific actions

- The Australian and state governments should assess and monitor the regional impacts of economy-wide productivity policies and consider adopting supplementary region-specific actions that respond to local challenges, opportunities, and capacities.

Reduce the cost of regulation for regional businesses

- Streamline regulations to allow regional businesses to operate more efficiently, reducing the time and cost associated with compliance and enabling firms to allocate resources to productive activities.

Strengthen funding and build capacity of regional local governments to support place-based productivity investments

- Strengthen long-term, flexible funding arrangements and revenue-raising capacity of regional local governments, alongside workforce, planning and data capabilities, to enable effective planning, coordination and investment in region-specific productivity-enhancing initiatives.

Strengthen coordinated planning and co-investment in cross-boundary regions

- Coordinate planning and investment in cross border infrastructure, particularly freight corridors, intermodal hubs, health access routes and telecommunications networks, and improve regulatory alignment and digital interoperability between jurisdictions to support better workforce mobility and service delivery.
- Support collaboration across local governments to develop and implement region-wide strategies for infrastructure, workforce development and economic growth, building on models such as NSW Joint Organisations and other cross-LGA regional partnerships.



The National Housing Accord should incorporate a strong target for new housing in regional Australia within the national target of 1.2 million homes.

1. INTRODUCTION

*Productivity isn't everything, but, in the long run, it is almost everything.
(Krugman 1994)*

As Paul Krugman alluded in his famous quote, productivity growth is the fundamental driver in building long-term economic prosperity. It supports higher incomes and living standards, government fiscal sustainability, and the capacity to invest in services, infrastructure, and future opportunities. Productivity growth matters at all levels of the economy from national performance to small remote regional economies.

Australia, like many advanced economies, has experienced a sustained slowdown in productivity growth since the mid-2000s. The Treasury's 2023 Intergenerational Report showed that Australia's labour productivity growth is the slowest in 60 years. This slow down mirrors international headwinds but also points to domestic challenges such as declining private investment, reduced economic dynamism, slower diffusion of new technologies, skills mismatches, housing constraints, and the growing share of nonmarket services.

In Australia there is a renewed focus on lifting productivity. An Economic Reform Roundtable was held in Canberra in August 2025, which brought together experts and community and industry representatives to discuss problems and solutions. Governments have introduced a range of measures in recent years to streamline regulation, invest in infrastructure, housing and skills and accelerate the net-zero transition.

Productivity growth is often discussed at the national, state, or sectoral level. However, as economists argue, a regional and place-based understanding of productivity and economic growth is critical:

*There is no such thing as a 'national' macro-economy, but rather a system of city regions, and it is within these that the real everyday business of economic life – of production, consumption and trade – is conducted [...] national economic problems (such as low productivity) are quintessentially urban and regional problems, and if 'national' economic policies are to succeed they must necessarily be place based.
(Martin et al. 2017)*

There are at least three main economic rationales for place-based policies. First, they can help to tackle a spatial mismatch between firms and workers that can create 'untapped potential' in local economies due to the underutilisation of local assets (e.g., human capital, physical capital). [...] Second, they can help to upgrade local public goods to create the foundations for local economic development and wellbeing. Third, they can help to respond to asymmetric shocks and transitions. (OECD 2025)

The Australian economy is made up of many different cities and regions with differing geographies, industry mix, scale and access to labour, capital, and knowledge inputs to production. While national, state, and sectoral productivity reforms are important and necessary, they are typically blind to differences between Australia's urban and regional areas, as well as within regions themselves. Such approaches also risk generating metro dominant problem definitions where the largest share of economic activity is concentrated in metropolitan areas.

However, regional Australia generates a substantial share of national output through globally traded industries such as agriculture, mining, manufacturing, and logistics, as well as emerging industries. Regional economies possess distinctive strengths including access to land and natural resources and deep sectoral expertise in export industries. At the same time, regional economies face geographical and structural factors that shape productivity outcomes and the distribution of economic gains in ways that differ from metropolitan areas, including distance from markets, smaller population bases, infrastructure constraints, industry concentration, housing availability, and restricted access to skills and capital. These mean productivity challenges and opportunities vary across regional Australia and are not well suited to one-size-fits-all policy solutions.



Improving regional productivity growth will be critical to Australia's future prosperity. OECD research finds that more regionalised economies – those less dominated by capital cities – tend to be associated with higher levels of economic prosperity (Brezzi and Veneri 2014). The current productivity agenda needs to move beyond metropolitan-centred and whole-of-economy perspectives to better recognise the role of regions in shaping productivity outcomes. In addition to national, state and sectoral reforms, place-based approaches are needed to address the specific challenges and opportunities facing different regions and to unlock their productivity potential.

This report supports a place-based approach to regional and national productivity by examining how productivity is measured, what constrains or enables productivity growth in different regions, and how policy can better respond to local conditions.

This report has three objectives:

- First, it **provides an assessment of productivity trends** across regions and industries to identify patterns of productivity strength and weakness across regional Australia. It explains how commonly used measures can both reveal and obscure productivity dynamics and the need for better regional productivity measurement.
- Second, the report **examines the key enablers** and barriers to productivity growth in regional economies including skills, infrastructure, innovation capacity, labour mobility, housing, regulation, governance, and digital connectivity – and importantly, how these enablers and barriers differ by place.
- Third, the report **outlines policy considerations and recommendations** for place-based approaches to lifting regional productivity.

Improving regional productivity growth will be critical to Australia's future prosperity. OECD research finds that more regionalised economies – those less dominated by capital cities – tend to be associated with higher levels of economic prosperity.



2. REGIONAL PRODUCTIVITY PERFORMANCE

Productivity Measures

Productivity is the efficiency with which an economy transforms inputs, such as capital and labour, into outputs - goods and services. In simple terms, productivity is defined as output per unit of input. As identified by the Australian Bureau of Statistics (ABS), there are several widely used productivity concepts and measures:

- Labour productivity is defined as output per hour worked. It is the most used productivity indicator for making historical, inter-industry and inter-region growth comparisons.

$$\text{Labour Productivity} = \frac{\text{Total output}}{\text{Total hours worked}}$$

- Capital productivity is defined as output per unit of capital used in production.
- Multifactor productivity (MFP) is defined as output per unit of combined inputs, typically including labour and capital. This is a more complex indicator to construct but can provide richer insights into productivity gains from improvements in technology and knowledge, management practices, network effects, spillovers, and economies of scale, which cannot be contributed to individual changes in labour, capital, or other inputs alone.

$$\text{Multifactor Productivity} = \frac{\text{Total output}}{\text{Labour+Capital+Intermediate Inputs}}$$

Labour productivity is widely regarded as a key indicator of improvements in living standards, reflecting the close long-term relationship between growth in output per hour worked and growth in labour earnings. High labour productivity growth may also reflect increased capital intensity, shifts away from lower-productivity employment, or broader gains in efficiency and innovation.

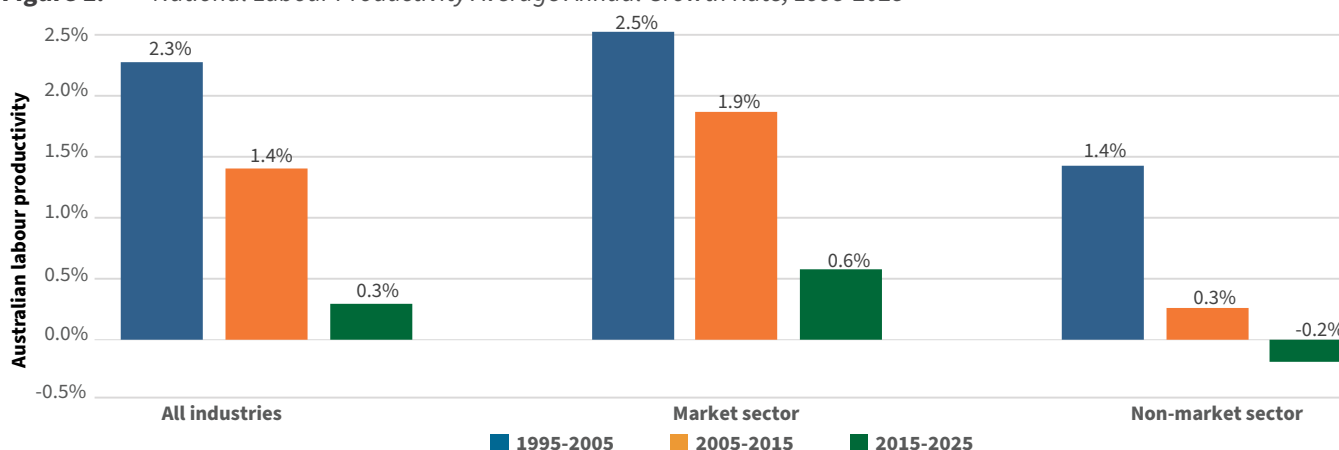
Multifactor productivity (MFP) is commonly used as a proxy for technological progress and knowledge accumulation. Changes in MFP capture the influence of factors such as management practices, organisational change, knowledge spillovers, network effects, adjustment costs, economies of scale, and imperfect competition (OECD n.d.). By contrast, it may not be especially useful to interpret improvements or declines in capital productivity in isolation since changes in capital productivity can be more than offset by those in labour productivity (ABS 2026). Therefore, this report examines Australia's national and state productivity performance primarily through the lenses of labour productivity and multifactor productivity. At the regional level, however, the analysis is limited to labour productivity due to data availability constraints.

National Productivity Performance

Over the past 30 years, Australian labour productivity growth has slowed markedly, declining from an annual average of 2.3% in 1995-2005 to 1.4% in 2005-2015, and further to 0.3% in 2015-2025 (Figure 1). The decline is evident across both market and non-market sectors, with the latter experiencing negative productivity growth over the most recent decade. Multifactor productivity, measured only for the market sector due to data availability, also slowed in the past two decades (Figure 2).

This productivity slowdown is a global issue, and not unique to Australia. Many advanced economies around the globe have experienced a similar decline in productivity over the last two decades (RBA 2025).

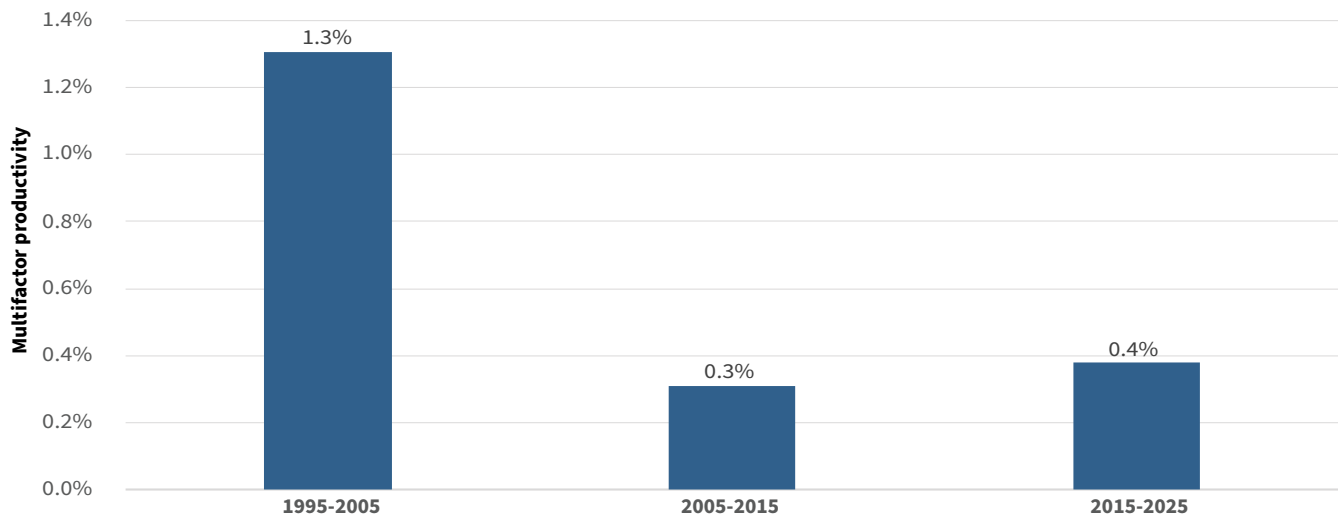
Figure 1. National Labour Productivity Average Annual Growth Rate, 1995-2025



Source: ABS Australian System of National Accounts 2024-25



Figure 2. *National Market Sector Multifactor Productivity Average Annual Growth Rate, 1995-2025*



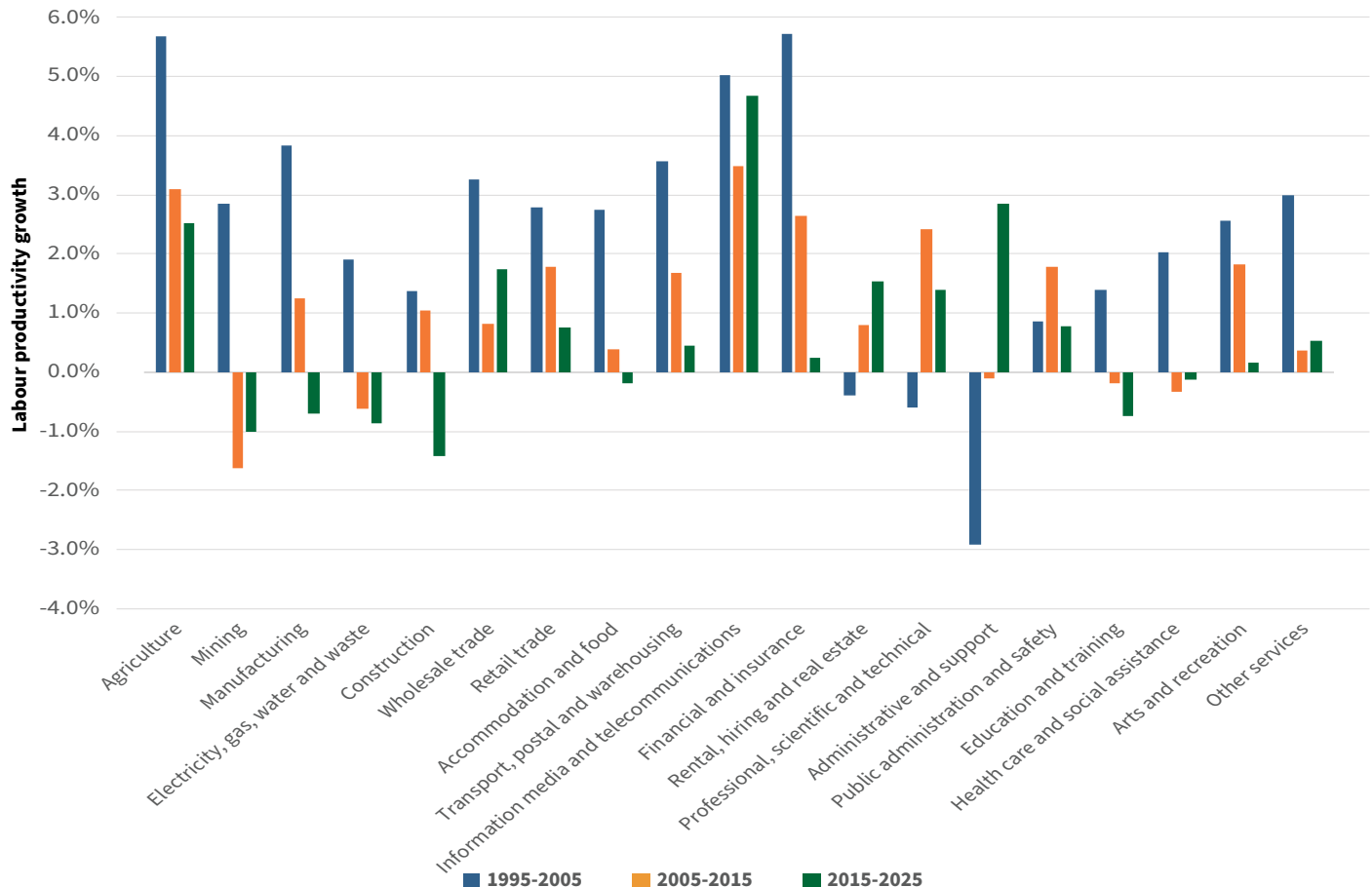
Source: ABS Australian System of National Accounts 2024-25





The slowdown in productivity growth has been widespread, affecting multiple sectors throughout the economy. Figure 3 shows the 10-year averages for labour productivity growth for different industries under ABS classifications. Across most industries, average productivity growth over the past decade has been weaker than in the preceding decades, indicating a broad slowdown, with notable exceptions in information media and communications, rental, hiring and real estate services, and administrative and support services. Productivity in sectors such as construction, mining, electricity, gas, water and waste services, manufacturing, education and training has fallen sharply over the last 10 years.

Figure 3. *Labour Productivity Average Annual Growth Rate, by Industry, 1995-2025*



Source: ABS Australian System of National Accounts 2024-25

Examining productivity growth cycles across all the 19 industries, this report finds labour productivity peaked for:

- Agriculture in 2025, with agriculture experiencing significant growth over the last three decades.
- Both construction and manufacturing in 2014.
- Mining in 2002, with another peak running from 2017 to 2020.

This report further finds that:

- Five out of 19 industries had their most productive year in 2025.
- Thirteen out of 19 industries had their most productive year in the last five years.
- Five out of 19 industries had their most productive year more than 10 years ago.

These results illustrate how productivity performance follows different patterns over time within individual sectors. They also demonstrate that productivity growth is increasingly becoming an issue to Australia as many industries are operating below their peak annual performance.

The RBA (2025) has highlighted several issues relevant to Australia's productivity performance:

- Diminished business and labour market dynamism, resulting in longer times for inputs to move to higher productivity firms.
- Slower technological diffusion, leading to extended periods for firms to reach the global technological frontier.
- Decreased competition, which has reduced the impetus for firms to expand, innovate, or exit the market.
- Regulatory barriers, particularly affecting the construction industry.

The Productivity Commission (2023) identified the growth in the services sector, in particular non-market services, which generally have lower levels of labour productivity, climate change and increasing barriers to trade as emerging 'headwinds' to productivity growth.

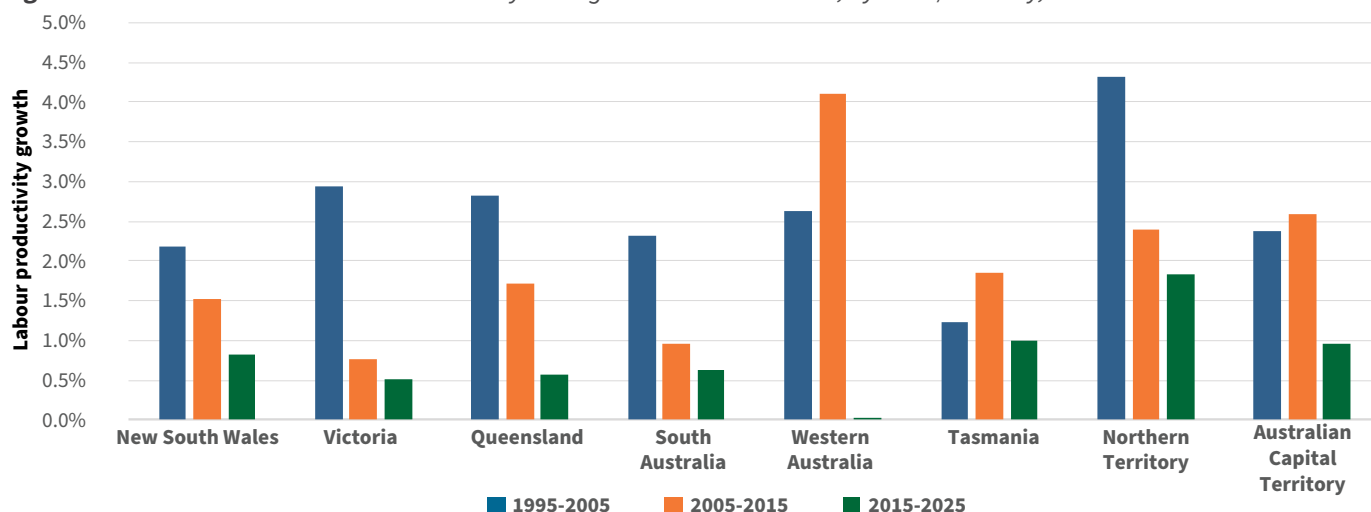
Taken together, these factors point to a set of deeply embedded structural constraints that have weighed on Australia's productivity performance over time.

State-level Productivity Performance

Productivity growth across state and territory jurisdictions broadly mirrors national trends, declining over recent decades, although outcomes vary due to differences in industry composition, economic scale and demographics. The analysis in this section draws from ABS experimental estimates of labour productivity that are limited to the market sector.

Most states, including New South Wales, Victoria, Queensland and South Australia, followed a similar downward trajectory, recording relatively strong labour productivity growth of around 2-3% per year during 1995-2005 before growth weakened markedly in 2005-2015 and slowed further in 2015-2025 (Figure 4). The consistency of this pattern across large and economically diverse states suggests that Australia's productivity slowdown is increasingly being driven by structural factors affecting the broader economy, including weaker gains from technological adoption, capital deepening and improvements in production efficiency.

Figure 4. Market Sector Labour Productivity Average Annual Growth Rate, by State/Territory, 1995-2025

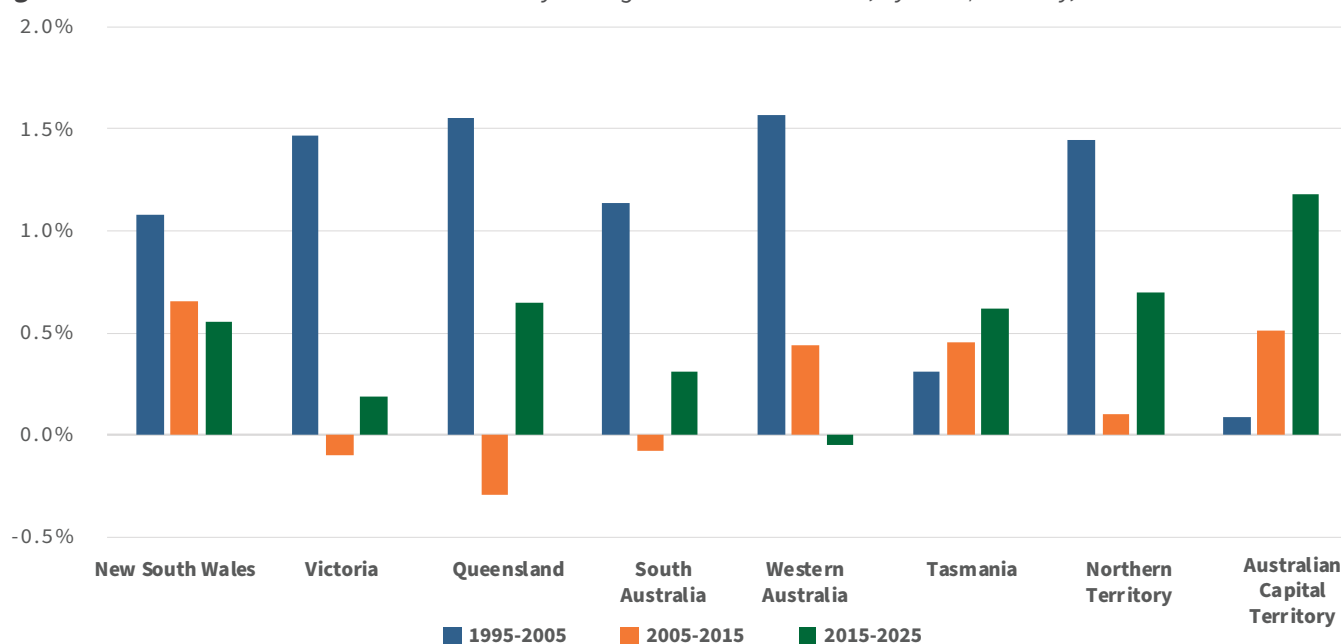


Source: ABS Experimental Estimates of State Productivity

In less diversified jurisdictions such as Western Australia and the Northern Territory, productivity performance appears more closely linked to resource-sector investment cycles. Western Australia recorded exceptionally strong growth during 2005-2015, at around 4.1% per year, likely reflecting the peak of the mining investment boom, before growth stalled in the following decade. By contrast, the Northern Territory emerged as the strongest performer in 2015-2025 despite a gradual moderation from earlier peaks, suggesting that large-scale resource developments continued to support productivity growth. Taken together, these results indicate that resource-intensive economies were better able to offset the broader productivity slowdown, but much of this advantage appears to have been driven by cyclical investment dynamics rather than sustained improvements in underlying productivity.

The ABS's experimental estimates of multifactor productivity (MFP) provide additional context for these trends. Figure 5 shows that most jurisdictions experienced a decline in MFP growth over the past 30 years, with Tasmania and the ACT standing out as notable exceptions. This helps explain why both jurisdictions recorded stronger labour productivity growth in 2005-2015 than in 1995-2005 and maintained relatively stronger performance in 2015-2025 than many other states and territories. Victoria, Queensland, South Australia and the Northern Territory also recorded a rebound in MFP growth in the most recent decade, although growth remained below 1995-2005 levels. This suggests some improvement in underlying production efficiency, but not enough to reverse the longer-term decline in productivity growth.

Figure 5. *Market Sector Multifactor Productivity Average Annual Growth Rate, by State/Territory, 1995-2025*



Source: ABS Experimental Estimates of State Productivity

MFP reflects contributions to state and territory economic growth after changes in labour inputs (hours worked) and capital inputs (capital services) have been considered, so changes in MFP reflect gains largely attributable to improvements in the efficiency of production and technical progress. This report notes a scarcity of published analysis of the reasons for these variations across state and territory jurisdictions, and a need for more detailed research in this area (and at the regional level).

Variations in performance by jurisdiction will depend on a range of factors such as the MFP performance of the key industries in each jurisdiction and the extent of innovation, knowledge transfer and improvements in management practices, noting also the significant impacts of the COVID-19 pandemic and extreme weather events earlier this decade. The Productivity Commission (2025) identified a similar pattern in labour productivity, describing a 'pandemic bubble' whereby the shutdown of lockdown-affected, low-productivity industries (e.g., accommodation and food services) shifted employment towards more productive sectors. This phenomenon may have extended to MFP as well.

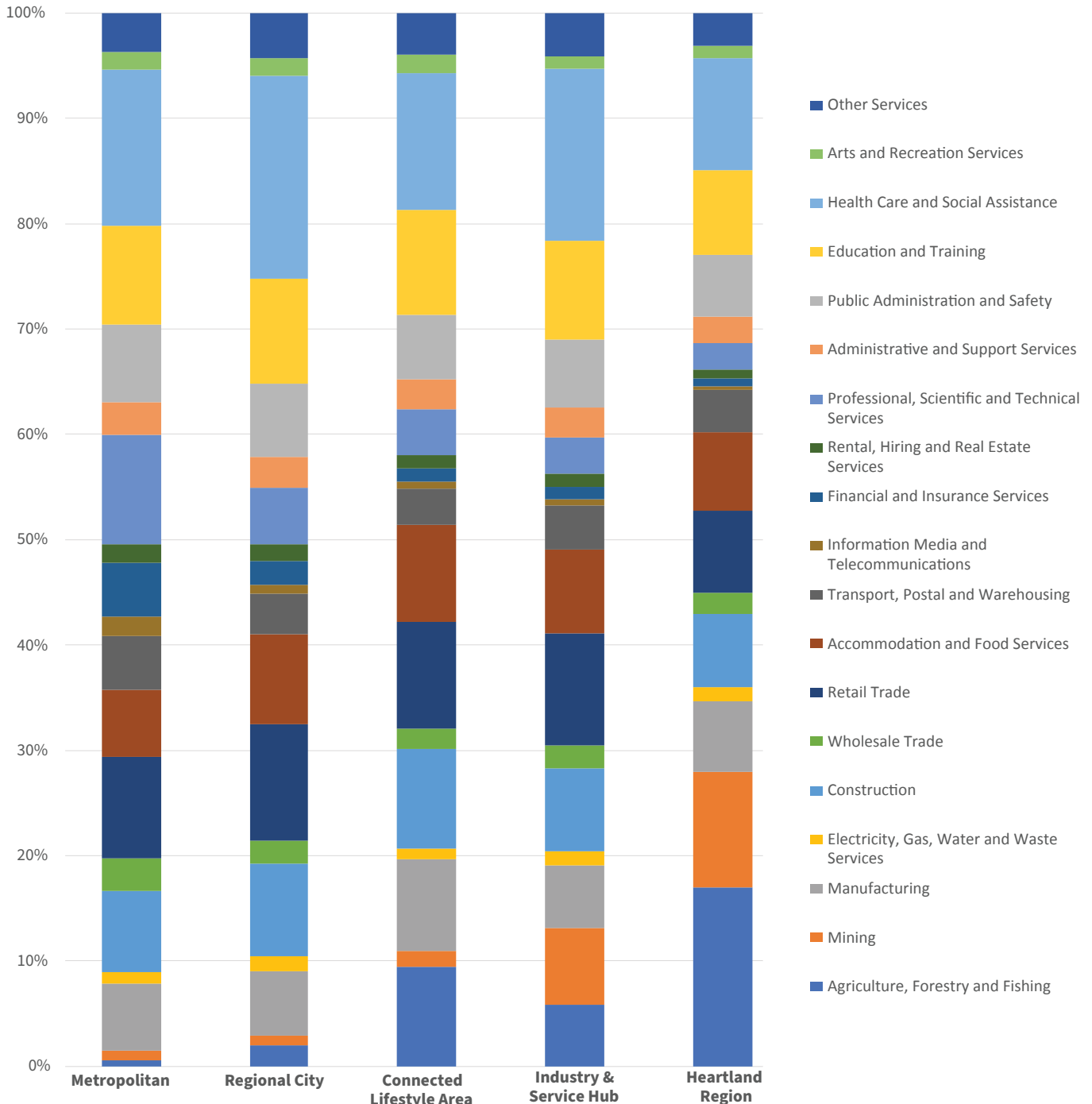
Regional Productivity Estimates

This section provides estimates of productivity at the regional level according to the RAI's regional typology framework (see *Appendix 3 RAI Regional Typologies*). The ABS does not produce estimates of labour productivity or multifactor productivity at the regional level in Australia. The regional productivity estimates in this section are drawn from regional datasets provided by the National Institute of Economic and Industry Research (NIEIR) which draw from ABS data.



Regional Australia generates about 37% of national output through globally traded industries such as agriculture, mining, manufacturing, logistics, and increasingly services (NIEIR 2025). Regional economies differ significantly by regional type. Figure 6 shows that while regional cities have a similar industry structure to metropolitan areas, with both heavily service-oriented, the other three typologies have greater shares of agriculture and mining with services making up a relatively smaller share. For instance, mining contributes 11% of employment in Heartland Regions and 7% in Industry and Service Hubs, compared with around 1% or less in other region types.

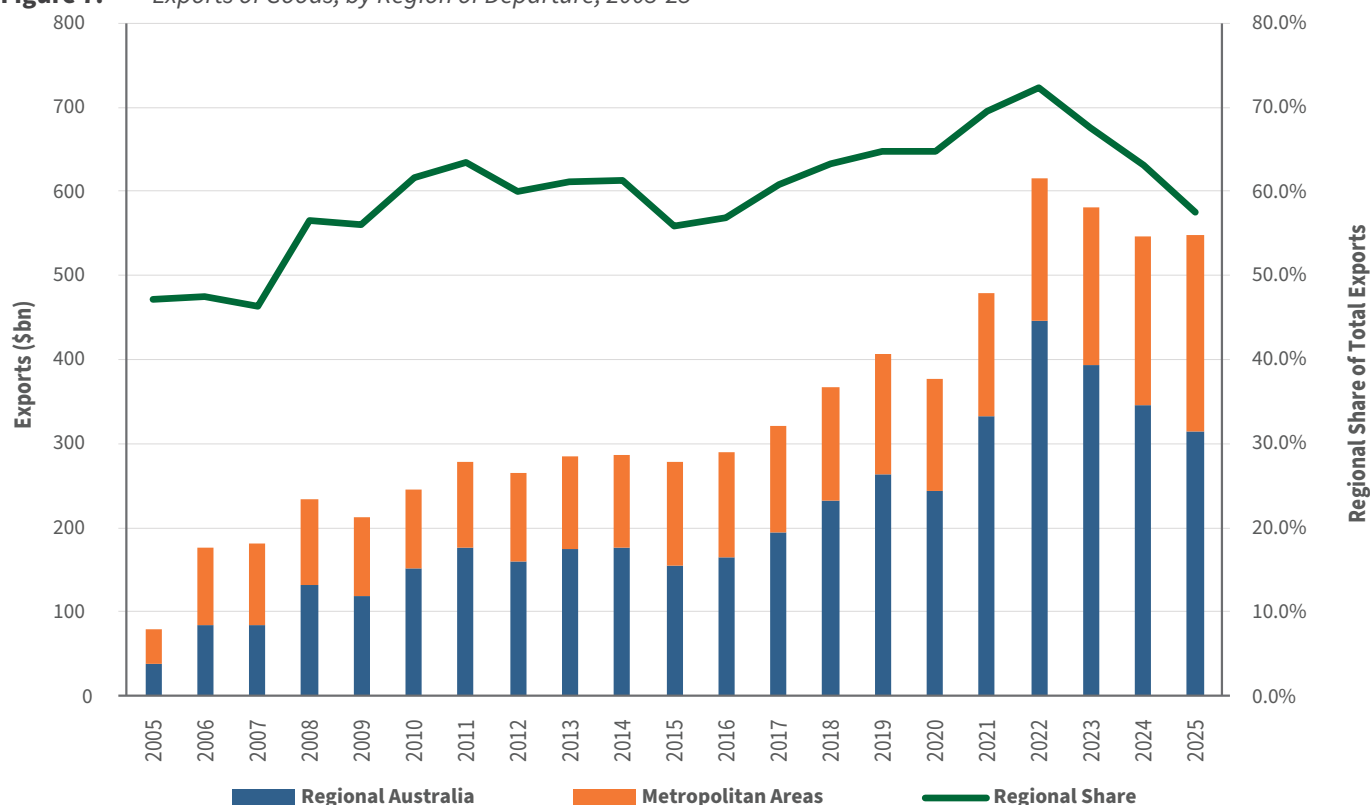
Figure 6. *Industry Composition (Employment by Place of Work), by RAI Regional Typology, 2021*



Source: ABS Census of Population and Housing 2021; RAI Calculations

Overall, Regional Australia's industrial profile and proximity to Australia's resource endowments means it consistently produces most of Australia's goods exports as shown in Figure 7. In 2025, regional Australia was the source of 57.6% of Australia's total goods exports of \$547.6 billion. Exports of Australian goods and services are a key driver of national income growth, generating substantial earnings from global markets that flow through the economy as wages, profits and government revenue.

Figure 7. Exports of Goods, by Region of Departure, 2005-25



Source: National Freight Data Hub Imports and Exports

Calculating regional labour productivity requires estimating output and hours worked for that region. NIEIR provides estimates of hours worked for every Local Government Area (LGA) in Australia and two estimates for Real Gross Regional Product (or regional output): a headline estimate and a local-industry estimate, which adjusts the headline output data for income flows leaving a region.

The headline output data is primarily used in this report. Using the headline output data allows for the calculation of regional labour productivity defined as total Real Gross Regional Product (RGRP) – expressed in 2022/23 base year dollar terms – divided by total hours worked in that region.

The NIEIR regional output and hours worked data are reported at the LGA level. To estimate labour productivity for larger regions, the RAI aggregates output and hours worked across all LGAs within a region and calculates productivity as total regional output divided by total hours worked.

Headline labour productivity reflects three key influences within a region: industry composition, industry scale, and within-industry economic performance. As a result, regions with a higher concentration of intrinsically high-value-added industries (e.g. mining) are likely to record higher headline RGRP per hour worked than regions dominated by lower-value-added activities.

Labour productivity using NIEIR's 'local-industry' output data is presented in this report for comparison purposes and at the LGA level only. It is defined as total 'local industry RGRP' in a region divided by total hours worked in that region. Local-industry RGRP is designed to measure the value of economic activity which accrues to the local area after taxes and dividends are paid outside the area. Local-industry GRP better reflects the economic activity that is generated and retained within the local economy. Because of the removal of taxes and dividends, local-industry GRP is normally lower than headline GRP, particularly in regions where output is driven by mining or other capital-intensive industries with limited local employment and ownership, such that large amounts of income generated by the production flows outside the region. Thus, this local-industry measure may also be used to partially control for the overwhelming influence of capital-intensive industries on labour productivity.

Headline productivity indicator results

Table 1 presents headline productivity between 2019 and 2024 nationally and for each state and territory, split by metropolitan and regional results, as well as for the nation overall. For most states and regions, headline productivity reached its peak in 2021 or 2022, reflecting the temporary distortionary effects of the ‘pandemic bubbles’ identified by the Productivity Commission (2025).

Table 1. *Headline Labour Productivity (\$ output per hour worked), by region, 2019-2024*

States and Regions	2019	2020	2021	2022	2023	2024
New South Wales	108.4	109.4	111.8	115.5	109.4	110.0
Regional	103.0	102.7	103.9	105.4	100.8	101.9
Metropolitan	111.1	112.8	116.0	120.9	113.9	114.2
Victoria	95.1	96.8	99.1	101.6	97.2	96.8
Regional	91.5	92.5	96.1	99.7	95.4	94.7
Metropolitan	96.0	97.9	99.9	102.1	97.7	97.3
Queensland	109.9	110.8	111.3	113.2	110.4	111.2
Regional	125.4	125.8	125.2	127.6	122.9	124.4
Metropolitan	94.8	96.2	97.8	99.4	98.4	98.4
South Australia	88.5	90.6	92.9	93.2	91.6	92.1
Regional	95.2	96.9	100.9	101.2	103.5	105.2
Metropolitan	86.7	88.9	90.8	91.1	88.6	88.7
Western Australia	170.4	173.9	177.2	172.1	169.5	165.5
Regional	373.5	388.3	382.0	357.3	352.7	343.8
Metropolitan	101.6	102.1	107.6	108.4	106.5	104.5
Tasmania	88.8	90.7	90.1	89.6	87.1	88.7
Northern Territory	130.1	144.8	141.3	151.4	141.4	150.6
Australian Capital Territory	104.9	106.1	106.4	105.0	103.3	107.2
National	110.6	112.4	114.5	116.2	111.9	112.0
Regional	130.9	132.9	133.4	134.0	129.2	129.7
Metropolitan	100.8	102.4	105.0	107.3	103.3	103.1

Source: NIEIR data provided to the RAI by Informed Decisions; RAI calculations. The RAI's typologies are used to estimate regional and metropolitan productivity. RAI categorises all of Tasmania, Northern Territory and ACT as regional. Labour productivity is calculated using Gross Regional Product by LGA region at market prices, expressed in 2022/23 base year dollar terms.

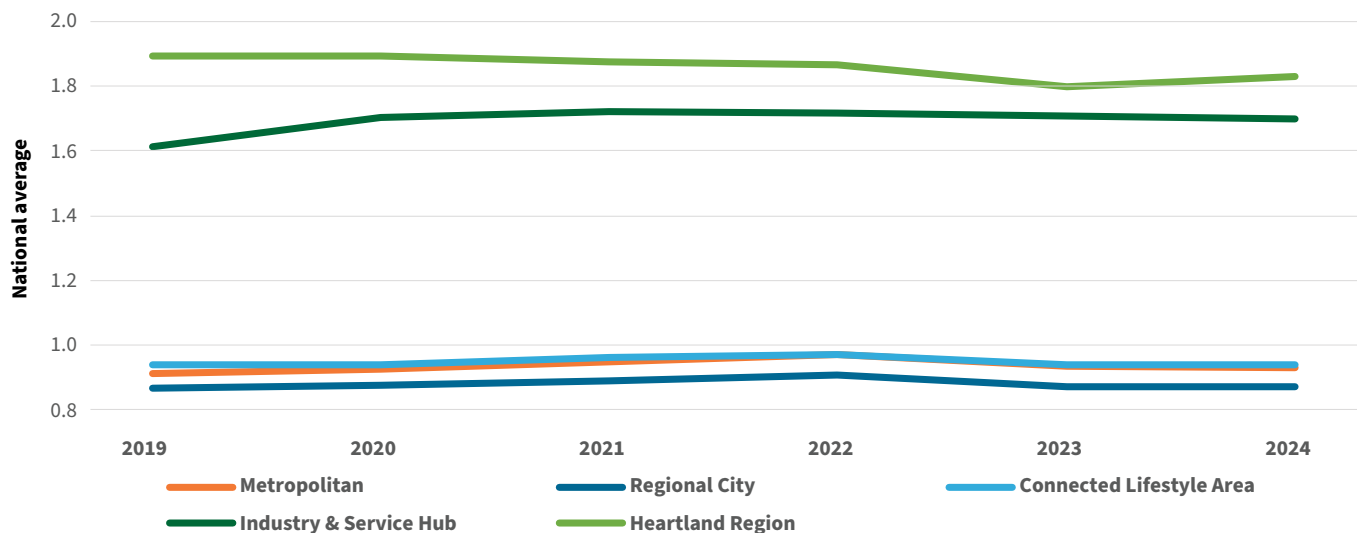
Nationally, labour productivity in regional Australia exceeds labour productivity in metropolitan Australia – in 2024, the regions produced \$129.7 in output per hour worked compared to \$103.1 in major metropolitan areas. The regional economies in Queensland, Western Australia and South Australia recorded higher labour productivity than their capital cities, and regional Victoria and regional New South Wales only slightly trail Melbourne and Sydney.

The headline data shows substantial variation in labour productivity levels across states and regions between 2019 and 2024, reflecting differences in industry structure, particularly the presence of highly productive, capital-intensive export sectors. Western Australia records by far the highest productivity levels, driven by exceptionally strong performance in regional areas, while the Northern Territory and Queensland also exhibit relatively high levels, reflecting the influence of large-scale resource activity.

New South Wales and Victoria exhibit more moderate productivity, with a clear metropolitan advantage reflecting the concentration of activity in major urban centres. These economies are less dominated by highly productive regional export sectors and instead derive productivity gains from agglomeration economies, a stronger concentration of higher-value services, larger business scale, and denser labour markets in metropolitan areas. South Australia and Tasmania remain at the lower end of the distribution, reflecting more limited exposure to higher-productivity industries and smaller economic scale, although regional South Australia performs relatively strongly compared with its metropolitan economy. The Australian Capital Territory records solid headline productivity, supported by its concentration of high-value public administration and service activities, albeit without the extreme values observed in resource-driven jurisdictions.

To further illustrate regional variations, Figure 8 presents the headline productivity index numbers for different RAI regional classifications. The index numbers compare the headline indicator for a given regional type and year with the national average in 2019. Values greater than one indicate above-average regional economic performance while values below one indicates below-average performance.

Figure 8. *Headline Labour Productivity Index Numbers, by Regional Type, 2019-2024 (National Average in 2019 = 1)*



Source: NIEIR data; RAI calculations

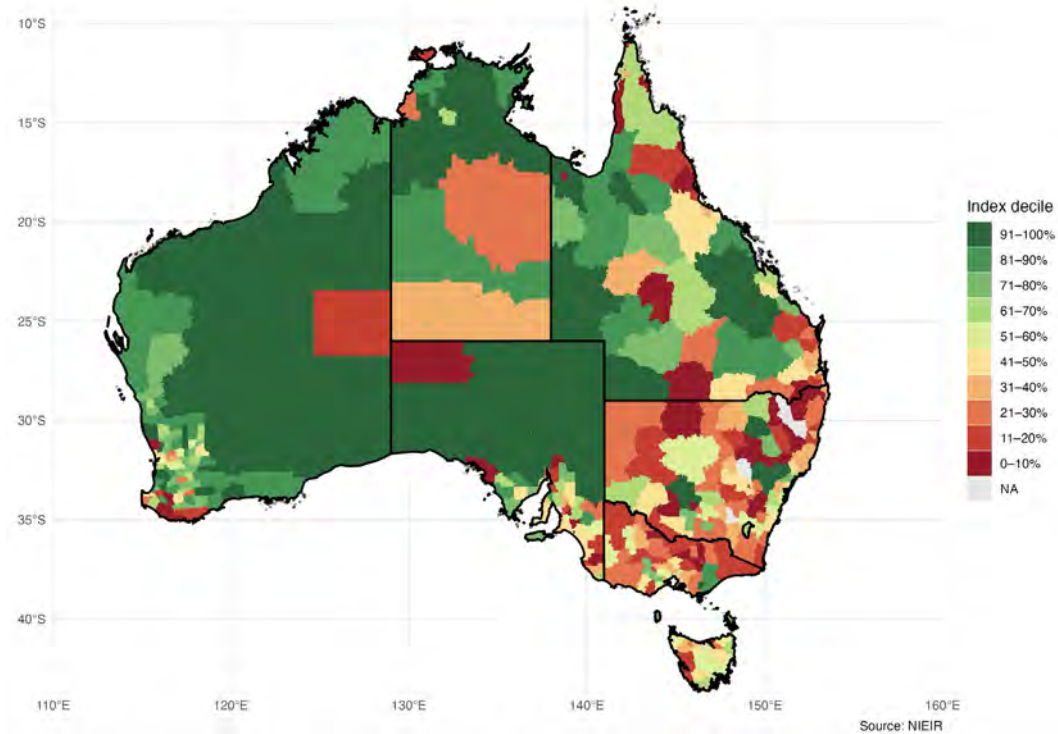
The figure proves that Heartland Regions and Industry and Service Hubs show higher labour productivity using the headline indicator than other cities and regions. This disparity can be attributed to industry composition, as many capital-intensive sectors are situated within these areas.

A comprehensive picture of labour productivity across LGAs is provided in the following maps showing data for 2019 and 2024. In these maps, deciles are computed separately for each year across the 543 LGAs. Accordingly, the colours indicate an LGA's position in the national LGA distribution in that year. The maps highlight substantial cross-sectional differences in headline RGRP per hour worked, as well as changes in relative regional positions over time. They suggest a spatial concentration of high-value-added LGAs in regional areas of WA, QLD, and SA, consistent with earlier findings.



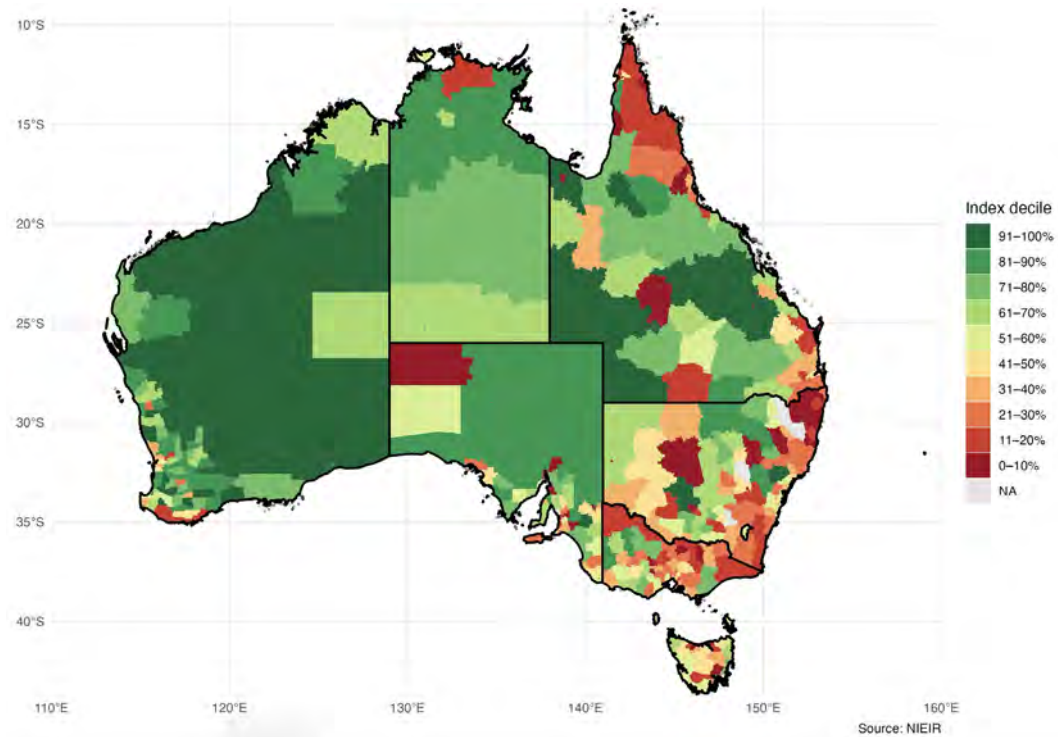


Figure 9. *Headline Labour Productivity Indicator by LGA, Indexed – 2019*



Source: NIEIR data; RAI calculations

Figure 10. *Headline Labour Productivity Indicator by LGA, Indexed – 2024*



Source: NIEIR data; RAI calculations

There is a significant disparity across regions. For example, the average productivity of the top five regional LGAs is \$1,192.1 per hour worked, compared with \$51.4 per hour worked in the bottom five – a factor of 23. Table 2 lists the top 5 regional LGAs by headline productivity in 2024.

Table 2. *Top 5 Regional LGAs by Headline Labour Productivity (\$ output per hour worked) in 2024*

LGA	State	2019	2020	2021	2022	2023	2024
Murchison	WA	121.3	103.7	114.5	459.9	1480.8	1655.8
Karratha	WA	1083.1	1292.7	1411.8	1395.3	1460.5	1446.9
Ashburton	WA	1378.0	1438.9	1404.2	1241.4	1113.4	1069.8
Croydon	QLD	602.3	632.5	654.3	941.1	985.2	1067.3
Barcaldine	QLD	110.1	94.0	92.4	112.9	264.3	720.8

Source: NIEIR data; RAI calculations

As shown in the maps, many of the higher-productivity LGAs are concentrated in regional Western Australia, Queensland, and South Australia. These areas are typically characterised by capital-intensive mining and energy activities or large pastoral holdings, which generate high levels of output per worker. Such LGAs often have small resident populations and limited local workforces – sometimes only a few hundred employees – meaning that a single major project or construction phase can significantly inflate output relative to employment.

In contrast, the lowest-productivity LGAs are predominantly remote communities where economic activity is structurally oriented toward essential service delivery rather than high-output production. This results in persistently lower measured labour productivity that reflects underlying economic structure rather than performance inefficiency.

These patterns highlight the need to interpret regional productivity indicators in context, including environmental conditions, industry composition, technological change, and broader socio-economic factors. For example, Murchison exhibits considerable volatility due to its small population base and highly concentrated economy. While employment has largely been centred on agriculture and public administration, recent increases in measured productivity are primarily driven by capital-intensive investment associated with the Square Kilometre Array-Low telescope, which generates substantial output with minimal local labour input.

By contrast, in Barcaldine, recent productivity growth is more closely linked to infrastructure investment and recovery activity, including road construction and flood restoration, alongside emerging clean energy developments. These differing dynamics illustrate that similar patterns of productivity growth can arise from distinct economic structures and local conditions, reinforcing the importance of place-based analysis.

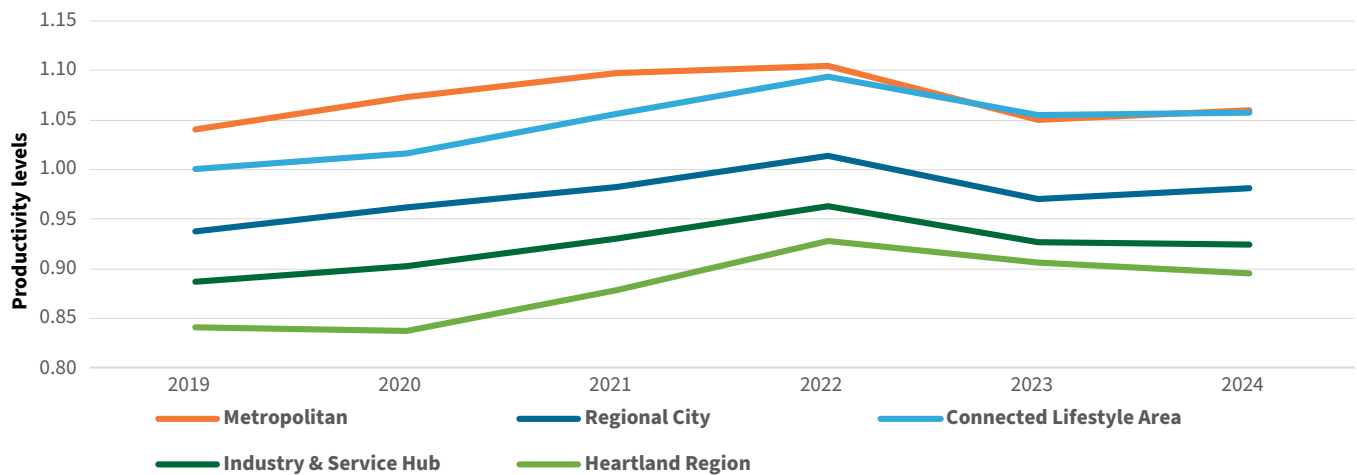
Finally, traditional economic measures such as headline productivity have important limitations in remote contexts. In many areas, community viability, access to essential services, and broader social outcomes need to be prioritised alongside economic productivity.



Local-Industry productivity results

Unlike the findings based on the headline indicator, Metropolitan and Connected Lifestyle Areas exhibit higher productivity levels compared to other regions. This pattern reflects the partial removal of the mechanical influence of capital-intensive activities, such as mining, that elevate headline values in many regional areas.

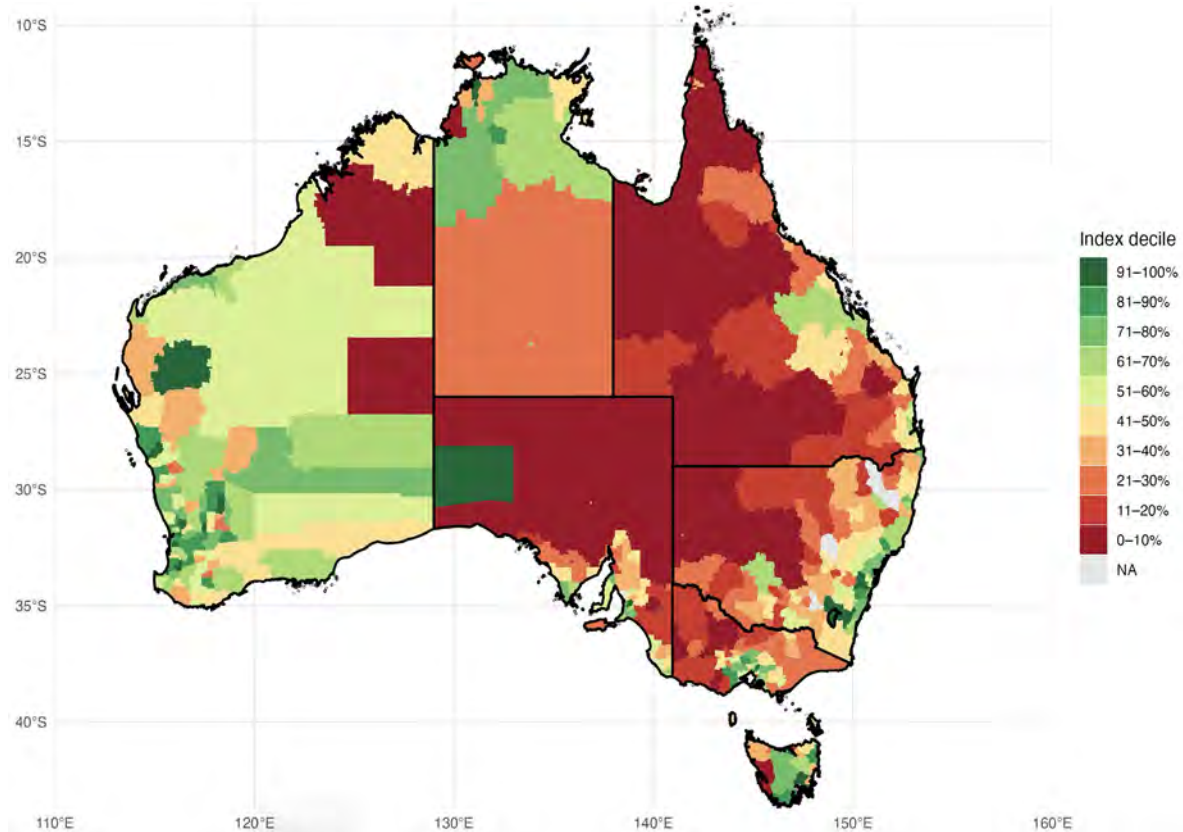
Figure 11. Local-industry Labour Productivity Index Numbers, by Regional Type, Indexed, 2019-2024 (National Average in 2019 = 1)



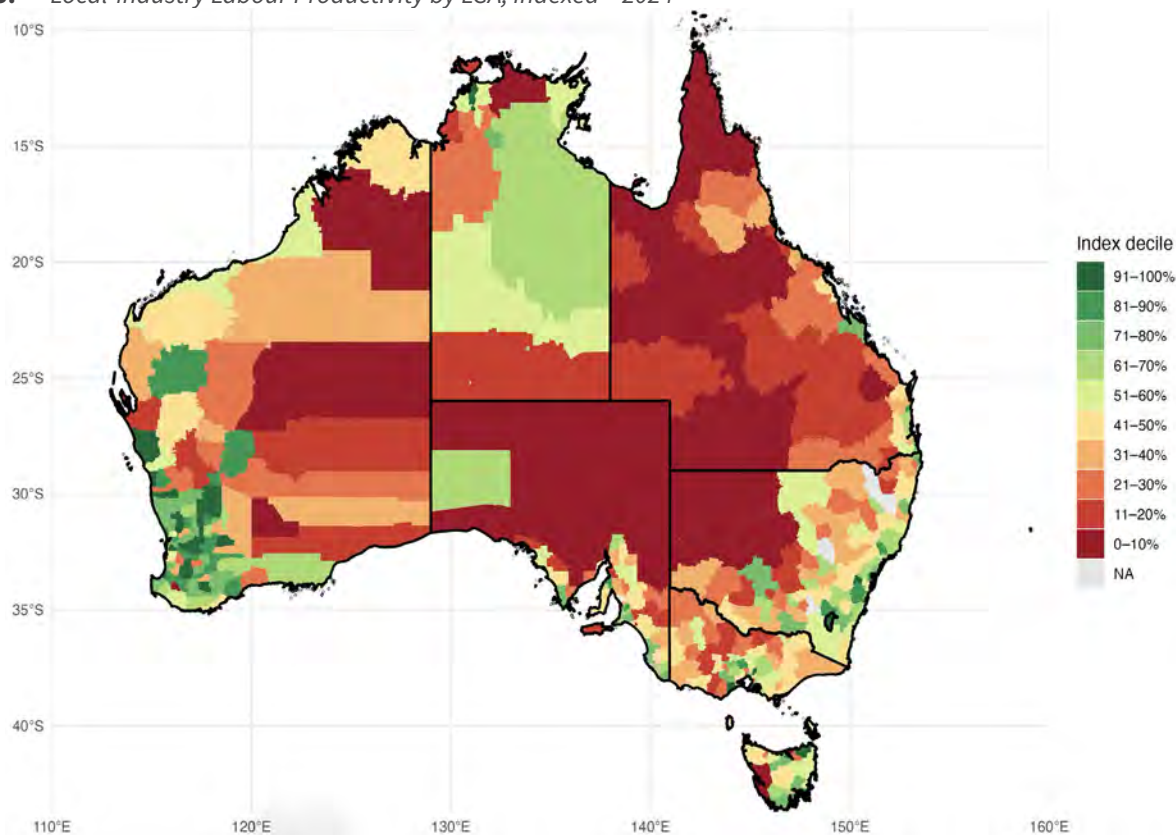
Source: NIEIR data; RAI calculations

A more comprehensive picture of local-industry economic performance is provided in the following map. In contrast to the headline indicator maps, the local-industry maps suggest that many regional LGAs record lower RGRP per hour worked than metropolitan LGAs.

Figure 12. Local-industry Labour Productivity by LGA, Indexed – 2019



Source: NIEIR data; RAI and CEPA calculations

Figure 13. Local-industry Labour Productivity by LGA, Indexed – 2024

Source: NIEIR data; RAI and CEPA calculations

Despite the presence of some areas with capitalintensive industries, many of the higher-productivity LGAs are predominantly Metropolitan or Connected Lifestyle areas, where productivity is driven by diversified economic structures, high human-capital intensity, and agglomeration effects. By contrast, the lowest-productivity LGAs broadly mirror the pattern observed in the headline indicator, remaining concentrated in remote and structurally constrained regions. Importantly, again, regional economic performance must be understood within its local context.

Compared with the headline indicator, the disparity across regions is smaller. For example, the average local industry productivity of the top five regional LGAs is \$165.9 per hour worked, compared with \$33.1 per hour worked in the bottom five – a difference of approximately five times. Table 3 lists the top 5 regional LGAs by local-industry labour productivity in 2024.

Table 3. Top 5 Regional LGAs by Local-industry Labour Productivity (\$ output per hour worked) in 2024

LGA	State	2019	2020	2021	2022	2023	2024
Wagait	NT	181.0	177.3	152.9	221.1	224.8	227.6
Tammin	WA	140.8	123.3	164.0	218.0	234.3	210.8
Mukinbudin	WA	112.6	109.4	124.7	151.8	157.2	141.9
Coomalie	NT	97.2	96.7	101.2	116.1	120.6	129.5
Kiama	NSW	103.8	103.4	106.1	113.8	112.5	119.4

Source: NIEIR data; RAI calculations

Limitations of Current Labour Productivity Measures

Measuring regional differences in productivity performance is a first and essential step towards addressing productivity growth slowdown as a national and regional issue. The labour productivity indicators presented in the previous section provide useful insight into regional economic performance. It is also important to acknowledge that the calculation of GRPs and hours worked are estimates and are subject to certain assumptions and limitations.

Indicators based on RGRP per hour worked should be interpreted as measures of real value added per hour worked, rather than a quantity measure of output per unit of labour input.

Also, labour productivity as a measure can mask the impact of other inputs on productivity – for example, capital, energy, and material inputs. Labour productivity is simply calculated as output per hour worked, so it effectively reflects the combined influence of all labour, capital, intermediate goods, and technology inputs. Labour productivity therefore does not necessarily even reflect the productivity performance of workers. For instance, labour productivity may increase if a worker is provided with faster machinery. In this case, the measured productivity has not risen due to the worker becoming more productive, it has risen due to the improved machinery. We would ideally like to get a better understanding of productivity performance across all the main inputs in the production process.

For these reasons, Multi-Factor Productivity (MFP), or Total-Factor Productivity (TFP), which captures the combined efficiency with which all inputs are used in the production process, is widely regarded as a more comprehensive measure of productivity over labour productivity.

Future Directions

As noted earlier, the ABS do not provide labour productivity estimates by region, either by local government area or by SA4 (Statistical Area Level 4). The ABS currently provides experimental MFP estimates by industry and state and territory, but not by region.

Developing regional Labour Productivity and MFP measures would provide rich analysis of productivity performance, and its drivers and enablers, by place and would significantly strengthen the evidence base for place-based productivity policy. It would allow for comparisons of industry performance in various parts of Australia and the key factors. However, estimating LP and especially MFP at the regional level is difficult and complex, and requires more data and changes to measurement practices. Nevertheless, these indicators are produced in other countries, for example, the Office for National Statistics in the United Kingdom produces labour productivity estimates at the regional and sub-regional level.

The RAI commissioned the Centre for Efficiency and Productivity Analysis at University of Queensland to explore options for measuring Labour Productivity and Multifactor Productivity at the regional level in Australia. *Appendix 4: Improving Regional Productivity Measurement* sets out experimental results from the measurement of LP and MFP in the agriculture sector at the state level and discusses the possibility of extending this type of analysis to the regional level (by LGA or equivalent regional unit).

The analysis identifies how patterns of labour productivity differ from changes in patterns of MFP. In both cases, productivity differences in the agriculture sector across states are shown to reflect differences in environmental conditions, the scale of operations, and the input mix, rather than failures by the sector to adopt best-practice production techniques. The analysis demonstrates the benefit of calculating productivity measures that can recognise the impact of environmental conditions, inputs mix and economies of scale for designing effective productivity policy.

Recommendation: Improve Regional Productivity Measurement

The Australian Government to task the Australian Bureau of Statistics (ABS) with providing measures and analysis of productivity by region to enable a deeper understanding of regional productivity performance. This might require:

- An assessment of currently collected ABS data, including in the BLADE and PLIDA datasets, and analysis of gaps in data collection required for the estimation of regional labour productivity and MFP measures by region
- Enhanced data collection to obtain required inputs by region: labour, capital, energy, materials, intermediate services
- Development of methodologies to calculate gross regional product, labour productivity and MFP by region
- Regular publication of regional labour productivity and MFP estimates by region (LGA or SA4), including by industry sector.

3. DRIVERS, ENABLERS AND BARRIERS OF REGIONAL PRODUCTIVITY

DRIVERS OF PRODUCTIVITY GROWTH

The OECD's 2022 report Identifying the Main Drivers of Productivity Growth reviews recent literature on how productivity growth is driven by:

- Improvements in labour (e.g. skills improvements) and capital inputs (e.g. better public infrastructure) and,
- Multifactor productivity, which captures efficiency gains from technological progress, innovation, better management and organisation, knowledge diffusion, and spillovers.

Sustained productivity growth depends on investment in physical and intangible capital, continual upgrading of workforce skills, and economic dynamism that allows labour and capital to move toward more productive firms and activities.

Capital deepening, creative destruction, and agglomeration economics are three core long-term mechanisms shaping (labour) productivity growth (Aghion and Howitt 1992; Glaeser 2010).

- Capital deepening raises productivity by increasing the amount and quality of capital – such as machinery, technology, and infrastructure – available to each worker, enabling higher output per hour.
- Creative destruction drives sustained productivity growth by allowing new firms, technologies, and business models to replace less productive incumbents, reallocating labour, and capital to higher value uses despite short-term disruption.
- Agglomeration economics explains how the geographic concentration of firms, workers and related industries boosts productivity through shared infrastructure, more specialised labour force, knowledge spillovers, and more efficient supply chains.

The effectiveness of these mechanisms depends on their being embedded within broader regional socioeconomic systems that enable firms and workers to deploy capital, adopt innovative technologies, and reallocate resources efficiently.

Access to land and natural resources, including water, energy resources and environmental assets, is a foundational element of productivity, shaping industry location, scale, input costs, and long-term growth potential. Industry structure shapes the scope for productivity gains by influencing scale, diversification, and exposure to innovation, while efficient and well-functioning labour markets are critical for matching skills to jobs, supporting worker mobility and facilitating firm growth and exit.

Good physical and social infrastructure – including transport, energy, housing, education, health, and care services – underpins access to markets, labour and essential services, reduces frictions associated with distance and scale, and supports workforce participation and retention. Well-functioning innovation ecosystems that link firms, research institutions, training providers, and intermediaries support the creation, diffusion, and adoption of new ideas, while supportive policy and regulatory settings help lower barriers to investment, competition, and experimentation.

In some sectors, particularly agriculture and other land and resource-based industries, productivity outcomes are also strongly conditioned by environmental factors such as climate variability, water availability, and exposure to extreme weather, which can amplify or constrain the effectiveness of capital investment, innovation, and scale over time. Because agriculture is deeply interconnected with other sectors (e.g. food and beverage manufacturing, transport, logistics and storage, and wholesale and retail trade), changes in agricultural productivity propagate across the economy, influencing measured productivity, employment, income, and liveability.

COMPARISON OF METROPOLITAN AND REGIONAL PRODUCTIVITY DRIVERS

The Australian Housing and Urban Research Institute (AHURI) summarised the dynamics of urban and regional productivity growth as such in its 2021 report:

Agglomeration productivity benefits begin in Australia at a fairly small scale – in metropolitan regions with more than 100,000 people – and increase disproportionately thereafter. Population density is also important, but the effects are stronger in larger sub-metropolitan areas. This suggests that agglomeration effects operate most strongly below the scale of ‘the whole city,’ but above the scale of ‘within a neighbourhood.’

Analysis of successful regional, satellite and growth-centre cities suggest there are some common characteristics: historic connections to primary industries; recent restructuring of economies; diversification into health and social care, retail and education; economic development initiatives targeting technology sectors; and the influence of having a local university campus.
(Leishman et al 2021)



The factors of productivity growth are broadly consistent regardless of geography, however, the extent to which and how these drivers operate varies across locations. The following table summarises the metropolitan advantages alongside the regional advantages in terms of core productivity factors (NIEIR 2023).

Table 4. *Comparison of Metro and Regional Productivity Drivers*

Core Factors of Productivity Growth	Metro Advantages Over Regional Australia	Regional Advantages Over Metro Australia
Long-term mechanisms - Capital deepening - Creative destruction (innovation) - Agglomeration economics Environmental conditions - Climate change and extreme weather (especially for some sectors such as agriculture) - Access to land and natural resources Geographical issues - Distance and isolation Regional Socio-economic systems - Demographics - Industry structure - Labour and skills - Innovation ecosystems - Physical and social infrastructure (including housing) - Policy and regulation	- Agglomeration: dense networks of firms and spillover effects - Labour market depth allowing better job matching - Greater infrastructure - Greater digital connectivity - Higher access to capital	- Access to land and natural resources - Sectoral concentration (e.g. agriculture, mining) - Less congestion - Lower costs of living - Lower operating costs (in some regions)

Regional and remote areas often benefit from abundant land and natural resources, allowing them to avoid many of the congestion pressures faced by large cities.



Metro regions typically benefit from stronger enabling conditions due to scale and economic density. These structural advantages include:

- Greater provision of both hard and soft infrastructure.
- Higher levels of digital connectivity.
- A larger population and economic size, leading to:
 - Economies of scale and scope from being close to large numbers of suppliers and customers
 - Knowledge spillovers and knowledge exchange, as well as a greater number of potential collaborators
 - A large job market supporting better job matching and pools of specialised workers.
- Improved access to capital.

These structural advantages are explained by agglomeration economies. However, agglomeration benefits are limited. In large or poorly designed cities, congestion, high land prices, and environmental pressures can reduce the benefits associated with urban concentration with longer travel times, higher operating and costs and declining liveability due to congestion which can discourage population growth and labour mobility.

By contrast, regional and remote areas often benefit from abundant land and natural resources, allowing them to avoid many of the congestion pressures faced by large cities. These conditions can support lower costs of living – an increasingly attractive feature for workers – as well as lower production and operating costs for firms through cheaper land, lower rents, and fewer capacity constraints. These advantages are particularly pronounced in land intensive and resource-based activities, contributing to the significant concentration of agriculture and mining in many regional economies. Given the scale and capital intensity of these industries, improvements or declines in their productivity performance can have an outsized influence on regional productivity, income growth,

and long-term economic activity.

At the same time, many other businesses in regional areas operate with lower levels of industry concentration and therefore capture fewer agglomeration and scale benefits. This can result in higher input costs due to greater transport distances, limited infrastructure provision, and fewer opportunities for collaboration, reducing overall business efficiency. These constraints extend to labour markets, where regional firms often face greater difficulty attracting and retaining workers – particularly specialists – and accessing specialised training and skills development services.

After excluding the influence of some extremely capital-intensive industries such as mining, regional Australia also tends to exhibit lower levels of capital intensity than metropolitan areas, in terms of both private (non-dwelling) capital held by firms and public capital embodied in infrastructure and service provision. More limited access to finance reinforces these patterns, with regional businesses relying more heavily on traditional bank lending and facing greater constraints in accessing private funding sources such as venture capital or owner equity. Reflecting these structural conditions, regional businesses exhibit lower overall innovation activity than those in capital cities, and a greater tendency to adopt existing technologies rather than develop new ones.

Together, these factors shape regional productivity outcomes in ways that differ from metropolitan areas. The next section further examines the factors that influence regional productivity in detail.

FACTORS AFFECTING REGIONAL PRODUCTIVITY

Environmental conditions

Climate change and extreme weather

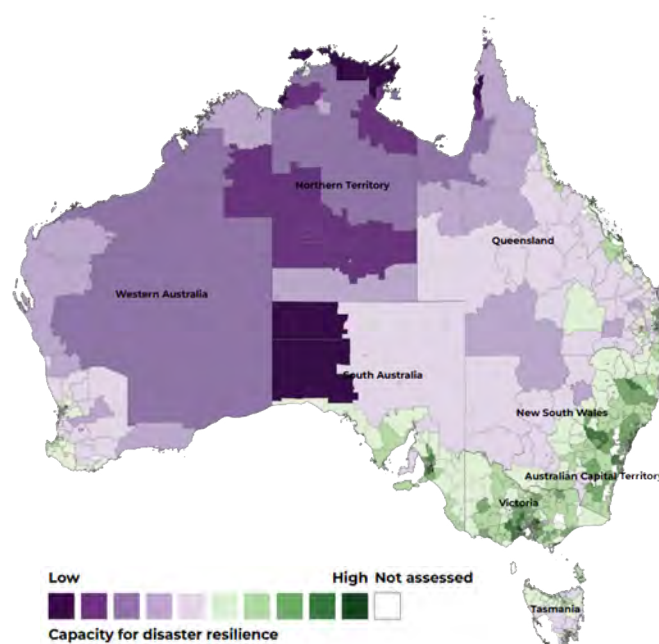
The latest Productivity Commission inquiry into Investing in Cheaper, Cleaner Energy and the Net Zero Transformation shows tackling climate change and cutting pollution is fundamental to Australia's productivity performance and long-term economic prosperity (Productivity Commission 2025). Climate change and extreme weather (e.g. heatwaves, heavy precipitation, drought, tornadoes, and tropical cyclones) will directly impact productivity in industries such as agriculture, fisheries, tourism, and transportation through both influencing environmental conditions and labour performance.

For example, evidence from the Millennium Drought indicated that the severe droughts experienced between 2002 and 2010 reduced agricultural multifactor productivity in Australia by approximately 18% during this period (Sheng and Xu 2019). Similarly, using the Australian data between 1978 and 2014, another study found that a flood each year, on average, could reduce agricultural output by 5.6% in the current year and 6.2% in the subsequent year. This research also found negative impacts of floods on the output of mining, construction, retail trade, and even financial and insurance services sectors (Ulubaşoğlu et al 2019).

The case study on the Eyre Peninsula in this report shows how water scarcity and climate variability can constrain regional productivity, while also demonstrating the role of dryland agricultural innovation, regional research capability and coordinated infrastructure investment in sustaining economic performance under difficult environmental conditions.

The Australian Disaster Resilience Index indicates that rural and remote areas exhibit lower levels of disaster resilience than metropolitan areas, suggesting that these challenges are likely to be more acute in regional contexts.

Figure 14. Australian Disaster Resilience Index



Source: Australian Disaster Resilience Index 2

Access to land and natural resources

Access to land and natural resources offers important productivity advantages, particularly for regional economies, by enabling land intensive and resource-based industries such as agriculture, mining, energy and manufacturing to operate at scale, lower average costs, and exploit natural comparative advantages. Abundant land availability can support expansion, clustering of related activities and investment in capital intensive infrastructure, while access to fertile soils, water, minerals, and renewable energy resources underpins high value production and export competitiveness.

At the same time, reliance on land and natural resources also presents structural disadvantages and risks. In addition to vulnerability to environmental constraints and shocks, resource-based specialisation can also limit economic diversification, amplify boom-and-bust cycles, and reduce incentives for innovation if growth is driven primarily by endowments rather than efficiency gains (Gunton 2003). One prominent example is water security, which has emerged as an increasingly urgent challenge for many agriculture-dependent regional communities (see Case Study: Water Scarcity in the Eyre Peninsula).

Recommendation: Strengthen regional resilience to climate risks

- Governments should prioritise building regional resilience to climate change, drought and environmental shocks through targeted investment in adaptation infrastructure, disaster preparedness, and climate-resilient technologies.
- This includes improving water security and supply, strengthening transport and energy systems to withstand extreme weather, and supporting industries and workers to adapt to changing environmental conditions.

GEOGRAPHICAL ISSUES

Distance and isolation

Many regional and remote areas suffer from a persistent 'tyranny of distance' (Blainey 1983) and isolation, not only in their remoteness from major markets and service centres, but also in the vast internal distances within regions themselves. Large geographic distances increase transport and logistics costs, raising the price of moving goods to domestic and export markets and of sourcing essential inputs such as machinery, intermediate goods, and services. For firms running in remote locations, these higher input and distribution costs compress profit margins and weaken incentives to invest.

Distance and isolation also make it more difficult to access labour, skills, and services. Thin labour markets, combined with challenges in attracting workers from other regions, constrain effective matching between employers and employees. At the same time, limited access to specialised services – such as finance and research and development – reduces firms' capacity to adopt innovative technologies and improve efficiency.

Distance further interacts with agglomeration effects. Productivity gains associated with clustering – such as knowledge spillovers, shared infrastructure, and dense supply chains – are harder to realise in geographically (and demographically) dispersed regions. As a result, remote areas could miss the cumulative advantages that underpin higher productivity in cities and well-connected regions. This emphasises the importance of strong physical and digital connectivity in overcoming the constraints imposed by distance and isolation.

DEMOGRAPHICS

Population

Compared with metropolitan areas, many regional and remote areas have smaller populations, limiting the scale benefits that underpin productivity. Larger populations support deeper labour markets, greater specialisation, denser supply chains, and more frequent interactions that facilitate innovation. They also create larger local consumer markets, strengthening demand and enabling firms to achieve scale, invest more, and adopt more productive business models. Regions with smaller populations therefore capture fewer of these agglomeration and demand side benefits.

Beyond size, population structure also matters. Age profiles, skills composition, household formation, and migration patterns shape labour force participation, occupational mix, firms' access to skills, and productivity growth. For example, regions with ageing populations may face tighter labour supply, slower technology adoption, and demand skewed towards lower productivity sectors such as health and care. By contrast, regions attracting younger or more highly skilled workers tend to support higher rates of innovation, entrepreneurship, and knowledge intensive activity (Mahlberg et al. 2006).

These demographic effects interact with industry structure. For example, some regions with small populations nevertheless exhibit high productivity levels because they host capital-intensive industries, such as mining, where output is less dependent on labour scale or local demand conditions. However, many regions will struggle to reach the population scale and economic momentum needed for productivity uplift. These economies face persistent job vacancies, especially in professional roles, which have high industry demand coupled with low workforce supply. In highly remote and sparsely populated areas, where maintaining regional viability and access to essential services is the primary concern, economic productivity is often not the foremost consideration.

RAI (2019) research finds that a more balanced population distribution – involving a greater share of growth directed to regional centres – would deliver benefits for both metropolitan and regional areas. The analysis indicates that regional centres can accommodate additional growth without compromising economic opportunity, while also showing that the benefits of agglomeration in large cities diminish as they become more congested and costly. For metropolitan areas, a more distributed settlement pattern can ease pressures on housing affordability and congestion; while for regional centres, population growth can support higher income growth, stronger labour market outcomes, and improved economic performance.

Migrants

Skilled migrants play a critical role in supporting productivity, service delivery, and economic resilience in many regional and remote areas, where labour markets are typically smaller, skills shortages are more persistent, and local training pipelines alone are often insufficient to meet demand. Many regional industries, including agriculture, health and care, construction, mining, manufacturing and professional services, rely on skilled migration to fill specialist roles, sustain business operations, and enable expansion. Skilled migrants also contribute to population stability, entrepreneurship, and knowledge diffusion, strengthening local innovation capacity and helping regions capture the benefits of scale and agglomeration.

Overseas migrants settle in
regional Australia
17.3%



Regional Australia proportion
of national population
36.4%

Source: ABS Regional Population March 2026 Release

Despite this importance, fewer than one-in-five overseas arrivals settle in regional Australia, with the majority gravitating toward metropolitan areas. This imbalance limits regions' ability to alleviate skills shortages, constrains productivity growth, and reinforces existing spatial inequalities. Expanding place-based migration pathways – particularly for regional and remote employers and critical sectors such as health and education – presents a clear opportunity, especially where migrant skill profiles align with local workforce needs. This would support more balanced population distribution and improve the sustainability of essential services and long-term social and economic outcomes.

Improving migrant skills recognition processes will enable migrants living in regional Australia to utilise their skills to address regional skill shortages and contribute to higher productivity. Skills recognition processes should be faster and less costly for regional migrants and businesses.

Recommendation: Grow regional population centres to build scale and take advantage of agglomeration economies

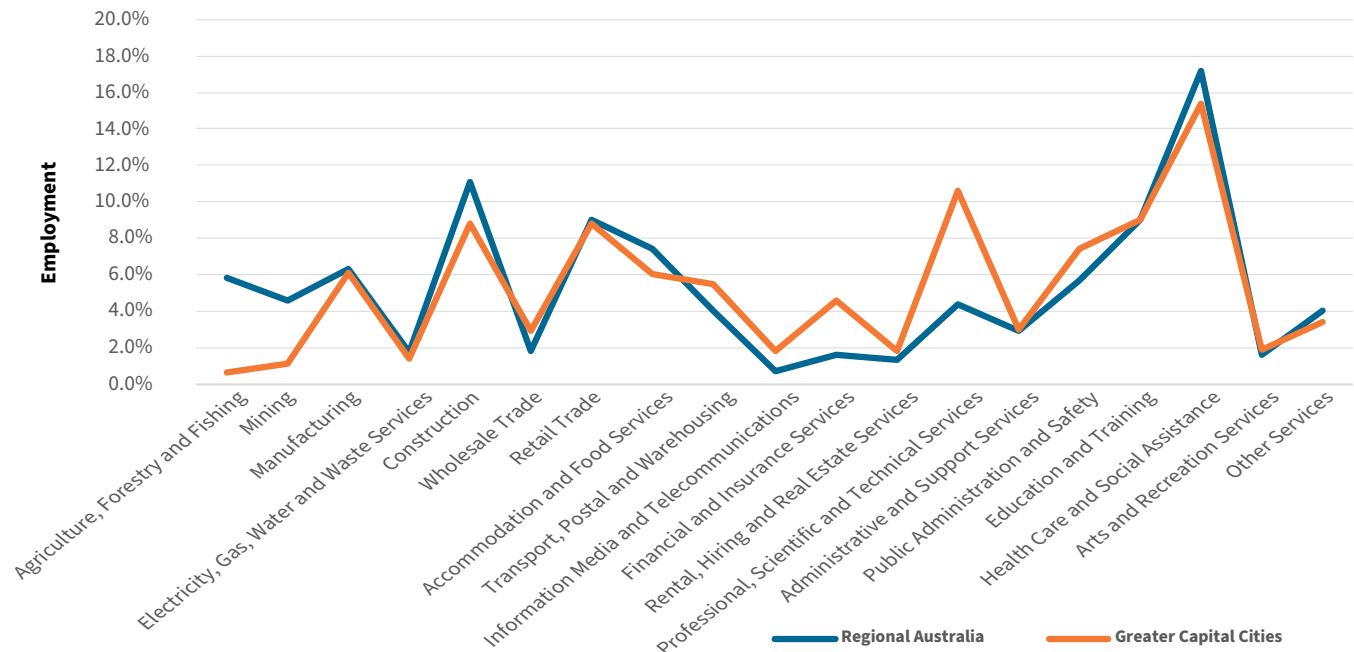
- Regional cities and large regional centres are well placed to be major sources of productivity growth due to agglomeration economies, and less exposed to the costs of congestion than major cities.
- High growth regional centres should be supported with a broad range of enabling conditions: infrastructure, housing, jobs, training opportunities, lifestyle amenities.

Recommendation: Lift skilled migration to regional Australia

- To grow regional labour markets and better align migrant settlement with national population dispersion, a greater share of overseas migrants should be encouraged or directed to settle in regional Australia, with a target of around one-third of new migrants settling outside major capital cities.

Industry structure

Regional economies tend to be less diversified than metropolitan economies. They tend to have a greater share of mining, agriculture, and health and social assistance services, and a smaller share of knowledge-intensive industries such as telecommunications and internet, computer, professional, scientific, and administrative services. The share of knowledge industries, in terms of GRP generated is about 16% in metropolitan regions compared with 9% in regional cities and even less throughout smaller regional communities (NIEIR 2023).


Figure 15. *Employment by Industry, Regional vs Metro, 2024-25*


Source: National Institute of Economic and Industry Research (NIEIR). Compiled by Informed Decisions.

These structural differences account for much of the current productivity levels as well as future productivity growth potential. Despite its exceptionally high labour productivity compared to other industries, the mining sector has experienced a pronounced productivity downturn in recent years, with productivity declining by around 20% over the past five or so years (RBA 2025).

Improvements in agricultural technology, precision farming, and resource extraction methods, for example, can lead to significant gains in output and competitiveness that ripple through the broader local economy. Yet agriculture can also be subject to great volatility from changes in commodity prices and climate, which makes it challenging to maintain a sustainable productivity growth. The non-market sector, including the health care, education and public administration industries, dominates the employment in many regions but has low measured productivity and productivity growth (RBA 2025).

Recommendation: Build on regional strengths while expanding economic diversity

- Governments should continue to develop regional specialisation strategies, cluster precincts, and supply-chain development programs, tailored to a region's natural competitive advantages. This could include targeted investment in technology, skills, and modernisation in leading industries within the region.
- At the same time, policy settings should promote economic diversification to enhance resilience to external shocks and create new pathways for growth, particularly in regions exposed to structural or environmental risks.

Labour and skills

Workforce development is a critical issue for matching skilled workers to jobs and improving productivity and economic resilience in regional Australia. Regional labour markets are experiencing lower unemployment rates and lower labour force participation rates than metropolitan labour markets, demonstrating the difficulty in hiring workers for many regional employers. The unemployment rate in regional Australia was 3.8% in May 2026 compared to 4.6% for the major capital cities, and regional job vacancies rose by 2% over the 12 months to May 2026 compared to a 2% fall for metropolitan job vacancies. Community and personal service workers, labourers, machinery operators and drivers, technicians and trades workers and professionals are all in high demand in regional Australia (RAI 2026).

Many regional economies face persistent and broad skill shortages. While there has been strong net internal movement from cities to regions in recent years, mobility and information barriers remain in attracting skilled workers from other parts of Australia. Regional Australia receives a much lower share of overseas migration than its share of the national population, as discussed earlier. Regional higher education, vocational education, and other training systems are facing difficulties in producing the workforce needed in growing and changing regional economies.

Training models generally rely on scale, which limits their viability in regional and remote areas. As such, greater support for flexible, place-based training approaches is essential. This includes models such as mobile delivery – already being expanded by TAFE – which are increasingly important given ongoing challenges in recruiting and retaining lecturers in regional areas.

There is also an opportunity to further develop and promote employer-led training models, where training is embedded within local industries and tailored to specific workforce needs. These approaches are particularly well suited to regional and remote contexts, where traditional institutional delivery is less practical and where employers play a central role in workforce development.

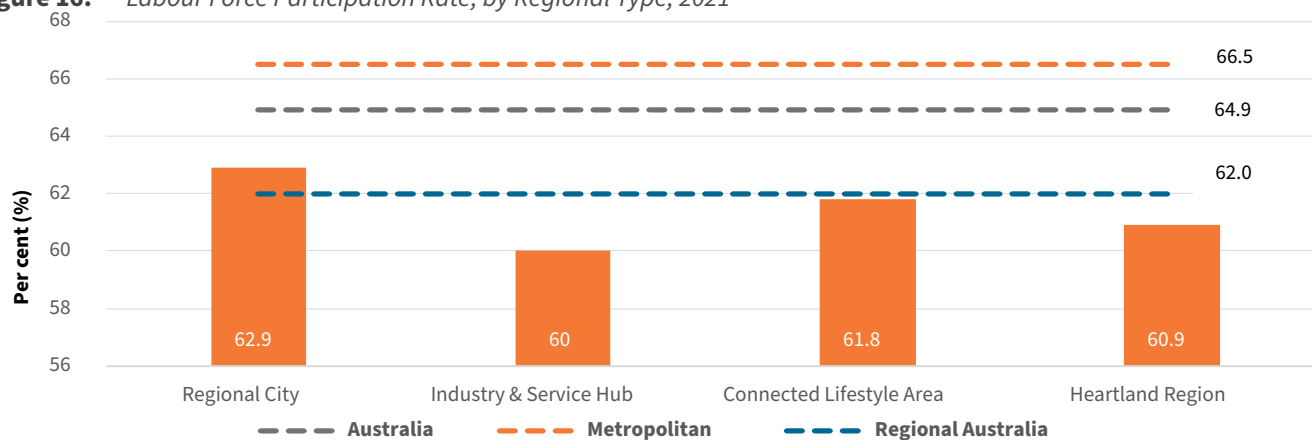
The relationship between the local labour market and local productivity is complex and multi-faceted. In the short term, higher participation can draw less-skilled or lower-productivity workers into employment, which may reduce average productivity in a static sense. Over the long run, however, higher participation supports productivity growth by improving the matching between workers and jobs, and by underpinning capital deepening and innovation (Mahlberg et al. 2006).

Persistent nonparticipation or unemployment can lead to skills erosion and labour market mismatch between workers and employers, making workers less productive when they re-enter the workforce. It is also indicative of a skills mismatch between the needs of local businesses and skills of local workers – with obvious negative implications for future productivity growth without intervention. High unemployment or a low participation rate in a region will cause aggregate productivity growth to slow as there are fewer workers contributing to production. This also influences business confidence: firms may delay machinery upgrades or limit the adoption of innovative technology which requires new skillsets in uncertain labour markets.

Conversely, high labour force participation and low unemployment foster continuous skill development and knowledge transfer between workers, enhancing productivity. Whilst in one respect, a tight labour market represents a handbrake for businesses which struggle to find skilled workers, it is a boon for business confidence. Stable employment markets and local conditions typically provide a more attractive environment for investment, with the potential to drive productivity gains. Regions with larger labour markets and lower relative unemployment tend to have higher levels of productivity and productivity growth.

Many regional and remote communities have a great share of vulnerable and disadvantaged groups, such as Aboriginal and Torres Strait Islanders, migrants, individuals with disabilities, young people between 15 and 24, older adults aged 55 and above, and families with dependent children. These populations are often less engaged in the workforce and experience higher rates of unemployment because of long-term physical and social infrastructure deficits and community and workplace discrimination (RAI 2023), which contributes to a lower participation rate in many regional and remote communities (Figure 16). How to bring these vulnerable and disadvantaged cohorts into the labour force, as well as improve and expand their skills, has been one of the key hurdles faced by very remote communities where economic sustainability relies on increasing participation to simply maintain basic service provision and business continuity.¹

¹ For further discussion on this issue please refer to the RAI (2023) research on regional workforce participation – *Against the odds: Realising Regional Australia's Workforce Potential*.

Figure 16. *Labour Force Participation Rate, by Regional Type, 2021*

Source: ABS Census 2021

Jobs and Skills Australia's 'Regional Roadmap' (2025) is an important initiative that explores these key workforce challenges in detail and provides a framework for enhancing workforce development, education, and skill-building across regional communities. The next phase of the roadmap, the provision of tailored regional roadmaps, will need to be prioritised and adopted by governments as well as the education and training sector to align regional workforce development with productivity and economic growth.

Recommendation: Strengthen regional skills pipelines with investment in human capital

The Australian and state governments should continue to strengthen regional education and training pathways aligned to regional workforce needs, including:

- Expanding regional higher and vocational education pathways, including improved access to education through Regional University Study Hubs
- Further investment and support for apprenticeships
- Building lifelong learning infrastructure so that regional firms can access and develop high-skill workers
- Expanding use of flexible delivery models such as employer-embedded training, mature age apprenticeships, online learning, micro-credentials, and specialist post-graduate qualifications.

Recommendation: Facilitate labour mobility allowing a better match between jobs and workers in regions

- Promote employment opportunities in regional Australia and encourage movement by workers to fill regional job vacancies.
- Governments to remove barriers to occupational licensing recognition between jurisdictions.
- Governments should support adequate provision of key worker housing in regions and consider stamp duty reform to reduce the costs of transferring home ownership associated with worker relocation (see additional housing recommendations below).
- Governments should review the enforceability of non-compete clauses (NCCs) across different regions and promote fair mobility rules.

Recommendation: Support workforce participation by vulnerable and disengaged cohorts through expanded pathways to work and training

- Expand place-based pathways that integrate training, employment and wraparound supports, tailored to the needs of vulnerable and disengaged cohorts in regional labour markets.
- Strengthen the role of community organisations and employers in delivering inclusive, flexible and supportive work environments that enable sustained workforce participation.

Knowledge infrastructure and innovation ecosystems

Regional universities

Many regional economies are supported by regional universities that tailor research and teaching to local industry needs. However, by comparison to metropolitan areas, they may face disadvantages in knowledge creation capacity due to smaller innovation ecosystems, few research institutions and lower concentrations of knowledge intensive industries. Of Australia's 42 universities, only ten are headquartered in regional Australia:

- CQUniversity Australia (Rockhampton, Queensland)
- Charles Sturt University (Bathurst, New South Wales)
- Federation University Australia (Ballarat, Victoria)
- Southern Cross University (Lismore, New South Wales)
- University of New England (Armidale, New South Wales)
- University of Southern Queensland (Toowoomba, Queensland)
- University of the Sunshine Coast (Sippy Downs, Queensland)
- James Cook University (Townsville, Queensland)
- Charles Darwin University (Darwin, Northern Territory)
- University of Tasmania (Hobart, Tasmania).²

RAI analysis of Department of Education statistics shows that universities headquartered in regional Australia account for only around 10% of total university research staff full-time equivalent (FTE) nationally. This indicates a gap in R&D capacity between regional and metropolitan areas.

The presence of a regional university or university campus is also one of the most significant differentiators among regions: Regions with a university benefit from a local anchor institution that supports human capital development, applied research, knowledge transfer and collaboration with industry, government and community organisations (See Case Study: Innovation Ecosystems in Cairns and FNQ). Universities can strengthen regional innovation ecosystems by supplying skilled graduates, facilitating research partnerships, supporting startups and spinoffs, and attracting external research funding and investment. For example, The Regional Universities Network finds that tertiary students educated in regional areas are more likely to remain in the regions for work, highlighting the important role regional universities play in building and retaining human capital and skills locally (RUN 2025). In contrast, regions without a university often face thinner innovation systems, limited access to research capability and fewer opportunities for firms to engage in structured knowledge exchange, constraining their capacity to adopt and adapt innovative technologies.

Furthermore, while knowledge creation is a foundational driver of long-term productivity growth, it does not translate into economic outcomes automatically. Effective innovation requires multiple complementary factors working together:

workers must be receptive to new ideas and technologies, firms need the skills and managerial capability to implement change, and organisations must be willing to invest in deployment and scaling. As a result, the capacity of regional innovation ecosystems varies widely across Australia, shaped by differences in industry structure, institutional presence, connectivity, population scale, workforce skills, and local leadership.

Regional business innovation

The ABS Innovation in Australian Business survey shows that innovation activity is lower in regional areas, and that regional firms more likely to adopt existing innovations rather than pioneer new ones.

Structural differences in funding and capability underpin these patterns, including constrained access to finance, as well as comparatively fewer highly innovative firms and highly skilled knowledge workers. Regional businesses rely more heavily on traditional bank finance and have less access to private finance, such as owner funds and venture capital. Regional firms face greater barriers during the development phase of innovation, especially skills shortages, access to finance and regulatory complexity, although they report fewer barriers at the commercialisation stage.

However, the same survey also finds that once innovations were developed and commercialised, regional businesses reported similar rates of achieved outcomes comparable to those in capital cities, with regional firms recording slightly higher outcomes in environmental benefits, revenue growth, and productivity gains. (See Spotlight: Understanding Regional Business Innovation)

Recommendation: Support the creation and development of local innovation ecosystems to facilitate knowledge transfers between industry, university, and government

- Targeted investment into the development of regional innovation clusters has the potential to boost regional productivity through accelerated technology adoption, encouraging knowledge spillovers and enabling firms to move to higher-value business activities.
- Support may include targeted R&D incentives, physical hubs and business parks, technology extension services, collaboration with universities and research centres, secretariat support for region-wide collaboration bodies, digital capability uplift programs, and facilitation of industry-research partnerships.

² According to the RAI definition, Darwin and Hobart are also part of regional Australia.

Recommendation: Improve access to early-stage finance and capability support for regional innovators

- Policy should focus on expanding early-stage and risk-tolerant finance for regional firms, where reliance on traditional bank lending can constrain experimentation and scale-up.
- Relevant measures could include regionally tailored patient capital funds, co-investment and matched-funding schemes to crowd in private finance, and mechanisms to extend venture and angel investment into regional markets. These should be complemented by advisory support to strengthen investment readiness, managerial capability, and navigation of regulatory requirements during the innovation development phase.

Market competition

Declines in business investment and economic dynamism in Australia over a long period, partly linked to declining competition, are associated with reduced productivity (Hambur & Andrews 2023). Owing to ‘thin markets’ (fewer buyers and sellers) and lower economies of scale and scope, remote and smaller regional markets are more likely to experience lower levels of competition in many sectors. Increasing competition in regional markets can stimulate firms to improve efficiency, invest in productive assets and adopt new technologies, and create an environment where new entrants can challenge incumbents. Regional consumers can benefit from increased competition through improved goods and services and lower prices.

Competition can also contribute to regional productivity growth through improving the functioning of local labour markets and enabling more efficient allocation of skills. The OECD (2023b) notes that regions with greater diversity in firms and industries tend to have stronger labour productivity outcomes, partly because competitive, multi-firm environments support better job matching, higher wages, and stronger incentives for skill development.

RAI’s 2022 research on innovation and productivity in regional Australia reveals regions already lead in sectors such as mining, logistics and manufacturing, but continued productivity growth depends on maintaining pressure for firms to innovate rather than relying on natural advantages alone (Basset et al 2022). Competition fosters a dynamic environment where workers can more easily move to higher productivity firms and where businesses must continually improve to retain talent and market share (Basset et al 2022).

Heightened competition also facilitates regional economies becoming more diversified and resilient – a crucial component of long-term productivity growth. As discussed previously, regional economies are often less diversified and have limited knowledge intensive industries compared to metropolitan areas, this makes them more susceptible to shocks and less exposed to innovation driven competitive pressures. Encouraging new market entrants – whether through regulatory reform, improved infrastructure, reducing barriers to entry or targeted investment – helps expand the base of firms, increasing local supply chain depth and enabling knowledge spillovers that drive productivity.

Recommendation: Enhance regional market competition

- Encourage new market entrants in regional markets, whether through regulatory reform, improved infrastructure, reducing barriers to entry or targeted investments.
- Require competition policy reforms, such as those considered in the National Competition Policy review, to include explicit analyses of regional markets to ensure policies promote competition and increase consumer welfare.



Public investment into common infrastructure can facilitate technical efficiency within firms, such as smart infrastructure that reduces traffic congestion and lowers transport costs and times.

Physical and social infrastructure

Infrastructure

Investment in infrastructure is central to lifting productivity in regional Australia by addressing the structural disadvantages associated with distance, smaller local markets, limited access to services, and lower levels of agglomeration.

Regional infrastructure plays a critical role connecting regional communities, supporting the movement of goods to and from regions, enabling accessibility to essential services and supporting resource exports, food production, tourism, and freight connectivity (Infrastructure Australia 2026). High-quality transport and energy infrastructure can lower business costs, strengthen supply chains, and expand the effective labour market by making it easier for workers and firms to connect across regions (APH 2010). Public investment into common infrastructure can facilitate technical efficiency within firms, such as smart infrastructure that reduces traffic congestion and lowers transport costs and times.

By contrast, infrastructure constraints can negatively impact the labour supply and reduce the effective labour force catchment area (by increasing commute times to undesirable levels). Likewise, with infrastructure reducing business investment potential, limited connectivity and infrastructure negatively impacts the desirability and liveability of region to potential migrants. Infrastructure constraints can also create a vicious cycle which deters both business investment and labour mobility, hampers economic activity, and reduces the case for expanded infrastructure.

While infrastructure deficits are a widespread challenge across regional Australia, the nature of these deficits varies between regions. Different places face distinct constraints, needs and priorities shaped by their economic structure, geography and population characteristics. For many smaller communities, even modest improvements in local connectivity – such as better road maintenance – can deliver immediate productivity gains. In contrast, larger regional centres may require stronger inter-regional transport links to support market access, workforce mobility and business scale. Infrastructure Australia's 2022 Regional Strengths and Infrastructure Gaps gives a strong example of a place-based approach, naming region-specific infrastructure challenges and opportunities. Well targeted infrastructure can help regional communities overcome structural barriers, create new opportunities for industry diversification, and support more inclusive national productivity growth (OECD 2023b).

Recommendation: Strengthen transport infrastructure

- Invest in regional transport links and mobility infrastructure to reduce costs, improve efficiency and allow firms to scale up more efficiently and effectively by connecting markets, services, and workforces.
- Strengthen place-based planning and delivery, drawing on region-specific infrastructure gaps and opportunities to overcome structural disadvantages associated with distance and small markets.

Digital connectivity

Digital technology is increasingly recognised as a core factor of production, reshaping productivity across Australia's economy and offering benefits for regional, rural, and remote areas by reducing the constraints of distance, scale, and density. Digital infrastructure enables access to markets, services, employment, and knowledge that has traditionally been concentrated in metropolitan areas, supporting what has been described as 'virtual agglomeration'. Findings from the Australian Government Treasury (2023) show digital infrastructure such as high-speed broadband enables regional firms to adopt advanced technologies, participate in new markets, and integrate into national and global value chain. The growth in technology-enabled remote working since the COVID-19 pandemic is also changing workplaces and settlement patterns across Australia and creating new opportunities for regional living.

However, these productivity opportunities are unevenly realised. Persistent gaps in broadband and mobile connectivity, affordability and digital capability remain across regional Australia, particularly in very remote communities and among First Nations Australians, contributing to social exclusion, constrained business innovation, and lost productivity. Digital exclusion both reflects and reinforces broader socioeconomic disadvantage, limiting access to essential services, skills development, and labour market participation.

Emerging technologies such as AI, data analytics and automation are transforming regional industries but remain under adopted by many businesses, with skills shortages, access to finance, legacy systems and cybersecurity risks posing challenges for small and regional firms. (See Spotlight: Digital Technology, Inclusion and Regional Productivity).

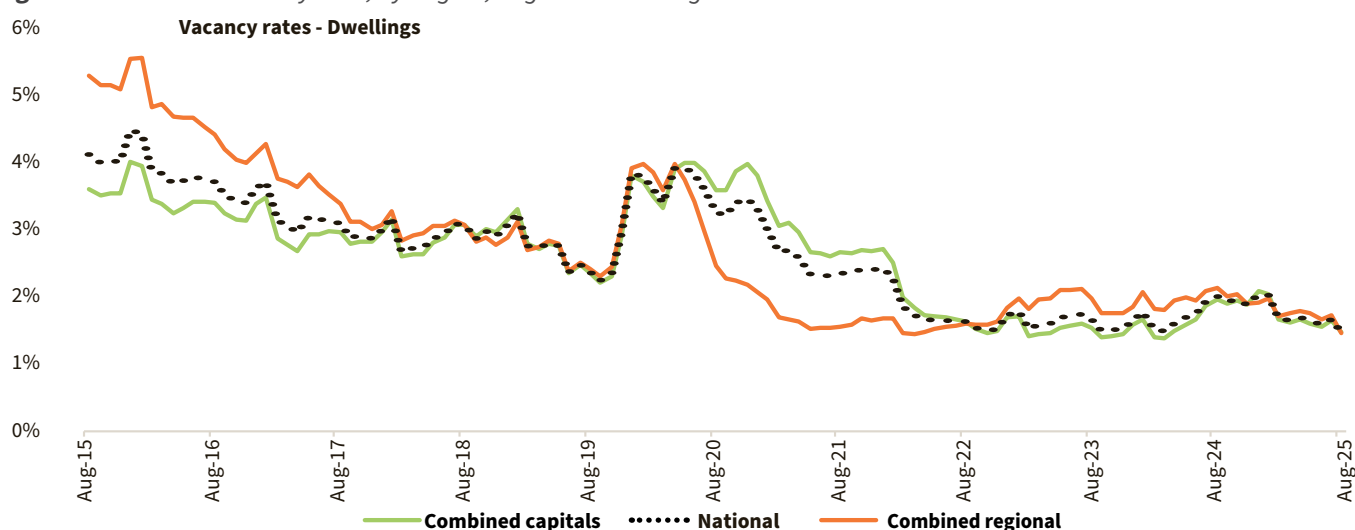
Recommendation: Improve regional digital communications infrastructure and build regional capability for digital technology use

- Improve regional, rural and remote digital communications infrastructure and increase accessibility, reliability and affordability of digital communication services for regional communities and businesses.
- Implement the recommendations in the 2024 Regional Telecommunications Review, prepared by the Regional Telecommunications Independent Review Committee, which stresses the importance of ensuring all regional Australians can fully take part in the digital economy. The Review suggests the Australian Government:
 - Create a connectivity strategy for regional, rural, and remote areas
 - Establish a permanent Regional Telecommunications Commissioner or Advisory Panel
 - Build a national telecommunications data platform
 - Continue support for the First Nations Digital Inclusion Advisory Group.
- The regional connectivity strategy, as outlined in the report, should provide a coordinated, long-term framework to prioritise regional infrastructure investment, align funding programs, and target underserved areas. It should also incorporate investment in emerging and alternative technologies and support place-based solutions, recognising that standard commercial models may not meet the needs of smaller or remote communities.

Housing

While housing in regional areas typically remains more affordable than in metropolitan markets, an increasing shortage of affordable housing supply is emerging across many rural and regional communities (RAI 2025; Beer et al. 2024). Many regional and remote housing markets have lower rental vacancy rates than metropolitan housing markets. When housing supply fails to keep pace with demand, limited availability and rising costs restrict labour mobility, making it harder for workers to relocate to regional areas with stronger job matching and higher-value employment.

Figure 17. Rental Vacancy Rate, by Region, August 2015 to August 2025



This misallocation of labour reduces aggregate productivity by preventing firms from accessing the workforce and skills they need and by locking workers into suboptimal job matches. At a regional level, housing shortages can cap population growth in economically dynamic areas, limiting agglomeration economies that underpin innovation, knowledge spillovers, and scale efficiencies. In this case, housing constraints are not merely a social or affordability issue, but a structural brake on economic and social development (RAI 2025).

Therefore, boosting housing supply in regional Australia can play a significant role in enabling labour mobility and population growth and spurring investment. This includes both business investment seeking to capitalise on a larger pool of skilled workers, as well as public infrastructure investment – particularly in transport and communications infrastructure. There are also initial economic gains during the construction phase of the public and private investment (NIEIR 2023).

The RAI's 2025 report *Answering the Call for Regional Housing* discussed the regional housing issue in detail and provided a suite of recommendations for growing regional housing supply.

While more housing is urgently needed in regional Australia, housing alone is not sufficient to attract and retain workforce - other important factors include relative wages, career progression, and employment opportunities, as well as nonfinancial considerations including perceived quality of life.

Recommendation: Increase the housing supply in a manner which is aligned with regional economic growth and facilitates workers moving to where they are needed

- The National Housing Accord should incorporate a strong target for new housing in regional Australia within the national target of 1.2 million homes.
- State and territory governments should support the rapid provision of key worker housing in regional and remote markets in response to need, using government financing support, modern methods of construction and investments in enabling infrastructure.
- The Australian and state governments to provide funding for enabling infrastructure for housing, with specific programs targeted to regions on a needs-based approach.

Education, care, and other services

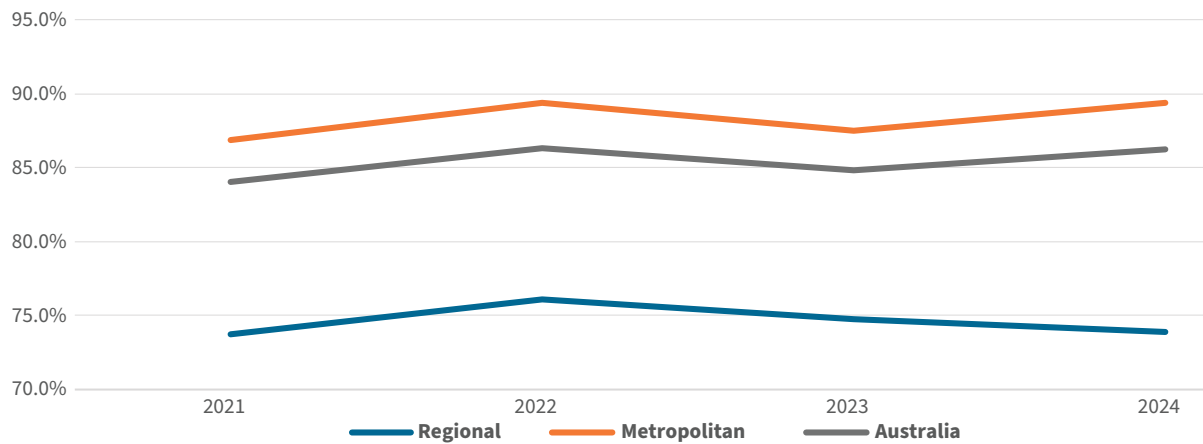
As industries, education, care, and other non-services are typically characterised by low measured productivity growth, reflecting both their inherently labour-intensive nature and longstanding limitations in productivity measurement. Outputs in sectors such as education, health and care are difficult to value, prices are often administratively set or zero, and quality improvements - such as better learning outcomes, improved health, or enhanced wellbeing - are only imperfectly captured in standard productivity statistics.

However, focusing solely on their direct productivity performance understates their broader economic contribution. As social infrastructure, education, care, and other essential services play a significant role in shaping regional productivity, labour market participation, and long-term economic resilience. Education systems - from early childhood through schools, vocational education, and universities - build human capital, support skills development aligned to local industry needs and underpin regions' capacity to adopt innovative technologies and innovate over time. Cognitive skills development directly results in higher long-term productivity growth for both regional and national economies (Hanushek et al. 2012).

Care services, including health, aged care, disability support and childcare, are equally critical economic enablers: they support workforce participation, facilitate labour mobility, improve population retention, and sustain liveability, while also functioning as major employers and sources of stable demand in many regional economies.

Importantly, these sectors generate substantial indirect productivity benefits by enabling labour force participation, strengthening human capital, improving job matching and supporting the functioning of local labour markets. These issues are well recognised in the Productivity Commission's two most recent inquiries *Building a Skilled and Adaptable Workforce* and *Delivering Quality Care More Efficiently*.

In regional and remote contexts, constraints in the availability, accessibility or quality of education and care services can act as binding constraints on business expansion, population growth, and productivity across the wider economy. For example, Figure 18 shows that young people aged 20-24 in regional areas have significantly lower levels of educational attainment than their metropolitan counterparts. Mitchell Institute (2024) research also indicates that more than 30% of the regional population live in a 'childcare desert', compared with just 12% in capital cities. Strengthening education, care and related services should be understood not as a trade-off with productivity, but as a foundational investment - one that underpins productivity growth in market sectors, supports more resilient regional economies, and helps ensure that the benefits of economic growth are shared across all Australians (SAPC 2024a).


Figure 18. School Attainment Rate of Young People (20-24 years), by region, 2021-24


Source: ABS Education and Work November 2025

Recommendation: Strengthening education, care, and other services delivery in regional and remote communities

- Governments should prioritise improved access to and quality of education, care, and essential services in regional and remote communities as a foundation for workforce attraction, labour force participation and human capital and productivity growth.

Improving liveability in regional communities – including infrastructure, digital connectivity, affordable and accessible housing, and essential services – extends beyond social policy and has wide-ranging direct and indirect implications for regional economies. Addressing these factors can strengthen productivity by supporting a more balanced distribution of population growth across regional and metropolitan areas and enabling long-term regional settlement. When people are better able to choose where they live and work, productivity gains arise not only through increased labour supply and skills utilisation, but also through reduced commuting times, stronger community engagement, and improved wellbeing. This underscores the importance of integrating service provision with workforce development and connectivity strategies.



Education systems – from early childhood through schools, vocational education, and universities – build human capital, support skills development aligned to local industry needs and underpin regions' capacity to adopt innovative technologies and innovate over time.

Policy and regulation

Economy-wide policies

Many RAI consultations over recent years have consistently highlighted the inefficiencies associated with assuming transferable conditions across regions, particularly through the implementation of economy-wide policies that are uniformly rolled out across diverse regional contexts.

While standardised policy frameworks may offer administrative simplicity and consistency at the national or state level, they often fail to account for the substantial differences that exist between regions in terms of economic structures, demographic composition, institutional capacity, labour market conditions, infrastructure access, and social characteristics. Such approaches tend to overlook the economic, institutional, and social realities that shape how policy operates on the ground, even though policies interact differently with local conditions and therefore produce uneven outcomes across places.

By not accurately reflecting regional disparities and place-specific dynamics, these approaches risk not only mis-estimating the impacts and effectiveness of policy interventions, but also overlooking opportunities to harness local comparative advantages, existing capabilities, and community knowledge. As a result, centrally designed policies can inadvertently reinforce regional inequalities, constrain innovation, and limit the ability of regions to respond flexibly to local challenges and opportunities.

Recommendation: Supplement economy-wide productivity policies with region-specific actions

- Governments should assess and monitor the regional impacts of economy-wide productivity policies and consider adopting supplementary region-specific actions that respond to local challenges, opportunities, and capacities.

Regulatory costs

Unnecessarily complex and burdensome regulations can reduce productivity by increasing both the cost and time firms must spend on compliance rather than innovation and productivity gains. On a macro scale, International Monetary Fund (IMF) research highlights that excessive regulatory barriers reduce allocative efficiency limiting the ability of economies to allocate labour and capital to their most productive uses (Nan 2024).

Regulatory burdens can also inhibit business growth and scaling potential. These constraints disproportionately impact smaller firms, which are the backbone of regional economies, and which typically have fewer resources available to manage regulatory requirements. Complex approval processes and regulatory uncertainty may discourage both domestic and foreign investment particularly in new or expanding enterprises. IMF research notes that structural reforms addressing regulatory burdens are essential to ending stagnant productivity growth across the globe (Nan 2024).

Recommendation: Reduce the cost of regulation for regional businesses

- Streamline regulations to allow regional businesses to operate more efficiently, reducing the time and cost associated with compliance and enabling firms to allocate resources to productive activities.

Local government capacity

Local government capability is critical to effective engagement with other levels of governments in supporting regional productivity, particularly in relation to performance monitoring, stakeholder coordination, identifying local needs, and planning and delivering projects. However, many regional and remote councils face constraints in financial and administrative capacity, limiting their ability to design and implement productivity-enhancing initiatives. The RAI surveyed 35 local governments across regional Australia to better understand the challenges they face, including changing state legislation, geographical constraints, workforce limitations, revenue-raising capacity, financial sustainability, and population change.

Survey respondents reflected a wide spectrum of circumstances, ranging from councils with relatively strong financial positions seeking greater autonomy to those struggling to maintain core operations and requiring additional support. Nonetheless, a consistent finding across respondents was a high level of dissatisfaction with the current state of local government funding (RAI 2024).

Financial pressures were closely linked to structural constraints within the funding system. Participants reported that rate caps, and the difficulty of securing variations, have limited councils' ability to increase revenue in line with inflation. Cost shifting from the Australian and state governments was also a recurring concern. This occurs, for example, where responsibilities are devolved without commensurate funding, where legislative requirements impose additional compliance costs, or where councils step in to address gaps in essential services within their communities (RAI 2024).

Local governments are established under state and territory legislation, with governance and management residing within those jurisdictions. The Australian Government's primary lever of influence is financial assistance, including Financial Assistance Grants (FA Grants). While all councils rely on FA Grants to some extent, regional, rural and remote councils tend to be more dependent due to their weaker revenue bases.

In addition to FA Grants, local governments rely on multiple funding sources, each with distinct rules, reporting requirements, and timelines. Some grants are tied to specific projects or outcomes and are highly competitive, limiting councils' flexibility to respond to local priorities. Smaller councils and remote communities are often disadvantaged under these competitive, project-based funding models due to capacity constraints.

Taken together, these trends raise broader questions about the financial sustainability of local government (RAI 2024). In this context, the House of Representatives Standing Committee on Regional Development, Infrastructure and Transport has commenced the Inquiry into Local Government Funding and Fiscal Sustainability, which remains ongoing as of July 2026.

Beyond funding, councils also face broader institutional and operational challenges. Survey respondents reported that managing legislative and planning relationships with state governments can be complex, particularly in relation to environmental regulations such as biodiversity offsets and waste levies. Local governments also face barriers in accessing and using data to inform planning and investment decisions. These challenges are further compounded by political and departmental changes, which can undermine long-term planning and funding certainty (RAI 2024).

Workforce shortages represent an additional critical constraint on local government capability. Councils reported significant difficulty attracting and retaining skilled workers, particularly in essential service occupations. These challenges reflect both financial limitations and structural disadvantages relative to metropolitan areas, including constraints in offering competitive remuneration and broader liveability pressures (RAI 2024).

Accordingly, efforts to build local government capacity should be more closely linked to broader workforce attraction and retention strategies, ensuring regions not only have funding and frameworks in place, but also the skilled workforce needed to deliver on productivity outcomes.

Recommendation: Strengthen funding and build capacity of regional local governments to support place-based productivity investments

- Strengthen long-term, flexible funding arrangements and revenue-raising capacity of regional local governments, alongside workforce, planning and data capabilities, to enable effective planning, coordination and investment in region-specific productivity-enhancing initiatives.



Regulatory burdens can also inhibit business growth and scaling potential. These constraints disproportionately impact smaller firms, which are the backbone of regional economies.

Cross boundary challenges

In many parts of Australia, functional economic regions extend across state or local government administrative borders, sharing labour markets, infrastructure assets, and service systems. Productivity growth cannot be effectively addressed at national, state, or local government levels alone; it is best understood and acted upon at the regional scale.

Recognising regions that cross state borders as shared economic systems is important when designing place-based productivity responses (e.g. Albury-Wodonga, Echuca-Moama, Mildura-Wentworth, Tweed Heads-Coolangatta). Familiar challenges for these regions include duplicated licensing and compliance requirements, non-portable workforce credentials, inconsistent payroll tax thresholds, separate infrastructure planning processes, and limited digital interoperability between government systems. These frictions increase operating costs, delay projects, and reduce workforce flexibility, particularly for small and medium sized enterprises and essential service providers. Addressing these barriers represents a practical opportunity to lift regional productivity through better alignment of existing systems, without requiring major new investment. (See Spotlight: Productivity Issues in Cross Border Regions)

Beyond regions that span state borders, productivity challenges in rural and remote Australia often extend across local government boundaries, reflecting the spatial scale of labour markets, supply chains, infrastructure networks, and service catchments. Economic activity in these areas is rarely confined to a single local government area; instead, firms and workers operate within functional regions that cut across administrative boundaries. Addressing productivity challenges therefore requires collaborative governance arrangements that support coordination across local governments, align national, state, and regional priorities, and enable integrated investment in infrastructure, skills, and industry development at an appropriate functional scale.

Recommendation: Strengthen coordinated planning and co-investment in cross-boundary regions

- Coordinate planning and investment in cross border infrastructure, particularly freight corridors, intermodal hubs, health access routes and telecommunications networks, and improve regulatory alignment and digital interoperability between jurisdictions to support better workforce mobility and service delivery.
- Support collaboration across local governments to develop and implement region-wide strategies for infrastructure, workforce development and economic growth, building on models such as NSW Joint Organisations and other cross-LGA regional partnerships.

Discussion

The table below summarises key factors affecting regional performance and associated policy directions. Rather than adopting a one-size-fits-all approach, it provides a structured framework to guide place-based analysis of regional productivity, whereby these factors need to be analysed and interpreted within local and regional contexts.

Productivity challenges in rural and remote Australia often extend across state and local government boundaries, reflecting the spatial scale of labour markets, supply chains, infrastructure networks, and service catchments.


Table 5. Summary Table for Factors Affecting Regional Productivity and Policy Directions

Factor	Mechanism	Key Regional Constraints	Policy Directions
Environmental conditions	Directly shapes output, labour performance and capital effectiveness, especially in agriculture and resource sectors	Exposure to climate variability and extreme weather; lower disaster resilience in regional areas	Invest in climate adaptation, water security, resilient infrastructure, and transition pathways
Access to land and natural resources	Enables scale economies and global competitiveness in agriculture, mining and energy	Resource dependence, market volatility, and boom-bust cycles	Balance specialisation with diversification; invest in value-adding and resource management
Distance and isolation	Increases transaction, transport and input costs; limits agglomeration and service access	Thin markets, weak service access, limited labour pools, and reduced knowledge exchange	Improve transport and digital connectivity to reduce 'distance penalty'
Population size and structure	Larger, younger, and skilled populations support agglomeration, innovation, and labour market depth	Small populations limit scale; ageing reduces labour supply and adoption of innovation	Support population growth in regional cities
Skilled migration	Fills persistent skills gaps; supports business expansion and innovation	Low share of migrants settling in regions; persistent shortages in key occupations	Strengthen regional migration pathways and incentives for settlement
Industry structure	Determines productivity levels through scale, capital intensity and exposure to innovation	Over-specialisation in resource sectors; limited diversification; dominance of low-productivity sectors	Build on comparative advantage while promoting diversification and new industries
Labour and skills	Productivity depends on participation, skills matching, and labour mobility	Skills shortages, mismatch, low participation among vulnerable groups, and labour mobility barriers	Strengthen skills pipelines, improve mobility (e.g. licensing reform), and expand inclusive workforce pathways
Knowledge infrastructure and innovation ecosystems	Drives productivity through technology adoption, knowledge diffusion, and R&D	Smaller innovation ecosystems, few research institutions, and lower R&D capacity	Build regional innovation ecosystems, strengthen industry-university links, and expand R&D investment
Access to finance and business innovation	Enables investment, scaling and innovation activity	Heavy reliance on bank finance; limited venture capital and early-stage funding	Expand patient capital, co-investment models, and innovation capability support
Market competition	Encourages efficiency, innovation, and resource reallocation to productive firms	High concentration, thin markets, and limited entry	Strengthen competition policy, improve market transparency, and support new entrants
Physical infrastructure	Reduces costs, strengthens supply chain, expands markets, and supports labour mobility	Infrastructure gaps, poor connectivity, and uneven access across regions	Targeted, place-based infrastructure investment aligned to regional needs
Digital connectivity	Enables 'virtual agglomeration' and provides access to services, markets, and innovation	Digital Connectivity gaps, affordability issues, and lower digital capability, especially in remote areas	State digital strategy for regions; invest in access, capability and adoption
Housing supply	Facilitates labour mobility, population growth, and job matching	Housing shortages constrain workforce attraction and mobility	Incorporate regional targets for housing within state targets; invest in key worker housing and enabling infrastructure
Education, care and other services	Builds human capital, and supports participation and liveability	Limited access/quality in regional areas; childcare deserts; lower educational attainment	Improve service access; treat social infrastructure as productivity-enabling investment
Policy and regulation	Shapes incentives, costs, and business operating environment	One-size-fits-all policies, regulatory burden, and weak regional targeting	Tailor policies to place; reduce compliance costs; integrate regional impacts
Local government capacity	Enables coordination, planning, and delivery of productivity initiatives	Limited funding, short-term grants, and fragmented planning capacity	Strengthen long-term funding and institutional capacity of local governments
Cross-boundary issues	Affects labour mobility, supply chains, and infrastructure efficiency	Regulatory misalignment, non-portable licenses, duplicated systems, and poor coordination	Improve cross-border alignment, shared planning, and digital interoperability

Productivity barriers and enablers are not evenly distributed. They are spatially concentrated and deeply rooted in local economic structures, institutions, and capabilities. Persistent productivity gaps are driven by social regional disparities, with regions outside the metro areas facing entrenched deficiencies in skills alignment, business dynamism, innovation ecosystems, and infrastructure. While different regions are affected by these issues to a greater or lesser degree, they have different resources, capacities, constraints, and priorities and thus require (and have already designed) different solutions. This is why national, one-size-fits-all productivity reforms are insufficient: place-based policies are crucial to solving productivity challenges, which examine these challenges and opportunities from a local and regional perspective, understanding how they unfold in specific places (British Academy 2016).

Likewise, different regions require different policy levers: in some cases, this involves strengthening foundational skills and innovation systems, while in others it requires overcoming geographic isolation. Place-based policies allow governments to respond directly to these distinctive barriers rather than treating national averages as representative (Westpac 2025). While this chapter has outlined a suite of recommendations, these should not be interpreted as uniformly applicable across all regions. Rather, they are intended to highlight key enablers of regional productivity. Effective implementation requires these general principles to be adapted and applied through genuinely place-based approaches that reflect the unique characteristics, constraints, and opportunities of each region.

Furthermore, improvements in technology and infrastructure, upskilling of workers and managers, and increasing innovation capacity all depend heavily on the strength of local institutions, such as links between universities, innovative workers and firms, and councils (South Australia Productivity Commission 2023b). Local institutions are also best placed to understand and respond to the issues that directly affect their communities. A place-based policy must acknowledge and leverage these strengths.

Coordination amongst different levels of government is necessary to create integrated, well-sequenced productivity strategies and to manage trade-offs between different regional priorities (South Australia Productivity Commission 2023b). The issues outlined above – environment, population, industry, labour and skills, infrastructure, and liveability – are inherently interdependent. For example, regions cannot solve workforce or productivity challenges without addressing population distribution and liveability factors. A more balanced national settlement pattern enables government and industry to plan infrastructure, housing, and services more efficiently, reducing bottlenecks and creating conditions for sustainable growth. This, in turn, facilitates resilience by diversifying regional age profiles and strengthening the working age population pipeline. For productivity-focussed policies to be effective, governance structures must coordinate investments across sectors, particularly transport, housing, skills, and innovation – all of which are inherently spatial.

The next chapter examines the current national and state productivity policy agenda, highlighting that while economy-wide and sector-wide policies are necessary and important, place-based policymaking is even more critical.



Coordination amongst different levels of government is necessary to create integrated, well-sequenced productivity strategies and to manage trade-offs between different regional priorities.

Spotlight: Understanding Regional Businesses Innovation

The ABS regularly releases a data series called Innovation in Australian Business. This is an important national dataset providing detailed breakdowns of survey responses by location, industry, size, and innovation activity. This survey provides much needed data on the differences in innovation practice between Australia's capital cities and regions.

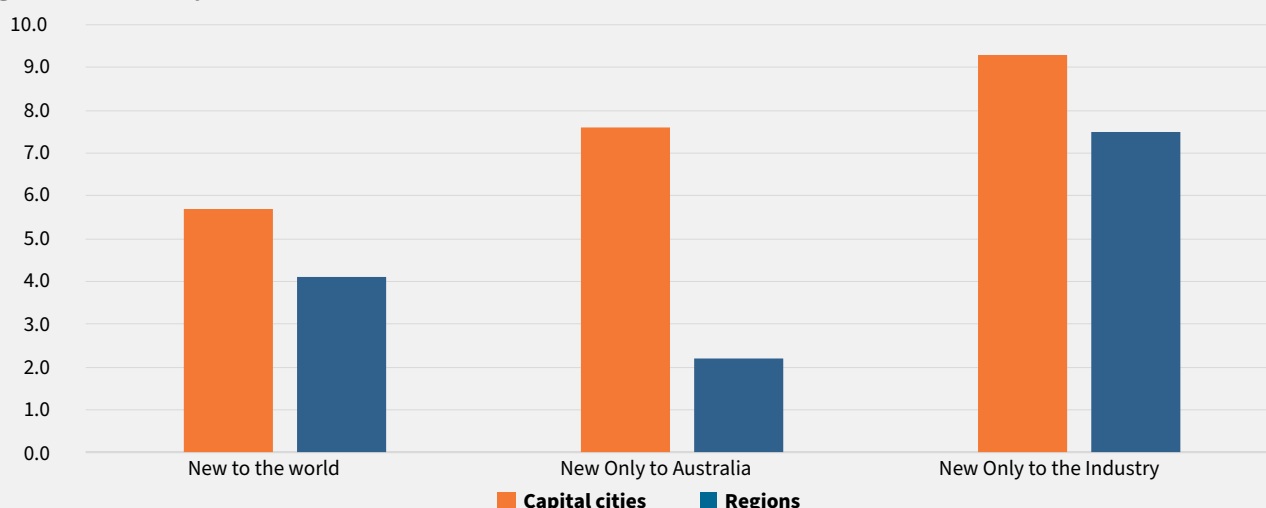
The most recent release (June 2024) shows 46% of survey respondents reported being inactive, with innovation rates lower in regional areas. This gap in innovation activity between regions and capital cities extends to the novelty of innovation with regional businesses more commonly adopting existing innovations rather than pioneering – particularly evident for innovations originating from overseas, which are typically introduced to the Australian economy through capital cities before diffusing in regional areas.

Regional businesses reported lower rates of innovation that were:

- 'New to the world.'
- 'New only to Australia but not the world.'
- 'New to the industry, but not Australia or the world.'

However, this gap was noticeably smaller in innovations 'new to the world' and innovations 'new to the industry, suggesting regional firms can still play a significant role in developing novel inventions and learning from other industries. Foreign innovations coming to Australia for the first time appear to channel through capital cities first, before being adopted by the regions.

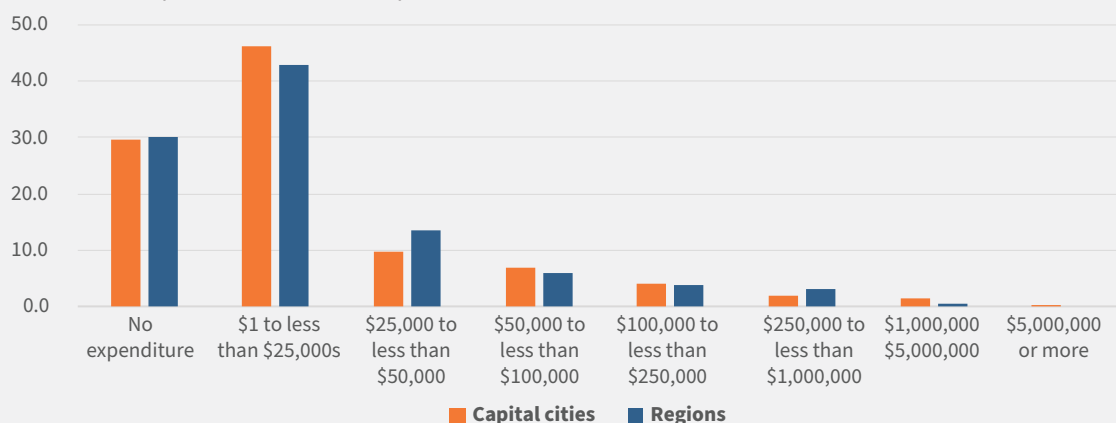
Figure 19. *Novelty of Innovation, Innovation in Australian Business, 2022-23*



Source: ABS Innovation in Australian Business (June 2024)

Across both capital cities and regions, three quarters of businesses spent less than \$25,000 on innovation and less than one in 10 businesses spent more than \$100,000. Although capital cities have a higher proportion of businesses with innovation expenditure exceeding \$1 million, these businesses make up less than 2%.

Figure 20. *Amount Spent on Innovation Expenditure, Innovation in Australian Business, 2022-23*

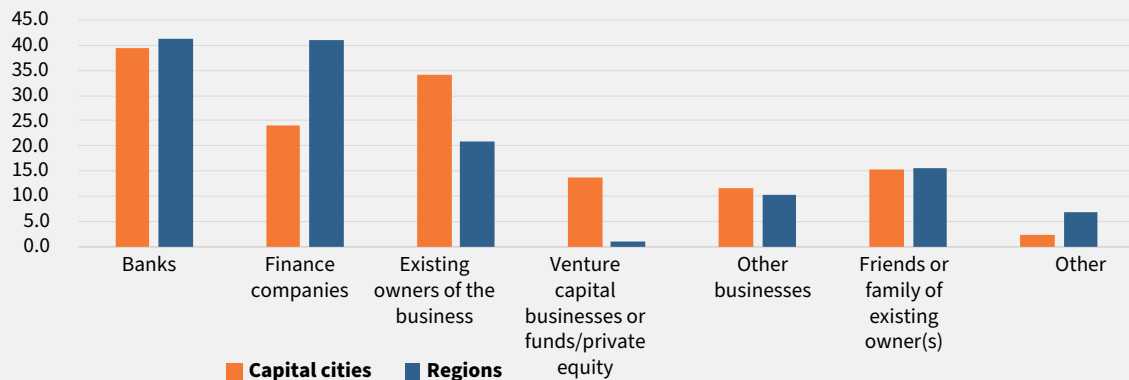


Source: ABS Innovation in Australian Business (June 2024)



There is a significant difference in innovation funding sources between Australia's capital cities and regions. Regional businesses had a much greater reliance upon formal financial institutions, such as banks, with 82.2% of businesses choosing to use them. There is a notable gap in private finance – the use of business owner's funds and venture capital: in capital cities this accounts for funding almost half of innovations (47.8%), compared to just over one-fifth (21.9%) in the regions.

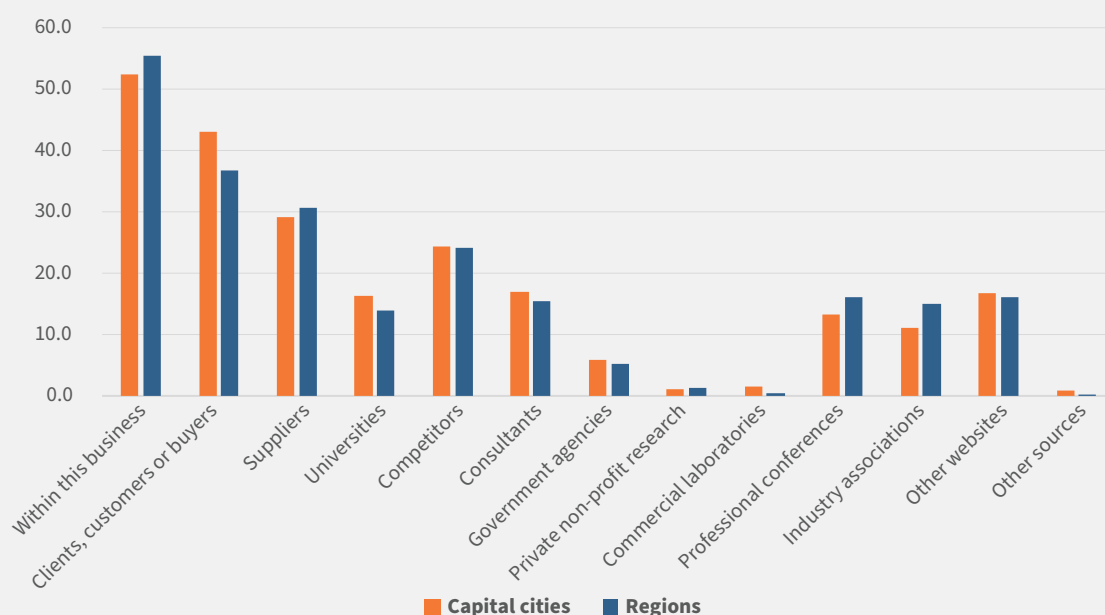
Figure 21. *Funding Source, Innovation in Australian Business, 2022-23*



Source: ABS Innovation in Australian Business (June 2024)

There were only minimal differences between the capital cities and the regions regarding the original idea source for the innovation. Sources came primarily from: internal ideas, clients, suppliers, and competitors. Professional conferences and industry associations were another important source of ideas, particularly for regional businesses: with 31.1% of respondents in regions compared to 24.4% in capital cities citing them as an important source of idea generation. This highlights the outsized impact of these activities in regional areas, and the importance of connecting industry professionals and forming communities of practice in regional and remote areas. Academia (including publications and conferences) and government were reported as providing comparatively little innovation inspiration. This highlights the importance of word-of-mouth, informal networks, and professional communities of practice in the innovation process.

Figure 22. *Source of Innovation, Innovation in Australian Business, 2022-23*



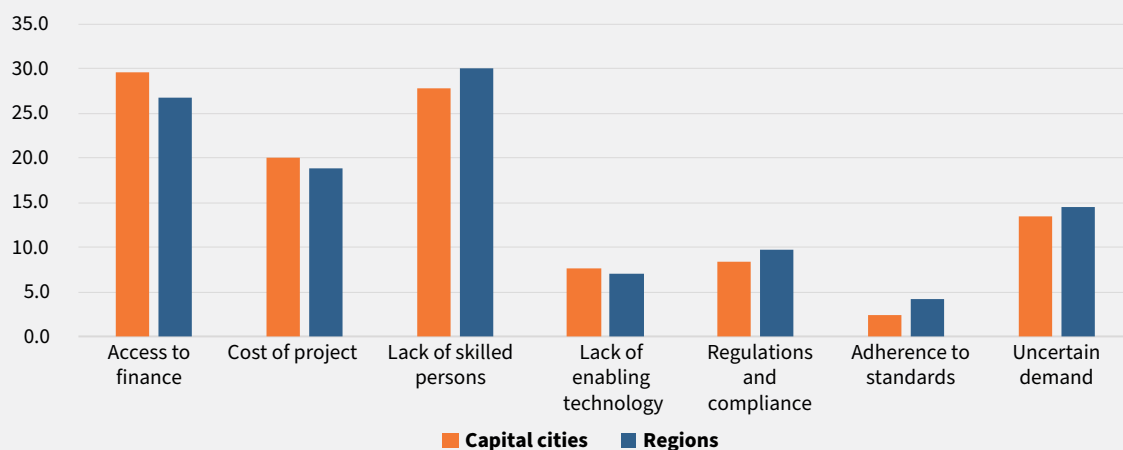
Source: ABS Innovation in Australian Business (June 2024)

In terms of barriers, this can be broken down into two components: developing the original idea and the subsequent commercialisation into the market. Whilst still developing the innovation, regional businesses reported facing greater barriers, particularly regarding a lack of skilled persons and navigating compliance standards.



For regional businesses, the greater barriers were a lack of skilled persons (30.0% of businesses reporting difficulty), access to finance (26.7%), cost of the project (18.8%) and uncertain demand for the final product or process (14.5%).

Figure 23. *Barriers to Innovation, Innovation in Australian Business, 2022-23*

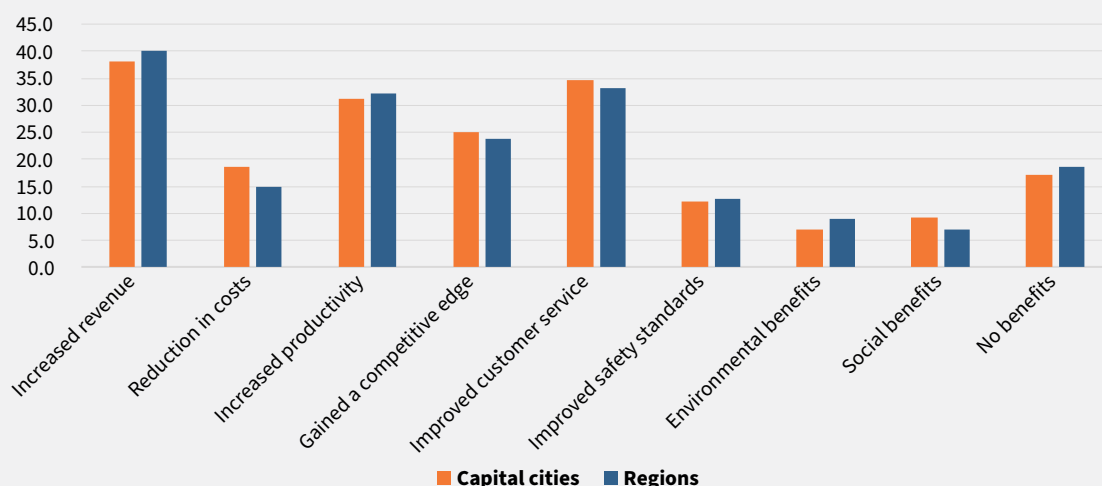


Source: ABS Innovation in Australian Business (June 2024)

In terms of commercialising a developed innovation, regional businesses reported facing comparatively fewer barriers than businesses in capital cities. The single largest barrier, as large as the other barriers put together, was access to finance. 23.9% of regional businesses reported access to finance as the greatest barrier, followed by lack of skilled persons (8.0%), lack of knowledge (7.9%), and regulations and compliance (6.9%).

Once the innovation had been developed and commercialised, regional businesses reported similar rates of achieved outcomes compared to businesses in capital cities, with only marginal differences in the type of benefit that eventuated. Compared to cities, regional businesses more frequently experienced: environmental benefits (two percentage point difference), increased revenue (1.9 percentage point difference), increased productivity (0.9 percentage point difference), improved safety standards (0.5 percentage point difference).

Figure 24. *Realised Benefits of Innovation, Innovation in Australian Business, 2022-23*



Source: Australian Bureau of Statistics Innovation in Australian Business (June 2024)

Conclusion

In summary, regional businesses exhibit lower overall innovation activity than those in capital cities, and a greater tendency to adopt existing technologies rather than develop new ones. Structural constraints shape these patterns: regional businesses rely more heavily on bank finance and face greater barriers during the development phase of innovation, particularly skills shortages, access to finance and regulatory complexity. However, once innovations are implemented, regional firms achieve outcomes comparable to, and in some cases better than, metropolitan firms, including productivity, revenue, and environmental benefits – highlighting that the key constraint on regional innovation lies less in capability and more in ecosystem conditions.

Spotlight: Digital Technology, Inclusion and Regional Productivity

Digital technology and productivity

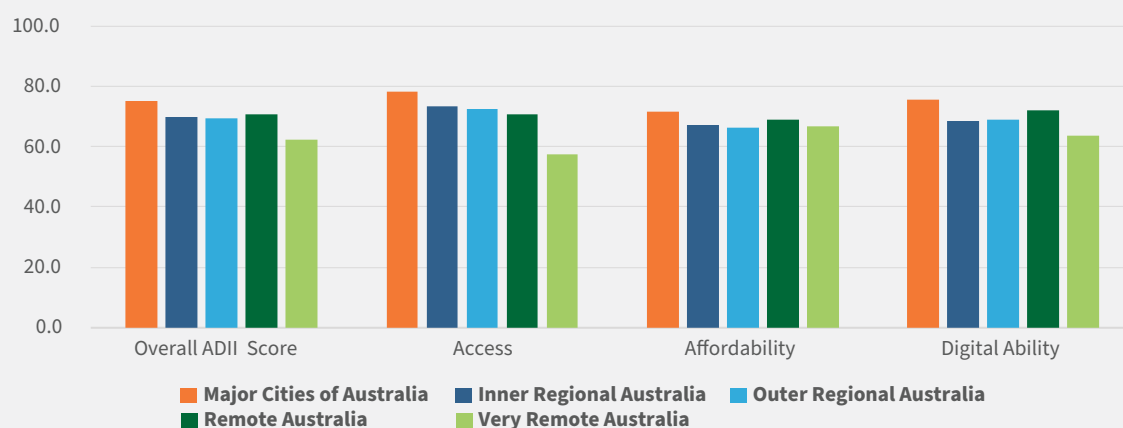
Digital technology is a cross-cutting, enabling input reshaping productivity across the economy, including agriculture, mining, tourism, care, services, government, and knowledge industries (Fulgenzi 2024). Automation, decision-support systems, and data-driven tools can reduce business production costs, raise output per worker, and improve product quality and consumer choice (Productivity Commission 2022a). For example, the Bureau of Communications, Arts and Regional Research (BCARR) estimates that broadband supported technologies could provide additional productivity benefits to Australia's agricultural sector – increasing economic activity in the sector to be between 4.7% and 16.9% higher in 2030 than would otherwise be the case without ubiquitous high-speed broadband (BCARR 2021).

Globally, digital technology and data are increasingly recognised as a factor of production – alongside land, labour, and capital – that are central to international competitiveness (Diebold 2023). In rural and remote contexts, the productivity impact is amplified as digital technology partially substitutes for scale, proximity, and density that many remote communities often lack in traditional brick-and-mortar businesses (Panori 2025). Through reducing the constraints of distance, digital infrastructure enables local access to markets, services, knowledge, and employment opportunities that would otherwise be only available at metropolitan areas or more densely populated regional centres (World Economic Forum 2025). It replaces the traditional economic agglomeration model based on geographical nearness with 'virtual agglomeration,' allowing metropolitan and regional market participants to achieve proximity and economies of scale in digital space (Zhang 2025). Emerging technologies such as generative AI and data-hungry streaming services are creating even more opportunities, as well as challenges, for regional and rural areas (Austrade 2025).

Barriers to digital inclusion in regional communities

Yet Infrastructure Australia reports that almost half of Australia's regions face broadband and mobile connectivity infrastructure gaps, failing to meet user, business, and industry needs (Infrastructure Australia 2022). The Australian Digital Inclusion Index 2025 shows that a clear gap persists between major cities and regional and remote areas in overall levels of digital inclusion. Whilst this gap is clear across all nonmetropolitan areas, it is most pronounced in very remote Australia, where digital inclusion outcomes are lower than in metropolitan areas (index scores of 62.5 vs. 75.1). Alongside differences in access and affordability, significant gaps in digital ability also remain, increasingly constraining effective digital participation – particularly in very remote communities. These digital gaps have wide-ranging impacts, contributing to social exclusion in rural and remote communities and economic and productivity losses arising from limited access to health and education, inefficient government service delivery, and unreliable emergency communications (Productivity Commission 2022b).

Figure 25. Overall Australian Digital Inclusion Index (ADII) 2025 scores and dimensions, by remoteness



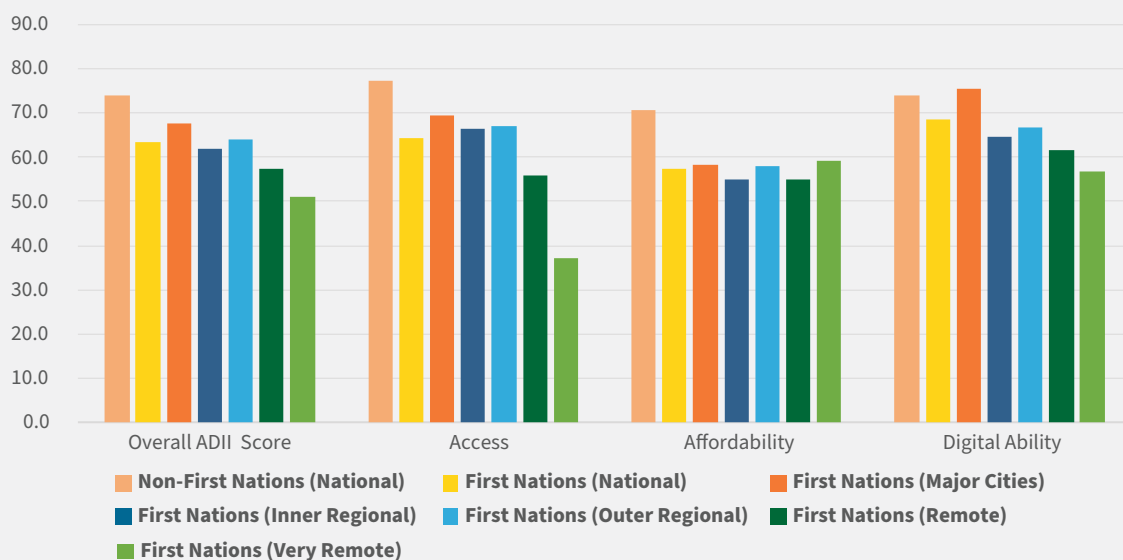
Source: ADII 2025

Persistent digital disparities are also present amongst a variety of demographic groups, including differences by age, gender, culture, education, employment status, and income level, which has been professionally researched by BCARR's Digital Exclusion in Australia report.

Barriers to digital inclusion in regional First Nations communities

One of the most pronounced disparities occurs between First Nations and non-First Nations Australians. These gaps widen with increasing remoteness, particularly in relation to access – with First Nations Australians living in very remote areas recording an access score of 37.3, compared with the national non-First Nations score of 77.2.

Figure 26. Figure 25 Overall ADII scores and dimensions, by Indigenous status



Source: ADII 2025

The Mapping the Digital Gap 2025 Outcomes Report shows First Nations people are highly digitally engaged, with 89% using the internet constantly or daily (compared with 95% of non-First Nations Australians) – but they experience digital exclusion at twice the rate of other Australians (41% compared with 20%). This reflects persistent socio-economic barriers that limit access to quality, affordable and reliable connectivity and devices, alongside insufficient support to build digital skills and confidence (Featherstone et al 2025).

Limited and unreliable connectivity, often characterised by mobile only access, low fixed broadband uptake, constrained access to computers, and congested, slow, or unstable services, remains the largest contributor to the digital inclusion gap for First Nations people, particularly in remote and very remote communities. These access challenges are reinforced by significant affordability pressures, with widespread reliance on costly prepaid mobile services and households often cutting back on essentials to stay connected. Innovative technologies such as Starlink have improved connectivity for some agencies and higher income households but excessive costs keep them out of reach for most households, furthering the digital divide within communities.

While digital ability has improved alongside increased online engagement, persistent gaps in skills, confidence and cybersafe awareness remain, especially for elders, people with disability, non-English primary language speakers, and those with lower educational attainment. There is a shortage of sustained, place based digital support, leaving community organisations to shoulder much of the burden of assisting residents to access online services (Featherstone 2025).

These barriers, infrastructure and market failures, skills and capacity limitations, and institutional and policy constraints, not only restrict First Nations people's digital participation but are also factors that constrain digital participation across regional and remote communities more broadly.

Impacts of digital exclusion

Digital exclusion is intricately linked to broader socioeconomic factors, including low household incomes, excessive cost of living, overcrowded and substandard housing, lower educational attainment, language barriers, and disability (Featherstone 2025). These factors shape not only whether people living in regional and remote communities can connect, but how effectively they can use digital technologies. At the same time, low levels of digital inclusion constrain access to essential services that are increasingly delivered online, including government services, banking, health, and education. It can restrict participation in online learning and skills development, reduce access to labour market opportunities, and increase dependence on intermediaries or under resourced community organisations for basic administrative tasks.



Digital exclusion also limits opportunities to support social and cultural connections online and access trusted information and media. This two-way relationship highlights that digital exclusion is both a symptom and a driver of socio-economic disadvantages. It also underscores the importance of digital inclusion as a foundational enabler of regional Australians' social, economic, cultural, and emotional outcomes, with broader implications for productivity and wellbeing in remote and very remote communities.

Importance of digital technology to regional businesses

Telecommunications and digital technology are critical to businesses across regional Australia, helping engagement with domestic and global markets, access essential online resources, improve operational efficiency, and grow their customer base (Australian Government 2024). The technological advancement of digital information and communication technologies has transformed entire industries.

However, despite their potential to deliver substantial productivity gains, emerging technologies such as AI, the internet of things (IoT), robotic automation and big data analytics are still underused in Australia (Productivity Commission 2023). The 2024 Business Technology Report finds Australian businesses lag their Asia Pacific counterparts in AI adoption and the development of digital strategies. Only 22% of Australian businesses have adopted AI to a moderate to significant extent, and 53% have a digital strategy, compared with 41% and 69%, respectively, among businesses based outside of Australia (CPA Australia 2024). Productivity Commission (2022) notes that major barriers to technology and data adoption for businesses include inadequate internet access, legacy systems, excessive costs, skills shortages, limited awareness and uncertainty about benefits and risks. The Reserve Bank of Australia also finds that cyber security risks and the loss of human interactions and connection are commonly cited concerns in Australia which restraints the adoption of AI (Fernando, McLoughlin & Ratnayake 2025).

These challenges are particularly pronounced for small or medium sized businesses (SMBs), which underpin regional and rural economies (SGS Economics and Planning 2021). A recent report published by Deloitte Access Economy (2025) finds that while two thirds of SMBs are using AI solutions in their business, many of them have only a basic to intermediate level of AI adoption. The research further estimates that an improvement in AI adoption among just one in ten SMBs in the basic and intermediate tiers – sufficient to realise a boost to their margins – could generate an economic uplift of approximately \$44 billion.

Digital technology opportunities in regional Australia

The Productivity Commission's 5-year Productivity Inquiry (2023) calls for faster, more reliable internet to boost productivity and increase social inclusion in regional, rural, and remote communities across Australia. Similarly, the 2024 Regional Telecommunications Review, prepared by the Regional Telecommunications Independent Review Committee, also stresses the importance of ensuring all regional Australians can fully participate in the digital economy. The Australian Government has launched a Better Connectivity Plan for Regional and Rural Australia, which includes \$656 million committed over five years in the 2022–23 October Budget to boost mobile and broadband connectivity and network resilience in rural and regional Australia. Beyond upgrading broadband and mobile networks, boosting affordability, and expanding connectivity literacy, the 2024 Regional Telecommunications Review suggests that the Australian Government:

- Create a connectivity strategy for regional, rural, and remote areas.
- Establish a permanent Regional Telecommunications Commissioner or Advisory Panel.
- Build a national telecommunications data platform.
- Continue support for the First Nations Digital Inclusion Advisory Group.

The recommendations outlined in the Review present an opportunity to shift from fragmented, program-based responses towards a more strategic, targeted, and data-driven approach. This is particularly important for remote communities, where improved connectivity can deliver substantial economic and social benefits – including increased workforce participation, improved access to services, and strengthened regional resilience – even where projects may not meet traditional economic thresholds but generate strong community outcomes. In its 2025 response, the Australian government welcomed the Review, detailed current initiatives and stated that the fourteen recommendations are being used to inform policies and programs to improve connectivity in rural, remote and regional areas.

A greater focus on growing opportunities for regions to participate in Australia's existing and emerging digital industries is warranted. The Geography of Australia's Digital Industries report, published by the Commonwealth Scientific and Industrial Research Organisation (CSIRO), identifies 36 regional niche digital technology industry clusters outside capital cities, including locations in Gold Coast (Qld), Sunshine Coast (Qld), Wollongong (NSW), Newcastle (NSW), and regional Victoria. Each of these regional clusters has meaningful specialisation

in particular digital occupations such as software development, ICT support and graphic design. Although capital city clusters dominate overall digital employment growth, the report shows regional Australia can host specialised, competitive digital activity.

Another opportunity comes from the dramatic growth in demand for data centres driven by the rapid uptake of AI across the world. Sydney and Melbourne account for 90% of Australia's built data centre capacity, and their total capacity is expected to double within the next decade (CBRE 2024). Yet this expansion of data centres in metropolitan areas is placing significant strain on land, water, and energy – intensifying competition for essential resources with other residential and commercial development. In this situation and noting that limited access to water is also a key challenge for many regions, regional Australia appears as a compelling alternative location for investments with abundant land and renewable energy capacity (Carillo 2025). This is particularly relevant as Australia aims to become Asia-Pacific's hub for green data centres, using synergies between data centre development and renewable energy. These linkages were emphasised in the Australian Government's Expectations of Data Centres and AI Infrastructure Developers, released in March 2026.

Policy considerations should re-examine the role of regional Australia in shaping the next digital wave, recognising regions not merely as recipients of improved connectivity, but as strategic locations for digital infrastructure, innovation, and energy-intensive digital activity.

Conclusion

Digital technology is an increasingly important driver of productivity across Australia's economy and offers particularly strong potential benefits for regional, rural, and remote areas. However, persistent gaps in digital access, affordability and capability remain between metropolitan and nonmetropolitan Australia, with the most acute digital exclusion experienced in very remote and First Nations communities. These gaps constrain business innovation, workforce participation, service delivery, and social inclusion, reinforcing broader socioeconomic disadvantage and limiting productivity growth. At the same time, the emergence of AI and data driven industries presents new opportunities for regional Australia. Realising this potential will require not only continued investment in regional connectivity and digital inclusion, but also a shift in policy perspective that recognises regions as strategic locations for digital infrastructure, innovation ecosystems, and energy intensive digital industries.



The Productivity Commission's 5-year Productivity Inquiry (2023) calls for faster, more reliable internet to boost productivity and increase social inclusion in regional, rural, and remote communities across Australia.

Spotlight: Productivity Issues in Cross Border Regions

Several of Australia's regional economies work across state and territory borders. These cross-border regions make a significant contribution to national productivity, particularly in agriculture, health, logistics, manufacturing, and tourism. Cross border regions also give clear examples of how structural barriers can influence productivity.

Productivity outcomes in these areas are often constrained not by local capability or scale, but by interjurisdictional differences in regulation, infrastructure planning, workforce rules, and service delivery systems. Where labour markets, supply chains and service catchments work seamlessly across borders, inconsistent policy settings can impose avoidable costs, reduce labour mobility, and delay investment.

In cross border regions, workers regularly live in one jurisdiction and work or train in another, particularly in health, education, construction, agriculture, and transport. Productivity growth in these shared labour markets is constrained when qualification recognition, skills accreditation, training access, and workforce incentives are not portable across borders.

Transport, energy and digital infrastructure often serve shared catchments but is planned, funded, and prioritised separately by jurisdictions. This can result in gaps at borders, under investment in connecting links, and limited network redundancy.

Digital fragmentation is also most visible in cross border communities, where residents and businesses rely on services delivered by more than one jurisdiction. Limited interoperability between state and national digital systems can result in duplicated data entry, inconsistent records, and slower service responses.

In addition, regional productivity measurement is often constrained by administrative boundaries that do not reflect functional economic regions. As economic activity, labour supply, and service use are split across jurisdictions, this can lead to partial or misleading productivity indicators in cross border areas.

Addressing these productivity constraints in cross border regions through improved policy alignment, infrastructure coordination and system interoperability is an opportunity to lift regional and national productivity.

Through their feedback to this report, the Victorian Cross Border Commission further suggests that

- Improving alignment between jurisdictions would support better job matching, increase workforce participation, and allow skills to be used more efficiently, particularly in regions experiencing persistent shortages.
- Coordinated planning and co-investment in cross border infrastructure, particularly freight corridors, intermodal hubs, health access routes and telecommunications networks, can deliver productivity benefits that exceed those achieved through isolated investments within a single jurisdiction.
- Improving digital interoperability across jurisdictions would support productivity by reducing administrative burden, enabling workforce mobility, and improving the efficiency of service delivery in health, education, and emergency services, particularly in border regions.
- Future improvements to regional productivity measurement would receive help from approaches that better reflect shared labour markets and cross border economic interactions, supporting accurate analysis and more targeted policy responses.

Addressing productivity constraints in cross border regions through improved policy alignment, infrastructure coordination and system interoperability is an opportunity to lift regional and national productivity.



4. REGIONAL PRODUCTIVITY POLICY IN AUSTRALIA

Background

Major economic reform programs in Australia since the 1980s have historically been established in response to declining productivity or economic performance. They have adopted national economy-wide approaches to increasing market competitiveness. Deliberate place-based approaches have not been a design feature of these programs to date.

The 1980s economic reforms were designed to shift from a protected, highly regulated economy into an open, market-oriented system through the removal of industry protection, floating the dollar, reductions in tariffs and financial sector deregulation. These reforms are credited with making Australian industries more productive and lifting Australia's economic competitiveness.

Australia's original National Competition Policy reform program commenced in 1995 and is credited with delivering substantial productivity gains in the later part of the 1990s and into the 2000s. The reform areas included: systematic reviews of regulation to remove restrictions on competition, structural reform of public monopolies (e.g. electricity, gas), third-party access to essential infrastructure and extending competition law to government businesses and implementing competitive neutrality to remove undue advantages for government businesses.

A Productivity Commission review of the National Competition Policy found it to be a 'highly innovative' national economic reform program with the following success factors:

- Recognition by all governments of the need for reform.
- Broad agreement on priority areas.
- A solid conceptual base and information base to guide policy decisions.
- Highly effective procedural and institutional mechanisms to implement reform.
- Flexibility in reform implementation and progress monitoring by jurisdiction.

The program was underpinned by reward payments to the states and territories for implementing reforms.

In response to concerns about productivity performance in the 2010s, the 'Harper' Competition Policy Review, chaired by Professor Ian Harper, was established and reported in 2015. It identified reforms to competition law to increase competition, competition policy to extend competition into a range of sectors of the economy including health care and infrastructure, and competition governance by streamlining regulatory institutions.

Around the same time, the Productivity Commission was tasked with providing five-yearly productivity inquiries and reporting to the Australian Government. The first of these reviews, *Shifting the Dial*, was released in 2017 and the second: *Keys to Growth* in 2023. The reports adopt an economy-wide

and systems-focussed approach to lifting productivity and do not include a place-based productivity agenda.

Current Productivity Agenda

Lifting productivity is critical to growth in real wages, incomes, jobs, and overall living standards. It needs to be done in a sustainable and inclusive way to ensure all Australians can benefit.

-Commonwealth of Australia, Economic Reform Roundtable, 2025

In response to the slowing productivity growth, the Australian Government convened an economic roundtable in 2025 and has revitalised the National Competition Policy establishing a 10-year agenda supported by a National Productivity Fund. Key reforms include commercial planning and zoning, occupational licensing, construction methods, heavy vehicle productivity, non-compete clauses, health practitioner scope of practice, and right-to-repair. The agenda also places a strong emphasis on skills, including fee-free TAFE and apprenticeship incentives. Complementing these reforms, the Productivity Commission has undertaken a series of major inquiries examining the structural drivers of productivity performance across the Australian economy.

Across Australia's jurisdictions, governments are pursuing productivity reform through a variety of institutional models. Some states operate dedicated Productivity Commissions (NSW, SA, QLD, WA establishing), others embed productivity functions in economic growth and regulation units (VIC), or in strategic frameworks (ACT) and fiscal efficiency programs (TAS). Despite differences in institutional arrangements, most state and territory reforms focus on several common cross-cutting or sector-based policy areas:

- Regulation reform to streamline approvals, reduce red tape, and modernise compliance systems.
- Skills and workforce development.
- Support for innovation ecosystems, including research, commercialisation, or technology adoption.
- Infrastructure investment (both physical and digital).
- Sector-based strategies targeting sectors with competitive advantage.

Place-based funding programs to support regional economic development also exist across Australia's jurisdictions. Examples of programs include Western Australia's Royalties for Regions program, the Australian Government's Regional Precincts and Partnerships Program and New South Wales' Regional Economic Development and Community Investment Program.

The Australian Government

The Productivity Commission (PC) is the Australian Government's independent advisory body on economic, social, and environmental issues, with responsibilities for public inquiries, commissioned research, and performance reporting. In the 2025 report *Growth mindset: how to boost Australia's productivity*, the PC identified several reasons for the productivity slowdown in Australia:

- The rise of the non-market (government-funded) services sector.
- Smaller gains from technology and its diffusion.
- Stalling investment.
- Declining economic vitality and labour mobility.
- Lack of appetite for economic policy reform.
- Other potential causes including reduction in global trade growth and declining returns from education.

Treasury coordinates the national productivity agenda, including the Economic Reform Roundtable. The 2025–26 Budget frames a more dynamic and productive economy through a revitalised National Competition Policy (a 10-year plan underpinned by a \$900m National Productivity Fund). Reforms under the policy include:

- Liberalising and standardising commercial zoning rules and planning requirements.
- Removing barriers to the uptake of modern methods of construction.
- Creating a single national market for goods.
- Creating a single national market for workers by incentivising occupational licensing reforms.
- Delivering heavy vehicle productivity reforms.
- Reforms allowing health practitioners to work to their full scope of practice.
- Extending the right to repair to agricultural machinery.
- Reforming non-compete clauses and other employment restraints.
- Improving labour mobility in human services through a national worker screening check.

This complements existing policies in supporting small businesses and developing skills and workforce such as National Skills Agreement, Fee-Free TAFE Skills Agreement and Key Apprenticeship Program. The policy also acknowledges other factors such as housing, health, transport, and regulation and approvals are important to boosting productivity.

Productivity 5 Pillars Productivity Inquiry

In December 2024, the Treasurer Jim Chalmers tasked the Productivity Commission to conduct five inquiries to consider the changing nature of Australia's economy and identify priority reforms that could improve productivity growth. The inquiries were to focus on each of the five pillars of the Albanese Government's productivity agenda:

- Creating a more dynamic and resilient economy
- Building a skilled and adaptable workforce
- Harnessing data and digital technology
- Delivering quality care more efficiently
- Investing in cheaper, cleaner energy and the net zero transformation.

In December 2025, the Productivity Commission released final reports for each of the five pillars, providing 47 reform recommendations aimed at boosting Australia's long-term GDP and household income. These recommendations included:

- Corporate tax reform: transitioning to a hybrid tax system, with a 5% net cashflow tax to encourage investment.
- A red tape reduction.
- Improving access to high-quality teaching resources and professional development.
- Reducing burdensome occupational entry rules and creating pathways for upskilling and retraining.
- Suggestions for artificial intelligence regulation.
- A proposed framework and funding for preventative health measures.
- Improving service quality and efficiency in the care sector.
- Implement a national technology-neutral policy for reducing emissions in the electricity sector.
- A consistent approach for funding energy infrastructure.
- Faster approvals for renewable energy investment.

If well-implemented, these recommendations should provide a boost to Australia's long-term productivity growth and economic prosperity. To ensure these recommendations benefit all Australians, including the 36% who live outside the metropolitan regions, a regional lens should be cast to account for the specific challenges and opportunities present in Australia's regions. This includes an emphasis on place-based initiatives, facilitating regions to determine their own future and capitalise upon their strengths.

Australia's national industry strategies are also a critical part of the productivity agenda. At the core of current industry strategies is the Future Made in Australia plan, which aims to drive advanced manufacturing in Australia and is backed by \$22.7 billion announced in the 2024-25 Budget. Under this plan, five priority industries are identified as important to Australia's net zero transformation and economic resilience and security:

- Renewable hydrogen
- Critical minerals processing
- Green metals
- Low carbon liquid fuels
- Clean energy manufacturing, including battery and solar panel supply chains.

In addition to value adding to resources, this strategy also underscores the importance of growing innovation, digital and science capability and of investing in people and places, all of which are central to Australia's future productivity growth.

Due to their significant role in clean energy, advanced manufacturing, and defence supply chains, critical minerals are increasingly become a cornerstone of Australia's industry strategies. The Critical Minerals Strategy 2023-2030 sets out the government's vision to grow Australia's critical minerals sector, which can create a lot of employment and economic opportunities. This agenda has been strengthened through the establishment of a Critical Minerals Strategic Reserve, to enhance economic and strategic resilience and maximise the value of Australia's mineral endowment.

The Australian Government launched a Digital Economy Strategy in 2021 (and a 2022 Update) with a vision for Australia to become a top 10 digital economy and society by 2030. This Strategy highlights the need to improve digital infrastructure,

skills, capabilities, and regulations to support Australia's digital growth and modern competitive industry sectors. Such acknowledgement of the role of emerging technologies in productivity growth and economic prosperity has been further expanded in the Government's List of Critical Technologies in the National Interest and Critical Technologies Statement. The critical technologies include:

- Artificial intelligence (AI) technologies.
- Advanced information and communication technologies.
- Advanced manufacturing and materials technologies.
- Autonomous systems, robotics, positioning and timing, and sensing.
- Biotechnology.
- Clean energy generation and storage technologies.
- Quantum technologies.

These priority technologies are backed by several government funding, such as the \$101.2 million announced in the 2023-24 Budget to support businesses to integrate quantum and artificial intelligence technologies into their operations. The critical technologies, as well as the priority industries identified in the Future Made in Australia, are expected to drive transformation across the economy and society.

A key national place-based productivity program is the Regional Precincts and Partnerships Program, a \$400 million initiative from 2023-24 to 2026-27 supporting transformative regional, rural, and remote infrastructure projects. The Program Objectives for Stream Two are to facilitate place-based approaches to precinct planning and delivery, including providing benefits related to 'productivity, equity, and resilience for regional, rural and remote areas across Australia, comprised of multiple infrastructure components.



Lifting productivity is critical to growth in real wages, incomes, jobs, and overall living standards. It needs to be done in a sustainable and inclusive way to ensure all Australians can benefit.

States and Territories

New South Wales (NSW)

The NSW Productivity and Equality Commission operates as a dedicated state body tasked with boosting productivity growth in both the private and public sectors across NSW. The Commission takes productivity growth as the key driver of long-term growth improvement in living standards (e.g. increased real wages, better and more affordable goods and services, and increased leisure time). Beyond productivity and economic benefits, the Commission also pays attention to the equity of policies and reforms and how costs and benefits are distributed across the community.

The Commission has published a series of reports on productivity reform: Kickstarting the Productivity Conversation (2019), Continuing the Productivity Conversation Green Paper (2020), and Productivity Commission White Paper (2021). The White Paper as the latest policy document identifies four foundations for long-term productivity and economic growth:

- Supporting a skilled and high-performing workforce.
- Enabling innovative technologies and ways of doing things.
- Improving housing choice and affordability.
- Smarter use of infrastructure and natural resources.

Other major work from the Commission includes the housing supply review, the night-time economy regulatory review, the net zero research series, and guidance on regulatory experimentation to improve policy quality. The Commission highlights the importance of efficient and effective regulation to a productive economy and public wellbeing and thus develops a Regulatory Policy Resource Hub to support evidence-based policy development and effective regulations. Developed by the NSW Treasury, the NSW Guide to Better Regulation sets out the principles for proposing new or amended regulations and provides resources to assist with the design and decision processes. The Commission has also designed a Regulatory Experimentation Toolkit to support regulators to conduct regulatory experimentation which is understood as an approach to enhance the quality of regulation by testing the performance of a new regulatory scheme or process against existing or alternatives.

Another productivity related government body is the NSW Innovation and Productivity Council. Consisting of a group of experts from business, government and universities, the council provides research and advice to help NSW grow jobs, boost exports, and attract investment. In addition to research on coworking spaces and startup hubs, innovation precincts, remote work, and global talent war, the Council measures how NSW is performing in innovation and productivity and publishes the NSW Innovation and Productivity Scorecard every two years.

The New South Wales Regional Economic Development and Community Investment Program provided \$60.9 million to support initiatives that promote regional economic

development and contribute to job retention and creation. Applications could be submitted for infrastructure projects and services and program delivery across the fund's four focus areas: Aboriginal economic development and enterprise; community connection and capacity building; improving regional service delivery and sustainable regional industries.

Victoria

Victoria does not operate a standalone Productivity Commission. Instead, the State has consolidated productivity and regulatory functions into Economic Growth Victoria and Better Regulation Victoria. Better Regulation Victoria focuses on the analysis, design, and implementation of best-practice regulation, including assessing the adequacy of regulatory impact assessments, assisting with the design and management of regulation, supporting the improvement of regulatory practice, and identifying opportunities to reduce red tape. It also conducts comprehensive reviews into specific legislative and regulatory systems at the request of the Minister for Finance. Economic Growth Victoria provides advice on broader areas such as:

- Growing a more dynamic economy in an equitable and sustainable manner.
- The efficiency and effectiveness of regulation.
- Industry performance.
- The efficiency and effectiveness of public services.
- Growing a skilled workforce.

Current initiatives of the agency focus on slashing the burden for businesses, including halving the number of business regulators by 2030, speeding up environmental assessment processes, delivering a new priority assessment team within key regulators, reducing the delays in the planning permit processes, and using digitisation and AI to speed up government.

The Victorian Government's Economic Growth Statement (2024) lays out a vision for a strong and vibrant economy in Victoria, centred around four key actions:

- Open doors: backing business to invest, expand, and innovate.
- Cut red tape: making it simpler to do business in Victoria.
- Building new skills: ensuring a workforce that is ready to go.
- Reach every community: a strong Victoria underpinned by a strong regional Victoria.

The program also identifies five key priority sectors: advanced manufacturing and defence, health technology and medical research, circular economy, digital technology, and agribusiness. These priority areas are chosen to align with the four key actions and boost productivity and economic growth. Across the four key actions and five priority areas, more than 40 initiatives were designed and backed by a \$627 million investment in the Victorian Budget 2025/26 to help businesses expand and grow.

As Victoria's regional economic development agency, Regional Development Victoria (RDV)³ plays a significant role in creating jobs, enabling investment, delivering infrastructure, and boosting productivity. Regional Economic Development Strategies (REDS) are a key instrument the RDV (and Victorian Government as whole) uses to identify strengths, challenges, and opportunities for economic growth in regional Victoria. Based on their demographic, existing and emerging industries, and other socio-economic context, these REDS set strategic directions for each region to drive growth and prosperity. The REDS represent a place based and evidence driven approach to economic development, but not specifically to productivity growth. These strategic directions highlight the opportunities arising from advanced manufacturing, high-quality food processing, creative and visitor economy, and renewable energy.

Queensland

The Queensland Productivity Commission was abolished in 2021 and reestablished in 2025 under new legislation. It is responsible for providing independent policy advice to the Queensland Government to help lift productivity, drive economic growth, and enhance living standards for Queenslanders. The Commission also houses the Office of Best Practice Regulation which provides regulatory advice, analytical support, and training on the development of regulation, application of regulatory best practice principles and regulatory impact analysis. The first major inquiry of the Commission targets construction productivity, aligned to housing and Olympic infrastructure timelines. The Commission proposes a reform program to improve productivity across the industry, with four key areas: reforming procurement, improving land use regulation, improving the regulation of building activity, and improving labour market operation.

In addition to the restoration of the Commission, the Queensland Government has launched several initiatives to improve productivity and innovation. The Innovation for a Future Economy 2022-2032 Roadmap sets out a clear vision for Queensland to become a leading and sustainable innovation economy. The ten-year roadmap identifies six priorities:

- Capital attraction.
- Research collaboration and commercialisation.
- Talent, skills, and innovative technologies.
- Innovative and sustainable solutions.
- Innovation precincts and places.
- Connected and inclusive ecosystem.

Another key Queensland initiative is the Transforming Queensland Manufacturing Strategy 2025-30 which sets out the pathway to a globally competitive and future-ready manufacturing industry over the next five years and beyond. Manufacturing is not only one of the largest industries in Queensland in terms of economic contribution and employment but also supports many other industries – construction, energy, mining, transport, and primary industries. By transforming the manufacturing industry, this strategy aims to drive greater productivity and innovation across the economy.

Queensland's Building our Regions program funds regional local governments to invest in essential infrastructure that 'will improve economic conditions and liveability'. Following the most recent round of funding, the state government program has approved over \$417 million towards 370 projects across 68 local governments and one town authority in regional Queensland and attracted additional investment of over \$556.9 million from councils and other organisations.

³ In addition to being part of the Australian Government initiative (RDAs), Regional Development Victoria is also an agency of Victorian Government, under the Department of Jobs, Skills, Industry, and Regions.

Western Australia (WA)

WA is establishing its first productivity commission, known as the 2050 Commission, with enabling legislation expected in the first half of 2026. This Commission will merge Infrastructure WA's key functions with the Economic Regulation Authority's inquiry's role, with the aim to strengthen the State's economy and delivery of public services. Infrastructure WA (IWA) provides advice to the state government on infrastructure matters, while the Economic Regulation Authority (ERA) conducts inquiries on economic matters and regulates the electricity, gas, and rail industries. The Commission will sharpen its focus on investment and economic growth: supporting continuous improvement in the performance of the state's private and public sectors, identifying ways to deliver more jobs and business opportunities, raising living standards and enhancing services for all Western Australians.

Both physical infrastructure (e.g. energy, water, and transport) and social infrastructure (e.g. health, education, justice, emergency services, and the arts) are critical to economic activity, daily life, and community wellbeing. IWA develops a State Infrastructure Strategy every five years, which addresses gaps in physical and social infrastructure. It highlights not only new projects and programs but also non-build solutions such as planning, policy, regulation, pricing, technology, skills development, and governance reforms.

As WA's independent economic regulator, the ERA aims to strengthen economic outcomes through effective regulation and decision making. With a small population spread across a vast area, real competition for some essential services is economically unviable, leaving suppliers in these areas to operate as monopolies. Therefore, independent regulation is necessary to protect customer needs. Yet there is trade-off between effective regulation of the sectors and compliance costs for businesses and communities. The importance of effective regulation has been strengthened in this agency Strategic Plan 2024-27. In addition to regulatory functions, the ERA also conducts inquiries to provide advice and recommendations to the state government on economic issues such as business licensing, efficient costs and tariffs of water corporations, microeconomic reform, and so on.

The establishment of the Commission forms part of WA's economic resilience agenda. A key economic blueprint for the State is Diversify WA, which provides a vision for growing and diversifying WA's economy. The framework identifies nine priority sectors in which WA has a competitive advantage and where there are significant growth opportunities:

- Production and scaling of renewable hydrogen.
- Advanced critical minerals processing.
- Manufacture of medical products and digital health devices.
- Decommissioning of oil and gas infrastructure.
- Naval shipbuilding, sustainment, and maintenance.
- Development of regional tourism destinations.
- Manufacture, utilisation and maintenance of space and cross-sector technologies.

- Development of new carbon capture, utilisation, and storage projects.
- Value-added food and beverage production.

These sectors are selected based on their alignment with key global trends, potential for strong economic and social benefits, synergies with existing government commitments and industry investment and capability. The framework further identifies seven cross-sector enablers for economic growth and diversification:

- A skilled and productive workforce.
- Environmental, social and governance frameworks.
- Science, innovation, and technology.
- Advanced manufacturing capabilities.
- Key infrastructure and project-ready land.
- Policy and regulatory frameworks.
- Investment and trade ecosystem.

They are critical to boosting productivity and building a resilient, dynamic economic across the State.

The WA Government Priorities 2025-2029 further set directions for the State's economy, focusing on both maintaining the global leadership in the resources industry and diversifying the economy for the future – including becoming a renewable energy powerhouse. As part of 2025-26 State Budget, the Government commits to invest \$1.4 billion to help secure a future that is Made in WA, to support economic diversification, skills development and just transition. The Budget also include \$331 million to support Fee-Free TAFEs and other key training and skills development initiatives.

The Government has created the Office of the Coordinator General, supported by the State Development Act 2025, to support the delivery of investment-ready precincts and enabling infrastructure and to help streamline complex approvals, reduce duplication of processes, and accelerate major developments for energy transition and economic diversification. The Office also takes care of State Development Areas, which are identified areas of land established under the State Development Act to coordinate planning, infrastructure delivery, and streamlined approvals for major projects.

Western Australia's Royalties for Regions program, launched in 2008, is an enduring example of a place based regional development model with a link to driving productivity growth, primarily through its scale and focus on sustained funding of economic growth enabling projects. The program is funded by a hypothecated share of state royalties and embedded in WA's regional development strategy and has supported investment in infrastructure, industry diversification, workforce attraction, and service capacity in regional areas.

The Department of Primary Industries and Regional Development and the nine Regional Development Commissions developed a Regional Development Framework 2026 that connects State Government priorities with regional communities and sets out the Government's strategic approach to strengthening Western Australia's regions through place-based development, local leadership, and coordinated

State action. It provides a shared vision, operating model, and value proposition for regional development delivery across government, focusing on jobs, health, housing, community, environment, and infrastructure and services.

The Government's Seven Cities vision for regional Western Australia identifies Bunbury, Kalgoorlie, Port Hedland, Karratha, Broome, Geraldton and Albany as key to positioning WA as a renewable energy powerhouse. It will invest in enabling infrastructure – industrial land, energy, water, transport and environmental assets – while strengthening housing, health, education, and public services to support a skilled workforce. While the initiative has limited explicit focus on productivity, it could be leveraged to drive higher productivity outcomes across the Seven Cities and their regions.

South Australia (SA)

The SA Productivity Commission (SAPC) has operated since 2018 with rolling inquiries across R&D intensity, renewable energy competitiveness, innovation competitiveness, and inclusive growth, as well as a series of research discussion papers on productivity performance, competitiveness, and challenges. Their research shows SA has been less innovative than the national average and the stagnation of technological progress, gaps in skills, and increases in inefficiency contributed to the fall of growth in productivity and living standards in the state (South Australian Productivity Commission 2024a).

In 2025, to promote sustainable growth across the state, the Department of State Development published South Australia's Trade & Investment Strategy to 2030 which outlines coordinated actions across government, industry, and international offices to attract high-impact investment, boost global exports, and create job-rich opportunities for South Australians. In this strategy, trade and investment is taken as an instrument to build local industry capability, increase productivity, and drive product innovation. This strategy also identifies the State's globally competitive industry sectors and markets with the greatest prospects.

To support workforce development, the Department has implemented a series of strategies, including South Australia's Construction Workforce Plan and the Upper Spencer Gulf Workforce Strategy. In addition, the Department of State Development (DSD) and the Department of Primary Industries and Regions (PIRSA) are jointly developing an Agribusiness, Food and Wine Workforce Strategy, which aims to deliver a long-term, integrated approach to workforce growth aligned with the Government's broader economic priorities.

While not directly focused on productivity, the Office for Regional Housing is a dedicated body working to address housing shortages across regional South Australia, with the aim of supporting population growth and strengthening regional economic vitality. A core feature of its approach is collaboration with local governments and regional stakeholders to respond to place specific challenges. This is reflected in the Regional Housing Initiatives Program, through

which councils, local industry, employers, and developers are invited to submit housing projects for consideration for investment.

Tasmania

Tasmanian Department of State Growth was established in 2014. It delivers grants (e.g. the Advanced Manufacturing Productivity Grant) and strategies that foster innovation, and works across sectors – including advanced tech, renewables, and infrastructure – to drive economic growth and productivity improvements. In 2024, the Government delivered the Our 2030 Strong Plan for Tasmania's Future, which set out the state's vision and actions for reducing cost of living and building a stronger economy. As part of this Plan, the Department of State Growth published the Tasmanian Advanced Manufacturing Action Plan 2028, which outlines strategies to strengthen Tasmania's position as a leader in advanced manufacturing, with a focus on driving innovation, improving productivity, and building global competitiveness.

The Tasmanian Government is also developing a new Economic Diversification and Investment Strategy which will provide a blueprint to ensure the state remains at the forefront of innovation to grow productivity. This strategy will focus on artificial intelligence (AI) and advanced digital technologies, with the ambition to build Tasmania into an 'AI Island.' Alongside this strategy, Tasmania's Digital Future Strategy is also in the process of being refreshed. The government highlights the importance of digital transformation in driving innovation, productivity, sustainability, jobs, and growth.

In the public sector, the Tasmanian Government is driving a multi-year Government Business Governance Reforms Bill and a new Efficiency & Productivity Unit (EPU) targeting \$150m ongoing savings by 2027–28. These initiatives aim to boost efficiency and improve productivity to achieve better service delivery for Tasmanians.

Northern Territory (NT)

In the NT multiple government agencies and units play a role in supporting productivity and innovation. The Department of the Chief Minister and Cabinet coordinates whole-of-government strategies for economic growth and productivity improvement, while Department of Trade, Business and Asian Relations focuses on driving investment and trade opportunities through international engagement, as well as workforce development. Infrastructure NT focuses on planning and delivering major infrastructure projects, which are critical enablers of productivity across the economy.

The NT Government has launched Rebuilding the Economy: Northern Territory Economic Strategy 2025 detailing the government's vision for developing an economy that:

- Outpaces the nation by growing faster than elsewhere in Australia.
- Plays to the Territory's strengths by focussing on key sectors with high growth potential.
- Benefits all Territorians by ensuring growth generates real opportunities and boosts capacity to fund essential services.

To achieve these goals, the Strategy identifies five priorities:

- A highly competitive tax and investment environment to support businesses to grow and be more productive.
- More local workers with the right skills to meet current and future business and industry needs.
- Accelerating nation building projects that drive growth.
- A strong focus to plan and foster development in the regions.
- Robust enabling infrastructure and networks that delivers services and reduces business costs.

The NT Government has developed the Territory Growth Initiative (TGI) providing financial support to eligible high-growth potential businesses to help establish or expand operations. This aims to build a skilled workforce, support business growth, unlock economic activity and accelerate enabling infrastructure-led projects. There are other relevant grants for supporting business innovation including the Business Innovation Program which helps businesses develop and commercialise innovative concepts and Territory Innovation Challenges Program that gives businesses (or research organisations) with solutions to certain innovation challenges the chance to negotiate a procurement contract with the government.

Australian Capital Territory (ACT)

The Chief Minister, Treasury and Economic Development Directorate lead the CBR2030 Strategic Economic Development Framework, setting four missions to 2030:

- Mission 1: A city that continues to give you back time – prioritising liveability, wellbeing, and seamless daily experiences through urban renewal, digital services, planning reform, and connected communities.
- Mission 2: A climate-ready city, leading Australia's net zero future – committing to net zero emissions by 2045, with major investments in renewable energy, electrification, climate resilience, and clean technology innovation.
- Mission 3: Continued knowledge-based economic growth – leveraging Canberra's strengths in research, education, and innovation.
- Mission 4: Building Canberra's future today – focusing on infrastructure, precinct development, and integrated transport to support population growth, economic activity, and community connection.

This Framework links liveability, productivity, inclusiveness, and sustainability together. For example, it states, 'A city that supports wellbeing also supports productivity' (Chief Minister, Treasury and Economic Development Directorate 2025). In addition, the ACT explicitly treats hybrid/remote work as a productivity lever (participation, inclusion, retention), while diversifying toward knowledge, creative and visitor economy sectors and investing in skills and innovation ecosystems.

In addition to this comprehensive framework, the ACT also has sector-specific productivity initiatives such as the ACT's Construction Productivity Agenda (in progress). This Agenda focuses on improving and streamlining the planning approval system to ramp up construction productivity. A range of actions has been committed to:

- Limit anti-competitive objections to development.
- Remove anti-competitive considerations from planning, rezoning, and development processes.
- Expand the range of permissible land uses.
- Streamline criteria and processes for development assessment and rezoning.
- Support the uptake of modern methods of construction (e.g. prefabricated and modular construction).
- Improving housing productivity will also support other sectors and improve general social and economic outcomes.



Jurisdiction	Primary Institutions	Key Productivity Programs and Documents	Focus Areas
New South Wales	NSW Productivity and Equality Commission	NSW Productivity and Equality Commission White Paper 2021	Regulatory reforms Workforce skills Technology adoption Housing and infrastructure development
	NSW Treasury	NSW Guide to Better Regulation	
	NSW Innovation and Productivity Council	NSW Innovation and Productivity Scorecard	
Victoria	Department of Treasury and Finance Economic Growth Victoria Better Regulation Victoria	Economic Growth Statement (Whole-of-government)	Business investment and innovation Innovative technologies and advanced manufacturing Cutting red tape Skills development Regional development
Queensland	Queensland Productivity Commission	Opportunities to Improve Productivity of the Construction Industry	Best practice regulation Construction and infrastructure productivity Innovation Advanced manufacturing
	Department of the Environment, Tourism, Science, and Innovation	Innovation for a Future Economy 2022–2032 Roadmap (Whole-of-government)	
	Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development	Transforming Queensland Manufacturing Strategy 2025–30	
Western Australia	Whole of Government	WA Government Priorities 2025-2029 Made in WA	Economic diversification Net zero transition Electricity, gas, and regulation Advanced manufacturing Skills and training Infrastructure planning and industrial precincts
	2050 Commission (formerly Infrastructure WA)	State Infrastructure Strategy	
	Economic Regulation Authority	Strategic Plan 2024-2027	
	Department of Energy and Economic Diversification	Diversify WA	
	Office of the Coordinator General	State Development Act 2025 State Development Areas	
South Australia	SA Productivity Commission	Building our R&D intensity to Deliver a More Productive and Competitive State Positioning all South Australians to Share in the Benefits of Economic Growth	Economic competitiveness Inclusive growth Public schools and young people Innovation ecosystems Trade and investment attraction
	Department of State Development	South Australia's Trade & Investment Strategy to 2030	
Tasmania	Whole of Government	Tasmania 2030 Plan Economic Diversification and Investment Strategy Tasmania's Digital Future Strategy Government Business Governance Reforms Bill 2025	Cost of living and housing AI and digital innovation Advanced manufacturing Public services efficiency
	Department of State Growth	Tasmanian Advanced Manufacturing Action Plan 2028	
	Efficiency and Productivity Unit	2025-26 State Budget (Corresponding section)	
Northern Territory	Department of the Chief Minister and Cabinet	Rebuilding the Economy: Northern Territory Economic Strategy 2025	Infrastructure and services International trade Skilled workforce and population growth Business innovation support
	Department of Trade, Business and Asian Relations	Territory Growth Initiative	
	Infrastructure NT	NT Infrastructure Strategy 2022 to 2030 NT Infrastructure Plan and Pipeline	
Australian Capital Territory	Chief Minister, Treasury and Economic Development Directorate	CBR2030 Strategic Economic Development Framework	Liveability, productivity, inclusiveness, and sustainability as a whole Construction and planning approval
	City and Environment Directorate	Construction Productivity Agenda	

DISCUSSION

All government policy is necessarily geographical in its outcomes – whether intended or not. It is better to design in geography from the outset.
(Martin et al. 2017)

Australia's productivity agenda has re-emerged as a central policy focus, driven by a combination of Australian Government-led system reforms, intergovernmental agreements, and renewed state-level productivity institutions. These national and state reforms are substantial and necessary, with a strong emphasis on regulatory reform, infrastructure investment, workforce development, and the advancement of emerging technologies and industries.

Alongside this, an increasingly influential trend across the policy landscape seeks to integrate liveability, productivity, inclusiveness, and sustainability as mutually reinforcing objectives rather than competing priorities. This reflects a growing recognition that economic performance cannot be sustainably improved without attention to the social and environmental conditions that underpin it, and that progress in these domains, in turn, depends on stronger economic foundations.

However, navigating this complex policy landscape reveals persistent coordination challenges across different levels of government and between agencies. This fragmentation can lead, on the one hand, to duplication of effort and, on the other, to geographical unevenness, whereby certain regions or sectors receive disproportionate attention and resources while others remain comparatively underserved. Furthermore, because policy outcomes are shaped by the interaction of multiple interventions – spanning infrastructure, skills, housing and industry development – as well as the underlying economic, social and institutional capacities of places, the absence of an integrated approach can generate inefficiencies in resource allocation and either weaken or exacerbate the (uneven) cumulative impact of policy settings on regional and national productivity.

Current national and state productivity policies remain primarily macroeconomic and sectoral in orientation. They focus on economy-wide levers, major industries and regulatory reform, but rarely treat regions as the primary unit for diagnosing and addressing productivity constraints. This creates a gap between productivity policy and regional development policy. Regional development programs recognise geography and place but often do not make productivity growth an explicit objective or align closely with the broader productivity agenda.

Bridging this gap requires embedding regional and place-based approaches within productivity policy, rather than treating regional development and productivity reform as separate domains. Productivity is shaped by local labour markets, infrastructure, industry structures, environmental conditions and institutional capacity; regional development, in turn, depends on lifting productivity performance over

time. A stronger place-based productivity agenda would connect these two policy domains and ensure national, and state reforms are adapted to the different conditions, constraints and opportunities of Australia's regions.

A place-based productivity policy approach should consist of three elements:

- **Functional regions as the unit of analysis and delivery:** Policy should be designed around labour market catchments, supply chains, service regions, not LGAs or state borders. This requires a place-based understanding of regional economies, beginning with identifying local productivity barriers and enabling conditions.
- **Differentiated and targeted policy tools:** Place based approaches acknowledge that similar headline productivity challenges can arise from quite different underlying causes across regions. A place-based agenda therefore tailors policy levers to local and regional conditions, applying the most relevant mix of skills, infrastructure, regulatory, investment or service delivery interventions rather than relying on uniform, one size fits all solutions.
- **Coordinated governance:** Effective place-based productivity reform requires governance arrangements that support coordination across policy domains, particularly transport, housing, workforce and skills, industry development, and digital infrastructure. This is especially important in rural and remote contexts, where productivity constraints are often mutually reinforcing and cannot be addressed through isolated interventions. Integrated planning and collaborative governance across local, state, and national levels help ensure investments are well sequenced, complementary, and aligned with regional economic priorities.

However, top-down policy design alone is not sufficient; effective productivity reform also requires mechanisms that enable regions to participate in both its design and delivery.

International experience such as from the United Kingdom has shown that the powers and capacities of local and regional institutions are key to delivering effective place-based policymaking (Westwood 2022; Tilley et al 2023). Researchers observe that while contemporary regional development policy has transitioned to place-based approaches – incorporating local voices in policy design and enhancing policy effectiveness – these solutions are often fragmented, under-resourced and lacking strategic direction and ultimate decision-making authority continues to be concentrated in central authorities (McKenzie 2024). As a result, current place-based approaches often enhance local community participation and engagement without fundamentally changing the power structures and the system, which has hindered the progress of regional development and the alleviation of urban and regional disparities (Eversole 2016).

Improving regional level governance and decision-making can be considered as a further step towards stronger place-based policy making (See below Further Reading: International Examples of Place-based Policy Making). Evidence from OECD countries shows that devolution, defined as the transfer of powers from higher to lower levels of government, can deliver higher productivity growth and stronger social capital where regional boundaries match functional economic or social areas – such as labour markets – and where institutional capacity is strong and transparent (OECD 2025a).

In the Australian context, enhancing regional governance arrangements and funding models is critical to addressing shared and cross-cutting challenges, including economic and social transitions, workforce development, housing supply, infrastructure provision and service access – all of which are closely linked to productivity outcomes. Strengthening regional-level governance – alongside national and state policy frameworks – can help mitigate coordination challenges across jurisdictions and support more integrated, place-responsive policy design and delivery. This is particularly the case where such governance is underpinned by long-term, consolidated funding, as regional institutions operate at the spatial scale at which policy interactions and economic processes occur, enabling more effective alignment of policy interventions.

There are several potential pathways to strengthen regional governance. First, states and territories have the authority to create regional authorities through state legislation. Some jurisdictions already operate regional service delivery or coordination structures (e.g. Queensland's and NSW's Regional Organisations of Councils, NSW Joint Organisations, Western Australia's Development Commissions), although these remain administrative or collaborative organisations rather than fully empowered political governments. While the Australian Government cannot unilaterally create a new regional tier of government, state and territory governments may consider whether regional governance could improve service delivery, strategic planning, and coordination within their jurisdictions and across multiple local government areas to support productivity growth.

Another path toward regional governance could be for the Australian Government, in collaboration with the states and territories, to strengthen and expand existing regional organisations, such as the RDA committees. RDAs were established, in part, to provide collaborative leadership and facilitate local decision-making, but inadequate funding and staff has limited their ability to deliver on expectations to date (Buultjens et al. 2012). For regional organisations like RDAs to reach their full potential, Buultjens et al. (2012) suggest that reforms could focus on:

- Clearer mandates and statutory recognition
- Sustainable, increased funding and staffing
- Greater authority in regional planning and project delivery
- Stronger integration with state and local government processes.

RDAs could be embedded more closely with state agencies (as in Victoria) or aligned with other regional bodies. They could take on more roles such as acting as a regional hub for funding and investment attraction.

Beyond these pathways, the introduction of a tier of government at regional level across Australia would be a major reform to Australia's political system and require substantial political negotiation and constitutional or major legislative change. A national model of regional government would need broad intergovernmental and bipartisan agreement and public support.

These point to a set of directions for future exploration in both policy and research. There is a need to better understand how different policy levers – such as infrastructure, services, skills, innovation systems, and competition – can be more effectively coordinated at the regional level through institutional and governance arrangements.

INTERNATIONAL EXAMPLES OF PLACE-BASED POLICY MAKING

This section provides several international examples of place-based policy making.

OECD guidance

The OECD's Place-based Policies for the Future, released in 2025, finds that 'policy makers are now increasingly looking to harness the potential of place-based policies to tackle today's challenges' including 'place-based industrial policies that seek to improve national competitiveness through spatially targeted investment'. The OECD's Regional Economic Outlook, released in 2023, contains a detailed discussion on the importance of lifting regional productivity to reduce inequality between regions and the factors that explain differences in regional productivity: 'Whilst different sector specialisms explain some of the productivity differences between regions, three quarters of the gap reflects differences in the productivity of firms within the same sector. Regional differences in the quality of infrastructure, access to skills, innovation spillovers, finance and markets and investment all play a role here. This implies that place-based policies that address these inequalities can also play a significant role in driving productivity growth in existing industries and sector specialisms.'

These reports coincide with the publication of the OECD's Recommendations for Regional Development Policy in 2023 that contains 10 pillars to implement 'long-term, cross-sectoral, multilevel policy that aims to improve the contribution of all regions to national performance and reduce inequalities between places and between people.' The importance of collaboration and engagement with regional stakeholders in regional development policy is emphasised through the recognition that 'relevant knowledge needed to design and implement a policy for a place is embedded in the place itself and lies with people and communities.'

European Union – Smart Specialisation Strategy (S3)

The EU's Smart Specialisation Strategy (S3) is a place-based productivity and innovation framework, introduced in 2010, requiring regions and member states to develop research and innovation strategies for regions that possess, or can develop, comparative advantage. There are three core pillars for S3:

- Localisation – S3 is a place-based approach that builds on assets and resources available within the region.
- Prioritisation - S3s identify and concentrate resources on investment priorities.
- Participation - S3s require stakeholders from the public sector, research, private sector, and civil society to be engaged throughout the development of the strategy and for S3 investment priorities to be supported by local actors.

A recent review identified that Smart Specialisation Strategies (S3) play a significant role in implementing a strategic approach to place-based investment, compared to scattered investments, and guide more than €70 billion in research and innovation funding (European Court of Auditors 2025).

United States – NSF Regional Innovation Engines

The National Science Foundation's Regional Innovation Engines program is a place-based productivity and innovation investment program by the U.S. Federal government. Launched in 2022 under the CHIPS (Creating Helpful Incentives to Produce Semiconductors) and Science Act, the program provides long-term (up to 10 years) funding of up to US\$160 million per region to build durable innovation ecosystems in parts of the country that have historically not fully participated in technology commercialisation. NSF Engines fund region led partnerships across industry, academia, government, nonprofits, civil society, and communities of practice, with a strong emphasis on translating research into commercial outcomes, promoting innovation, job creation, and growth in technologies such as advanced manufacturing, clean energy, semiconductors, and biotechnology.

English devolution and productivity plans

England's devolution reforms are a national response to longstanding spatial inequalities in productivity, living standards and opportunity. Devolution is centred on transferring powers, budgets and long-term responsibility to subnational governments called Mayoral Strategic Authorities. The authorities must produce Local Growth Plans which provide a 10-year strategic framework for growth in their region, and which set out priority projects and funding to drive productivity and growth. Place based productivity policy in England is moving from centrally managed redistribution (project funding under the former Levelling Up program) towards institutional reform, with devolution now the primary mechanism for driving regional productivity through locally coordinated investment in skills, transport, housing, innovation, and public service reform.

5. PLACE-BASED PRODUCTIVITY IN PRACTICE

The case studies in this chapter show how regional productivity challenges and opportunities play out in different local contexts. They illustrate how industry composition, geography, scale, environmental constraints, infrastructure endowments and governance capacity interact to shape productivity outcomes. Rather than providing a comprehensive assessment of every region, the case studies demonstrate why regional productivity policy needs to be grounded in local diagnosis, regional institutions and coordinated investment.

CASE STUDY 1: INNOVATION ECOSYSTEMS IN CAIRNS AND FAR NORTH QUEENSLAND

Regional attributes

Cairns and Far North Queensland (FNQ) exemplify a diversified regional service economy with natural endowments which support the tourism and agriculture industries. Health care, accommodation and food services, retail and education dominate employment, reflecting its function as both a tourism gateway and a regional service hub. Over time, Cairns has moved beyond a narrow tourism dependence towards a more complex economy, supported by enabling infrastructure such as an international airport, port facilities and two universities. This combination has created the conditions for a distinctive regional innovation ecosystem to emerge.

Productivity dynamics

Measured productivity (GRP per hour worked) remains below state and national averages, due to industry composition: tourism and care services are labour-intensive and typically exhibit lower measured productivity. However, aggregate productivity masks important internal dynamics. The region has experienced strong long-term GRP growth and has developed high value niches in areas such as tropical medicine, maritime technology, aviation services, and Agri innovation.

The defining feature of Cairns' productivity story is the emergence of a regional innovation ecosystem. Strong collaboration between universities (especially James Cook University), local government, industry groups, and entrepreneurs has strengthened the entire innovation value chain, from research and ideation through to commercialisation. Examples include startups translating agricultural technologies into datacentre cooling solutions and global firms integrating Cairns based teams into international value chains.

Key constraints

Despite these strengths, Cairns faces persistent productivity barriers:

- Tyranny of distance, driving higher input and logistics costs.
- Housing shortages and high living costs, constraining labour attraction, and retention.
- Digital and specialist infrastructure gaps, limiting scaleup and advanced manufacturing.
- Venture capital scarcity, particularly midstage funding, encouraging outward migration of firms.
- State policy settings can be perceived as metrocentric, further limiting responsiveness to regional needs.

Lessons

Cairns highlights that productivity growth in service based regional economies relies less on capital deepening and more on coordination, talent pipelines, institutional leadership, and relational business models. Its experience underscores the importance of embedding innovation programs locally and building on regional identity and strengths.



CASE STUDY 2: WATER SCARCITY AND PRODUCTIVITY ON THE EYRE PENINSULA (SA)

Regional attributes

The Eyre Peninsula represents a resource based, export oriented regional economy dominated by agriculture and fishing, with significant grain, livestock, and seafood production. The region is sparsely populated, geographically isolated, and highly exposed to climate variability. More than half of its economic output is exported, yet value adding opportunities are constrained by infrastructure and distance to markets.

Productivity dynamics

Overall GRP growth in the Eyre Peninsula has been slower than state and national averages. Productivity (GRP per hour worked) remains below the South Australian average but has improved in recent years, partly reflecting agricultural innovation and the disproportionate impacts of COVID19 on metropolitan economies.

Productivity gains have been driven primarily by technological adaptation in dryland agriculture and shifts towards higher value fishing species. Research institutions such as the Minnipa Agricultural Centre have played a critical role in enabling productivity improvements under harsh environmental conditions.

Dominant constraint: water insecurity

Water scarcity is a constraint on productivity and growth. The region relies on rainfall dependent groundwater systems that are increasingly stressed by climate change, overextraction and salinity risks. Water insecurity affects not only agriculture and manufacturing but also liveability, population retention, and future investment confidence.

This constraint illustrates how environmental limits can cap otherwise strong productivity potential. Proposed infrastructure responses, particularly desalination, address supply security but raise new challenges around energy demand, cost, social licence, and system integration.

Interlinked infrastructure failures

Water scarcity is compounded by:

- Transport deficits, including degraded road networks and lack of container port capacity.
- Energy insecurity, with grid reliability issues limiting industrial expansion.
- Digital exclusion, reducing adoption of productivity enhancing technologies.
- Centralised planning delays, restricting workforce enabling infrastructure such as childcare.

These constraints reinforce one another, demonstrating that productivity barriers in remote regions are rarely isolated.

Lessons

The Eyre Peninsula case study shows that climate resilience, water security and productivity are inseparable. It also highlights the costs of delayed action and the importance of regional coordination across multiple local governments. Productivity policy in such regions should integrate natural resource management, infrastructure investment, and institutional reform rather than focusing narrowly on economic efficiency.



CASE STUDY 3: FOOD TECHNOLOGY AND INDUSTRIAL TRANSFORMATION IN THE PEEL REGION (WA)

Regional attributes

The Peel region sits at the interface of metropolitan and regional Australia. Proximity to Perth, access to transport infrastructure, abundant mineral resources and a rapidly growing population give Peel characteristics that many regions lack. Mining and mineral processing dominate output, while health care, construction, and retail drive employment.

Productivity dynamics

Measured labour productivity in Peel is consistently above state and national averages. However, this masks uneven productivity across the region and raises questions about long-term diversification, employment resilience, and population servicing.

Rapid population growth is both an opportunity and a risk. Without diversification, population growth can outpace job creation and infrastructure provision, undermining productivity gains derived from mining.

Strategic response: Food Innovation Precinct WA

Peel's productivity strategy centres on deliberate industrial diversification through food and Agri innovation. The WA Food Innovation Precinct exemplifies an ecosystem approach: integrating research, production, water, and energy systems within a purpose-built industrial precinct.

Key features include shared R&D facilities, common use manufacturing infrastructure, innovation support services, and an enterprise growth program. This approach lowers barriers for SMEs and enables value adding within supply chains that would otherwise export raw commodities.

Constraints and risks

Despite strong fundamentals, Peel faces:

- Social licence issues around mining expansion.
- Water and environmental pressures, intensified by growth.
- Infrastructure sequencing risks, as population growth accelerates faster than service delivery.
- The model's success remains contingent on sustained government funding, coordination, and market uptake.

Lessons

Peel demonstrates how place based industrial policy, supported by state investment, and regionally embedded institutions, can convert resource advantages into diversified, productivity enhancing industries. It also illustrates that headline productivity driven by mining must be complemented by strategies that broaden employment and innovation capacity.

CASE STUDY 4: FREIGHT AND LOGISTICS HUBS – WODONGA (VICTORIA) AND PARKES (NSW)

Regional attributes

Wodonga and Parkes are inland regional centres whose productivity advantage derives from strategic locations within national freight networks. Both sit at the intersection of major road and rail corridors, enabling them to function as logistics gateways linking regional producers to national and international markets.

Productivity dynamics

Productivity gains in both regions arise primarily from systemwide efficiency improvements, rather than firm level innovation. Logistics hubs reduce transport costs, shorten delivery times, and improve reliability for businesses across multiple regions, generating productivity benefits.

Governance and investment model

While the Wodonga Logic Centre is well established and more advanced than the emerging Parkes Special Activation Precinct, both cases share common success factors:

- Long-term local government vision, sustained over decades.
- Upfront public investment in enabling infrastructure.
- Risk sharing between local and state governments.
- Integration of training and workforce development, notably through TAFE campuses.
- Anchor tenants, providing early market validation.
- Parkes' Special Activation Precinct adds a state led planning overlay, including streamlined approvals and government managed land development, accelerating private investment.

Constraints

Future productivity benefits depend on:

- Completion and utilisation of adjacent infrastructure (e.g. Inland Rail at the Parkes SAP).
- Continued investment in utilities, water, and energy.
- Skilled workforce availability.
- Maintaining community support for large-scale industrial development.

Lessons

These cases highlight that freight productivity is place based but delivers national benefits. Regional logistics hubs show how infrastructure investment, when paired with governance capability and skills development, can shift regions into higher productivity roles within national supply chains.

Summary

The case studies represent a small sample of regional Australian economies but collectively reinforce the case for place-based productivity policy as a necessary complement to national reform. Several themes recur across the case studies:

- Productivity is shaped by place, with industry mix, scale, geography and environmental factors impacting in different ways and requiring targeted solutions.
- Institutions and governance are decisive in terms of coordination, leadership, and vision for enabling higher performing regions.
- Infrastructure bottlenecks are binding constraints in regional Australia with water, energy, transport, housing, and digital systems impacting on productivity.
- Resilience and productivity are converging agendas, particularly as regions experience significant shifts due to economic and social transition and climate change.
- Case study information should be complemented by improved regional productivity measurement to identify local challenges in the efficient use of labour, capital, energy, and materials inputs to production.

6. CONCLUSION

Regional productivity is central to Australia's long-term prosperity. Regional Australia generates a substantial share of national output and underpins many of the country's globally competitive industries, including agriculture, mining, energy, logistics, tourism and emerging clean energy and advanced manufacturing sectors. Yet many regions also face persistent structural and place-specific constraints that are not adequately addressed through economy-wide or sector-based productivity reforms alone.

This report argues that place-based productivity strategies should complement national and state productivity agendas. Lifting regional productivity requires coordinated investment in enabling infrastructure and services, stronger skills and migration pathways, improved housing supply, support for innovation ecosystems and policies that build on local industry strengths. These actions need to be grounded in regional evidence, local institutions and functional economic geographies, rather than applied uniformly across diverse places.

Effective policy design must also be supported by robust measurement of regional productivity. Without accurate and consistent measurement, it is difficult to identify productivity drivers, monitor policy impacts or adjust interventions over time. This report provides viable options for improving regional productivity measurements. These will enable effective policy design, as well as allow ongoing monitoring of the effectiveness of implemented policies that can be changed in an ever-changing world.

Lifting regional productivity is not only an economic imperative but is also central to building resilient, inclusive, and prosperous communities. Strengthening the productivity of Australia's regions will play a decisive role in lifting national economic performance. Complementing existing state and national productivity agendas with effective place-based policies will ensure that long-term investments in people, infrastructure and innovation capacity deliver a more stable and prosperous Australia for all.

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APPENDIX 1: METHODOLOGY

This project explores the critical role of productivity in enhancing economic growth and living standards, focussing on regional Australia. It examined trends in labour productivity by region and industry and explored regional productivity measurement challenges. It identified regional barriers such as limited infrastructure, skills shortages, and geographic constraints, and examined enabling factors such as capital investment, innovation, and digital transformation.

Research Objectives

1. Demonstrate the importance of productive regionally based industries for Australia's national economic performance and wealth and welfare of all Australians.
2. Measure productivity by region and by industry to understand trends and the current state of play and identify any shortfalls in data collection and reporting that need to be addressed.
3. Identify and assess the barriers and enablers of regional productivity growth and a set of actionable system-wide and place-based solutions.
4. Provide in-depth assessments of the implications of digital technology developments for boosting productivity in regions and creating opportunities for new industries and economic activity under supportive policy frameworks.

Research Methods

This research project used a combination of desktop research, statistical analysis, in-depth interviews, and broader stakeholder consultation. The statistical analysis was undertaken by the Regional Australia Institute (RAI) and the Centre for Productivity Research at the University of Queensland using Real Gross Regional Product and productivity data at the Local Government Area (LGA) level, provided by Informed Decisions through the Economy .id platform. These data were originally developed by the National Institute of Economic and Industrial Research

(NIEIR). The NIEIR-ID model replicates the National Accounts framework at the local level, drawing on a wide range of data sources to estimate economic activity and trends for individual LGAs. Key inputs include:

- Population Census data (working population)
- ABS National Accounts (income, expenditure and product)
- ABS State Accounts
- ABS Labour Force Survey regional employment and hours estimates
- ATO Income tax estimates by postcode
- Centrelink payments by postcode
- Real Estate Institute (state) housing price and rent estimates
- ABS Household Expenditure Survey

These sources are integrated to produce consistent local-level estimates of economic output, income, expenditure and productivity, enabling analysis of regional economic performance across Australia. For further information, please refer to the Data Sources and Specific Topic Notes available through the Economy .id platform.

The first stage of stakeholder engagement involved targeted consultations with ISIP partners and key government stakeholders. In depth interviews, including those undertaken for the regional case studies, were conducted with state government and local government representatives, industry, and relevant community organisations. Stakeholders were selected using purposive identification through new or existing relationships, combined with snowball sampling to leverage the networks of participants (Table 6).

Artificial intelligence (AI) tools including Copilot and Claude were used to assist with literature and information sourcing, drafting, summarising, and improving clarity and structure in this report. All content generated by AI was reviewed and edited by RAI researchers, who remain accountable for all content in the final report.

Table 6. Overview of research participants

Data collection method	Jurisdiction/Region	Sample Size	Stakeholders
Government Consultations	The Australian Government New South Wales Victoria Western Australia South Australia	The Australian Government and four state governments taking part in meetings	RAI Shared Inquiry partners Government departments Subject matter experts Invitations were sent to all states and territories for consultation, with some choosing to provide a written response, rather than taking part in a meeting
In-depth Interviews	Cairns and Far North Queensland, QLD Eyre Peninsula, SA Parkes, NSW and Wodonga, Victoria	22 interviews	State and local government representatives Industry representatives Regional Development Australia Regional development organisations Community organisations

APPENDIX 2: GLOSSARY

Agglomeration Economics

Agglomeration economics refers to the benefits of firms being close to each other - which typically favours metropolitan areas rather than regional areas given the sparse population and long travelling distances. The concentration refers not just to competing firms, but extends to allied industries, whether as customers or suppliers, as well as knowledge creation industries such as consultants and industry supporters. This concentration of industry, and allied industries, is conducive to higher productivity due to shared infrastructure, larger and more specialised labour pool, and greater opportunities for both competitive innovation and collaboration.

The benefits of agglomeration include lower input costs arising from reduced communication and logistical costs, higher productivity from more optimised resource allocation (economies of scale and scope), higher productivity from concentration of skilled workers, and greater innovation support through partnerships with public and private researchers as well as knowledge gain of workers (NIEIR 2023).

Capital Deepening

Capital deepening refers to an increase in the capital-labour ratio, that is, each worker has more advanced tools, machinery, equipment, or infrastructure with which to work. For each unit of time this allows a worker to produce more outputs. Historically, capital deepening has been a major contributing factor to improving Australia's productivity. According to neoclassical growth models (eg the Solow-Swann model), this mechanism suffers from diminishing marginal returns, requiring ever increasing amounts of new capital to produce the same percentage improvement.

Creative Destruction

A longstanding concept within economics, creative destruction is a process whereby innovation drives economic progress at the expense of existing industries, technologies, firms, and jobs has received new attention recently. Economists have shown the combination of scientific understanding and practical invention leads to innovation and economic gains when society is open to new ideas, embracing the innovative technology. This continuous process of 'creative destruction,' whereby new products and firms replace the incumbent products and firms, is a primary driver of economic growth. The laureates were awarded for transforming this concept into a mathematical framework, explaining clearly cyclical innovation (The Royal Swedish Academy of Sciences 2025).

The creative destruction process can be summarised as:

- **Innovation emergence:** nationally and globally innovative firms experiment and produce new ideas, technologies, and processes.
- **Diffusion and disruption:** the innovative technology/idea diffuses throughout the economy and starts to out compete the incumbents.
- **Reallocation:** new and productive firms are rewarded with greater resources (through sales and profits), and older, lower productivity firms are forced to exit.

Although painful in the short-term (bankruptcies and job losses), this reallocation process increases long-term economic efficiency and dynamism.

This has several key implications for productivity growth:

- Market dynamism and barriers to entry: high rates of firm entry and exit correlate with stronger productivity growth – resource reallocation to more efficient firms can improve productivity.
- Competition: a strong competitive environment heightens innovation incentives, with incumbents forced to innovate or risk being overtaken by new entrants.
- Supportive policy: policy must encourage openness to innovation, protect intellectual property and facilitate the entry and exit of firms (The Royal Swedish Academy of Sciences 2025).

Knowledge spillover refers to the process by which knowledge created by one firm, organisation, or individual transfers to other producers, intentionally or otherwise, and thereby benefits others who were not directly involved in creating that knowledge.

Gross Regional Product

Headline Gross Regional Product (GRP) is the regional equivalent of Gross Domestic Product (GDP), measuring the size of a Local Government Area (LGA) or regional economy and the value of goods and services produced within it. Changes in headline GRP over time may reflect shifts in employment, labour productivity, capital investment, or the industrial composition of the region.

Knowledge spillover refers to the process by which knowledge created by one firm, organisation, or individual transfers to other producers, intentionally or otherwise, and thereby benefits others who were not directly involved in creating that knowledge.

Comparing Headline GRP and Local Industry GRP provides insight into the structure of a regional economy. Differences between the two measures can indicate the extent to which economic activity is driven by locally based businesses or by larger corporations whose profits are distributed outside the region (Economy.id n.d.).

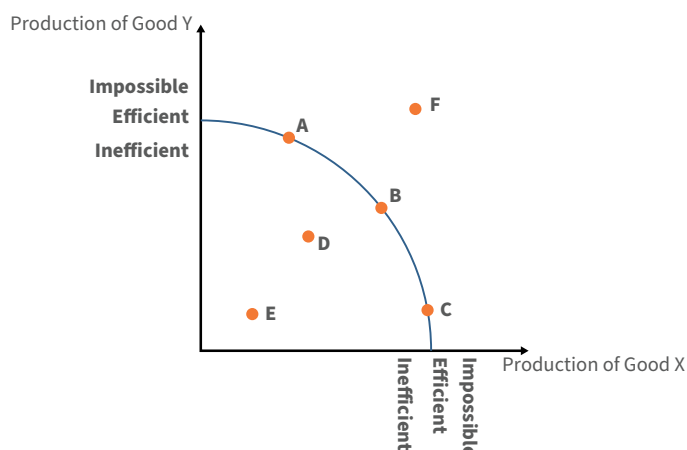
Knowledge spillover

Knowledge spillover refers to the process by which knowledge created by one firm, organisation, or individual transfers to other producers, intentionally or otherwise, and thereby benefits others who were not directly involved in creating that knowledge. In economics and innovation studies, it is treated as a positive externality: the creator cannot fully capture all the benefits of their ideas, so some value 'spills over' to others.

Productivity Frontier

The Productivity Frontier, also known as the Production Possibility Frontier, represents the maximum achievable output with a given set of inputs. That is, with a fixed amount of labour, capital, and other intermediate inputs, what is the greatest output possible? Economies operating along the frontier are as efficient as possible, while economies operating behind the frontier are comparatively inefficient.

The following simplified diagram shows the production possibilities of an economy across two dimensions: production of good X, and production of good Y. In scenarios A, B, C, the combination of goods x and y are all possible and represent the most efficient combination of goods and services which can be produced. Scenarios D and E are also possible but represent an inefficient use of resources: where the total amount of goods and services is less than under the scenarios of A, B, or C. Scenario F is currently impossible to produce - only through a change in technology or processes can it be reached.



Economists have developed a range of models for the purposes of explaining productivity growth. Production function models allow for explanations of technical progress, environmental change, and efficiency change. Within these economic productivity frameworks, observed productivity change can be attributed to four broad economic drivers:

- **Technical progress (TP):** the discovery or development of new techniques for transforming inputs into outputs.
- **Environmental Change (EC):** factors that are physically involved in the production process but not controlled by firms, such as weather conditions or public infrastructure.

- **Technical Efficiency Change (TEC):** how effectively existing production techniques are adopted and implemented.
- **Scale-And-Mix Efficiency Change (SMEC):** changes in how well producers exploit economies (or diseconomies) of scale and substitution.

To put it simply, there are two ways in which an economy, and the firms within it, can improve productivity:

- Move to the productivity frontier by operating more efficiently.
- Move beyond the productivity frontier through expanded capacity.

Becoming more efficient and thus moving toward the productivity frontier is typically done through microeconomic reform and domestic policy. This can be achieved through a variety of mechanisms, including but not limited to:

- Encouraging competition between firms.
- Lowering the barriers to entry to facilitate new entrants challenging incumbent firms.
- Changes to taxes and market regulations to allow more efficient allocation of resources or improving access to finance.
- Removing unnecessary and burdensome regulation.
- Improving access to markets and facilitation participation in global value chains.

The use of taxes and subsidies also play a significant role in guiding efficiency gains, such as providing tax offsets for research and development.

Moving beyond the current productivity frontier and increasing productive capacity is achieved through technology advances. This is typically achieved through inventing and implementing innovative technologies, but also includes novel production processes, as well as knowledge improvements specifically resulting in new methods of production or entrepreneurship.



APPENDIX 3: RAI REGIONAL TYPOLOGIES

There is no single definition of what constitutes regional Australia. Many different definitions exist and can vary depending on the user and the purpose for which the definition is required.

The RAI uses a broad definition for its research, policy, and advocacy work. For the RAI, regional Australia includes all the cities, towns, and areas outside of Australia's largest capital cities: Sydney, Melbourne, Brisbane, Adelaide, Perth, and Canberra.

While this definition is a useful starting point to conceptualise what regional Australia encompasses, it is more important to recognise and acknowledge the diversity that exists throughout regional Australia. There are different types of regional communities and different factors that will shape their futures. When analysing future trajectories of regional communities, the most relevant factors are their population, industry, and proximity to a capital city. On this basis, the RAI has identified four different regional types. Called the 'Foundations of Regional Australia,' they provide a basis for understanding the range of unique pathways to future prosperity that exist across regional Australia.

The factors that influence the socioeconomic development and potential of regional areas can be broadly divided into three categories:

- Population: How many people live there
- Employment: The kinds of jobs that people have
- Proximity/distance to major cities

These are key drivers of economic growth and social change and provide a starting point for understanding the diverse pathways to future prosperity across regional Australia. Accordingly, the RAI developed the following four typologies for regional areas:

- **Regional Cities**, which have populations of over 50,000 people. They have diverse economies and the chance to use their size and diversity to shape their own future.
- **Connected Lifestyle Regions** do not have city population size but are close to our major metropolitan regions. They will be influenced by their connection with these cities.
- **Industry and Service Hubs** are regional centres with between 15,000 and 50,000 residents, located further from major metropolitan areas. Their performance is linked to industry outcomes, but their population size means they could be resilient to change.
- **Heartland Regions** are smaller regional areas that are not close to other major metropolitan or Regional Cities. Industry trends and local ingenuity will shape their future.



APPENDIX 4: IMPROVING REGIONAL PRODUCTIVITY MEASUREMENT

Limitations of Current Regional Productivity Measurement

The labour productivity indicators presented in this report provide useful insight into regional economic performance using estimates of Real Gross Regional Product, or gross value add, as a measure of output. However, there are different views on using gross value add as a measure of output. Some theories question the use of gross value add and stipulate that only pure quantity output be used.

However, there are practical limitations to pure output approaches that necessitate significant data collection activities.

Further, labour productivity as a measure can mask the impact of other inputs on productivity – for example, capital, energy, and material inputs. Labour productivity is simply calculated as output per hour worked, so it effectively reflects the combined influence of all labour, capital, intermediate goods, and technology inputs. Labour productivity therefore does not necessarily even reflect the productivity performance of workers. For instance, labour productivity may increase if a worker is provided with faster machinery. In this case, the measured productivity has not risen due to the worker becoming more productive, it has risen due to the improved machinery. We would ideally like to get a better understanding of productivity performance across all the main inputs in the production process.

For these reasons, Multi-Factor Productivity (MFP) which captures the combined efficiency with which multiple inputs are used in the production process, is widely regarded as a more comprehensive measure of productivity over labour productivity.

The ABS currently provides experimental MFP estimates by industry but not by region. Developing a regional MFP measure would provide rich analysis of productivity drivers and enablers by place and would significantly strengthen the evidence base for place-based productivity policy. It would allow for comparisons of industry performance in different parts of Australia and the key factors. However, estimating MFP at the regional level is difficult and complex, and requires more data and changes to measurement practices.

The lack of detailed available data is a major limitation in constructing regional productivity estimates. European statistical systems have begun developing sub-national MFP datasets, and these experiences provide useful insights for how similar approaches could be implemented in Australia.

The RAI commissioned the Centre for Efficiency and Productivity Analysis at University of Queensland to explore options for measuring Labour Productivity and Multifactor Productivity at the regional level in Australia. The rest of this appendix sets out experimental results from the measurement of LP and MFP in the agriculture sector at the state level and discusses the possibility of extending this type of analysis to the regional level (by LGA or equivalent regional unit).

An Experimental Model of Labour Productivity and Multifactor Productivity by State

CEPA has calculated experimental measures of labour productivity and multifactor productivity at the state and territory level for the agriculture, fisheries, and forestry sector.

Meaningful regional productivity analysis requires development of an integrated LGA-level (or equivalent) 'Q-KLEMS' dataset measuring output and the full set of capital, labour, energy, materials, and services inputs:

- Output (Q)
- Capital (K)
- Labour (L)
- Energy (E)
- Materials (M)
- Services (S)

At present, there is currently no integrated dataset that measures the outputs and all capital, labour, energy, materials, and services inputs of regional production units.

For this experimental analysis, a state-level dataset was constructed using sources from the ABS and Bureau of Meteorology (BoM) for the period from 2016 to 2020. The dataset contains measures of output and input quantities and prices, together with selected environmental variables (temperature and rainfall).

Explaining productivity change involves explaining changes in output and input quantities. The analysis uses a standard production function model that gives the maximum output that is possible using given inputs. Because such functions describe the boundary of the set of feasible input– output combinations, they are often referred to as production frontiers. With such models, observed changes in productivity can be attributed to four broad economic drivers:

- Technical progress (TP): the discovery or development of new techniques for transforming inputs into outputs
- Environmental Change (EC): factors that are physically involved in the production process but not controlled by firms, such as weather conditions or public infrastructure
- Technical Efficiency Change (TEC): how effectively existing production techniques are adopted and implemented
- Scale-And-Mix Efficiency Change (SMEC): changes in how well producers exploit economies (or diseconomies) of scale and substitution.

Labour Productivity by state and territory

Labour productivity is calculated as total output divided by labour inputs. Table 7 reports Agriculture, Fisheries and Forestry labour productivity index numbers for all states and territories over the period 2016–2020. This table compares labour productivity in a given state and year to labour productivity in New South Wales (NSW) in 2016 (Index value of 1.000). Values greater than one indicate higher labour productivity than the NSW 2016 benchmark, while values below one indicates lower productivity.

Table 7. *Agriculture, Fisheries and Forestry Labour Productivity (LP) Index Numbers (NSW in 2016 = 1)*

State	2016	2017	2018	2019	2020
NSW	1.000	1.238	1.515	1.307	1.176
Vic	0.912	0.956	1.052	1.107	1.165
Qld	1.621	1.656	1.608	1.391	1.253
SA	1.233	1.481	1.351	1.658	1.735
WA	1.872	1.590	1.411	1.789	1.651
Tas	1.554	1.747	2.039	2.172	1.602
NT	6.763	2.540	2.456	2.561	2.577
ACT	0.140	0.136	0.280	0.802	0.324

A few key observations stand out regarding labour productivity:

- Victoria tracked closely to the NSW 2016 benchmark
- Western Australia and Queensland were well above the NSW benchmark throughout the period
- Tasmania was also relatively high, particularly in 2018 and 2019
- Labour productivity in NSW increased by 51.5% between 2016 and 2018, while in Queensland it fell slightly over that same period
- Labour productivity in Western Australia was highest in 2016, while in Victoria it was highest in 2020.

These results provide evidence that labour productivity dynamics are highly state-specific and can change over time.

Further analysis of the sources of productivity was undertaken to assess technical efficiency and scale-and-mix efficiency, respectively. Technical efficiency is a measure of how well states use best-practice production techniques, while scale-and-mix efficiency measures how well they capture economies of scale and substitution.

The analysis found that most states consistently operated on the production frontier, with technical efficiency scores equal to one. Only in 2019 and 2020 did any technical efficiency scores fall below one. In contrast, there was substantial variation in scale-and-mix efficiency across states and over time. Scale-and-mix efficiency in Queensland and the Australian Capital Territory (ACT) was consistently low. Scale-and-mix efficiency in Victoria, South Australia and Tasmania was consistently high.

Overall, these results suggest that differences in state-level labour productivity have been primarily driven by differences in environmental conditions and economies of scale and substitution. There have been no persistent failures to adopt and correctly implement best-practice production techniques. From a policy perspective, this implies that interventions aimed solely at improving technical efficiency are unlikely to be effective in increasing output per worker.

Multifactor Productivity

MFP is calculated as total output divided by all inputs used in the production process. CEPA provided MFP based results using an MFP measure in which aggregate input is defined as: a weighted sum of capital, labour, energy, materials, and services inputs; with average prices over all states and periods used as weights. This measure provides for a more comprehensive quantification of productivity than the use of the labour alone, as used in labour productivity measures.

The resulting estimates below illustrate the productivity insights that can be obtained from a fully specified Q-KLEMS database and provide a benchmark for the richer forms of regional productivity analysis that could be undertaken if LGA-level Q-KLEMS data become available.

Table 5 reports index numbers that compare Agriculture, Fisheries and Forestry MFP in each state and year with the corresponding value for NSW in 2016. These MFP index numbers exhibit less dispersion across states than the corresponding labour productivity index numbers. This may reflect the substitution of labour for capital and other non-labour inputs. Table 8 reveals that most states experienced steady MFP growth between 2016 and 2018, followed by a slight decline thereafter. As in the labour productivity-based results presented earlier, MFP in the ACT was lower than in other states throughout the period.

Table 8. *Agriculture, Fisheries and Forestry Multifactor Productivity (MFP) Index Numbers (NSW in 2016 = 1)*

State	2016	2017	2018	2019	2020
NSW	1.000	1.117	1.230	1.069	0.995
Vic	0.997	1.101	1.191	1.065	1.004
Qld	1.057	1.168	1.251	1.091	1.009
SA	1.039	1.148	1.223	1.094	1.032
WA	1.079	1.160	1.128	1.104	1.034
Tas	1.077	1.214	1.297	1.137	1.032
NT	1.079	1.167	1.249	1.082	1.002
ACT	0.546	0.568	0.821	0.910	0.745

Taken together, the labour productivity and MFP results provide a picture of state level productivity dynamics. Patterns of labour productivity change are clearly different from patterns of MFP change. In both cases, productivity differences across states are shown to reflect differences in environmental conditions, the scale of operations, and the input mix. They are not caused by failures to adopt best-practice production techniques. Failure to recognise the significant impact of environmental conditions, inputs mix and economies of scale could potentially lead to poor policy interventions.

Data Requirements for Constructing Regional Productivity Measures

This section outlines several pathways for constructing datasets required to extend this type of productivity analysis across the economy at the regional level. Each pathway involves trade-offs between analytical completeness, data availability, and practical feasibility.

Publicly available Australian data sets do not currently support labour productivity or MFP measurement at the LGA level. Progress toward comprehensive regional productivity measurement depends on government statistical agencies collecting, assembling, and making available regionally disaggregated data on outputs and inputs consistent with a Q-KLEMS framework. Evidence from European studies demonstrates that productivity analysis at highly disaggregated levels is possible when appropriate data are available (see, for example, Mansson et al. (2025)).

Undertaking productivity analysis at the regional level in Australia would require quantity data on output, labour, capital, energy, materials, and services at the industry level within each LGA (or equivalent regional unit). Where direct quantity data are unavailable, quantities would need to be inferred from available value and price data. Output and non-labour inputs typically require this type of indirect measurement, while labour input is often observed directly through measures such as employment or hours worked.

These requirements go beyond those needed to construct value-added-productivity indicators and imply trade-offs between analytical completeness, data availability, and practical feasibility.

CEPA considered three broad pathways for assembling such data at the LGA level in practice:

Pathway 1: Proportional allocation of higher-level aggregates

This approach would allocate national or state-level Q-KLEMS aggregates to LGAs (or regional equivalents) using observable regional shares, such as employment or hours worked by industry. However, when both outputs and inputs are allocated using the same regional shares, meaningful productivity difference cannot emerge at the LGA level. Proportional allocation is therefore unsuitable for analysing regional productivity differences at the LGA level but can serve as a useful accounting framework.

Pathway 2: Hybrid allocation using input-specific regional information

This more informative approach combines allocation methods (described above) with additional region- and input-specific information. Under this hybrid approach, different inputs are allocated using different regional indicators rather than a single common share. For example, labour input could be allocated using the best available information on regional hours worked by industry (where available, or using proxies from the Census, Centrelink, the Labour Force Survey, taxation records, or data platforms such as BLADE), while output and other inputs could be allocated using industry specific weights that vary across regions. Because outputs and inputs are no longer tied to a single allocation share, productivity can vary across LGAs. This hybrid style approach provides a pragmatic way forward when comprehensive regional quantity data are unavailable, though results depend on the quality of the underlying allocation weights

Pathway 3: Full-system construction using regionally observed data

The most comprehensive approach would involve constructing an LGA-level Q-KLEMS dataset using regionally observed quantity information for all major outputs and inputs. Under this approach, output, labour, capital, energy, materials, and services are measured separately by industry and LGA, using direct quantity data where available and consistent inference methods where they are not. Although demanding in terms of data requirements and implementation effort, it provides the strongest analytical foundation for regional productivity analysis and aligns most closely with best practice in international productivity measurement.

These pathways represent increasing levels of analytical capability but also increasing data requirements. Allocation-based approaches are easy to implement but offer limited insight into regional productivity differences. Hybrid approaches provide a pragmatic compromise when regional data are incomplete. Full-system Q-KLEMS implementations offer the greatest analytical value but require substantial investment in data development. Ultimately, advancing regional productivity measurement will depend on government statistical agencies collecting, integrating, and disseminating regionally disaggregated data on outputs and inputs.

Conclusion

Multifactor productivity (MFP) is widely regarded in the academic literature as the most comprehensive measure of productivity, as it captures the combined efficiency with which all inputs are transformed into outputs. In practice, however, data limitations mean that regional productivity analysis in Australia has typically relied on real gross regional product (RGRP) per hour worked as a proxy. Advancing regional productivity analysis will require moving beyond labour productivity measures alone. While labour productivity remains a useful indicator where data are constrained, its exclusion of non-labour inputs can provide an incomplete picture of productivity performance. MFP measures address this limitation by accounting explicitly for the full set of production inputs, although they require significantly more detailed data and methodology, particularly at regional scales.

Advancing regional productivity measurement will require sustained statistical investment, specifically, the coordinated collection, integration, and dissemination of regionally disaggregated data on outputs and inputs consistent with a Q-KLEMS framework. Such investment would enable analysis to move beyond descriptive regional indicators toward policy-relevant analysis of the sources and drivers of regional productivity differences in Australia.





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31 August 2026

To Geoff Leeper
Water Act Reviewer, Canberra
Per "Have Your Say" portal

**SUBMISSION ON REVIEW OF THE WATER ACT 2007 RIVERINA AND MURRAY JOINT ORGANISATION OF COUNCILS
(RAMJO)**

Thank you for inviting input from Basin Communities into the review of the Water Act 2007. We note this is its second review, the first being 2014, and we hope that part of the review will consider to what extent the previous recommendations were adopted and implemented.

ABOUT RAMJO, THE REGION WE COVER AND OUR SUMMARISED EXPERIENCE OF WATER REFORM

RAMJO covers 12 councils across the footprint of six very important and successful irrigation districts: Murray Irrigation, Coleambally Irrigation Cooperative, Murrumbidgee Irrigation, West Corugan Private Irrigation, Western Murray Irrigation and Euston Cooperative Irrigation.

These were all nation building projects when established and today we are - without a doubt - the food-bowl of NSW.

As RAMJO we've generally supported the intent of the Basin Plan – of course we all want healthy rivers and a healthy environment. But, what our communities do not appreciate is the way this reform has been rolled out. The Basin Plan has been done to us, not with us. It has hurt our communities badly, with the recent announcement of 78 SunRice job losses a case in point. If the current trajectory of water recovery continues, the impacts will only get worse.

Local economies in towns across southern NSW have taken a big hit from the recovery of 37% of the southern Basin's consumptive pool under Basin Plan and pre-Basin Plan reforms. The focus on farm-level impacts has ignored the flow-on impacts for jobs in local food processing, transport and farm services, and for shops, sporting clubs, health services and schools. The tourism industry is equally aggrieved, with river operational decisions being made that undermine the viability of businesses, too.

Governments and agencies sticking their heads in the sand on the social and economic impacts of water recovery was never acceptable. The 2026 Water Act Review must ensure due consideration is given to whole of community and whole of economy impacts. It is more critical than ever that the regional and local impacts are assessed and understood over the next phase of the Basin Plan to 2036. Moreover, sufficient government funding and other support is urgently required to help impacted communities regain confidence in their long-term future.

Much work needs to be done to win back the trust of local farmers and communities. We need clear and consistent factual messaging from a trusted source about what is happening, how it will affect us, and how the Federal Government is minimising the socio-economic impacts of the water recovery. To this end, the \$160 million community support program for the Southern Basin does not even begin to touch the sides of what is required.

RAMJO requires from Government much greater practicality and realism over the next decade. Glib ideology about water recovery targets based on modelling assumptions with flow rates the Murray Darling Basin Authority itself belatedly recognises as outdated and impractical is not acceptable.

WHY THE ACT NEEDS TO CHANGE

Nearly two decades after its enactment, the Water Act 2007 has fundamentally reshaped water management across the Murray-Darling Basin. The Act has achieved many of its original objectives, including establishing sustainable diversion limits, recovering substantial volumes of environmental water and creating a framework for coordinated Basin-wide management.

However, the experience of implementation has also revealed the limits of a reform agenda centred primarily on water recovery. The MDBA's own work now recognises that many remaining environmental challenges cannot be resolved through additional water recovery alone. Physical constraints, infrastructure limitations, invasive species, habitat degradation, water quality issues and climate change require a broader suite of management responses.

The next phase of Basin reform needs to focus on outcomes rather than volumes and should be geared at restoring balance that continues to see the environment recover while shoring up the future of communities, productive industries, property rights and regional economies. Future success should be measured not by how much water is recovered, but by how effectively existing environmental water, infrastructure, complementary measures and operational arrangements are used to improve environmental, social, cultural and economic outcomes.

The Water Act 2007 recognises the national importance of the Basin in environmental, economic and social terms and the Act, with the Basin Plan, is supposed to reflect a framework contributing materially to economic, social and environmental outcomes in the national interest. We support these principles wholeheartedly but the Act, as currently written, enables a system where the environment is “helped more” at the expense of local economies and local communities.

Despite our well documented, frequently stated concerns, the Government has continued its aggressive purchase of water through buybacks, at prices higher than the market. This is disproportionately skewing the price of water for consumptive use, compounding earlier price increases from previous water recovery efforts and further reducing water availability. These water purchases are driving further change from annual cropping to permanent plantings at the expense of well-developed food and fibre (annual crop) processing sectors and negatively impacting the associated economic and social wellbeing of local communities.

This erosion of crop diversity compromises local economic resilience. In particular, the impact on food and fibre processing – all of which are important job creation industries. These impacts deserve closer consideration before decisions are made. Currently impacts are measured only at the farm gate. It is imperative that the review of the Water Act 2007 introduces a requirement to consider the impacts of water reform on whole towns and regions (and on export earnings), not just at the farm gate.

The Federal Government, in particular, has failed to give proper / full regard to the economic and social impacts of their policy decisions, seemingly enabled by the current Water Act 2007 (and its associated Basin Plan 2012) which has allowed the prioritising of the environment over people. The Act lacks guardrails to prevent political interference mid-stream by ideologically-driven Government agendas that are out of sync with the intent of the Act (with the “Restoring Our Rivers” Amendment in 2023 and the delay of this review of the Act being cases in point).

We are trusting that the review of the Water Act 2007 will recommend bringing back a better balance, where a healthy environment will be achieved alongside healthy local economies and thriving communities. That means buybacks and rules changes must stop immediately and blanket water recovery to achieve a volumetric target for the Basin must cease.

THE REVIEW OF THE WATER ACT NEEDS TO ENSURE SOCIO-ECONOMIC OUTCOMES ARE GIVEN EQUAL WEIGHT TO ENVIRONMENTAL OUTCOMES

1. Government relies heavily on ABARES reports which consider impacts at the farm gate and fail to consider the flow on impacts into towns and communities. We have asked for a decade now for impacts to be considered beyond the farm gate. We eventually commissioned our own report by REMPLAN for Government which showed that for every 1 rice farm job there are 4 jobs in Deniliquin and 8 jobs in Leeton (see **Attachment 1**).

When challenged about their failure to consider manufacturing in their economic assessment reports, the MDBA said that looking beyond the farm gate is “too hard” (yet they managed to do a deep dive into tourism which is notoriously harder to assess than manufacturing).

The Water Act 2007 needs to be strengthened to ensure economic impacts are routinely and fully considered beyond the farm gate. It needs to be amended so that the Minister must take account of socio-economic impacts before making policy decisions.

2. Government persistently takes a macro view of the economic impacts of the Basin Plan and fails spectacularly to recognise the devastating consequences to communities at the local level – where industry shrinkage leads to job losses, population decline, less money flowing in the community, fewer participants in schools, sports, and cultural programs, less volunteers and ultimately reductions in services (financial, health etc). It is noted that in the initial years of the Basin Plan, economic reviews were at the local level (when Phil Townsend was the in-house economist) but this has changed in recent years with inadequate explanation as to why.

The Water Act 2007 needs to be strengthened to ensure economic impacts are considered at the local level, not only the macro level, and must also consider the social impacts.

3. In determining the economic changes to the Basin, the Government suggests that overall there has been a decline of only 1.8% or thereabouts, concluding that the negative impacts have only been minimal. It has recently come to light that added into their calculations as income into the Basin’s economy is the \$13.2B that the government has funded for the roll out of the Basin Plan. If understood correctly, this misrepresents the direct benefits to communities on the ground and serves only to camouflage the full impacts of the Basin Plan across the Basin. It is our strong contention that not all of the \$13.2B comes directly into the Basin and a fair proportion is soaked up by administration or planning outside the Basin or in buyback payments to sellers who then head off to the coast to retire.

The Water Act 2007 needs to be strengthened to ensure economic analysis in the Basin does not allow the government’s investment in the Basin Plan to be counted twice (as it will already be recognised in local economic activity, if/where relevant).

4. The 2023 Restoring Our Rivers amendments to the Basin Plan initially saw the removal of socio-economic neutrality testing entirely. After significant community advocacy it was returned in part but significantly watered down, now stating the Minister need only ‘have regard to’ the socio-economic impacts. When the 450GLs of buybacks were announced, Leeton Shire council asked for a copy of the Minister’s socio-economic considerations which we found inadequate, to say the least. **Attachments 2A and 2B** (both 2018) represent the original intent of socio-economic testing prior to “Restoring our Rivers” and a process we could support, whereas **Attachments 2C and 2D** show how socio-economic considerations have been watered down through the 2023 amendments to the Water act, reducing consideration to the impacts to little more than a rubber stamping exercise. As Basin communities we find this reprehensible especially as our calls to consider the whole economy and not just the farm gate continue to be ignored.

The Water Act 2007 needs to be strengthened such that decision makers are required to undertake comprehensive socio-economic analysis at the local level (not only macro) and make comprehensive forward plans with impacted communities ahead of further water recovery and/or buyback announcements. Further, the Water Act must be amended to compensate water users for any change entitlement reliability be it through rules changes, changes in river operations, constraints relaxation and state water sharing plans.

5. The Government's attempt at structural adjustment for impacted communities has been poorly rolled out and the investment amount is hopelessly inadequate. It fails to target directly impacted communities and has not been strategic in its roll out, following instead a one-size fits all competitive grants process. We consider the allocated \$160M to the Southern Basin (part of the \$300M "Sustainable Communities" funding package) to be hopelessly inadequate for addressing economic structural adjustment as a result of water reform.

The Water Act 2007 needs to be strengthened to ensure that structural adjustment mechanisms for communities negatively impacted by Basin Plan decisions are properly understood, properly planned, properly resourced and are flexible in how they are applied.

6. The notion of water going to the highest value use needs to be redefined by the Act to make it clear that highest value is not the value at the farm gate but the value at the regional and national level. For example, paddy rice as a commodity might not be high value alone, however, once the milling and value adding is considered, there is sound argument to be made that growing rice has many more benefits to growing other crops with higher gate prices. Moreover, it could be argued that commodities like rice and milk are staples which should be valued for their roles contributing to (safe) food security for Australia.

Of note, the Water Act currently seeks to provide for 'water to reach its most productive use through the development of an efficient water trading scheme across the MD Basin' which is flawed logic and must be removed. We know directly as communities in the Basin that water moving away from lower cost commodities to higher cost commodities is not an absolute good economically. The clause needs to be amended to say water is to be managed to improve water security for all water users, including supporting productive and resilient water dependent industries and giving communities confidence in their long-term futures.

The Water Act 2007 needs to be adjusted and strengthened to more broadly define the notion of water being directed to its highest value use – the farm gate alone is not the correct measure and value adding post farm gate (including export earnings for the nation and food security) must be included as economically relevant measures.

7. Communities are reminded continually about Australia's commitment to the international treaties and agreements, but curiously only ever with a focus on the environmental obligations. We note that even the RAMSAR Convention calls for strengthened collaboration and partnerships between sectors concerned with wetland conservation, water, health, food security and poverty reduction. What is more, RAMSAR specifically recognises the importance of rice as a food source globally. We note the criticality of rice supplied by Australia to our Pacific neighbours and our nation's citizens' sovereign right to be able to access food grown in Australia where provenance is trusted. Even the Paris Agreement recognises that strategies to address climate resilience should not impede food production.

The Water Act 2007 needs to be strengthened to ensure any narrow biodiversity or climate interpretation of international treaties is replaced with a broader recognition of the domestic importance of food security, sustainable agriculture and community resilience. Of note the Water Act must be strengthened to better recognise, support and protect the consumptive water base and the communities that depend on water-dependent industries.

8. The Act in its current form has driven a relentless focus on water recovery as the means to foster healthy rivers and wetlands. With recovery now largely achieved, a more effective Act would, at this point, require the Basin Plan to integrate water management with complementary natural resource management measures. Further, its approach and focus should be place-based (not whole of Basin). With State and Territory Government

collaboration, this would enable the MDBA and CEWH to consider a wider range of management options rather than being constrained by a framework that focuses primarily on water recovery and water delivery at the expense of local economies and local communities. It is imperative that the Act recognises there are in many areas complementary measures that can, in fact, deliver even greater environmental outcomes than just adding water, and these must be enabled as soon as possible.

The Water Act 2007 needs to re-focus water from being the primary key to a healthy Basin, to being one element of integrated, place-based, management considerations aimed at delivering healthy Basin environments and thriving Basin communities (economically and socially).

THE REVIEW OF THE WATER ACT NEEDS TO ENSURE CLARITY, EFFICIENCY AND GOOD, TRANSPARENT GOVERNANCE

1. In our efforts to promote place-based, co-designed solutions for meeting environmental goals, a RAMJO member Council asked the MDBA to advise the environmental goals for the mid-Murrumbidgee valley. The MDBA referred the matter to the CEWH who referred the matter to the NSW State Government who referred the matter back to the MDBA. This signals the lack of clarity about who is responsible for what and reinforces the view that the Basin Plan is overly focussed on water recovery instead of clear, place-based environmental outcomes.

Further, there are various reports from various quarters on outcomes being delivered, from MDBA environmental reports to CEWH FLOW-MER reports, NSW EWAG reports and more. It is unclear which set, if any, clarifies whether the intended environmental goals are being achieved or not. Disappointingly, the environmental work of farmers is not explicitly included in these reported results, such as their success with the Bitterns in Rice project where rice paddies (akin to ephemeral wetlands) majorly support water bird and frog breeding, including Bell Frogs.

Additionally, despite many reports showing major environmental improvements, the Federal Government saw fit – at the time they were promoting their ‘Restoring Our Rivers’ Amendments – to commission a very expensive media campaign stating Basin Rivers were dying. They signalled to the wider Australian population that little to no progress was being made, which is simply not true. All of this points to a lack of clarity about roles and responsibilities, a lack of clarity about goals and objectives, and a deplorable lack of accountability (scare mongering) by the Federal Government in relation to reporting progress. Communities and taxpayers should not be burdened by administrative inefficiencies and duplication of services as a result of untidy governance arrangements.

The Water Act 2007 needs to ensure improved clarity of roles and responsibilities / accountabilities of any agencies involved with or enabled by the Act and must ensure congruence of messaging so that Basin communities – at the local level - enjoy greater certainty about the goals being pursued and outcomes being delivered (not whole of Basin reporting). and so that communities are not needlessly burdened by administrative inefficiencies and duplication of services.

2. Research commissioned by the MDBA indicates that communities have lost trust and no longer feel confident about their futures - and this was before the new round of additional “Restoring Our Rivers” buybacks (450GL) was announced. The 2024 Regional Wellbeing Survey indicates that communities in the Southern Basin do not agree that water is being managed to achieve positive outcomes for communities. It also shows that our communities in the Murrumbidgee (and other valleys) are less likely to be confident about their future, their community’s future, and their ability to maintain quality of life through droughts and floods. In the view of RAMJO, this situation is largely due to communities being excluded from decision making.

The Basin Plan is being “done to us”, not with us. Consultation is one thing, but we are asking to be formally part of the environmental planning in our patch. To this end we need to be invited as trusted partners to help co-design solutions for our area. Our farmers and industries are innovative and entrepreneurial, and it is very possible that we may be able to find solutions at

the local level that do not require additional water (reducing further negatively impacts on the local economy).

The Water Act 2007 needs to introduce a place-based approach to the Basin where local communities are formally involved as respected / trusted partners in working up and delivering Basin goals and plans for their area, taking an integrated approach that genuinely considers environmental, economic and social wellbeing outcomes.

3. We acknowledge the importance of the Basin to Indigenous people and value their contribution to Basin Plan decision making and Basin Plan management, noting that a commitment of \$100M was made to the Aboriginal Water Entitlements Program and \$20M for cultural flows under the Water Act amendments 2023 (Restoring Our Rivers). We note that UNDRIP is a Declaration and not an International Agreement. We also note that in RAMJO's footprint, many Local Lands Councils are active on the ground and participate actively in several environmental and community collaborations with government departments, land care groups and local government.

The Water Act 2007 review needs to consider feedback from indigenous communities, however, with respect, we urge against making the Act more complex.

4. A retrospective review on the Government's amendments to the Act ("Restoring Our Rivers") - pushed through in 2023 – is warranted. The timeframe was short and the process rushed. The purpose was politically and ideologically driven rather than practically driven to meet shared / identified environmental needs. The spirit of the amendments sat outside of the policy positions of some Basin States in relation to buybacks (notably NSW and Victoria). **Appendix 3** outlines the NSW Government's position on buybacks (not supportive), for example.

It would have been better / more responsible to have undertaken a review of the Act in 2024 rather than delay - especially as it was already well known at the time that further water recovery would not result in improved environmental outcomes. The removal of socio-economic neutrality testing was particularly concerning given its criticality in getting the original Basin Plan over the line. See again in **Appendix 2 (A,B,C,D)** the decreasing lack of rigour since the "Restoring Our Rivers" amendments to social economic considerations.

The Water Act 2007 needs to ensure no further amendments can be introduced by sitting governments prior to a full review of the Act unless a national emergency is declared and there is full and unanimous endorsement for the proposed changes from relevant States / Territories. The Water Act must NOT give legal force to the National Water Agreement as it is a secret document and has not been openly and transparently consulted with the broader citizenry of Australia.

5. The MDBA has acknowledged that remaking all 33 Water Resourcing Plans (WRPs) against the existing 55 requirements would impose significant cost for little benefit. WRPs should instead operate as an assurance mechanism, not a second water planning system. To that end, WRPs should be simplified into an assurance-based process focused on whether Basin States have effective, enforceable water management frameworks that protect critical human needs, manage allocations transparently, support environmental planning, monitor water quality, ensure compliance and demonstrate consistency with the Basin Plan.

The Water Act 2007 should be amended to reduce duplication and shift Commonwealth oversight from prescriptive process scrutiny to outcomes, SDL compliance and accountability. This would respect State responsibility for water management while maintaining Basin-wide consistency.

6. Environmental outcomes—not water holdings—should be the central objective of environmental water management. The ability of the CEWH to undertake strategic investment is supported, including an increased ability to trade to support complementary measures and civil works aimed at increasing environmental outcomes while reducing the need for water recovery (provided mechanisms remain in place to ensure the CEWH does not skew the water market). Currently the CEWH's ability to be responsive is frustrated by administrative barriers which prevent agile, outcomes-focused decision-making.

The Water Act 2007 should give the CEWH greater flexibility to trade and manage water across seasons, directing trade proceeds into practical on-ground environmental measures that reduce the need for further water recovery.

7. Water for critical human need is already covered in the Water Act 2007. Prescribing detailed water security targets through the Water Act is not supported. Conditions, risks and community expectations vary significantly across the Basin and flexible state-based arrangements are better suited to managing these differences. The MDBA recognise this themselves, noting that smaller, irrigation-dependent communities may experience disproportionate impacts from water recovery and climate-related reductions in water availability.

Prescriptive national requirements risk creating new administrative burdens without improving real-world water security outcomes. In NSW, for example, the existing water allocation framework provides a practical example of how water security can be achieved within a highly variable climate. Water sharing arrangements already prioritise critical human needs, essential town water supplies, environmental requirements and system operations before allocations are made to lower-priority entitlement categories.

The Water Act 2007 should recognise that the greater challenge for community resilience is not the absence of legislative protections for water security, but the broader impacts of water policy decisions (Federal and State) on regional communities.

8. The ability for water to be treated as a tradeable commodity for financial gain as opposed to being traded to optimise farming outputs in the Basin is a serious concern. Food security / food sovereignty should take precedence. There are many entities that have no association with farming whose forays into water trading are skewing the market because they have deep pockets and can pay more than an annual cropper. Massive water holders such as the likes of superannuation companies and other consortiums whose sole aim it is to make money should not be allowed to trade water. It is even worse when these water entitlement holders sit off shore. Australian water should only be allowed to be owned by Australians or parties who actively farm land in Australia and need the water for their farming endeavours. Income from water sales have to be applied on the land.

The Water Act 2007 should limit the holding of water entitlements and the undertaking of water trading to organisations with a direct and active interest in farming in Australia. Persons or organisations without farming interests, or who move out of farming, should be required to sell their entitlements within a set timeframe (eg. within 5 years).

NO MORE BUYBACKS AND ONLY VERY TARGETED PLACE-BASED WATER RECOVERY, WHERE ABSOLUTELY ESSENTIAL

The MDBA is increasingly clear that more environmental water alone will not deliver the Basin Plan's intended outcomes. The remaining barriers are now largely physical, operational and ecological — including river constraints, limits on high-flow delivery, infrastructure gaps, invasive species, fish passage barriers, water quality issues and outdated modelling assumptions.

This marks a critical turning point for Basin Plan legislation, commencing with the review of the Water Act 2007. Basin reform must now mature beyond a narrow focus on water recovery and instead prioritise outcomes, accountability, adaptive management and the long-term sustainability of both the environment and the communities that depend on the Murray–Darling Basin.

A legislative framework that continues to prioritise further water recovery risks removing more water from productive use without delivering equivalent environmental benefit. For general-security dependent industries such as rice and dairy, and the regional communities and processing sectors they support, this imposes real and compounding costs while failing to address the practical limits on environmental delivery.

The Water Act 2007 should therefore be amended to end the presumption that better environmental outcomes require further water recovery. Instead, it should require Governments and Basin institutions to make existing environmental water work harder through complementary measures, constraints management, infrastructure investment, adaptive environmental watering, revised assumptions and transparent, outcome-based accountability — while protecting the productive base of Basin communities.

A revised Water Act 2007 needs to genuinely optimise social, economic and environmental outcomes together by:

- more clearly defining the national interest to include food production, food security, water-dependent industries and thriving regional communities
- giving weight to international agreements and obligations that support agriculture and food security, not only environmental protection;
- matching the statutory weight of social, economic and environmental outcomes;
- requiring proper local and regional socioeconomic impact assessment, including pre- and post-farmgate impacts;
- shifting the focus from further water recovery to better use of existing environmental water and complementary measures;
- recognising that Basin health depends on broader natural resource management, not water recovery alone; and
- ensuring the productive base of irrigated agriculture is protected as part of Australia's long-term national interest.

Without these amendments, the Act will continue to fall short of its own objects by prioritising environmental water recovery while failing to properly account for the communities, industries and economies that depend on a balanced and productive Murray–Darling Basin.

By transitioning from a water recovery framework to a water management framework, the substantial environmental water already recovered can be refocussed to achieve the best environmental outcomes while maintaining the productive base that underpins Basin communities and Australia's food and fibre security.

Please do not hesitate to contact our RAMJO Executive Officer or RAMJO Water Sub-Committee Chair for further information, as noted below. We also welcome an opportunity to discuss our submission with the Reviewer and / or his colleagues.

Yours faithfully



Mayor Ruth McRae OAM
Chair RAMJO



Jackie Kruger
RAMJO Water Sub-Committee Chair

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Attachment 1

BEYOND THE FARM GATE: WATER AVAILABILITY AND IMPACT ON THE RICE ECONOMY AND REGIONAL SUPPLY CHAINS ECONOMIC IMPACT ANALYSIS

Undertaken for Riverina & Murray Joint Organisation
May 2026



BEYOND THE FARM GATE: WATER AVAILABILITY AND IMPACT ON THE RICE ECONOMY AND REGIONAL SUPPLY CHAINS

Economic Impact Analysis

This report has been prepared by REMPLAN Advisory

May 2026

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EXECUTIVE SUMMARY

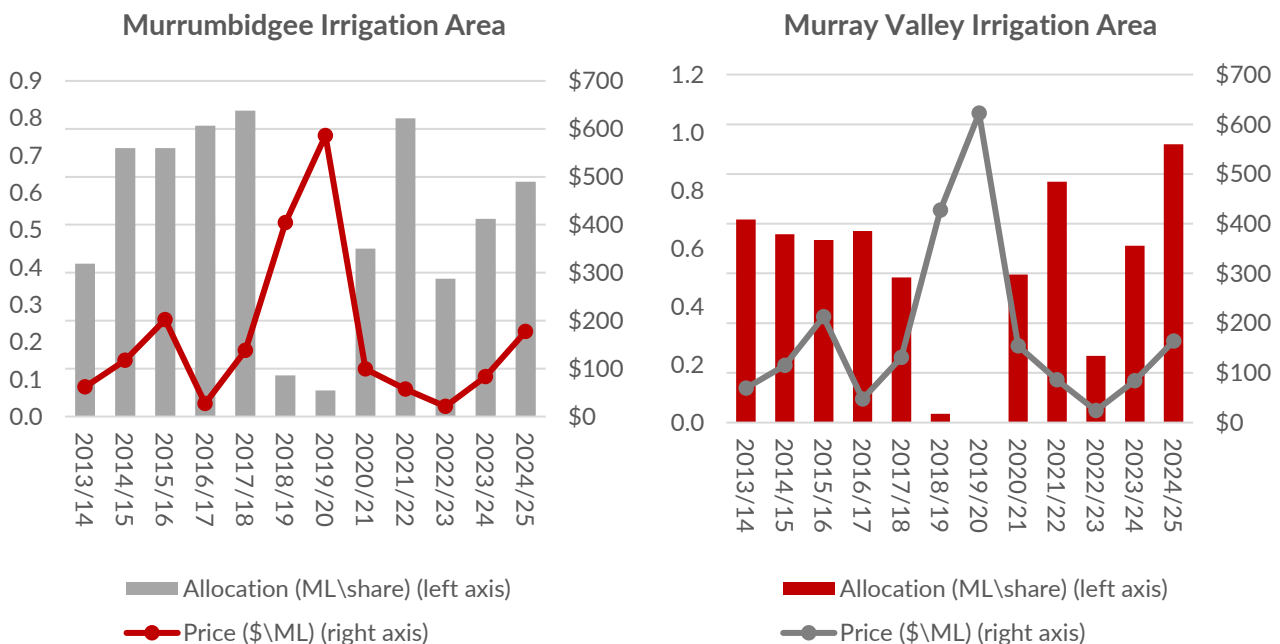
BEYOND THE FARM GATE: WATER AVAILABILITY AND IMPACT ON THE RICE ECONOMY AND REGIONAL SUPPLY CHAINS

Overview

Water availability across the Murray–Darling Basin is changing, and for irrigation-dependent communities such as Leeton and Edward River, these changes carry significant economic consequences. While the immediate effects of reduced water are felt at the farm level, the broader impacts extend well beyond agriculture into processing, supply chains, and local communities.

Importantly, changes in water availability are occurring alongside shifts in water market dynamics. As allocations decline, water becomes scarcer and allocation prices rise. Government buyback activity further contributes to this dynamic by reducing available supply and influencing market price benchmarks. Together, reduced availability and higher prices directly affect irrigators' production decisions, particularly for water-intensive crops such as rice.

GENERAL SECURITY WATER ALLOCATION AND ANNUAL VOLUME WEIGHTED AVERAGE PRICES



Source: DCCEEW, 2026; Ricardo, 2025.

This report provides a clear picture of how reductions in irrigation water availability translate into changes in regional economic activity. It focuses on what happens as water is removed from the system, where impacts are most concentrated, and what is at risk for local employment and community stability.

Most importantly, the analysis shows that water is not just an input to farming in these regions, it underpins an interconnected economic system that supports jobs, industries, and communities.

What happens when water is removed

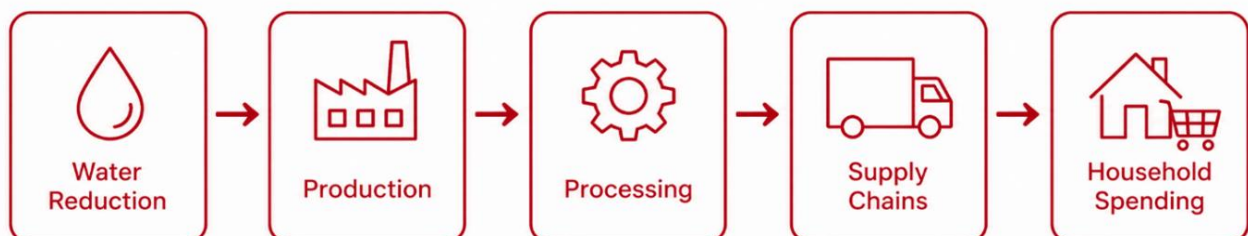
When water allocation is reduced, irrigators face both less access to water and higher water prices. As scarcity increases, allocation prices rise, increasing the cost of production. For irrigated crops that are price-sensitive such as rice, this often leads to reduced plantings or decisions not to plant at all. The immediate result is a decline in agricultural production, particularly for water-intensive crops such as rice. However, the economic consequences do not stop at the farm gate.

Rice production feeds directly into a network of downstream industries. These include milling and processing facilities, storage and logistics operations, wholesale distribution, and transport services. As production declines, the volume of product moving through these systems also falls. Processing plants operate below capacity, shifts are reduced, and demand for labour declines.



This reduction in activity then flows through to the broader economy. Businesses that supply goods and services to farms and processors, including packaging, maintenance, transport, and professional services, experience reduced demand. At the same time, lower employment and income levels lead to reduced household spending, affecting retail, hospitality, and other local service industries.

The result is a cascading effect, where an initial reduction in water availability leads to progressively wider economic impacts. Importantly, the analysis shows that a significant share of total job losses occurs outside of agriculture and processing, reflecting the strong interconnections within local economies.



A highly concentrated and exposed economic structure

The scale of these impacts is driven by the structure of the local economies.

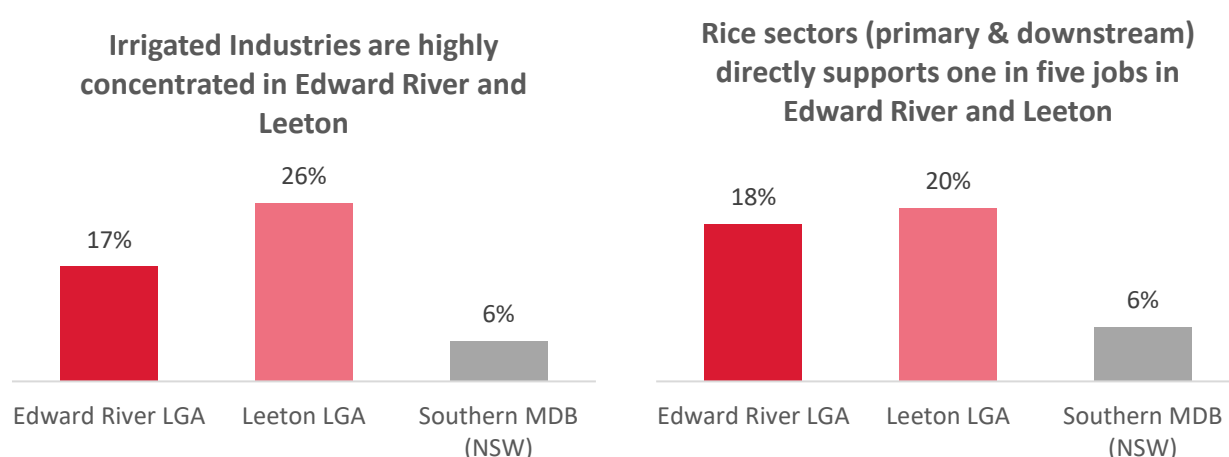
Both Edward River and Leeton are highly specialised in irrigated agriculture and related industries. Irrigated sectors account for a substantial share of economic activity, contributing approximately 24% of total output (i.e. gross revenue) in Edward River and 37% in Leeton. This compares to around 6% across the broader Southern Murray–Darling Basin within New South Wales.

This difference is critical. While water reductions affect all regions within the Basin, the relative importance of irrigated industries in these LGAs means the local consequences are significantly more pronounced.

A similar pattern is evident in employment. One in four jobs (26%) in Leeton is within an industry reliant on irrigation, and 17% in Edward River, contrasting to the wider region's rate of only 6%.

Around one in five jobs in both Edward River and Leeton is directly linked to rice-related industries, including both primary production and downstream processing. In contrast, rice-related employment represents a much smaller share across the broader Basin.

The presence of highly developed processing and manufacturing bases within Edward River and Leeton make their local areas particularly sensitive to changes in production volumes. Processing industries rely on consistent throughput to operate efficiently, and reductions in supply can quickly translate into reduced operating hours, workforce adjustments, and broader impacts across associated industries.



Source: REMPLAN Economy.

The role of rice in supporting local industries

Rice plays a central role in sustaining economic activity across both regions. Its importance extends well beyond its direct contribution to agricultural output.

The relationship between rice production and downstream employment is particularly significant. In Edward River, each rice growing job supports approximately four additional jobs in downstream processing and related industries. In Leeton, this relationship is even stronger, with around eight downstream jobs supported for every one job in primary production.

This reflects the presence of long established processing infrastructure, supply chains, and manufacturing activity, particularly in Leeton. It also highlights the extent to which downstream industries depend on a stable and sufficient supply of locally grown rice.

As a result, relatively small changes in production can have amplified effects across the broader economy. A reduction in farm output does not simply reduce agricultural employment, it reduces activity across a much larger network of industries that rely on that output.

PRIMARY PRODUCTION DIRECTLY SUPPORTS LOCAL DOWNSTREAM PROCESSING JOBS

EDWARD RIVER



LEETON



Source: REMPLAN Economy.

Where impacts are concentrated across the economy

The impacts of reduced water availability are not evenly distributed across industries. They are concentrated in sectors that are directly or indirectly linked to rice production and processing.

The most immediate impacts occur in food manufacturing, particularly rice milling and processing. These industries are directly dependent on production volumes and are often the first to adjust when supply declines.

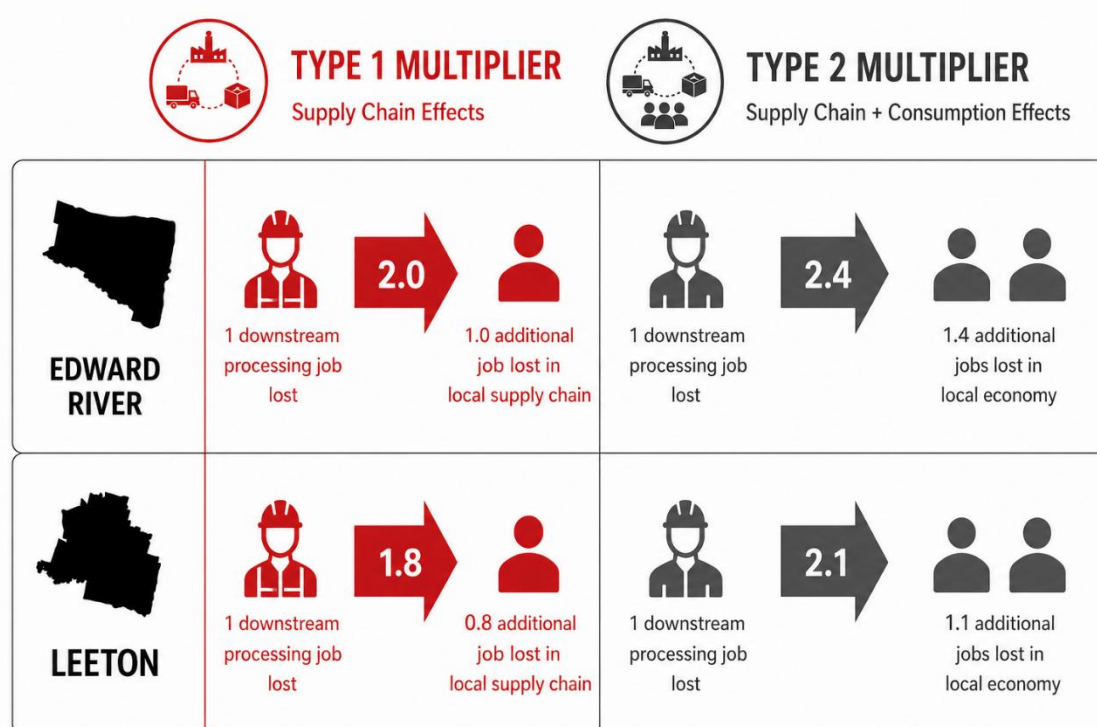
From there, impacts extend into transport and logistics, where reduced volumes of product lead to fewer freight movements and lower demand for services (including engineering and cooling services). Wholesale trade and storage operations are also affected, reflecting reduced throughput across the supply chain.

As employment and income decline, impacts spread further into service-based industries. Retail trade, accommodation and food services, and a range of professional and administrative services experience reduced demand as household spending falls.

This progression highlights that the economic impact is not confined to a single sector. Instead, it becomes increasingly broad-based as it moves through the economy.

Leeton experiences a wider and more pronounced spread of impacts due to its higher level of industrial concentration and integration. Edward River experiences similar patterns, although at a smaller scale, with impacts still significant relative to the size of its economy.

FLOW-ON EMPLOYMENT MULTIPLIER EFFECT IN EDWARD RIVER AND LEETON



Source: REMPLAN Economy.

Scenario modelling

A key finding of this analysis is that economic impacts do not increase in a simple, linear way under various scenarios instead the impacts are amplified when production viability thresholds are reached. This reflects:

- The relationship between production and employment is non-linear.
- Processing industries require a minimum level of activity to remain viable.
- Impacts tend to accelerate once key thresholds are reached.
- Regions with a higher reliance on a single industry are more exposed.

Three scenarios were adopted to better understand the economic impacts of increasing levels of water availability constraint:

- Base Case: Reflects current or near-term conditions, with a modest reduction in rice production and limited flow-on effects.
- Moderate Stress: Represents a noticeable reduction in water allocation and rising water price, leading to constrained production and early adjustments in processing activity.
- High Stress: Represents a severe and sustained reduction in water availability, with sharply elevated water prices, where impacts extend beyond normal adjustment and begin to affect the structure of local industries and the regional economy.

Under the base case, which reflects a relatively modest reduction in activity, the results already show measurable impacts across both regions. Edward River experiences a loss of 12 jobs, while Leeton sees a reduction of 63 jobs, alongside declines in regional economic output.

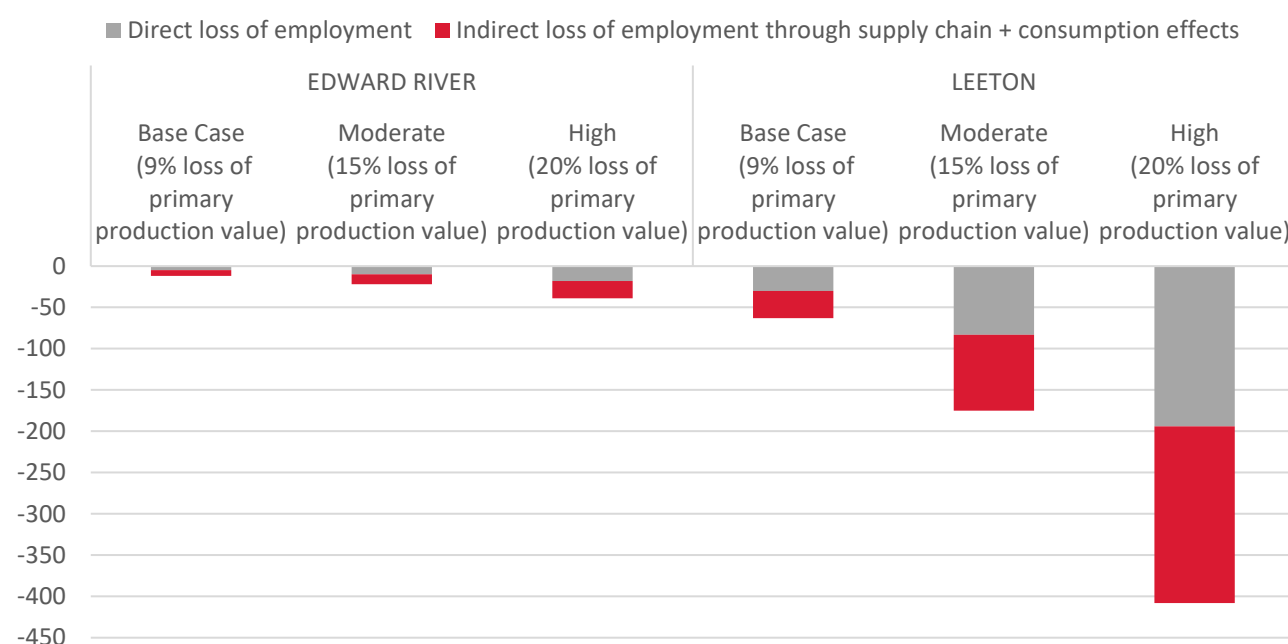
While these impacts may appear moderate, they arise from only a small initial change in activity, highlighting the sensitivity of both economies.

Under the moderate stress scenario, impacts increase significantly. Job losses rise to 22 in Edward River and 175 in Leeton. At this stage, impacts become more deeply embedded across the economy, extending further into supply chains and service industries.

Under the high stress scenario, impacts escalate sharply. Edward River experiences a loss of 39 jobs, while Leeton sees a loss of 408 jobs. At this level, the nature of the impact changes. Rather than reflecting short-term adjustment, the results indicate structural pressure on industries, including the potential for sustained reductions in processing activity and broader economic contraction.

This pattern reflects the presence of operational thresholds within processing industries. Facilities require a minimum level of throughput to remain viable. Once activity falls below this level, impacts can increase rapidly.

Local employment impacts accelerate with increasing loss of rice production



What is at risk for regional communities

The implications of these findings extend beyond individual industries to the broader functioning of regional communities.

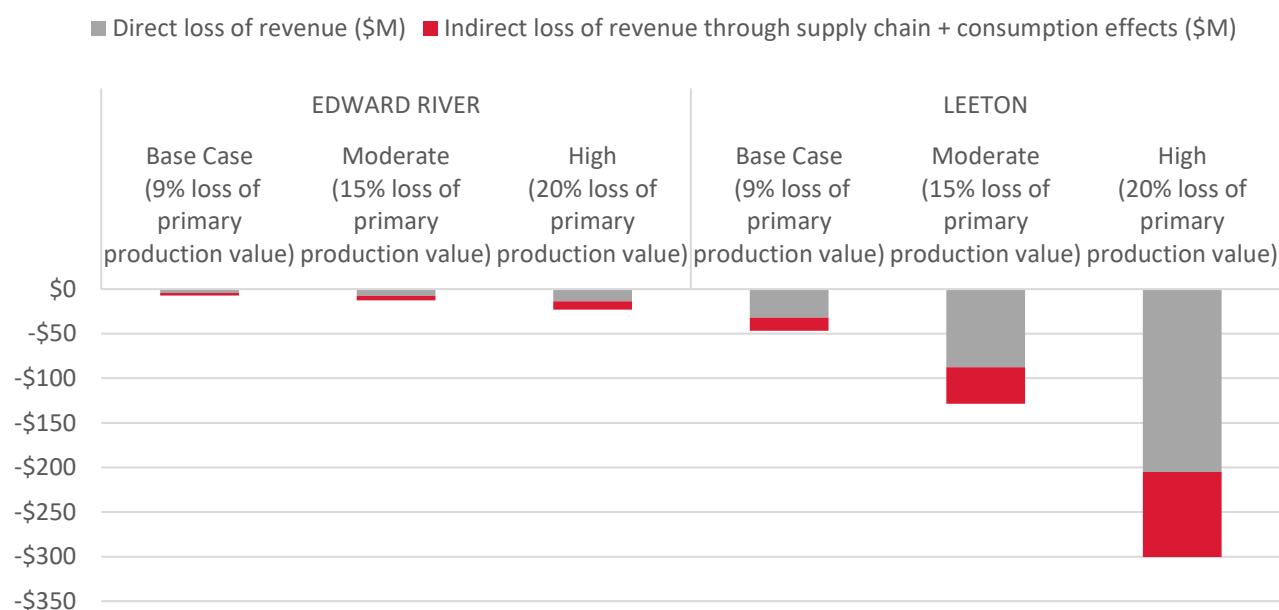
Employment impacts are widespread and affect a range of occupations, including processing workers, transport operators, trades, and service industry employees. This reduces income across the community and affects local business activity.

Lower levels of economic activity translate into reduced demand for goods and services, placing pressure on small businesses and local suppliers. Over time, this can affect business viability and investment decisions.

There are also broader community impacts. Reduced employment opportunities can influence population stability, particularly in smaller regional centres. This, in turn, affects the sustainability of local services, including education, health, and community infrastructure.

In regions such as Leeton and Edward River, where a large share of economic activity is tied to irrigated industries, these effects are more pronounced. The concentration of activity means there is limited capacity to absorb shocks without wider consequences.

The flow-on economic effect of loss of rice production has impacts across a wide variety of local businesses



Key message

Reductions in water availability are compounded by increases in water prices, with scarcity and government purchasing placing upward pressure on allocation prices and directly influencing irrigator behaviour. Analysis highlights a clear inverse relationship between water allocation and price: as allocations fall, scarcity drives higher prices, increasing production costs and constraining output.

Across irrigation-dependent regional economies, several consistent conclusions emerge:

- Irrigated and rice-related industries form a substantial share of economic activity, with a high concentration of employment and output relative to more diversified economies.
- Primary production supports a significantly larger downstream workforce, particularly where processing and value-adding activities are well established.
- Employment impacts are not confined to agriculture or processing, with flow-on effects through transport, wholesale trade, services and local businesses forming a large share of total job losses.
- Economic impacts increase in a non-linear manner, with moderate reductions in activity leading to disproportionately larger effects as operational and workforce thresholds are reached.
- Regions with a higher level of industry concentration and integration are more exposed to sustained reductions in water availability and associated increases in water price.

The analysis demonstrates that reductions in irrigation water availability have far-reaching economic consequences in highly specialised regional economies.

Most importantly, the findings show that water policy decisions directly influence not only agricultural output, but also regional employment, industry viability, and community resilience.

The evidence presented in this report highlights a clear and consistent pattern that **small reductions in water availability can lead to measurable economic impacts, while larger reductions can trigger rapid and widespread change across regional economies.**

CONTENTS

Executive Summary.....	ii
1. Introduction.....	1
1.1 Report Purpose and Scope.....	1
1.2 Background	1
1.3 Economic Overview of Edward River and Leeton	4
2. Local Specialisation of Irrigated and Rice Related Industries	8
2.1 Direct Contribution to Regional Economies	8
2.2 The Role of Rice in Edward River and Leeton.....	10
3. Economic Impacts of Reduced Irrigation Water On Rice Related Industries	13
3.1 Linking Water Recovery to Production Impacts: ABARES Modelling Framework	13
3.2 Defining the Scenarios.....	14
3.3 Impact of the scenarios.....	16
4. Conclusion.....	22
Appendix A. Study Areas	23
Appendix B. Industry Classification	25
Appendix C. Rice Employment Ratios	26
Appendix D. Scenario Modelling.....	27
Appendix E. Acronyms, Shortforms & Glossary	35
Appendix F. REMPLAN Economic Impact Analysis Methodology	37
Appendix G. References.....	39

1. INTRODUCTION

1.1 Report Purpose and Scope

The purpose of this report is to provide clear, evidence-based insight into how changes to water availability under the Murray–Darling Basin Plan may affect regional economies across the southern Murray–Darling Basin (MDB), particularly those with a high reliance on irrigated agriculture and associated processing industries.

The analysis focuses on the Local Government Areas (LGAs) of Leeton and Edward River as detailed case studies. These regions are used to illustrate how changes in irrigation water availability translate into economic impacts at a local level, reflecting broader patterns observed across irrigation-dependent communities.

Specifically, the report aims to:

- Quantify how changes in irrigation water availability and pricing translate into changes in agricultural production, particularly for rice growing and how these changes flow through to local processing industries.
- Estimate the potential impact on jobs, local business activity, and the wider regional economy
- Identify where impacts are most likely to be concentrated, including industries and communities that are more exposed.
- Highlight potential tipping points, where relatively small additional reductions in water availability and the impact on water pricing could lead to much larger economic consequences, including industry contraction, population decline, and a weakening of community sustainability and resilience in highly water-dependent regional areas.

To achieve this, the report adopts a scenario-based approach. Rather than relying on a single estimate, it explores a range of possible conditions, from moderate changes in water availability through to more severe constraints. This approach provides insight into both the scale of potential impacts and the level of risk facing irrigation-dependent regional economies.

Economic estimates have been developed using REMPLAN's regional economic modelling and analysis system, with a primary focus on the study areas of Edward River and Leeton (see Appendix A). REMPLAN's economic data incorporates data sourced from the ABS 2021 Census (Place of Work Employment Scaled), 2022/2023 ABS National Input / Output Tables, and ABS Gross State Product (June 2025).

The scenarios have been informed by industry engagement, previous Basin Plan Review submissions, literature review and research. The economic outcomes of the scenarios are based on economic impact analysis (EIA) results undertaken utilising REMPLAN's regional economic modelling and analysis system. The EIA approach enables estimation of both direct and indirect effects such as flow-on supply chain and consumption effects within each of the study areas.

Further explanation of REMPLAN's EIA methodology and terms is contained in Appendix E and Appendix F.

1.2 Background

A key feature of recent water market dynamics has been the role of government water recovery, particularly through buyback programs, in influencing both the availability and price of irrigation water. While buybacks are designed to achieve environmental outcomes by reducing the volume of water available for consumptive use, they also introduce a participant into the water market whose objectives differ from those of commercial irrigators. Government purchasing is typically undertaken to achieve policy and environmental outcomes rather than commercial returns and, as a result, transactions may occur at price levels that differ from those driven solely by production-based demand.

This has important implications for irrigators. As water is removed from the consumptive pool, the reduction in supply places upward pressure on allocation prices. At the same time, government willingness to purchase entitlements can establish price benchmarks that influence broader market expectations. Together, these factors contribute to a structural shift in the water market, where irrigators face both reduced availability and higher costs of access.

For water-intensive and price-sensitive crops such as rice, this dynamic is particularly significant. Higher water prices directly influence production decisions, including the area planted and the viability of irrigated cropping in a given season. In this way, government buybacks not only reduce water availability in a physical sense but also alter the economic signals that determine how remaining water is used. The combined effect is to accelerate the reallocation of water away from lower-margin annual cropping systems towards higher-value or less price-sensitive uses, which are potentially more water intensive and a less sustainable crop than rice.

This interaction between policy-driven water recovery and market pricing is a critical factor in understanding regional economic impacts. It reinforces that changes in water availability cannot be considered in isolation from price effects, as it is the combination of reduced supply and elevated prices that ultimately drives behavioural change at the farm level and flows through to production, processing and regional economic outcomes.

Sustainable Diversion Limits and Regional Impacts

Water availability across the MDB is changing as a result of Sustainable Diversion Limits (SDLs), which reduce the volume of water that can be taken from the system and, in many cases, affect the reliability of that water from year to year.

Across the southern MDB the economic effect of SDLs is shaped by the relationship between water allocation, water prices and irrigated production, a relationship that is demonstrated in Figure 1-1 and Figure 1-2 (Allocation, pricing and production for the Murrumbidgee and Murray Valley irrigation areas are utilised¹. Figure 1-1 clearly demonstrates the inverse relationship between water allocation and water price.

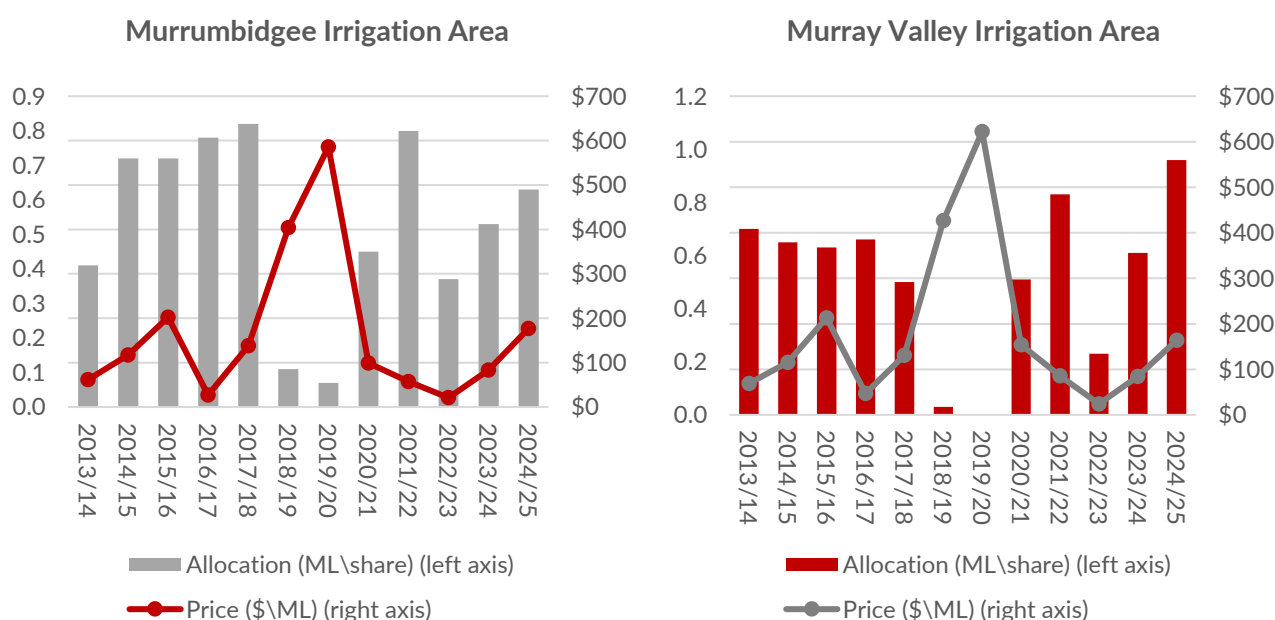


Figure 1-1 General Security water allocation and annual volume weighted average prices, 2013/14–2024/25 (DCCEEW, 2026; Ricardo, 2025)

¹ Edward River LGA lies within the NSW Murray Water Source/Trading Zone and the Murray Valley Irrigation Area. Leeton LGA lies within the Murrumbidgee Water Source/Trading Zone, and the Murrumbidgee Irrigation Area. These geographies provide the closest practical alignment between available water market data and rice production data.

When allocation declines, scarcity drives higher allocation prices; when allocations recover, prices fall.² For Murrumbidgee, the relationship is evident in the sharp price increases during 2018/19 and 2019/20, when allocations were at their lowest. The NSW Murray shows the same broad pattern, with prices increasing during low-allocation years and easing as allocations recover. This matters because allocation price affects the cost of production for irrigators and therefore the commercial viability of water-intensive crops. In both regions, price is not an independent driver but a market signal of scarcity.³

Second, rice production is closely linked to water availability and price. When water prices are lower, growers have stronger incentives and greater capacity to plant rice. When prices rise, rice becomes less viable because it is a water-intensive annual crop. Figure 1-2 shows that in 2018/19 and 2019/20 high prices coincided with very low production. The relationship is particularly clear because rice is an annual crop, meaning growers can adjust planting decisions in response to seasonal conditions. These figures indicate that rice production does not decline gradually in dry years. Instead, once water becomes sufficiently scarce and expensive, plantings can fall quickly and materially.⁴

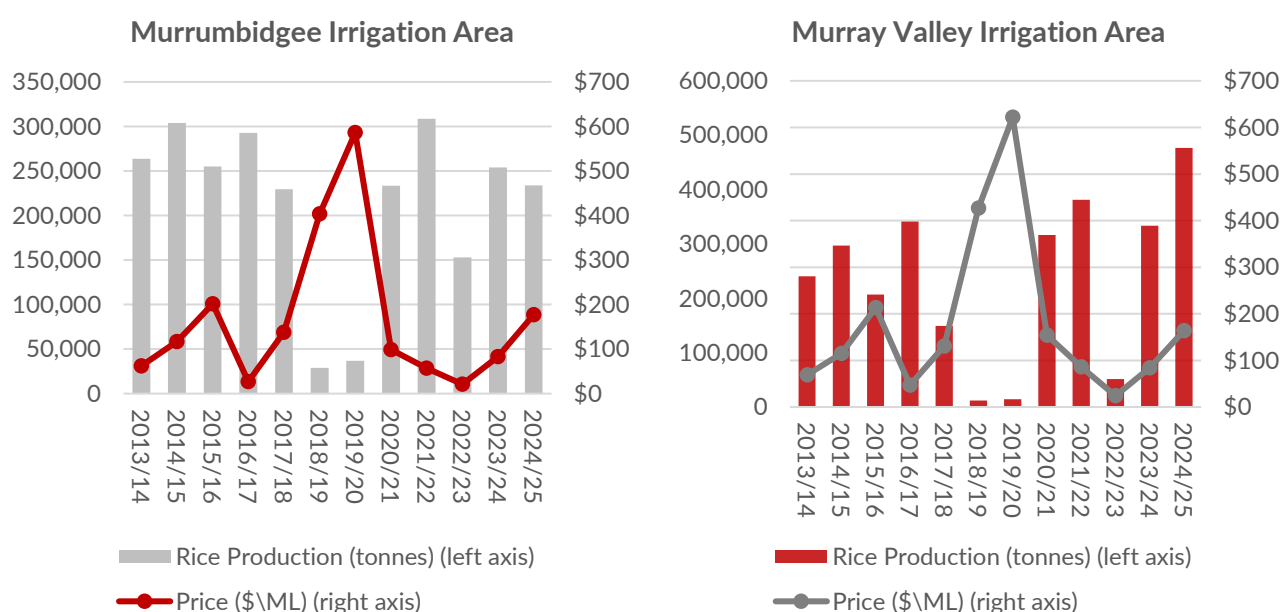


Figure 1-2 Annual volume weighted average prices and rice production, 2013/14–2024/25 (Ricardo, 2025; Rice Marketing Board for the State of New South Wales, 2025)

These relationships explain how water policy settings translate into regional outcomes. As availability tightens, higher prices and reduced allocations constrain planting decisions, leading to step changes in production rather than gradual adjustment.

However, the effects do not stop there. Reduced agricultural output means less product moving through local processing facilities such as rice mills. This can lead to reduced operating hours, lower demand for workers and, in some cases, longer-term decisions about scaling down or closing operations.

These changes then flow through the broader regional economy. Local businesses that supply goods and services to farms and processors may experience reduced demand, while household spending can also decline as

² General Security allocation is recorded as of June of the relevant water year.

³ Prior to 2017/18, NSW Murray price data reflects a combined above/below-Barmah figure. From 2017/18, the below-Barmah (Zone 11) series is used.

⁴ Rice production figures are reported by calendar year. Allocation and price data are disaggregated by trading zone, while production data correspond to irrigation area. These geographies represent the closest practical alignment available.

employment opportunities are affected. Over time, this can influence population stability, investment confidence and the overall resilience of regional communities.

Traditional assessments of water policy have often focused on farm-level impacts, such as changes in production or income per megalitre of water. While important, this approach does not fully capture the broader economic role of irrigated agriculture in regional areas. As noted in the project proposal, there is a need to better understand how water policy decisions flow through to industry activity, employment and community outcomes.

This report responds to that gap by taking a whole-of-economy view. It considers how changes in water availability affect not just agricultural production, but also the industries and communities that depend on it. While the analysis focuses on Leeton and Edward River, the underlying relationships between water availability, pricing and regional economic outcomes are consistent across many irrigation-dependent communities within the Basin.

1.3 Economic Overview of Edward River and Leeton

Edward River and Leeton LGAs sit within two broader comparison regions used throughout this report: the Southern MDB, which spans an area covering the western and southern part of New South Wales, most of Victoria, and the eastern portion of South Australia; and the Southern MDB (NSW), which comprises the area contained within the Southern MDB boundary in New South Wales. These comparison regions provide a benchmark for assessing where Edward River and Leeton's economies diverge from broader regional trends.

Gross Regional Product

Gross Regional Product (GRP) is the total value of goods and services produced in a region after subtracting the cost of inputs used in production. It measures the net contribution of a region's economy. Per capita and per worker GRP figures reveal a significant productivity gap between Leeton and Edward River LGAs and the wider MDB areas. Edward River's per capita GRP of \$100,000 is around half the Southern MDB (NSW) figure of \$198,000, and Leeton's \$98,000 is less than half. The per worker gap is equally pronounced, with Edward River and Leeton generating \$225,000 and \$209,000 per worker respectively against \$414,000 in the Southern MDB (NSW).

ECONOMIC COMPARISON, EDWARD RIVER AND LEETON TO BROADER BASIN				
	Leeton LGA	Edward River LGA	Southern MDB (NSW)	Southern MDB
Gross Regional Product (\$M)	\$1,016	\$849	\$215,675	\$299,233
Population	11,475	8,501	1,088,226	2,283,014
Per Capita GRP (\$M)	\$0.089	\$0.100	\$0.198	\$0.131
Per Worker GRP (\$M)	\$0.209	\$0.225	\$0.414	\$0.308

Table 1-1 Gross Regional Product Summary

Employment

The top five industries by employment share reveal the distinct economic character of each region. Leeton LGA is defined by its agri-food concentration, with food manufacturing and livestock and grains making up two of its top three industries. Edward River LGA is also led by livestock and grains. The two comparison regions tell a different story: public administration is the top industry for both Southern MDB (NSW) and Southern MDB, with education, retail, health care, and accommodation rounding out largely service-based economies. The contrast between the LGAs and the broader basin underscores the degree to which Leeton and Edward River remain anchored in agricultural production and food processing.

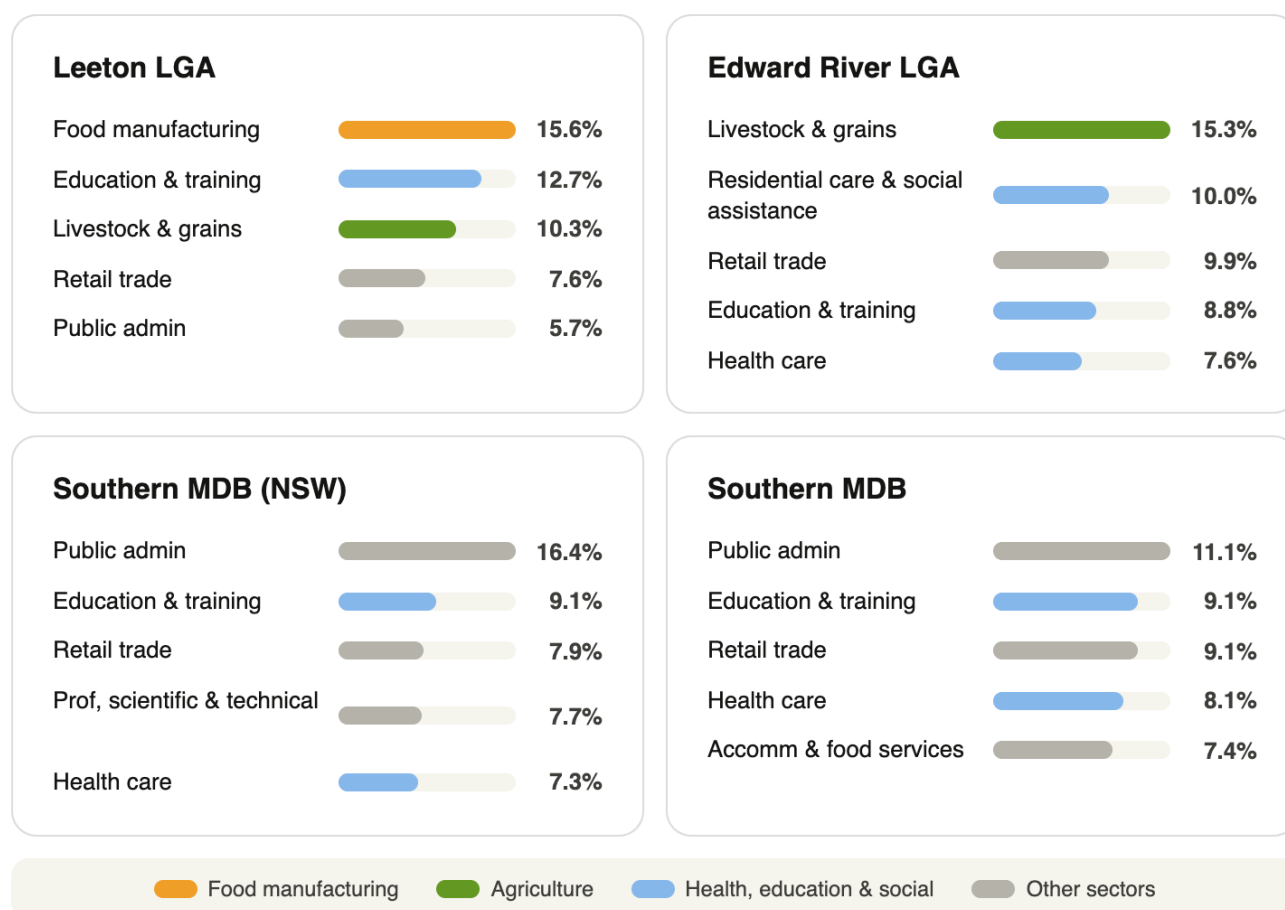


Figure 1-3 Top 5 industries by share of jobs (REMPAN Economy)

The four regions show different economic profiles when agriculture and food manufacturing are isolated from the broader economy. Leeton LGA stands out, with food product manufacturing alone accounting for 15.6% of employment, which is six to nine times the share recorded across the broader basin regions. Livestock and grains add a further 10.3%. Together, the agri-food chain represents over one quarter of Leeton LGA's employment base. Edward River LGA is similarly agriculture-dependent, with livestock and grains its single largest sector at 15.3%, though food manufacturing contributes only 1.9%, suggesting primary production without significant local value-adding. The two broader basin regions of Southern MDB (NSW) and Southern MDB show a much more modest agri-food footprint.

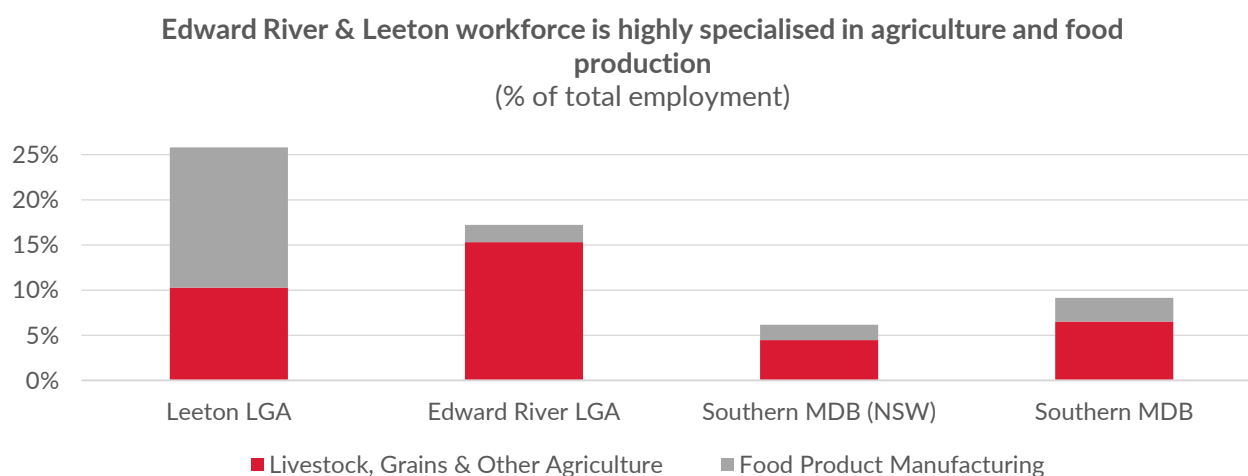


Figure 1-4 Livestock & grains and food product manufacturing as share of total jobs (REMPAN Economy)

Output (Gross Revenue)

Output is the gross revenue generated by businesses and organisations within an area. Leeton LGA's food manufacturing sector accounts for 27.0% of total output for the LGA, by far its largest single contributor and the largest share of any single industry (outside of property services) for any region. Edward River LGA's output is anchored by livestock and grains at 20.5%, consistent with its role as a primary production economy. Meanwhile, property services lead output in the broader basin regions at 39.0% and 27.2% for Southern MDB (NSW) and Southern MDB respectively. Property services at this scale typically reflects the dominance of land and housing transactions in larger, more urbanised economies rather than productive industry activity. This demonstrates that Edward River and Leeton LGAs are economies oriented around production and processing rather than the asset ownership and financial activity that drives larger urban and regional centres.

The industries shown in Table 1-2 represent a selection covering the top ten industries by output share across all four regions; not all industries appear in the top ten for every region.

Industry Sector	Leeton LGA	Edward River LGA	Southern MDB (NSW)	Southern MDB
Livestock, Grains & Other Agriculture	9.6%	20.5%	3.8%	6.3%
Food Product Manufacturing	27.0%	3.1%	1.8%	3.4%
Technical Equipment & Appliance Manufacturing	5.3%	1.2%	1.2%	1.6%
Electricity	3.6%	2.1%	1.5%	1.4%
Gas, Water & Waste Services	2.9%	8.3%	0.9%	1.4%
Construction	4.3%	6.8%	4.8%	6.0%
Construction Services	4.6%	4.9%	3.8%	5.0%
Retail Trade	2.4%	3.6%	1.9%	2.7%
Property Services	6.8%	7.3%	39.0%	27.2%
Professional, Scientific & Technical Services	1.7%	3.0%	4.4%	4.0%
Public Administration, Regulatory Services, Order & Safety	4.2%	5.4%	9.3%	7.4%
Defence	0.0%	0.0%	5.0%	3.8%
Education & Training	4.2%	3.3%	2.7%	3.0%
Residential Care & Social Assistance Services	2.2%	4.8%	1.8%	2.4%

Table 1-2 Selected industries by share of gross revenue (REMPLAN Economy)

Value-added

Value-Added data is the marginal economic value that is added by each industry sector within a region. Property services again dominate the broader basin regions, accounting for 54.0% of value added in the Southern MDB (NSW) and 41.5% in the Southern MDB. Within Leeton LGA, livestock, grains and other agriculture and food product manufacturing each contribute 12.0% of value added, meaning the agri-food chain collectively accounts for nearly a quarter of total value-added. Edward River LGA's value-added profile is even more concentrated, with livestock and grains alone at 20.0%, which is the highest single-industry share across all four regions (excluding property services).

The industries shown in Table 1-3 represent a selection covering the top ten industries by value-added share across all four regions; not all industries appear in the top ten for every region.

Industry Sector	Leeton LGA	Edward River LGA	Southern MDB (NSW)	Southern MDB
Livestock, Grains & Other Agriculture	12.0%	20.0%	3.0%	5.6%
Mining	3.4%	0.0%	1.0%	1.4%
Food Product Manufacturing	12.0%	1.1%	0.6%	1.2%
Gas, Water & Waste Services	3.8%	9.4%	0.7%	1.3%
Construction	2.9%	4.0%	1.9%	2.8%
Construction Services	3.7%	3.2%	2.0%	2.9%
Retail Trade	3.8%	4.6%	2.0%	3.0%
Financial & Insurance Services	2.2%	3.7%	1.5%	2.3%
Property Services	14.0%	12.3%	54.0%	41.5%
Professional, Scientific & Technical Services	2.2%	3.2%	3.8%	3.8%
Public Administration, Regulatory Services, Order & Safety	6.0%	6.5%	8.8%	7.8%
Defence	0.0%	0.0%	4.5%	3.7%
Education & Training	8.0%	5.2%	3.2%	4.0%
Health Care Services	2.3%	4.0%	2.1%	3.1%
Residential Care & Social Assistance Services	4.1%	7.4%	2.3%	3.4%

Table 1-3 Selected industries by share of value-added (REMPPLAN Economy)

2. LOCAL SPECIALISATION OF IRRIGATED AND RICE RELATED INDUSTRIES

2.1 Direct Contribution to Regional Economies

Irrigated Industries

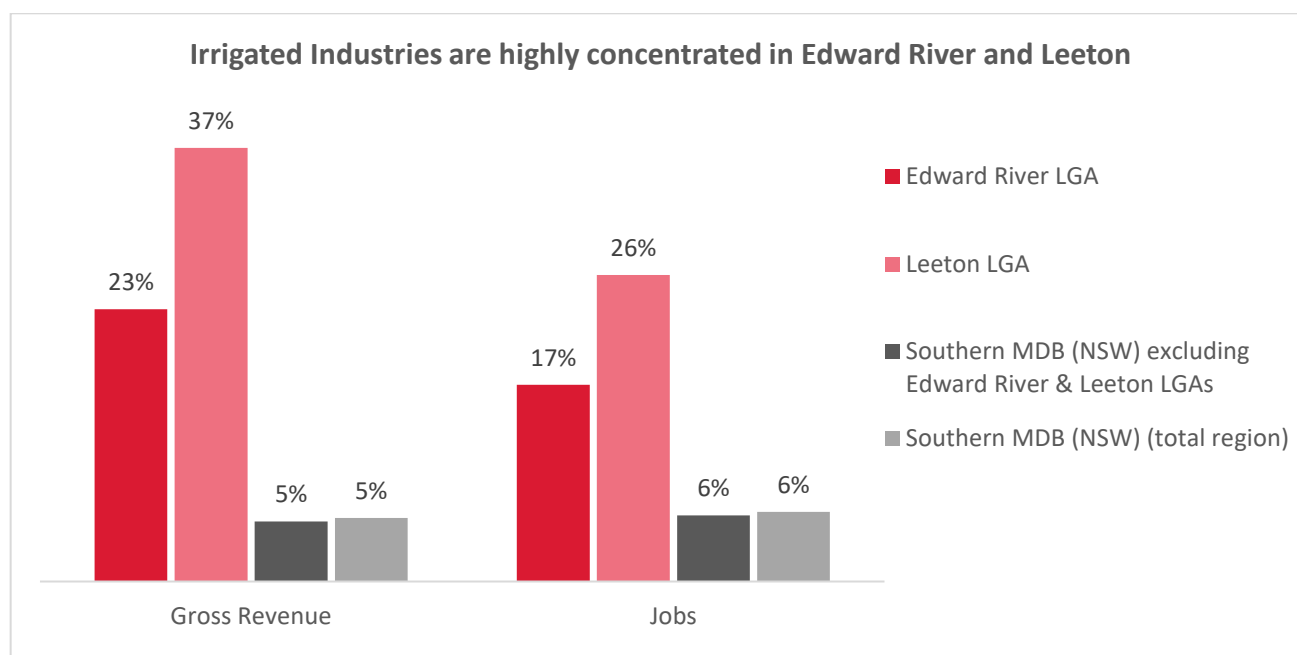


Figure 2-1 Irrigated Industries (Primary & Downstream) Share of Total Regional Gross Revenue and Employment (REMPPLAN Economy)

Figure 2-1 highlights the very high level of dependence that both Edward River and Leeton local economies have on irrigated industries, particularly when compared to the broader Southern MDB in NSW.

Irrigated industries account for 23% of total gross revenue in Edward River and 37% in Leeton, compared to around 5% across the wider basin. This shows that irrigated agriculture and associated processing activities are central to both local economies. The concentration is particularly pronounced in Leeton, where more than one-third of all economic output is linked to irrigated industries.

A similar pattern is evident in employment:

- 17% of jobs in Edward River, and
- 26% in Leeton,
- compared to just 5%-6% across the broader basin.

This indicates that jobs in these LGAs are significantly more exposed to changes in water availability than in other regions. In practical terms, reductions in water availability and associated price impacts have the potential to affect not only farm-level employment but also a substantial share of the local workforce across processing, manufacturing, and supply chain activities.

Overall, the concentration of irrigated industries in both LGAs means that reductions in water availability and increased water price is likely to have broad economic consequences, extending well beyond agriculture into the wider regional economy.

Rice Related Industries

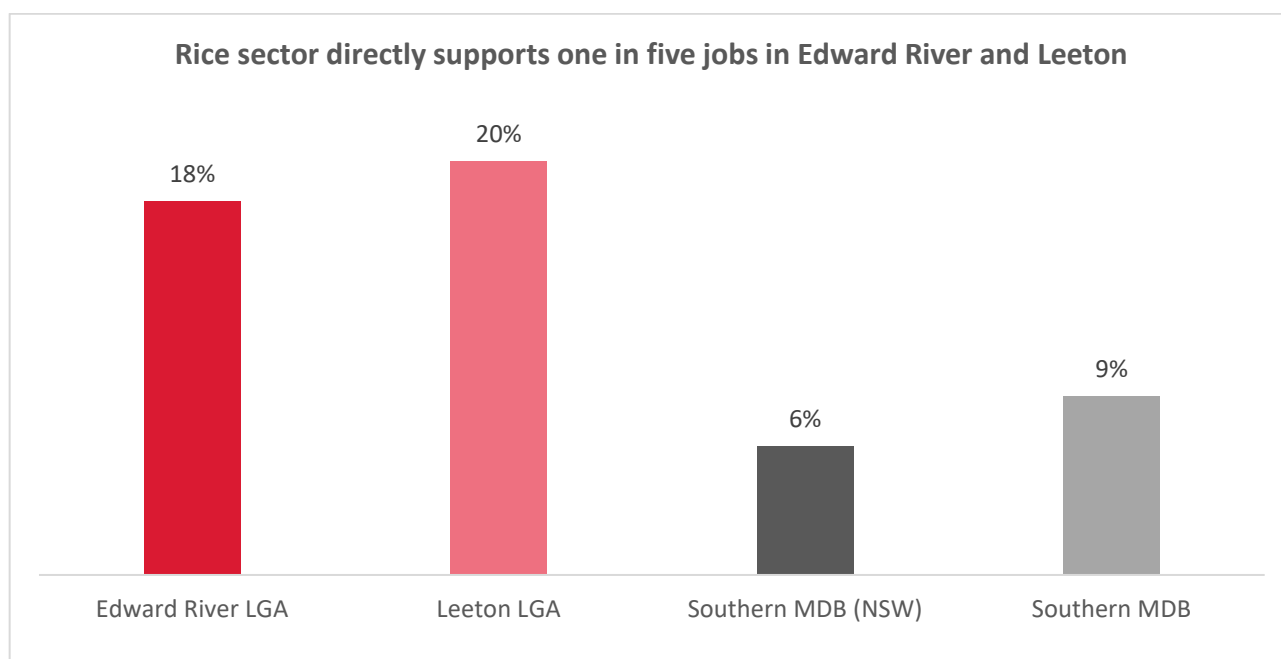


Figure 2-2 Rice Related Sectors (Primary & Downstream) Share of Total Regional Employment (REMPLAN Economy)

Employment data for rice related sectors (Figure 2-2 and Table 2-1) highlights the central role of the rice industry in underpinning employment in both Edward River and Leeton, with the sector directly supporting 18% and 20% of all jobs respectively. This equates to roughly one in five jobs in each LGA being tied to rice production (farm-gate) and downstream processing activities. In contrast, rice-related employment accounts for only 6% across the NSW portion of the Southern MDB and 9% across the broader basin, reinforcing just how locally concentrated and significant the industry is within these communities.

Importantly, the composition of this employment differs between the two LGAs. In Edward River, rice employment is more heavily weighted towards primary production (15%), reflecting the region's strong agricultural base. In Leeton, however, employment is evenly split between primary production (10%) and downstream processing (10%), highlighting the critical role of value-adding activities such as rice milling and manufacturing. This balance underscores Leeton's function as a key processing hub, where the presence of established industrial infrastructure supports a large share of local jobs.

These patterns show that rice is not only a major employer but also a key driver of broader economic activity. As a result, changes in rice production are likely to affect both farm-level employment and downstream industries across the local economy.

RICE RELATED SECTORS CONTRIBUTION TO REGIONAL EMPLOYMENT			
	Share of total employment		
	Primary Production (Farm-Gate)	Downstream Processing	Total
Edward River LGA	15%	3%	18%
Leeton LGA	10%	10%	20%
Southern MDB (NSW)	4%	2%	6%
Southern MDB	6%	3%	9%

Table 2-1 Rice Related Sectors Share of Total Regional Employment (REMPLAN Economy)

2.2 The Role of Rice in Edward River and Leeton

Beyond Farm Gate

Rice-related industries are deeply embedded in local economies, and economic activity extends well beyond farm-gate production.

Figure 2-3 illustrates the direct relationship between rice primary production (farm-gate) and downstream processing activity, showing how primary production feeds into multiple stages of the local value chain. Rice produced on farm moves through milling and storage, processing and manufacturing, wholesale distribution, and transport. Each of these activities relies on a steady supply of locally grown product, reinforcing the interdependence between agriculture and industry.

Rice related industries are embedded in local economies, the economic activity associated with rice growing does not stop at the farm gate.



Figure 2-3 Rice Primary Production and Downstream Effects

Economic modelling⁵ determined the employment effect of this relationship is significant in both Edward River and Leeton. In Edward River, it is estimated every 1 rice growing job supports approximately 4 additional jobs in downstream processing, and in Leeton, the effect is even stronger, with around 8 downstream jobs supported for every 1 rice growing job (Figure 2-4).

This reflects the scale and concentration of processing and manufacturing activity in Leeton, where rice is not only grown but extensively transformed into higher value products.

⁵ Based on economic impact analysis described in Appendix D.

These ratios point to a high level of economic integration, where a relatively small base of primary production sustains a much larger workforce across the supply chain. The reliance of downstream industries on local rice production means that shifts at the farm level are likely to flow directly through to employment in processing, logistics and associated services.

EDWARD RIVER



LEETON



Figure 2-4 Estimated Employment Ratios (Primary Production: Downstream Processing), Leeton & Edward River (REMPPLAN Economy)

Rice Processing Economic Contribution to Edward River and Leeton

Flow-on economic effects extend beyond primary production and downstream processing. Activity within rice processing sectors require goods and services that extend beyond the raw product, additional inputs are required for packaging, technical equipment, specialist equipment maintenance, employment services, professional services just to name a few.

Economic impact modelling has demonstrated how employment in rice-related industries in Edward River supports broader economic activity across the region. Based on economic activity associated with the estimated 64 jobs in downstream rice processing, a further 55 jobs are supported through supply chain effects (i.e. input suppliers and services). Furthermore, an additional 22 jobs are generated through household spending (consumption effects). In total, this results in 141 jobs supported across Edward River's economy.

The employment multipliers help explain this flow-on effect:

- Type 1 multiplier of 1.9 captures the direct and supply chain impacts, meaning that for every 1 job in downstream rice activity, an additional 0.9 jobs are supported elsewhere in the economy through business-to-business linkages.
- Type 2 multiplier of 2.2 goes further by including consumption effects, indicating that each 1 job ultimately supports 1.2 additional jobs once flow-on spending by workers is taken into account.

A similar pattern is observed in Leeton, although at a larger scale reflecting the size and concentration of rice processing activity. The model estimates 348 direct jobs in downstream rice-related industries. These support a further 298 jobs through supply chains and 97 jobs through household spending, resulting in a total of 743 jobs supported across the local economy.

The employment multipliers in Leeton are slightly lower than in Edward River but still substantial:

- Type 1 multiplier of 1.9 indicates that for every 1 direct job, an additional 0.9 jobs are supported through supply chain linkages.
- Type 2 multiplier of 2.1 shows that when consumption effects are included, each 1 direct job ultimately supports 1.1 additional jobs across the economy.

In practical terms, this means the employment impact of rice-related industries is more than double when the full economy-wide effects are considered. The relatively high multipliers reflect the strong integration of these industries within the local economy, where both supply chains and household spending play an important role in sustaining jobs beyond the initial activity.

ECONOMIC IMPACT OF RICE DOWNSTREAM PROCESSING ACTIVITY ON EDWARD RIVER						
	Direct Effect	Indirect Effects		Total Effect	Multipliers	
		Supply Chain	Consumption		Type 1	Type 2
Gross Revenue (\$M)	\$50.2	\$24.1	\$8.2	\$82.5	1.5	1.6
Employment (Jobs)	64	55	22	141	1.9	2.2
Value-added (\$M)	\$13.0	\$10.5	\$4.9	\$28.3	1.8	2.2

Table 2-2 Rice Downstream Processing Activity Economic Impact Summary, Edward River (REMPPLAN Economy)

ECONOMIC IMPACT OF RICE DOWNSTREAM PROCESSING ACTIVITY ON LEETON						
	Direct Effect	Indirect Effects		Total Effect	Multiplier Effect	
		Supply Chain	Consumption		Type 1	Type 2
Gross Revenue (\$M)	\$379.1	\$137.0	\$39.7	\$555.8	1.4	1.5
Employment (Jobs)	348	298	97	743	1.9	2.1
Value-added (\$M)	\$59.5	\$51.8	\$22.8	\$134.0	1.9	2.3

Table 2-3 Rice Downstream Processing Activity Economic Impact Summary, Leeton (REMPPLAN Economy)

3. ECONOMIC IMPACTS OF REDUCED IRRIGATION WATER ON RICE RELATED INDUSTRIES

3.1 Linking Water Recovery to Production Impacts: ABARES Modelling Framework

The scenario framework adopted in this assessment is grounded in modelling undertaken by the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) on the impacts of water recovery in the southern Murray–Darling Basin . This modelling provides a robust, evidence-based foundation for understanding how changes in water availability translate into economic outcomes across irrigated agriculture, explicitly linking water policy settings to market responses and production impacts.

Under the ABARES 225 GL buyback scenario (Table 3-1) water recovery reduces irrigation supply and drives a series of market adjustments observed in the ABARES results, including an increase in average water allocation prices from \$474/ML to \$519/ML across the southern MDB, a reduction in total water use, and a decline in the gross value of irrigated agricultural production. Within this system-wide response, rice is identified as the most affected commodity, with water use declining from 416,774 ML to 381,698 ML and production value falling from \$225 million to \$205 million, equivalent to approximately a 9% reduction.

BASIS FOR SCENARIOS: KEY OUTCOMES FROM ABARES WATER RECOVERY MODELLING						
	All southern MDB		NSW Murray (below Barmah) ^a		NSW Murrumbidgee ^b	
	Baseline	225 GL	Baseline	225 GL	Baseline	225 GL
All Industries						
Water allocation price (\$/ML)	\$474	\$519	\$606	\$670	\$401	\$429
Average annual water use, all industries (ML)	3,748,279	3,615,572	1,298,958	1,274,600	1,154,519	1,108,941
Average annual gross value of crop, all industries (\$ million)	\$6,872	\$6,761	\$3,113	\$3,072	\$1,487	\$1,454
Rice						
Average annual water use (ML)	416,774	381,698	-	-	-	-
Average annual Average gross value of rice crop (\$ million)	\$225	\$205	-	-	-	-

Table 3-1 Key Outcomes from ABARES Water Recovery modelling, baseline and central scenarios Rice Related Sectors Share of Total Regional Employment (Downham et al., 2024, notes: a. NSW Murray (below Barmah) ABARES region includes the Central Murray Southern MDB catchment, b. NSW Murrumbidgee ABARES region includes the Murrumbidgee Southern MDB catchment).

This reflects a structured economic relationship between water availability, pricing and production.

- Water recovery reduces available irrigation supply, as reflected in the 225 GL buyback scenario.

- Reduced supply leads to higher water allocation prices.
- Higher water prices drive behavioural responses by irrigators, including reduced irrigated area and lower water application.
- Water use declines most in annual, price-sensitive crops such as rice, as shown by the reduction in rice water use under the 225 GL scenario.

This approach ensures that the adopted production shock is not an arbitrary assumption, but rather a modelled outcome grounded in observed relationships between water availability, price signals and agricultural production. By anchoring the scenario design to the ABARES 225 GL case, the analysis adopts a credible and policy-relevant representation of how water recovery settings translate into farm-level and regional economic impacts.

3.2 Defining the Scenarios

Figure 3-1 illustrates the scenarios and key scenario controls.

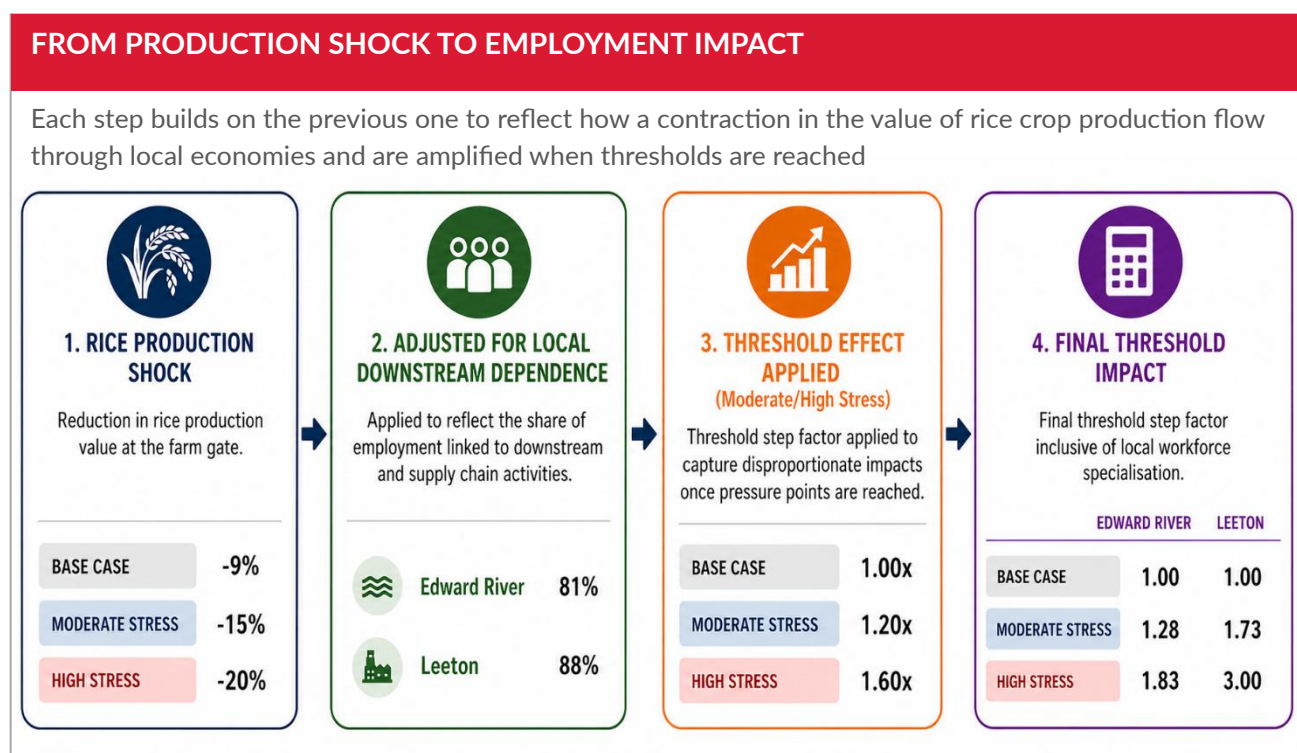


Figure 3-1 Scenario Approach

The analysis uses a scenario-based approach to show how changes in irrigation water availability may affect employment across Edward River and Leeton. Rather than relying on a single estimate, three scenarios are used to reflect a range of possible conditions.

The three scenarios represent increasing levels of water constraint:

- **Base Case:** Reflects current or near-term conditions, with a modest reduction in rice production value and limited flow-on effects.
- **Moderate Stress:** Represents a noticeable reduction in water availability, higher water prices leading to constrained production and early adjustments in processing activity.
- **High Stress:** Represents a severe and sustained reduction in water availability, sharp increase in water prices and impacts extend beyond normal adjustment and begin to affect the structure of local industries.

These scenarios are designed to illustrate how impacts may build over time, rather than assuming a simple, steady decline. Each scenario follows the same logic, tracing how impacts move through the local economy:

- A reduction in water availability, combined with resulting increases in water prices, leads to a reduction in rice production (production shock)
- Lower production reduces the volume of rice available for processing
- Processing activity (such as milling and manufacturing) declines
- Flow-on effects occur across:
 - transport and storage,
 - wholesale and distribution, and
 - local services and supply chains.

This reflects the strong link between farm production and downstream industry activity in both regions.

The modelling includes several important assumptions:

- Production shocks increase across scenarios
 - Larger reductions in water availability result in larger reductions in rice production.
- Impacts are not linear
 - Small reductions in supply can often be absorbed, but larger reductions lead to more pronounced impacts.
- Processing activity depends on scale
 - Rice processing facilities rely on sufficient throughput to operate efficiently. As supply declines:
 - operating hours may be reduced,
 - shifts may be scaled back, and
 - in higher stress conditions, more significant changes may occur.
- Step changes at higher stress levels
 - Under moderate and high stress scenarios, impacts increase more sharply to reflect:
 - reduced efficiency at lower production volumes,
 - minimum operating thresholds for processing facilities, and
 - workforce adjustments as activity declines.
- Local economic structure matters
 - The scale of impact differs between regions, reflected through a regional adjustment, where impacts are stronger in more specialised economies:
 - Leeton has a high concentration of rice processing and is more exposed to change.
 - Edward River is less concentrated but still significantly affected.

This approach was selected to better reflect how industries operate in reality.

In particular, it recognises that:

- production and employment do not move in perfect proportion
- processing industries require a minimum level of activity to remain viable
- impacts tend to accelerate once key thresholds are reached
- regions with a higher reliance on a single industry are more exposed

By incorporating these factors, the scenarios provide a more realistic indication of how reduced water availability may affect jobs and industry activity across both LGAs.

3.3 Impact of the scenarios

Multiplier Effects

Under all scenarios, employment impacts extend beyond direct job losses in rice processing, reflecting the structure of local supply chains and household spending effects.

Two types of employment multipliers are used:

- Type 1 multipliers capture supply chain effects.
- Type 2 multipliers capture both supply chain and consumption effects.

In Edward River:

- The Type 1 multiplier is 2.0, meaning that for every 1 downstream processing job lost, a further 1.0 job is lost in the local supply chain.
- When consumption effects are included (Type 2), the impact increases to 2.4, meaning each processing job loss results in an additional 1.4 jobs lost elsewhere in the local economy.

In Leeton:

- The Type 1 multiplier is 1.8, meaning that for every 1 downstream processing job lost, a further 0.8 jobs are lost in the supply chain.
- Including consumption effects (Type 2) increases the multiplier to 2.1, equating to an additional 1.1 jobs lost elsewhere in the economy for every processing job lost.

These multipliers highlight that the majority of employment impacts occur outside the processing facilities themselves, reflecting the strong interdependencies between rice processing, supporting industries, and local household spending.

FLOW-ON EMPLOYMENT MULTIPLIER EFFECT IN EDWARD RIVER AND LEETON

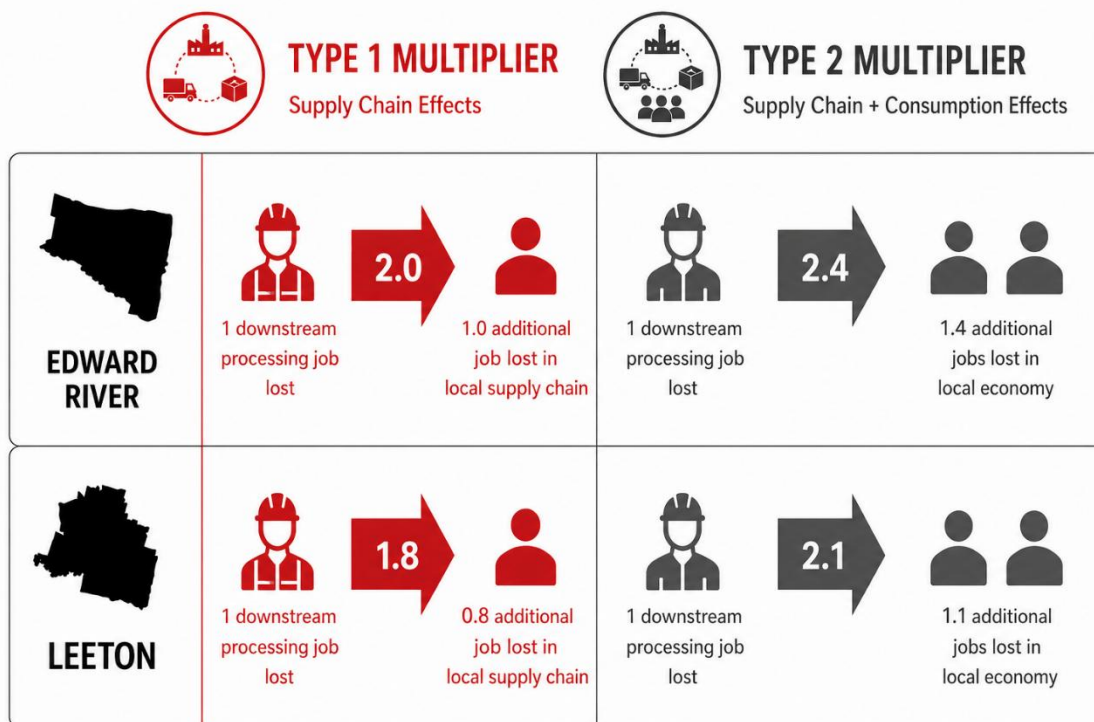


Figure 3-2 Change in Downstream Processing and the Employment Multiplier Effects

Economic Impact Analysis Results

This section presents the estimated economic impacts under the Base Case, Moderate Stress and High Stress scenarios for Edward River and Leeton. Results are expressed in terms of employment, output and value-added, and include direct, supply chain and consumption effects.

Across all scenarios, impacts extend beyond the initial loss of downstream processing activity, reflecting the interconnected nature of local industries and the importance of household spending in supporting regional economies.

Each scenario has been modelled using the REMPLAN regional economic model, applying estimated losses in downstream processing jobs to relevant industry sectors in Edward River and Leeton. These job losses represent the direct impact. As processing activity declines, demand for locally supplied goods and services also falls, creating supply chain effects across other industries. Reduced employment and income then lead to lower household spending within each LGA, resulting in additional consumption effects.

Base Case – Initial Adjustment

Even under the base case, representing a relatively modest reduction in activity, the results indicate meaningful and widespread economic impacts across both regions.

The resulting total economic impact (i.e. direct and indirect effects), in annual terms, for Edward River includes:

- \$7.1 million reduction in gross revenue,
- \$2.3 million loss of value-added, in turn a \$2.3 million contraction in GRP, and
- 12 local jobs lost.

For Leeton, the total economic impact includes:

- \$46.7 million reduction in gross revenue,
- \$11.6 million loss of value-added, a direct contraction in GRP, and
- 63 local jobs lost.

The direct and indirect economic effects for Edward River and Leeton are illustrated in Figure 3-3, further detail is contained in Appendix D.

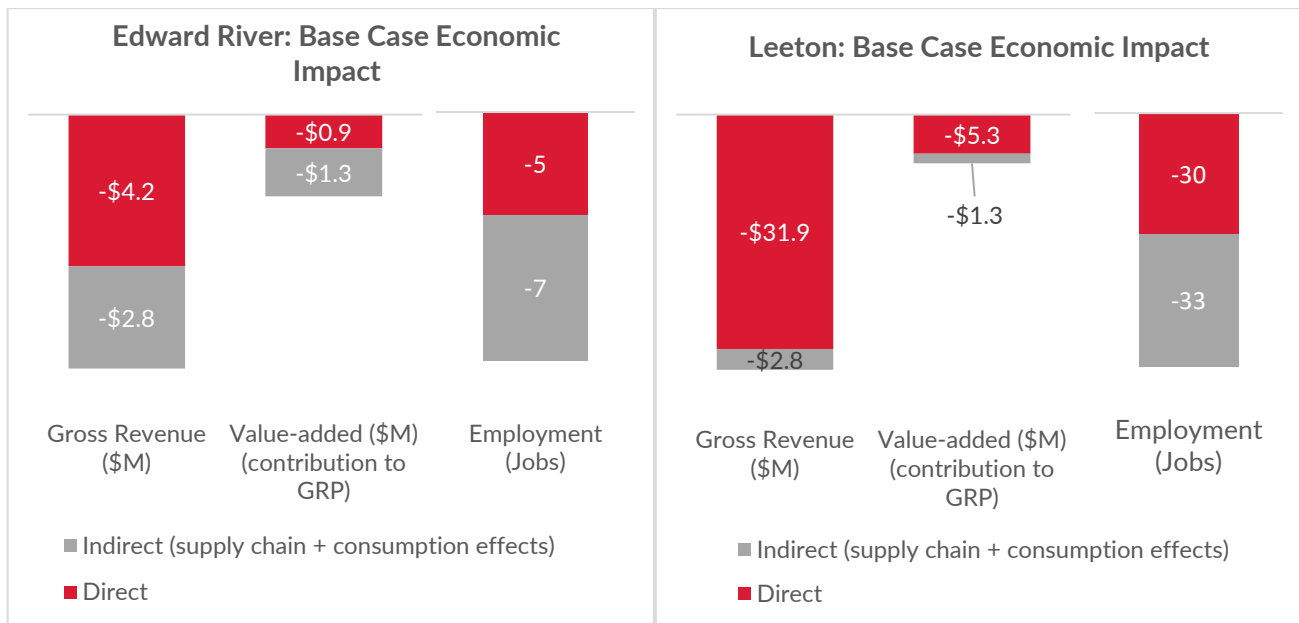


Figure 3-3 Base Case Scenario: Economic Impact Summaries

While these impacts may appear moderate in absolute terms, they arise from only a small initial reduction in rice-related activity. This highlights the sensitivity of both local economies to changes in this sector.

Importantly direct job losses in processing represent only a portion of the total impact. A comparable number of jobs are lost through supply chain linkages, including transport, inputs and supporting services. Additional losses occur through reduced household spending, affecting local retail, hospitality and service sectors.

The impacts are already visible across multiple industries, including grain milling and food manufacturing, reflecting reduced throughput, transport and wholesale trade, linked to lower production volumes, and retail and local services, driven by reduced income and spending.

In Leeton, the scale of impact is notably larger, reflecting the region's strong reliance on rice processing and its associated industries. However, the effects in Edward River are also significant given the smaller size of the local economy.

Overall, the base case demonstrates that even a relatively small reduction (around 9%) in rice-related activity is sufficient to generate broad-based job losses across the economy, not just within the processing sector. This underscores the degree of economic exposure in both regions and the limited capacity to absorb even minor shocks without measurable consequences.

Moderate Stress Scenario

Under the moderate stress scenario, the results show a sharp escalation in economic impacts, indicating that relatively modest additional reductions in activity translate into disproportionately larger effects across both regions.

The resulting total economic impact (i.e. direct and indirect effects), in annual terms, for Edward River includes:

- \$12.7 million reduction in gross revenue,
- \$4.3 million loss of value-added, in turn a \$4.3 million contraction in GRP, and
- 22 local jobs lost.

For Leeton, the total economic impact includes:

- \$128.7 million reduction in gross revenue,
- \$31.5 million loss of value-added, representing a direct contraction in GRP, and
- 175 local jobs lost.

The direct and indirect economic effects for Edward River and Leeton are detailed in Appendix D.

While this scenario represents a step up from the base case, the scale of impact increases markedly, highlighting the limited resilience of both local economies to sustained reductions in rice-related activity.

Importantly, direct job losses in processing continue to represent only part of the total impact. A larger share of job losses now occurs through supply chain linkages, including transport, logistics, input suppliers and supporting services. Reduced household income further amplifies these impacts, with more pronounced effects across retail, hospitality and other local service industries.

The employment impacts across the range of affected industries are illustrated in the following figures for Edward River and Leeton (Figure 3-4 and Figure 3-5).

Edward River: Moderate Scenario Employment Impact



Figure 3-4 Moderate Scenario: Impact on Industry Employment, Edward River

Leeton: Moderate Scenario Employment Impact

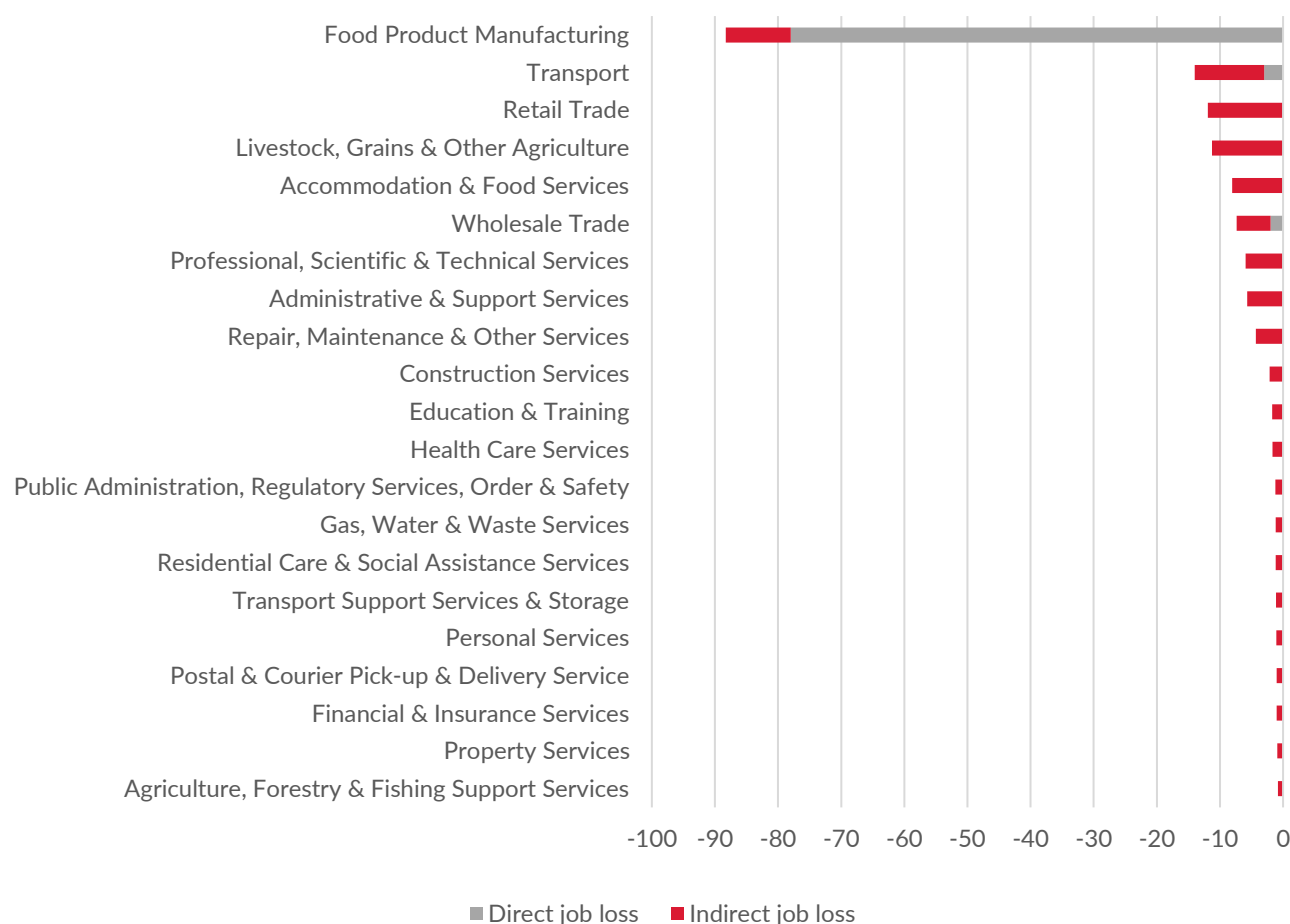


Figure 3-5 Moderate Scenario: Impact on Industry Employment, Leeton

The impacts are more deeply embedded across the economy, including grain milling and food manufacturing, where reduced throughput places pressure on operations, transport and wholesale trade, reflecting declining volumes through supply chains, and retail and local services, driven by a broader reduction in local spending.

In Leeton, the scale and spread of impacts increase significantly, reflecting the region's high level of dependence on rice processing and related industries. Edward River also experiences a clear intensification of impacts, with job losses and economic contraction becoming more pronounced relative to the size of the local economy.

Overall, the moderate stress scenario demonstrates that further reductions in activity lead to rapidly escalating and broadly distributed economic impacts. What begins as a sector-specific shock increasingly translates into economy-wide job losses, reinforcing the high level of exposure in both regions and the growing risk of more structural economic effects.

High Stress Scenario

Under the high stress scenario, the results indicate a further and substantial escalation in economic impacts, where reductions in activity begin to drive deep and widespread contraction across both regional economies.

The resulting total economic impact (i.e. direct, supply chain and consumption effects), in annual terms, for Edward River includes:

- \$23.0 million reduction in gross revenue,
- \$7.7 million loss of value-added, in turn a \$7.7 million contraction in GRP, and
- 39 local jobs lost.

For Leeton, the total economic impact includes:

- \$300.6 million reduction in gross revenue,
- \$73.5 million loss of value-added, representing a direct contraction in GRP, and
- 408 local jobs lost.

The direct, supply chain and consumption effects for Edward River and Leeton are detailed in Appendix D.

At this level, the scale of impact increases sharply relative to the moderate scenario, indicating that the local economies are approaching structural thresholds rather than continuing to adjust in a gradual or linear way.

Importantly, direct job losses in processing are now clearly outweighed by broader economy-wide effects. A significant share of total job losses occurs through supply chain linkages, including transport, wholesale trade, agriculture-related services and other input industries. Reduced household income further amplifies these impacts, with more pronounced contraction across retail, hospitality and a wide range of local service sectors.

The employment impacts across affected industries are illustrated in the following figures for Edward River and Leeton (Figure 3-6 and Figure 3-7).

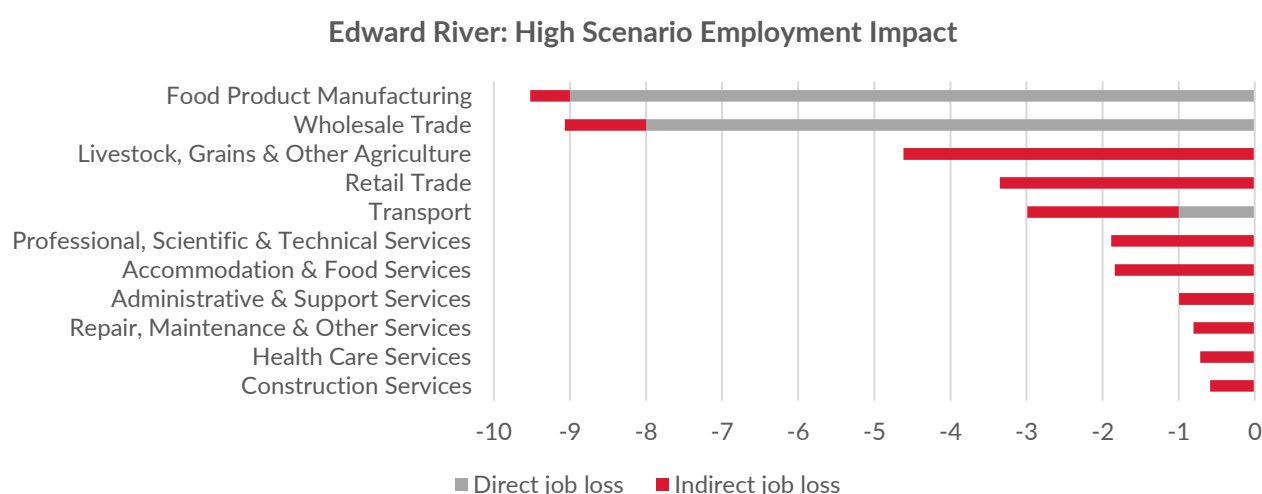


Figure 3-6 High Stress Scenario: Impact on Industry Employment, Edward River

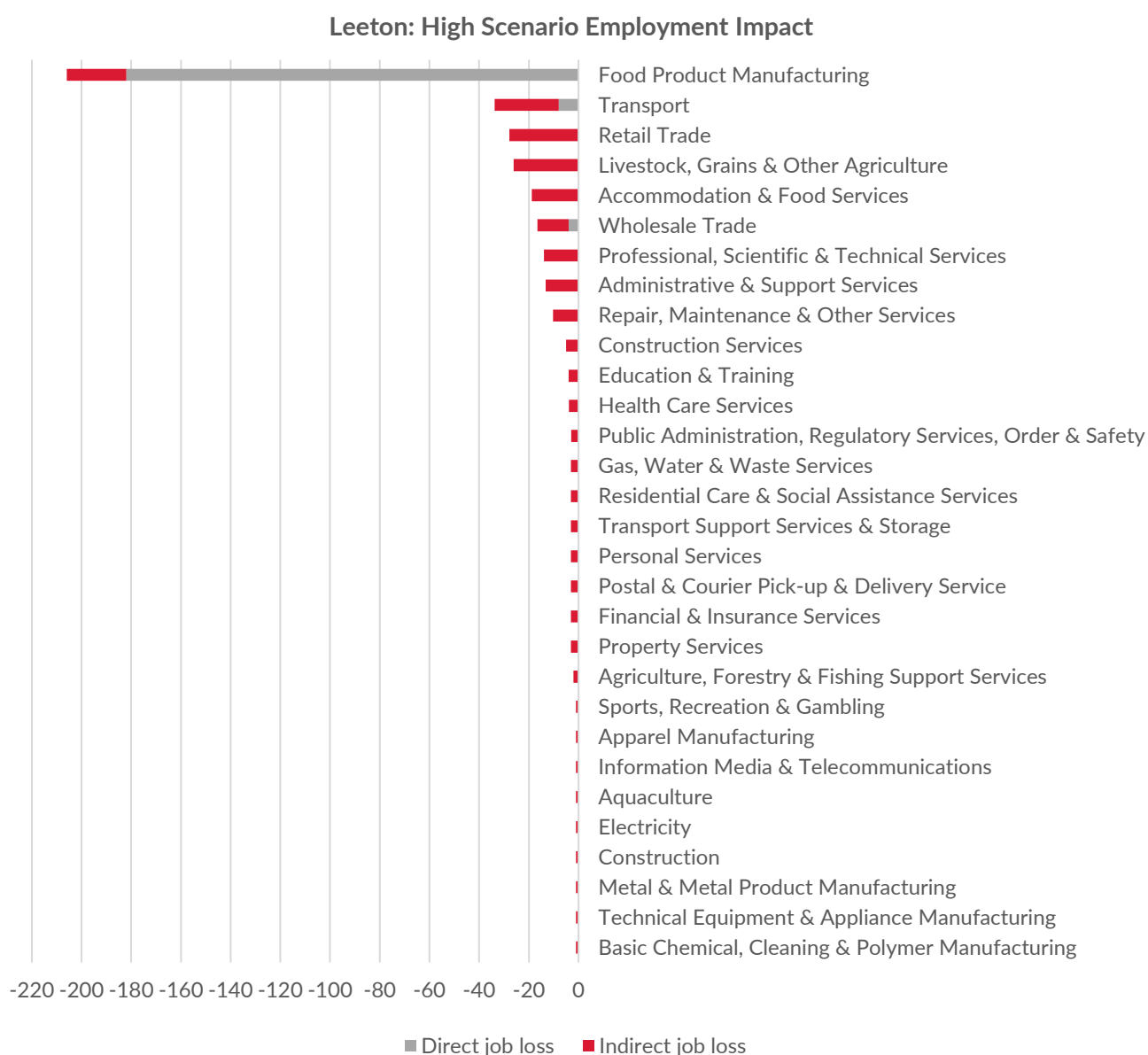


Figure 3-7 High Stress Scenario: Impact on Industry Employment, Leeton

At an industry level, the impacts are both deeper and more dispersed. Food product manufacturing remains the primary point of direct job loss, reflecting reduced throughput in rice processing. However, losses extend across transport and logistics, wholesale trade and agriculture, and increasingly into service-based industries such as professional services, administration, accommodation and food services, and retail trade.

In Leeton, the magnitude and spread of impacts are particularly significant, reflecting the region's high concentration of downstream rice processing and its reliance on associated supply chains. The contraction extends across a wide range of industries, indicating a broad-based weakening of economic activity. Edward River exhibits a similar pattern, though at a smaller scale, with impacts becoming more embedded across the local economy.

Overall, the high stress scenario demonstrates that once a critical threshold is reached, economic impacts accelerate and become system-wide. What begins as a reduction in rice-related activity translates into widespread job losses across both production-linked and service sectors, reinforcing the high level of exposure in both regions and the risk of sustained structural change in the local economies.

4. CONCLUSION

The analysis presented in this report demonstrates the economic consequences of reduced water availability and higher water prices extend well beyond farm-gate production and into the broader structure of regional economies across the southern Murray–Darling Basin. In irrigation-dependent regions, water underpins a highly interconnected system of agricultural production, processing, supply chains and local services. As a result, changes in water availability and pricing translate into economy-wide impacts rather than isolated sectoral effects.

The findings from this report, illustrated through a focus on Leeton and Edward River LGAs, highlight both the scale of this exposure and the mechanisms through which impacts occur. These regions provide clear examples of how reductions in water availability and rising prices flow through production, processing and supply chains, and how these effects are amplified in areas with a high concentration of irrigated industries.

Across irrigation-dependent regional economies, several consistent conclusions emerge:

- Irrigated and rice-related industries form a substantial share of economic activity, with a high concentration of employment and output relative to more diversified economies.
- Primary production supports a significantly larger downstream workforce, particularly where processing and value-adding activities are well established.
- Employment impacts are not confined to agriculture or processing, with flow-on effects through transport, wholesale trade, services and local businesses forming a large share of total job losses.
- Economic impacts increase in a non-linear manner, with moderate reductions in activity leading to disproportionately larger effects as operational and workforce thresholds are reached.
- Regions with a higher level of industry concentration and integration are more exposed to sustained reductions in water availability.

Importantly, the scenario results demonstrate that even modest reductions in water availability, combined with higher water prices, can generate measurable economic impacts. Under higher stress conditions, impacts escalate rapidly and become more deeply embedded across regional economies. At these levels, the nature of the impact shifts from short-term adjustment to structural change, including reduced viability of processing activity and broader contraction across multiple sectors.

From a policy perspective, this reinforces the need to consider the full economic system when assessing water-related decisions. Changes in water availability and pricing propagate through production, processing and supply chains, ultimately affecting employment, regional output and community stability.

While this report focuses on Leeton and Edward River as case studies, the underlying relationships between water availability, pricing and regional economic outcomes are consistent across many irrigation-dependent communities within the Basin. In practical terms, the analysis shows that:

- the economic role of water in irrigation-dependent regions is amplified through downstream industries and supply chains,
- the majority of impacts occur beyond agriculture, particularly in processing and service sectors,
- there are identifiable tipping points where further reductions in water availability and increases in price lead to accelerated economic decline, and
- highly specialised regional economies are more vulnerable to sustained changes in water availability and pricing.

Overall, the results provide a clear and evidence-based picture of what is at stake. Reduced irrigation water availability and higher water prices is not solely an agricultural issue, it is a regional economic issue with direct implications for employment, industry viability and community resilience across the Murray–Darling Basin.

APPENDIX A. STUDY AREAS

To determine the regional economic impact of changes in water availability, the analysis has been undertaken in the context of the economy of the Leeton and Edward River LGAs.

The two study regions span a large area of south-western New South Wales, situated within the southern Murray–Darling Basin (MDB). Both LGAs are characterised by flat, fertile floodplains, a strong tradition of irrigated agriculture, and economies that are tightly integrated with water availability.

Leeton LGA is anchored by the township of Leeton and is home to significant food processing operations that draw on produce from the surrounding Murrumbidgee Irrigation Area. Edward River LGA, centred on Deniliquin, is one of the largest rice and livestock producing areas in Australia and encompasses extensive areas of irrigated and dryland agriculture across the Edward-Wakool river system.

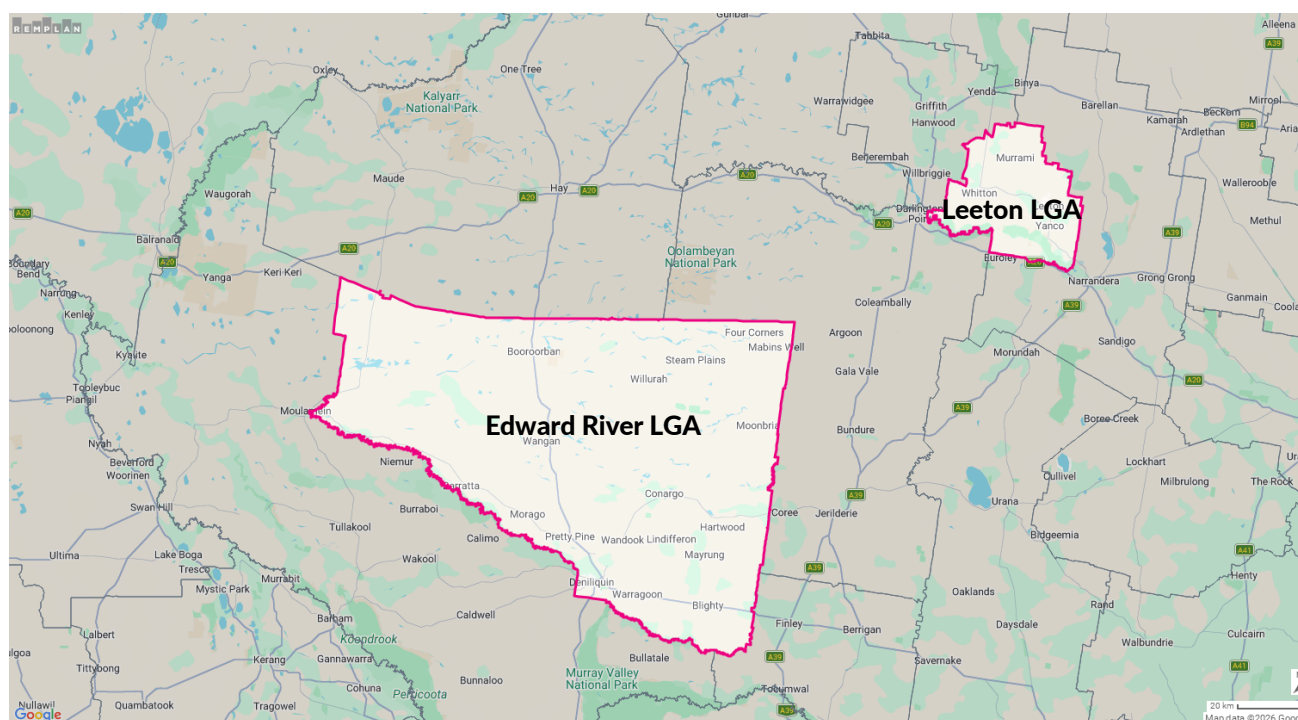


Figure A-1 Study LGAs map (REMPLAN Mapbuilder)

Two broader regions are used for comparison throughout this report and to determine patterns of employment specialisation:

- Southern MDB encompasses an area spanning the southern and western part of New South Wales, most of Victoria, and the eastern portion of South Australia. It is the heartland of Australian irrigated agriculture and a region whose economic fortunes are closely tied to the health of the Murray-Darling river system.
- Southern MDB (NSW) comprises the area within the Southern MDB boundary that fall within New South Wales. Together these comparison regions allow the distinctive economic characteristics of Leeton and Edward River to be assessed against both their immediate NSW context and the broader basin economy.

The map below reflects an approximation of both areas based on LGA boundaries.

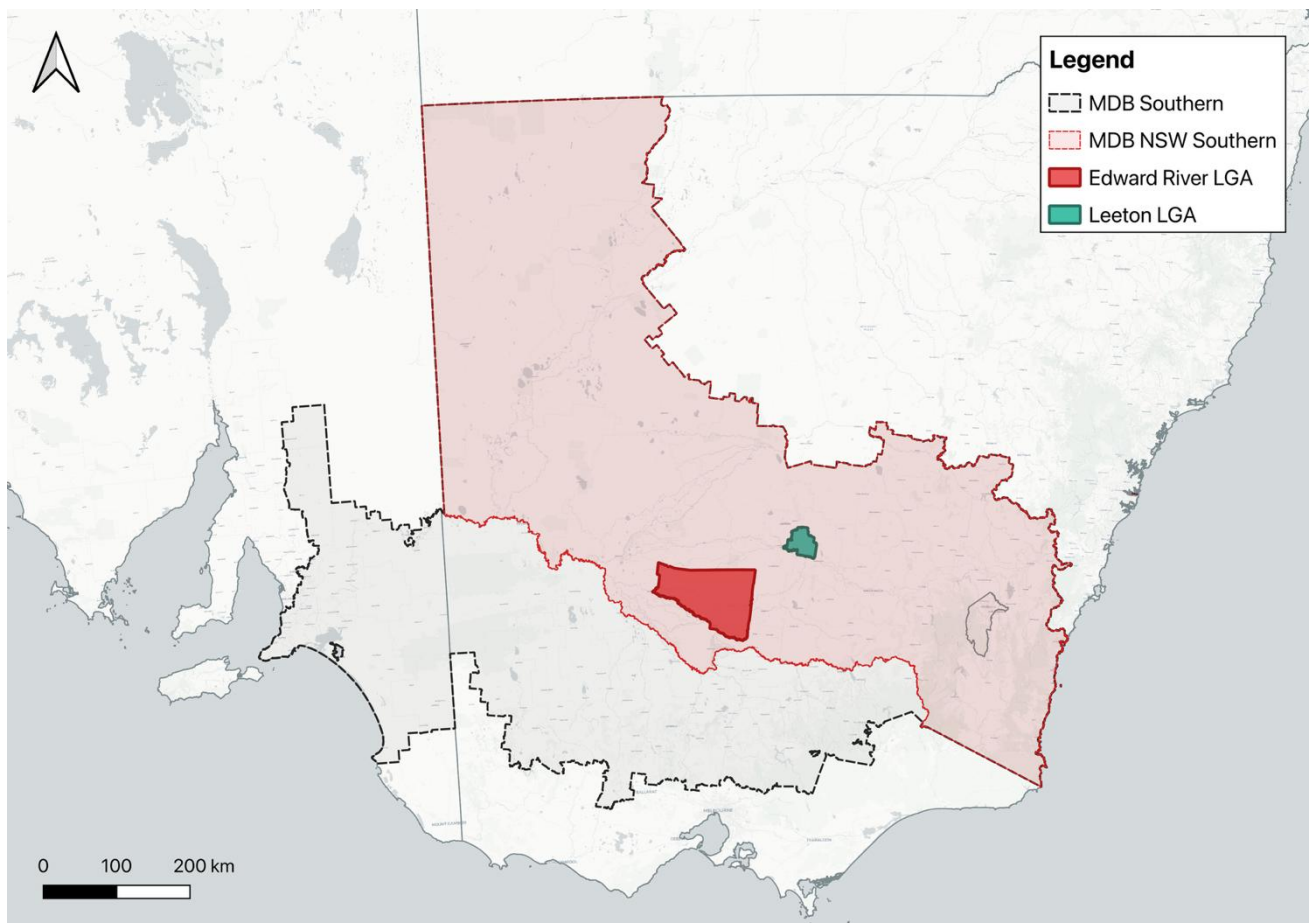


Figure A-2 Comparison Regions map (CARTO)

APPENDIX B. INDUSTRY CLASSIFICATION

RICE RELATED INDUSTRY CLASSIFICATION

INDUSTRY ^a	INDUSTRY SUB-SECTOR ^b	ANZSIC CLASSIFICATION
Primary Production		
Livestock, Grains & Other Agriculture	Sheep, Grains, Beef & Dairy Cattle	0145 Grain-Sheep or Grain-Beef Cattle Farming
		0146 Rice Growing
		0149 Other Grain Growing
	Other agriculture	0152 Cotton Growing
		0159 Other Crop Growing n.e.c.
Downstream Processing		
Food Product Manufacturing	Fruit & Vegetable Product Manufacturing	1140 Fruit and Vegetable Processing
	Grain Mill & Cereal Product Manufacturing	1161 Grain Mill Product Manufacturing
	Other Food Product Manufacturing	1192 Prepared Animal and Bird Feed Manufacturing
		1199 Other Food Product Manufacturing n.e.c.
Transport Support Services & Storage	Transport Support Services & Storage	5301 Grain Storage Services
		529 Other Transport Support Services
Wholesale Trade	Wholesale Trade	3312 Cereal Grain Wholesaling
		3609 Other Grocery Wholesaling

Notes: a) @ REMPLAN 45-sector level. b) REMPLAN 114-sector level.

IRRIGATED INDUSTRY CLASSIFICATION

INDUSTRY ^a	INDUSTRY SUB-SECTOR ^b
Primary Production	
Livestock, Grains & Other Agriculture	Sheep, Grains, Beef & Dairy Cattle
	Other agriculture
Aquaculture	Aquaculture
Downstream Processing	
Food Product Manufacturing	Fruit & Vegetable Product Manufacturing
	Grain Mill & Cereal Product Manufacturing
	Other Food Product Manufacturing
Transport Support Services & Storage	Transport Support Services & Storage

Notes: a) @ REMPLAN 45-sector level. b) REMPLAN 114-sector level.

APPENDIX C. RICE EMPLOYMENT RATIOS

ESTIMATING THE RELATIONSHIP BETWEEN PRIMARY PRODUCTION AND DOWNSTREAM EMPLOYMENT

REMPPLAN's regional economic modelling and analysis system was utilised to understand the economic relationship between primary production of rice and downstream processing.

'By modelling an increase of 100 jobs in downstream processing sectors, the supply chain analysis determines the additional primary production employment required to support that level of activity.

The analysis has adopted industry definitions as identified in Appendix B.

IMPACT OF 100 PROCESSING JOBS ON PRIMARY PRODUCTION		
	Edward River	Leeton
Increase of 100 jobs in downstream processing sectors		
Fruit & Vegetable Product Manufacturing	0	3
Grain Mill & Cereal Product Manufacturing	48	75
Other Food Product Manufacturing	0	16
Wholesale Trade	44	2
Transport Support Services & Storage	8	4
TOTAL	100	100
Supply chain impact on primary production sectors		
Sheep, Grains, Beef & Dairy Cattle	24	10
Other Agriculture	0	3
TOTAL	24	13
RATIO DOWNSTREAM JOBS: PRIMARY JOBS	4 : 1	8 : 1

APPENDIX D. SCENARIO MODELLING

APPROACH: TRANSLATING WATER REDUCTION INTO REGIONAL EMPLOYMENT IMPACTS

Overview

This assessment applies a structured, scenario-based modelling framework to estimate the downstream employment impacts of reduced irrigation water availability on the rice industry in Edward River and Leeton LGAs. The approach attempts to reflect real-world industry behaviour, particularly the non-linear response of downstream processing industries to reductions in agricultural supply in particular rice.

Scenario Design

Three core scenarios are modelled:

- **Base Case** : Reflects observed or near-term conditions under assumed existing water settings.
- **Moderate Stress Scenario**: Represents a material reduction in water availability resulting in constrained primary production and partial processing adjustment.
- **High Stress Scenario**: Represents a severe and sustained reduction in water availability, triggering structural disruption in downstream processing and supply chains.

These scenarios are not purely linear reductions but incorporate threshold effects and regional sensitivity, consistent with observed industry dynamics.

Defining the Base Case

Explanation of the ABARES 9% Rice Production Shock

The adopted 9% reduction in the gross value of annual rice production is drawn directly from the ABARES modelling of water recovery impacts in the southern Murray–Darling Basin (MDB). In the ABARES analysis, rice is identified as the most affected major irrigated commodity under water recovery scenarios, with an estimated 9% decline in production value under the 225 GL buyback scenario⁶.

The 9% figure represents a modelled, evidence-based central estimate of how rice production responds to reduced water availability under policy-driven recovery scenarios. It has been adopted because it reflects a commodity-specific outcome, rather than a basin-wide average (which is only ~2% decline in total irrigated production value). Rice is one of the most water-intensive and price-sensitive annual crops, making it a leading indicator of irrigation impacts. ABARES explicitly identifies rice as experiencing the largest proportional decline in both water use (8%) and production value (9%) under the modelled scenario.

⁶ Downham, R, Walsh, J, Gupta, M, Galeano, D & Hone, S 2024, *The impacts of further water recovery in the southern Murray–Darling Basin*, ABARES research report, Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra, June, DOI: [10.25814/611t-m537](https://doi.org/10.25814/611t-m537). CC BY 4.0.

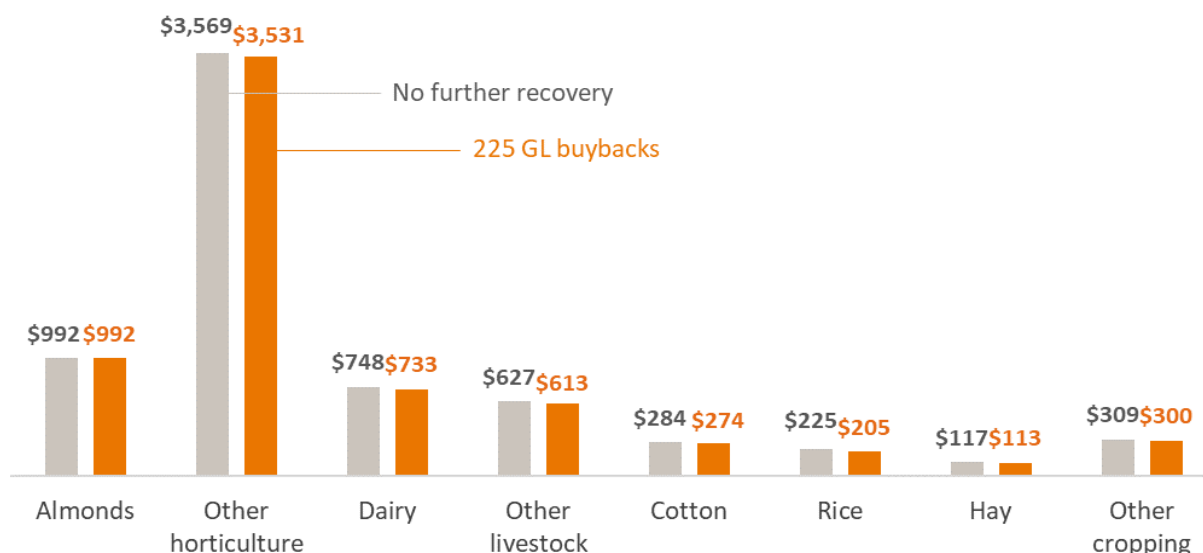


Figure D-1 Average annual gross value of irrigated agricultural production, by industry (\$m) (reproduced from Figure 11, p14, Downham et al, 2024)

As such, the 9% shock is not arbitrary, it is anchored in a well-established economic modelling framework and represents a reasonable “base case” impact for highly water-dependent annual cropping systems.

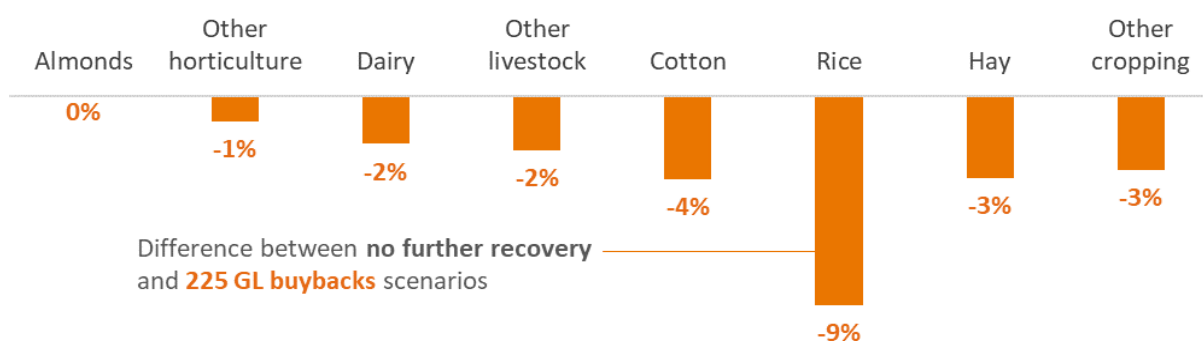


Figure D-2 Change in average gross value of irrigated agricultural production, by industry (reproduced from Figure 12, p14, Downham et al, 2024)

Key assumptions underpinning the ABARES result

The ABARES estimate is derived from the Water Trade Model, which simulates how water recovery affects prices, water use, and production. The key assumptions relevant to the 9% rice impact include:

1. Short-run, fixed system response
 - Farm capital, irrigation infrastructure, and crop mix (particularly horticulture) are assumed to be fixed in the short term.
 - This limits adaptive responses such as technology change or crop switching, meaning impacts reflect immediate adjustment pressures rather than long-term equilibrium.
2. Water recovery reduces supply, increasing prices
 - Buybacks reduce available irrigation water, which increases water allocation prices ($\approx 10\%$ in the 225 GL scenario).
 - This price increase is the primary transmission mechanism driving reduced water use and production.
3. Behavioural response to higher water prices
 - Irrigators respond by:
 - Reducing irrigated area
 - Applying less water per hectare

- Annual crops like rice are assumed to be highly responsive (elastic) to price changes, leading to larger production declines.
- 4. Allocation of water to higher-value uses
 - Water is reallocated (through markets and buybacks) toward higher-value or less price-sensitive uses (e.g. horticulture).
 - Lower-margin activities such as rice are more likely to reduce production or exit.
- 5. Climate and hydrological baseline
 - The model is calibrated to a relatively dry historical period (2000–2021).
 - This influences both water availability and the magnitude of responses.

Links to water availability and price sensitivities

ABARES makes a clear and explicit connection between water recovery, water availability, prices, and production outcomes:

- Water availability → price
 - An approximate 4% reduction in water supply leads to an around 10% increase in water prices, implying strong price sensitivity (elasticity ≈ 2.4).
- Price → water use
 - Higher prices reduce water use, with rice showing the largest decline in water use (8%) among industries.
- Water use → production
 - Reduced water use leads to lower output; however, due to diminishing returns to water, production falls by slightly more than water use in percentage terms for rice (9% vs 8%).
- Differential sensitivity across industries
 - Annual crops (rice, pasture) are highly price-sensitive, while perennial crops (almonds, horticulture) are relatively insensitive.

This reflects differences in:

- Flexibility of production decisions
- Capital intensity and sunk costs
- Ability to absorb higher water costs

Scenario Inclusions

SCENARIO MODELLING CONTROLS						
	Base Case		Moderate		High	
	Edward River	Leeton	Edward River	Leeton	Edward River	Leeton
Production Shock Rice production value impact	-9.0%	-9.0%	-15%	-15%	-20%	-20%
Regional Sensitivity Factor Downstream employment share / pass-through	81%	88%	81%	88%	81%	88%
Downstream Shock Base downstream employment shock	-7.3%	-8.0%	-12.1%	-13.3%	-16.1%	-17.7%
Regional Sensitivity Factor Threshold step factor	1.00x	1.00x	1.20x	1.20x	1.60x	1.60x
Scenario Step Change Final threshold + specialisation multiplier	1.00	1.00	1.28	1.73	1.83	3.00

Production Shock Assumptions

Each scenario applies an assumed reduction in rice production, representing the direct impact of reduced water availability on farm output.

These shocks are informed by:

- Basin Plan scenario ranges
- Observed volatility in rice production under low allocation years
- The known sensitivity of rice to water availability

Translation to Processing Impacts (Threshold Effects)

A key refinement in this modelling approach is the introduction of non-linear processing responses.

Rice processing (e.g. milling and manufacturing) exhibits:

- high fixed costs
- reliance on throughput volume
- minimum viable operating thresholds

As a result, reductions in paddy supply do not translate proportionally into employment changes. Instead:

- Small reductions in supply may be absorbed through efficiency measures
- Moderate reductions lead to reduced operating hours or shifts
- Large reductions trigger step changes such as workforce downsizing or partial shutdown

This behaviour is captured through scenario-specific step factors, which amplify the employment impact at higher levels of stress.

Downstream Employment Impacts

The model estimates employment impacts across downstream sectors supported by rice production and processing, including:

- food manufacturing

- transport and logistics
- storage and support services

A baseline relationship between rice production and downstream employment is established using:

- local employment data
- industry ratios (e.g. downstream jobs per rice growing job)

Scenario shocks are then applied to this downstream employment base, adjusted for processing impacts and step effects.

Regional Sensitivity (Concentration Effects)

To reflect differences in economic structure between LGAs, the model incorporates regional concentration indices.

These indices measure the relative concentration of rice-related downstream employment compared to the broader Southern Murray–Darling Basin.

- Leeton exhibits very high concentration (strong dependence on rice processing and manufacturing)
- Edward River exhibits moderate concentration

This is operationalised through a regional amplification factor, where:

- Highly specialised economies experience disproportionately larger employment impacts
- More diversified economies exhibit lower sensitivity

This ensures the modelling reflects the reality that:

- job losses are not evenly distributed
- impacts concentrate in regions with greater industry dependence

Integrated Impact Calculation

The final employment impact for each scenario is derived by combining:

1. Production shock
2. Processing threshold (step) effects
3. Downstream employment exposure
4. Regional amplification factors

This produces a compounded, non-linear estimate of job losses.

Key Modelling Characteristics

1. Non-linearity

Unlike simple proportional models, this approach allows impacts to escalate under higher stress scenarios. For example, a doubling of production shock may result in more than double the employment impact, reflecting real-world industry responses.

2. Threshold-driven outcomes

The inclusion of step effects ensures that:

- Moderate scenarios reflect operational adjustments
- High stress scenarios capture structural disruption

This avoids underestimating impacts in severe scenarios.

3. Regional differentiation

By incorporating concentration indices, the model captures:

- the heightened vulnerability of Leeton
- the comparatively lower, but still significant, exposure of Edward River

4. Alignment with industry behaviour

The modelling reflects observed characteristics of the rice industry, including:

- dependence on irrigation water
- processing scale requirements
- sensitivity to throughput reductions

OUTCOMES: ESTIMATION OF THE REGIONAL ECONOMIC IMPACTS OF WATER REDUCTION

Each scenario has been modelled using the REMPLAN Economy regional economic modelling system. The model applies the estimated loss of downstream processing jobs to the relevant industry sectors within the Edward River and Leeton local economies. This loss of downstream employment represents the direct impact.

This reduction in employment reflects an overall contraction in economic activity. As downstream processing sectors scale back, their demand for locally sourced goods and services also declines. The resulting supply chain effect captures these flow-on impacts, as reduced activity in one sector leads to successive rounds of reduced demand across supplier industries.

In addition, lower levels of economic activity lead to a decline in employment and a reduction in wages and salaries across the region. This, in turn, reduces household spending within each LGA. The impact of this reduced household expenditure is captured as the consumption effect.

The EIA outcome summaries under each scenario are presented below.

Base Case

BASE CASE SCENARIO: ECONOMIC IMPACT ON EDWARD RIVER						
	Direct Effect	Indirect Effects		Total Effect	Multipliers	
		Supply Chain	Consumption		Type 1	Type 2
Gross Revenue (\$M)	-\$4.2	-\$2.2	-\$0.7	-\$7.1	1.5	1.7
Employment (Jobs)	-5	-5	-2	-12	2.0	2.4
Value-added (\$M)	-\$0.9	-\$0.9	-\$0.4	-\$2.3	2.0	2.4

BASE CASE SCENARIO: ECONOMIC IMPACT ON LEETON						
	Direct Effect	Indirect Effects		Total Effect	Multiplier Effect	
		Supply Chain	Consumption		Type 1	Type 2
Gross Revenue (\$M)	-\$31.9	-\$11.5	-\$3.4	-\$46.7	1.4	1.5
Employment (Jobs)	-30	-25	-8	-63	1.8	2.1
Value-added (\$M)	-\$5.3	-\$4.3	-\$1.9	-\$11.6	1.8	2.2

Moderate Scenario

MODERATE SCENARIO: ECONOMIC IMPACT ON EDWARD RIVER						
	Direct Effect	Indirect Effects		Total Effect	Multipliers	
		Supply Chain	Consumption		Type 1	Type 2
Gross Revenue (\$M)	-\$7.7	-\$3.8	-\$1.3	-\$12.7	1.5	1.7
Employment (Jobs)	-10	-9	-3	-22	1.9	2.2
Value-added (\$M)	-\$1.9	-\$1.7	-\$0.8	-\$4.3	1.9	2.3

MODERATE SCENARIO: ECONOMIC IMPACT ON LEETON						
	Direct Effect	Indirect Effects		Total Effect	Multiplier Effect	
		Supply Chain	Consumption		Type 1	Type 2
Gross Revenue (\$M)	-\$87.8	-\$31.7	-\$9.3	-\$128.7	1.4	1.5
Employment (Jobs)	-83	-69	-23	-175	1.8	2.1
Value-added (\$M)	-\$14.1	-\$12.0	-\$5.4	-\$31.5	1.8	2.2

High Stress Scenario

HIGH STRESS SCENARIO: ECONOMIC IMPACT ON EDWARD RIVER						
	Direct Effect	Indirect Effects		Total Effect	Multipliers	
		Supply Chain	Consumption		Type 1	Type 2
Gross Revenue (\$M)	-\$13.8	-\$6.8	-\$2.3	-\$23.0	1.5	1.7
Employment (Jobs)	-18	-15	-6	-39	1.8	2.2
Value-added (\$M)	-\$3.4	-\$3.0	-\$1.4	-\$7.7	1.9	2.3

HIGH STRESS SCENARIO: ECONOMIC IMPACT ON LEETON						
	Direct Effect	Indirect Effects		Total Effect	Multiplier Effect	
		Supply Chain	Consumption		Type 1	Type 2
Gross Revenue (\$M)	-\$204.9	-\$73.9	-\$21.8	-\$300.6	1.4	1.5
Employment (Jobs)	-194	-161	-53	-408	1.8	2.1
Value-added (\$M)	-\$33.0	-\$28.0	-\$12.5	-\$73.5	1.8	2.2

APPENDIX E. ACRONYMS, SHORTFORMS & GLOSSARY

ACRONYMS AND SHORTFORMS

ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
GRP	Gross Regional Product
LGA	Local Government Area
MDB	Murray–Darling Basin
NSW	New South Wales
RAMJO	Riverina and Murray Joint Organisation
SDL	Sustainable Diversion Limits
Edward River	Edward River Local Government Area
Leeton	Leeton Local Government Area
Southern MDB	Southern Murray–Darling Basin
Southern MDB (NSW)	Southern Murray–Darling Basin within New South Wales

GLOSSARY

Consumption Effects

As output increases, so too does employment and wages and salaries paid to local employees. Part of this additional income to households is used for consumption in the local economy which leads to further increases in demand and output.

Employment

Employment data represents the number of people employed by businesses/organisations in each of the industry sectors in a defined region. Employment data presented by REMPLAN is destination of work data. That is, no inference is made as to where people in a defined region reside. This employment represents total numbers of employees without any conversions to full-time equivalence. Retail jobs for instance, represent typical employment profiles for that sector, i.e., some full time, some part time and some casual.

Gross Regional Product (GRP)

GRP is the net measure of wealth generated by the region. GRP can be measured by using the incomes approach, where all incomes earned by individuals (wages and salaries), firms (gross operating surplus) and governments (taxes on products or services) are added. Alternatively, an expenditure approach can be taken where all forms of final expenditure, including consumption by households, consumption by governments, additions or increases to assets (minus disposals) and exports (minus imports), are added. The expenditure approach does not include intermediate expenditure, as this would lead to double counting. E.g., the wheat and flour in a loaf of bread. These methodological approaches are the same as those used to calculate Gross Domestic Product (GDP) at a national level.

Output

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

It is important to note that in the Australian Bureau of Statistics' National Accounts Input Output framework (which REMPLAN incorporates) that the output of wholesalers and retailers is measured by the total value of the trade margins realised on the goods they purchase for resale. This is because their productive activity is construed to be the provision of services in transporting and storing goods, displaying the goods in an informative and attractive way, and then packaging them according to the requirements of the individual customer. The goods themselves are not regarded as being significantly transformed in this process and are therefore not treated as intermediate input into the distributor's own process of production.

Supply Chain Effects

The increased output generated by servicing industry sectors in response to the direct change in output and demand.

Type 1 Multiplier

A Type 1 multiplier captures the direct effect plus supply chain effects only (flow-on spending by local suppliers and input providers). For example, a Type 1 output multiplier of 1.45 means that for every direct one dollar increase in output, you would expect to see an extra \$0.45 of activity generated within the region through supply chain linkages.

Type 2 Multiplier

Includes the Direct Effect + Supply Chain Effects + Consumption Effects. For example, if you have a Type 2 output multiplier of 2.011 then for every direct one dollar increase in output you would expect to see an extra \$1.01 of activity generated within the region due to the supply chain effects plus the consumption effects.

Value-added

Represents the marginal economic value that is added by each industry sector in a defined region. Value-Added can be calculated by subtracting local expenditure and expenditure on regional imports from the output generated by an industry sector, or alternatively, by adding the Wages and Salaries paid to local employees, the gross operating surplus and taxes on products and production. Value-Added by industry sector is the major element in the calculation of Gross Regional Product.

APPENDIX F. REMPLAN ECONOMIC IMPACT ANALYSIS METHODOLOGY

About REMPLAN

REMPAN are specialists in providing area-specific data. We are a team of economists, planners, demographers, economic development specialists, analysts and software developers who create online analytical tools and information resources.

Our goal at REMPLAN is to provide people with access to the information needed to make important decisions.

Our products and services are delivered based on three guiding principles: providing an exceptional level of support for clients; transparency and rigour in the use of data, and flexibility and ease of access to information.

At REMPLAN, we pride ourselves in providing a level of service that is second-to-none. When you subscribe to any REMPLAN product, your access is not limited to our software. As part of all subscriptions, our clients are also provided with unlimited access to our experienced team to help them use REMPLAN products in the most effective manner. Coupled with regular training delivered at your organisation, we believe our approach is consistent with our belief that the level of support offered to clients is just as important as the product.

REMPAN Input-Output Modelling

An input-output model is an econometric technique which details the interdependent supply chain links between different industry sectors in an economy. This modelling approach was developed by Wassily Leontief (1905-1999), for which he received the Nobel Memorial Prize in Economic Sciences.

The team at REMPLAN have automated and systematised the process of building and updating region-specific input-output economic models for more than twenty years. These in-house systems, tools and resources incorporate many checks and balances that ensure the consistent and timely delivery of economic analysis software and data.

Detailed place of work employment by industry data (114 sectors) is the basis in REMPLAN for estimating local demand by industry for intermediate goods and services as well as the capacity for the local economy to supply a proportion of those goods and services.

This methodology underpins the economic profiling and impact modelling capabilities in REMPLAN Economy. This framework allows REMPLAN to build and maintain datasets for major capital city CBDs, suburban areas, region towns, as well as rural and remote areas of Australia. REMPLAN estimates of local government areas' Gross Regional Product (GRP) reconciles with the latest ABS estimates of Gross State Product (GSP) and Gross Domestic Product (GDP). Every local government area's GRP within a state adds up to that State's GSP; and all State GSP's add up to the National GDP, this allows for a direct comparison of economies regardless of the region or State.

Modelling Assumptions

REMPAN modelling incorporates an input-output methodology and the underlying assumptions of this approach need to be considered. The assumptions are listed below:

1. **Fixed production coefficients.** That is to say that if we wanted to double output of a particular industry sector, we would have to double all of its inputs with no evidence of scale economies. This assumption implies constant returns to scale.
2. **Regional performance matches national and state average performance.** While this can vary between industries these differences are usually apparent in other aspects of the economy.

3. **Input proportions will remain the same and there will be no change in technology.** As long as the model is kept up to date this latter concern should not pose a threat to its effectiveness, except as a tool for long-term forecasting.
4. **Homogeneity among industries.** It is assumed that each industry sector produces a fixed set of products that are not produced by any other sector. It is however possible to have some overlap e.g., food and drinks sold in bottle shops (the Retail sector) and in cafes (the Accommodation, Cafes, and Restaurants sector).
5. **No supply constraints.** It is assumed that the intermediate and household sectors are able to service any increases in final demand. This assumption could weaken the predictive capacity of the model in those cases where increases in overall demand could bring about input shortages and raise their prices in the short term. However, in most day-to-day cases increased input demand should not present a problem.

Interpretation of results

The impact results are described in terms of direct and indirect effects. The direct effect is the change in employment or output directly due to economic activity. For example, 200 construction jobs or \$11 million in expenditure.

The indirect effects are the flow-on supply chain and consumption effects due to the direct change.

- A supply chain effect is an increase in output (or jobs or value-added) generated by servicing industry sectors in response to the direct change in output and demand.
- As output increases, so too does employment and wages and salaries paid to local employees. Part of this additional income to households is used for consumption in the local economy which leads to further increases in demand and output. This is the consumption effect.

The flow-on impacts for the region's economy from a direct change are presented in terms of Output, Employment, and Value-Added economic multipliers.

- Economic multipliers are determined by the increase or decrease applied to that particular economic indicator (i.e., Output, Employment, or Value-Added). For example, an increase in Output will yield a particular Output multiplier, the jobs equivalent of that increase in Output will determine the Employment multiplier, and the Value-Added equivalent of that increase in Output will determine the Value-Added multiplier.

There are two types of multipliers reported in the following analysis: Type 1 and Type 2.

- A Type 1 Multiplier includes the Direct Effect + Supply Chain Effects. For example, if you have a Type 1 output multiplier of 1.489 then for every direct one dollar increase in output you would expect to see an extra \$0.49 of activity generated within the region due to supply chain effects.
- A Type 2 Multiplier includes the Direct Effect + Supply Chain Effects + Consumption Effects. For example, if you have a Type 2 output multiplier of 2.011 then for every direct one dollar increase in output you would expect to see an extra \$1.01 of activity generated within the region due to the supply chain effects plus the consumption effects.

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Murray–Darling Basin Ministers meet in Melbourne

Published: 14 December 2018

[News and updates](#) [Basin Plan](#)

The Murray–Darling Basin Ministerial Council met in Melbourne today to progress important elements of Murray–Darling Basin Plan implementation.

The Ministerial Council is chaired by the Hon. David Littleproud MP (Commonwealth). Other members attending were the host the Hon. Lisa Neville MP (Victoria), the Hon. Niall Blair MLC (NSW), the Hon. David Speirs MP (South Australia) and Mr Mick Gentleman MLA (ACT). The Hon. Mark Furner MP (acting for the Hon. Dr Anthony Lynham, Queensland) attended by telephone.

Ministers welcomed the Northern Basin Commissioner and former Australian Federal Police Commissioner, Mr Mick Keelty, to the meeting to provide an update on compliance with water rules. Mr Keelty told Ministers that since his appointment on 23 August 2018 he had been working with local and state governments, the Queensland Crime and Corruption Commission as well as NSW Independent Commission Against Corruption and others to build his understanding of current northern Basin compliance. Four months into his three year tenure, he identified that investment in technology offers one of the greatest opportunities to improve water management in the Basin. He was optimistic of a growing compliance culture across the northern Basin greatly assisted by two recent successful prosecutions. He noted the importance of prospective Proceeds of Crime actions as a deterrent. He said much work remained to ensure appropriate metering, monitoring and measurement of water use. Ministers noted that Basin officials have work underway to consider Mr Keelty's recommendations.

All Ministers noted the critical importance of community involvement in designing and implementing the Basin Plan and thanked the Basin Community Committee Chair, Rory Treweek for his comprehensive report that provided a snapshot drawn from his committee's 16 members. The committee members called for continued innovation and best practice engagement in Basin Plan implementation noting that all governments could learn from past approaches and improve coordination.

Ministers expressed concern for communities experiencing ongoing drought and continued dry conditions across much of the Basin. Ministers noted the possibility that a continuation of dry conditions could result in low water availability next year across all three states. All state governments are preparing for the continuation of dry conditions. Given this and the continued likelihood of a dry and hot summer, Ministers have agreed to waive the need for Lake Victoria to hold the first 250 gigalitres of any minimum reserve at the end of May. This decision applies to the 2018-19 season only and will allow Lake Victoria to capture more winter inflows while minimising evaporative losses.

Ministers also heard that the current water year was especially challenging for river operators to manage. MDBA River Management Executive Director Andrew Reynolds said low inflows, high evaporation rates and dry conditions, along with the need to conserve as much water as possible to meet expected peak summer demands, pushed the system to capacity. This meant there was insufficient capacity in the river channel to carry water for the environment during spring. The Commonwealth Environmental Water Holder, Jody Swirepik, noted that there had been difficulty in delivering environmental water because of limited channel capacity and that this had impacted on the environmental benefits that could be achieved this season from Hume Dam to the Murray mouth.

Ministers heard that the same constraints on river channel capacity that had affected delivery of water for the environment also could affect consumptive water users. There remains a risk of a water delivery shortfall for irrigators later in the season if there is an unanticipated peak in demand that could be caused by events such as a sudden heat wave.

Ministers noted the work already agreed by Basin officials and the MDBA to minimise water delivery shortfall risks. They committed to cooperating fully in exploring the full range of options available to manage water delivery shortfall risks for all water users. Options to be considered include changes to the river operations rules and trade rules, addressing constraints and infrastructure projects.

Ministers requested that urgent work be done by the MDBA in conjunction with the states to address River Murray deliverability challenges, for both consumptive and environmental water. This includes the immediate risk for summer and development of medium and longer term solutions. Ministers asked officials to report back at the next ministerial council meeting on this work.

Ministers reinforced their objective of improving the productivity of Basin communities, while also meeting their commitments under the Basin Plan. Ministers also agreed that communities expected a greater level of assurance than provided under the Basin Plan around the delivery of efficiency measures in a way that did not create adverse socio-economic impacts.

Ministers noted feedback from the community, as printed in the Sefton's report titled *Murray–Darling Basin Infrastructure Program – consultation for additional criteria* and agreed that the report should be publicly released.

As a result, Ministers have agreed that *socio-economic criteria* and the associated assessment be adopted as the basis of the neutrality test for assessing efficiency measures projects.

Ministers agreed that these criteria be applied to all efficiency measures projects that are part of the additional 450 gigalitres proposed, prior to any approval of projects. They agreed that each state establish a process to assess each project against the criteria to ensure their compliance. Projects would then be submitted to the Commonwealth.

They further agreed the criteria do not apply to the desalination project, Coorong environmental works in South Australia and the ACT Healthy Waterways projects.

As Ministers agreed in June 2018, the Commonwealth has launched the Murray–Darling Basin Water Infrastructure Program, with an initial focus on recovering the 62 gigalitres required by 30 June 2019 to enable the full 605 gigalitres Sustainable Diversion Limit Adjustment Mechanism offset to be achieved. To maintain momentum and encourage further uptake of efficiency measures, the Commonwealth will commence an engagement program across the Basin to raise awareness of the opportunities available to stakeholders and build understanding of the environmental benefits of the program.

To accelerate the delivery of the efficiency measures program, the Commonwealth has agreed to fund the following projects or initiatives, subject to the provision of business cases by jurisdictions that meet the requirements of the Commonwealth's assessment. The Commonwealth and jurisdictions commit to working proactively together to ensure that the required assessments, based on the new criteria where relevant, can be undertaken as quickly as possible through clear and regular communication, timely provision of required information and timely decision-making:

NSW: Dedicated facilitators within regional NSW that will help design industry and community led projects to bring much needed investment into improved water efficiency. Importantly, these projects will be assessed in accordance with the socioeconomic neutrality criteria and will be designed to help improve resilience to the extremes of climate, such as the drought which is currently hurting some Basin communities. This could include urban, off-farm, on-farm and industrial projects;

Victoria: Victoria's Northern Water Infrastructure prospectus, delivering up to 9 GL of projects from Shepparton East Modernisation, Mitiamo Stock and Domestic, System Savings and Sunraysia distribution channel upgrades;

South Australia: A project to investigate the contribution that the Adelaide Desalination Plant and other urban and industrial projects could make to support the implementation of a socio-economically neutral 450 gigalitres efficiency measures program.

ACT: A project to investigate the contribution that possible urban water efficiency infrastructure projects, combined with waterway restoration, catchment management, revised water conservation measures and planning controls could make to the above mentioned 450 gigalitres efficiency measures program.

Ministers agree to progress the Constraints Measures Coordinating Work Plan, noting:

The importance of addressing constraints to the achievement of the full 605 gigalitres Sustainable Diversion Limit Adjustment Mechanism;

That system constraints are impacting the delivery of both consumptive and environmental water and are likely to cause negative socio-economic and environmental impacts if not holistically addressed;

That the significant community concerns about the constraints program, including transparency and deliverability, will be addressed as a priority;

That community engagement and co-design in the implementation of this work plan will be fundamental to its successful delivery; and

The importance of understanding the implications and benefits of the notified constraints flow rates for delivery of the constraints package.

Constraints projects include five of the 36 projects Basin state governments have committed to delivering as part of the Sustainable Diversion Limit Adjustment Mechanism that was endorsed by all Basin governments and legislated with bipartisan support in the Commonwealth Parliament in 2018. Constraints include physical restrictions, like low lying bridges, as well as river rules that constrain how much water can be put down a river. Current constraints reduce the ability to deliver water for the environment and for consumptive purposes. Ministers noted the importance of genuine community engagement and support for these projects.

In recognition of the importance of the Ramsar-listed Coorong to the overall health of the Murray–Darling Basin and the success of the Basin Plan, as well as the declining condition of the Coorong South Lagoon, the Commonwealth and South Australian Governments have jointly agreed to:

Quarantine the remaining unspent South Australian State Priority Project (SPP) funds of around \$70 million for measures to support the long-term health of the Coorong;

Make available up to \$2 million of this funding to support Commonwealth and State efforts to finalise, assess and progress the Healthy Coorong, Healthy Basin component of the Project Coorong Initiative;

Subject to the evaluation of the Healthy Coorong, Healthy Basin business case, agree to make available up to \$25 million to fund the first phase of this initiative.

All Ministers reaffirmed their intention to provide high quality and well consulted Water Resource Plans to the Murray–Darling Basin Authority in a timely manner.

The Water Amendment (Water Resource Plan Accreditation) Regulations 2018 sets out timeframes for Basin jurisdictions to notify or request more time for a Water Resource Plan to be submitted for assessment by the MDBA and accredited by the Commonwealth Minister.

The jurisdictions acknowledged that the Basin Plan Sustainable Diversion Limits take effect from 1 July 2019 and, where necessary, will enter into agreements with the Commonwealth to ensure that other key accountability and transparency requirements under the Basin Plan are also operative from 1 July. Where relevant, jurisdictions will ensure that any water resource plans delayed beyond this date are submitted and accredited by 31 December 2019.

The Murray–Darling Basin Authority and state governments will ensure that there is clear communication to the public explaining how any delays in Water Resource Plans will not undermine compliance with Sustainable Diversion Limits from 30 June 2019.

Ministers agreed that any delay in developing a Water Resource Plan should not limit the completion of other related Ministerial agreements.

Ministers Gentleman and Blair also agreed to progress the undertakings made at the June 2017 Ministerial Council meeting to enable two-way interjurisdictional water trading between NSW and the ACT.

The importance of delivering the package of Sustainable Diversion Limit Adjustment Mechanism projects, both for Basin communities and the environment was reinforced and relevant Ministers signed the Stage 1 funding agreement to underpin the initial stage of project funding. The Commonwealth and relevant States have agreed to work cooperatively to seek to finalise funding schedules under the Stage 1 agreement by the end of February 2019. Stage 1 activities include design work, investigations, consultations and assessments to prepare the measures for implementation. The funding of physical on-ground works will be considered as part of Stage 2.

Stage 1 funding is without prejudice to negotiations and agreement for Stage 2.

To ensure that best possible outcomes are delivered for the Basin, the Commonwealth and Northern Basin jurisdictions have agreed that up to eight per cent of available funds for environmental works in the allocated Northern Basin Toolkit Measures funding will be made available to undertake project feasibility assessments. Commonwealth, Queensland and NSW ministers agreed that the Northern Basin Review IGA (agreed in principle by Ministers on 16 June 2017) be updated and finalised as soon as possible and asked officials to expedite finalisation of a National Partnership Agreement to support implementation of the toolkit measures in the first half of 2019.

The governments of NSW and Queensland recommitted to the protection of environmental water.

Basin Ministers re-affirmed their commitment to deliver their respective work plans, as outlined in the schedules to the Compliance Compact. The Council of Australian Governments (COAG) endorsed the Basin Compliance Compact on 12 December, 2018. All water Ministers agreed the Compact in June 2018 and received the first progress report assessing implementation to date.

The MDBA assurance report into state progress as well as the Independent Assurance Committee's (IAC) report into the MDBA's own performance were noted by all Ministers. The IAC provides expert advice to the MDBA concerning the adequacy of its compliance program. The Compliance Compact sets out the compliance implementation framework each jurisdiction has developed to improve compliance and enforcement activities. In noting the reports' findings Ministers recognised there were different approaches and levels of maturity of compliance and enforcement frameworks across jurisdictions. The finding that overall all jurisdictions had made considerable progress in delivering on their commitments to improve transparency, accountability and consistency of water management across the Basin was welcomed. Ministers urged officials to review the findings and to prioritise progress in those areas where the need for additional effort was identified. The MDBA will publish the annual assurance reports on its website before the end of 2018.

Ministers welcomed the launch by the Australian Government on 27 November 2018 of the \$20 million Hydrometric Networks and Remote Sensing Funding Program to improve hydrometric networks in the northern Basin and develop remote sensing and other technologies to enhance monitoring, measurement and compliance in all Basin jurisdictions. Murray–Darling Basin state and territory governments and the Murray–Darling Basin Authority have been invited to submit proposals for funding under this Program by 31 January 2019.

Basin jurisdictions and the Northern Basin Commissioner indicated their strong interest in the program and supported a strategic approach to prioritising investments in technologies to enhance monitoring, measurement and compliance.

The Commonwealth agreed to consider options for further funding for hydrometric networks and remote sensing informed by the value for money of the proposals received, advice from the Northern Basin Commissioner and the extent of any additional contributions provided by jurisdictions and project partners.

Ministers noted the Commonwealth’s commitment to draft legislative amendments to the Water Act 2007 to strengthen the Murray–Darling Basin Authority’s compliance and enforcement powers. This includes new civil penalties and criminal offences to deal with conduct such as water theft. The Commonwealth will consult with Basin governments and stakeholders on the proposed legislative changes.

Recognising that Aboriginal people are the traditional custodians of the Murray–Darling Basin, Ministers agreed that there should be a standing Aboriginal member appointed to the Murray–Darling Basin Authority. The Aboriginal member on the Board would be appointed on the basis of their skills and expertise regarding indigenous matters. They would not be appointed to represent particular regions or organisations.

The Commonwealth Minister agreed to seek an amendment to the Water Act 2007 (Cwlth) to create this new position.

Recognising that further work is still required to engage Aboriginal people in the management of water in the Basin, Ministers also endorsed the establishment of a Community of Practice to share information, build Aboriginal water policy skills, and identify gaps and opportunities. Ministers reiterated the need to have a cross section of Aboriginal perspectives represented on the Community of Practice along with state and Commonwealth government officials and asked to receive updates on progress as necessary.

Ministers charged state and government officials with progressing Basin Plan implementation noting that while timelines were tight communities had much to gain through continued collective efforts of all Basin jurisdictions.

ENDS

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- Queensland Minister, Dr Anthony Lynham: David Potter 0428 411 617
- Australian Capital Territory Minister, Mick Gentleman: James Webber 0401 657 311
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Efficiency Measures – Agreed Criteria

1. Projects must be made public

- a. A regional map must indicate where investments are being made to depict how these interrelate to improving the efficiency of the district. This includes showing the broad location of the project, the amount of water to be recovered for the environment, the type of project and relevant socio-economic information.
- b. Where possible, reports or outcomes of past projects should be made available.
- c. Technical reports on completed projects must be made available to inform the development of any future projects.
- d. Following in-principle government approval, non-sensitive information about project applications must be advertised to allow relevant stakeholders to make submissions to the proposal.

2. Projects do not negatively impact on social and environmental outcomes.

- a. All projects are required to describe the expected socio-economic and environmental benefits of their proposed project, with delivery partners required to coordinate and communicate with local communities and community bodies on the program and describe the expected socio-economic and environmental impacts of each program on the local community, region or state.
- b. Social values may include the amenity to local communities of weirs, storages and parks that may be affected by efficiency projects.
- c. Large projects must describe the expected socio-economic outcomes of their proposal. In doing so, they must address the following:
 - the anticipated socio-economic impacts to the local community, region or state;
 - their project's strategy for increasing the socio-economic benefit to participants and their communities (e.g. local sourcing of goods, services and labour); and
 - if and how the project will contribute to regional investment and development in the geographic area.
- d. Both project and delivery partners are required to comply with all relevant laws including work health and safety laws. Each project must show an understanding of all relevant legislation or regulation (including environmental laws and regulations) that will require approval prior to works commencing.
- e. Australian Government to fund facilitators to work with communities to develop proposals that have community support and positive social and economic outcomes.

3. The project assessment for funding must be clear, timely, simple and transparent, and not unduly increase red tape.

4. Projects need to demonstrate how they contribute to the current and future viability of proponent businesses and irrigation districts

- a. Proponent consider how the project would contribute to the current and future financial viability of the irrigation district/region where it will occur, including identification of potential irrigation network improvements.
- b. Projects should avoid upgrading water supply infrastructure where the system, or parts of the system, are not going to be used in the future.
- c. Project proposals in an irrigation district should take account of relevant irrigation business' strategies or plans.

5. Programs or projects support regional economies.

- a. Programs or projects should identify opportunities to support local industry and regional development.
- b. Programs or projects should focus on increasing water use efficiency in ways that address industry, network/system and local/regional priorities, future needs and risks and may include research and extension services.
- c. Programs or projects in an irrigation district don't reduce the overall productive capacity of the relevant region
- d. Programs or projects should not impact negatively on regional jobs.

6. Programs or projects do not have negative third party impacts on the irrigation system, water market or regional communities

- a. Where a proposed project is located within an irrigation network, the proponent must provide evidence that the relevant network operator or water corporation is involved in or aware of the project.
- b. The relevant government or proponent must consult industry bodies, irrigation network operators/, local governments or regional development organisations, on a strategic regional approach which will focus on ensuring there is a mix of water efficiency projects in a region in ways that address industry, network/system and local/regional priorities, future needs and risks and may include research and extension services.
- c. The socio-economic assessment of programs or projects must consider impacts not just on participants, but for broader regions.

7. Projects need to be assessed for their potential to impact on the price of water.

- a. Proponents can only transfer water rights that they own at the time of their application. They cannot receive funding to acquire water rights. A project cannot transfer more water than the project will save, and the proposed quantity must be independently verified as being a conservative estimate of the resulting water savings. A proponent may keep any water savings beyond the amount transferred.
- b. Proponents applying for project funding would be required to provide evidence that the water entitlements have been held for a minimum of 3 years at the time of application.
- c. Project proponents must ensure there is no direct impact on the reliability of water from cumulative implementation of projects.
- d. Projects must not directly increase the price of water.

8. Any cultural impacts identified, protected or improved

- a. Projects are required to describe the expected cultural benefits of their proposed project, with delivery partners required to coordinate and communicate with local communities and community bodies on projects and describe the expected cultural benefits of each project on the local community, region or state.
- b. Projects must describe the expected cultural benefits of their proposal. In doing so, they must address the following:
 - the anticipated cultural benefits to the local community, region or state;
 - their project's strategy for increasing the cultural benefit to participants and their communities (e.g. local sourcing of goods, services and labour)
- c. Projects over \$3 million must identify cultural heritage sites and manage any impacts in accordance with relevant Commonwealth and State laws.

9. Program design should include close engagement with community and industry leaders.*

- a. The relevant government or proponent must consult with industry bodies, IIOs, local governments or regional development organisations, or investment corporations on relevant strategic regional projects, and consider community support.
- b. This consultation should focus on increasing water use efficiency in ways that address industry, network/system and local/regional priorities, future needs and risks and may include research and extension services.

10. Where practical, seek to develop and implement integrated implementation of efficiency measures to maximise benefits to the irrigation network and local enterprises

- a. Programs or projects must focus on increasing water use efficiency in ways that address industry, network/system and local/regional priorities, future needs and risks and may include research and extension services. This would include integrated proposals.

11. Monitoring and evaluation, including of socio-economic outcomes, should be built into programs and used to regularly review and adapt programs as required.

- a. The Commonwealth will develop a monitoring and evaluation framework to assess the progress of projects in real time, post-approval.

12. Projects must deliver real water savings and not result in profiteering or rorting.

- a. Projects must not allow participants to individually profit without creating water savings.

* 'program' refers to an initiative that can be consulted on and discussed with community before project implementation

13. Projects should identify improved capacity to respond to changes in business environment including drought and climate resilience

- a. Provide information on how the project will improve resilience to climate variability.



Australian Government

Department of Climate Change, Energy,
the Environment and Water

Socio-economic considerations of an expanded purchase program arising from the 2024-25 Expression of Interest processes



HAY SHIRE COUNCIL
Socio-economic considerations of an expanded purchase program arising from the 2024-25 Expression of Interest processes

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Acknowledgement of Country

We acknowledge the Traditional Owners of Country throughout Australia and recognise their continuing connection to land, waters and culture. We pay our respects to their Elders past and present

Contents

Executive Summary	iv
Introduction.....	1
1.1 Requirement for consideration of social and economic impact	1
1.2 Context and related publications	1
The proposed purchase programs	2
2.1 Program development process and design considerations	2
2.2 Proposed scope	3
2.3 Socio-economic considerations of the proposal	4
Identifying potential socio-economic impacts	6
3.1 Approach	6
3.2 Economic modelling of short-run impacts from opening an EOI 1 purchase program and expanding the EOI-2 purchase program	8
3.3 Other emerging lines of evidence	13
Program design considerations to minimise impacts	17
4.1 Programs under the Framework for delivering the 450 GL.....	17

Executive Summary

This report provides advice from the Department of Climate Change, Energy, the Environment and Water (the Department) to inform consideration of the social and economic impact of a voluntary water purchase program towards the 450 GL/y of additional environmental water on communities in the Murray–Darling Basin.

This report details the socio-economic impacts of a proposal to purchase up to a further 130 GL/y (Long-term diversion limit equivalent¹) of water rights towards the 450 GL target in the Southern Connected Basin. This would bring the total volume of approved water purchase in the Southern Connected Basin to a cumulative total of 300 GL/y.

Scale and location of potential impacts

This advice builds on the body of research summarised in the Addendum to the 2012 Basin Plan Regulation Impact Statement, community and industry feedback received in consultation, and new socio-economic research delivered for the 2025 Basin Plan Evaluation. This research and consultation show the challenges in predicting impacts of water recovery at the local scale due to the range of other factors that have a greater effect on reported measures of economic and social well-being.

Trends in the movement of water through the water market, trade liberalisation, global commodity prices, advances in agricultural technology, deregulation, climate and drought, competition for labour and broader demographic trends are the sources of significant and variable impacts on regional communities. These different influences should not be attributed to the effects of water recovery. New research for the 2025 Basin Plan Evaluation found that change in southern Basin agriculture sector turnover was predominantly (greater than 95%) driven by factors other than Basin Plan water reforms².

The Department commissioned the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) to model a cumulative 300 GL/y purchase scenario to estimate short-run impacts on irrigated agricultural production in the southern Basin which comprises of the previously approved 170 GL/y and a proposed 130 GL/y increase. Cumulative impacts were assessed to consider the overall impact of voluntary water purchase towards the 450 GL.

ABARES' modelling of the cumulative impacts of purchasing 300 GL/y estimates an impact on the average gross value of irrigated agricultural production (GVIAP) across the southern Basin of \$122 million/year (1.8 per cent of a baseline production of \$6.9 billion). Lower amounts of water recovery would have proportionally smaller impacts.

These represent short-run impacts, in the longer-term these impacts would be offset at the aggregate level by the beneficial impacts of increased dryland production and any enhanced water use efficiency and broader farm productivity.

¹ All volumes, unless otherwise stated, are in GL/y LTDLE but '450 GL' has been used as recognised shorthand.

² <https://www.mdba.gov.au/sites/default/files/publications/bcmp-social-economic-conditions-mdb-communities-contribution-bp-activities-mardsen-jacob-report.pdf>

The ABARES analysis in the body of this report provides further detail on estimated industry and regional distribution of impacts from water purchase in the southern Basin.

The modelled impacts on GVIAP are relatively small compared with the average annual variation in GVIAP in the Basin (11% between 2005-06 and 2020-21). However, models cannot anticipate all the possible local impacts from a voluntary purchase program and a range of measures have been developed to identify and minimise socio-economic impacts on communities.

The MDBA recently released the 2025 Basin Plan Evaluation which assessed impacts from past Basin Plan implementation and the associated recovery of over 2,000 GL/y of water for the environment. This included new research on the impacts of the Basin Plan on socio-economic conditions in the Basin which found that:

- the population of the Basin is growing, and modelling was unable to identify any impact of Basin Plan water recovery on population changes in the southern Basin
- regional economies and the agricultural sector have grown since the adoption of the Basin Plan, but agricultural business turnover in the southern Basin is lower by about 1.8% than it would have been without Basin Plan water recovery
- modelling was unable to identify any impact of Basin Plan water recovery on self-reported social conditions in the southern Basin.

These findings are consistent with the conclusions of the addendum to the Basin Plan Regulation Impact Statement released by the Department in 2024, that is, overall measurable impacts of water recovery have been modest but there is potential for negative impacts in some communities which can be supported through community adjustment assistance.

Measures taken to minimise socio-economic impacts

To minimise the potential for adverse impacts a suite of program design elements has been incorporated into the Restoring Our Rivers: Framework for delivering the 450 GL of additional environmental water, including:

- Investing in non-purchase water recovery options
- Using a steady and staged approach to water purchase to provide communities time to adjust
- Providing \$300 million in funding to Basin states to support community adjustment
- Providing scope to develop integrated water recovery and/or community adjustment assistance measures that minimise the impacts of water purchase
- An adaptive approach to consider new lines of evidence and insights as they become available.

The proposal considered in this report takes into account information gathered through EOI 1 and EOI 2, subsequent value for money considerations, and progress of other purchase and non-purchase programs under the Framework for the 450 GL.

Introduction

1.1 Requirement for consideration of social and economic impact

The *Water Amendment (Restoring our Rivers) Act 2023* added a requirement to the *Water Act 2007* (Water Act) for the Minister to consider the social and economic impact on communities in the Murray-Darling Basin of a program under which water access rights are proposed to be purchased for the purpose of the 450 gigalitre per year target (Water Act, section 86ADB). The consideration must occur before Ministerial approval of a water purchase program.

The kinds of matters to be considered are not otherwise prescribed. A note in s 85AB(1A) of the Water Act indicates the kinds of matters taken into account by the Minister could include any social and economic impacts raised in the course of consultation, and any social and economic impacts of transitional support the Australian Government has provided or is providing.

The matters taken into account in undertaking the consideration need to be included in annual reporting on activities undertaken for the purpose of progress towards water recovery targets to be prepared by the Secretary of the department and tabled in Parliament (Water Act, section 85AB).

This report is the Department's advice to the Minister on social and economic impacts of a proposal to purchase an additional 130 GL from existing procurement process including Expression of Interest 1: Remaining Southern Connected Basin (EOI 1) and Expression of Interest 2: Large Portfolios of Water – Southern Connected Basin (EOI 2), up to a maximum of 300 GL/y towards the 450 GL target.

1.2 Context and related publications

The *Restoring Our Rivers: Framework for delivering the 450 GL of additional environmental water* (the Framework) details how the Australian Government plans to meet the requirements of the Basin Plan for the 450 GL. This outlines a suite of program design elements to achieve the three guiding principles of:

- enhanced environmental outcomes,
- minimising socio-economic impacts, and
- achieving value for money.

The Framework and implementation plan are available at:

<https://www.dcceew.gov.au/water/policy/implementing-the-plan/450-framework>

Regular implementation updates are published to report on progress against each program. The most recent update was published in July 2025 and is available at:

<https://www.dcceew.gov.au/sites/default/files/documents/restoring-our-rivers-delivering-450-gl-implementation-plan-july-2025-update.pdf>

The development of the framework and implementation plan was informed by multiple lines of evidence including an Addendum to the 2012 Basin Plan Regulation Impact Statement published in June 2024. This provides an overview of what has changed in the Basin over the past decade. It considers evidence on the socio-economic impacts of the Basin Plan and different scenarios for further water recovery towards the 450 GL. Publicly available information from a range of sources and updated modelling supported this work.

The addendum to the Regulation Impact Statement provides a foundation to consider socio-economic impacts of further water recovery towards the 450 GL. It is available at:

<https://oia.pmc.gov.au/published-impact-analyses-and-reports/murray-darling-basin-plan-addendum-2012-basin-plan-regulation>

This report is the third piece of advice provided by the Department to inform considerations of socio-economic impacts of a purchase program towards the 450 GL target. The Department's first report on the socio-economic considerations of the *Restoring Our Rivers: 2024 Selected Catchments Open Tender purchasing program* is available at: www.dcceew.gov.au/sites/default/files/documents/socio-economic-considerations-ror-2024-selected-catchments-open-tender-purchasing-program.pdf

The Department's second report on the socio-economic considerations of the *Restoring our Rivers Expression of Interest 2: Large Portfolios of Water – Southern Connected Basin (EOI 2)* is available at: <https://www.dcceew.gov.au/sites/default/files/documents/socio-economic-considerations-purchase-program-arising-stage-2-restoring-our-rivers-expression-interest-2.pdf>

This report should be read in conjunction with the above publications which provide important contextual information, including consideration of:

- i. The broader 450 program design approach to minimising socio-economic impacts
- ii. Evidence of cumulative impacts from previous water recovery under the Basin Plan
- iii. How water recovery programs can influence social and economic outcomes and third-party impacts of water purchase
- iv. Technical aspects which have informed the approach to assessing potential impacts, including the modelling undertaken by ABARES.

The proposed purchase programs

2.1 Program development process and design considerations

The Framework sets out a steady and staged approach to water recovery to deliver the 450 GL target by 31 December 2027. A gradual approach will provide Basin industry and communities with time to adjust to the impacts of water recovery and minimise socio-economic impacts.

The proposal to recover an additional 130 GL has been informed by two EOI processes which were announced in July 2024 as part of the Framework. A public water trading strategy was released in

September 2024 which provided further details on the EOI processes which allowed entitlement holders and others potentially impacted to make informed decisions

Stage 1 of EOI 1 closed in November 2024 and invited responses from surface water right owners in the Southern Connected Basin who were not eligible for the 2024 Selected Catchments Open Tender. This included water right owners from within Irrigation Infrastructure Operator (IIO) networks.

Responses from EOI 1 underwent a preliminary assessment process, including confirmation of eligibility and a value for money consideration. De-identified data from the assessment was published on the Department's website and discussed with Basin States and IIOs to inform design of possible future stages and to help identify any distinct socio-economic impacts that might arise from purchase activities.

The initial stage of EOI 2 invited responses from legal entities interested in selling a large portfolio of water of around 20 GL/y or more in the Southern Connected Basin and also closed in November 2024. A strong response was received to EOI 2 and a purchase program to recover up to 100 GL/y was considered and approved in February 2025.

The Restoring Our Rivers Trading Strategy 2024-25³ was updated accordingly in February 2025, which also noted potential for additional stages of the EOI 2 procurement process. The updated Trading Strategy noted that the EOI 2 process may involve a range of procurement approaches; respondents to the EOI may be shortlisted and invited to tender processes in subsequent stages of the procurement process; and there may be multiple stages throughout 2025.

The proposal to recover an additional 130 GL takes into account information gathered through EOI 1 and EOI 2, subsequent value for money considerations, and progress of other purchase and non-purchase programs under the Framework for the 450 GL.

2.2 Proposed scope

Noting the above program design considerations, the proposal to purchase an additional 130 GL aims to purchase through existing procurement process including Expression of Interest 1: Remaining Southern Connected Basin (EOI 1) and Expression of Interest 2: Large Portfolios of Water – Southern Connected Basin (EOI 2), up to a maximum of 300 GL/y towards the 450 GL target (see Table 1).

Table 1. Volumes – approved, agreed to be purchased and proposed (GL/y LTDLE)

Purchase Program	Volume approved through previous s86ADB advice	Purchased volume – Sept 2025	Proposed cumulative volume - end 2026
Selected Catchments Tender (closed)	70	51.3	51.3
Expression of Interest 1 (EOI 1)	0	0	248
Expression of Interest 2 (EOI 2)	100	69.6	
TOTAL	170	120.9	300

³ <https://www.dcceew.gov.au/water/publications/restoring-our-rivers-trading-strategy>

2.3 Socio-economic considerations of the proposal

Volume

This report considers the cumulative socio-economic impacts of a proposal to purchase up to 300 GL/y of water rights towards the 450 GL target. Purchasing up to 170 GL/y has previously been approved and the proposal is to increase the volume that can be recovered by 130 GL/y.

Purchasing up to a further 130 GL/y will be staged over the next 12 months. The bulk of the water purchased through this proposed purchase program is expected to be contracted by mid-2026 with final settlements toward the end of 2026. Where existing leases are in place, these will be honored to the greatest extent permitted by the relevant jurisdiction. This approach is expected to result in a gradual withdrawal of the purchased water from the allocation market over that period.

An additional 130 GL/y on top of the forecasted 286.6 GL/y maintains a staged and steady approach to achieving the 450 GL target by 31 December 2027. Other options to recover volumes toward the 450 GL target are still being considered including Resilient Rivers Water Infrastructure Program projects, Land and Water Purchase business case proposals and northern Basin water recovery options. Final volumes from these program elements are not yet known, however the additional 130 GL/y from EOI procurements is not expected to exceed the total volume required from southern Basin purchase considering alternative options.

Portfolio mix (location and types of entitlements)

The Basin Plan does not set volumetric targets for catchments or entitlement types for the 450 GL. To maximise value for money and understand willingness to sell more broadly, EOI 1 and EOI 2 did not set catchment targets or product volumes. However, the Department noted in its trading strategy that purchase would, where possible, consider maintaining balance between states and within the CEWH's portfolio.

For previous economic modelling, the Department has assumed that purchase programs would be distributed based on existing CEWH holdings based on the information available at that time. Based on the information received from the EOIs and progress of completed purchase transactions, we have found that, while not inconsistent with CEWH holdings, there are some patterns emerging that show a shift from original assumptions. This includes a possible increased contribution from supplementary water right types and general/low security water right types resulting from value for money opportunities and environmental utility advice. Further information on modelling assumptions is provided in section 3.2.

Purchasing decisions will continue to consider maintaining balance between states and within the CEWH's portfolio.

Specific considerations related to purchasing from EOI 2

EOI 2 targeted large portfolio holders and the responses received came from both institutional investors and some large agribusinesses. Purchases from these two types of owners can potentially

have different short-term socio-economic consequences compared to purchases from smaller entitlement holders.

- Purchasing from institutional investors does not provide a direct local economic benefit as caused by payment to farmers. This economic transfer will have occurred at the time the water rights were originally sold.
- A purchase from a large agri-business could be driven by multiple possible factors or operational considerations. This cannot be predicted in advance or necessarily be attributed to the proposed purchase program.

Purchasing large portfolios in a small number of transactions over a short period of time could have different short-term economic consequences compared to many small transactions over a longer period of time. Removing large volumes from individual catchments or regions could have localised water market impacts. The operation of water markets in the Southern Connected Basin can be expected, over time, to moderate any disparity in temporary water prices across regions, and between different categories of water rights holders.

Specific considerations related to purchasing from EOI 1

The proposed EOI 1 purchase program focuses on purchasing water rights from entitlement holders in Irrigation Infrastructure Operator (IIO) networks and other areas of the southern Basin not included in the 2024 Selected Catchment Open Tender. Purchases from within IIO networks can potentially have different socio-economic consequences compared to purchases from entitlement holders outside IIO areas.

As outlined in the Trading Strategy 2024-25, the government committed that the design of water purchasing from EOI 1 would be informed by engagement with state governments and IIOs. The key points of feedback received from engaging with IIOs and relevant Basin States can be summarised as:

- Fewer customers and less water volume as a result of any water purchase mean fixed costs of maintaining irrigation infrastructure (e.g. channels and pumps) are spread across a smaller base, increasing costs for remaining irrigators
- Strategic water purchase (i.e. limited tenders that target entitlements in specific locations or catchments) with additional funding to support re-configuration works rather than open tenders should be considered to avoid creating gaps in water delivery networks
- Consideration should be given to spreading the impacts of water purchase across IIO areas.

The Department received similar feedback during the consultation on the Restoring our Rivers Framework in early 2024. In acknowledgment, the Department announced the Resilient Rivers Water Infrastructure Program and Sustainable Communities Program in early 2024, ahead of any voluntary water purchase. The Resilient Rivers Water Infrastructure Program presented an opportunity via feasibility funding for IIOs to propose infrastructure projects that would help address some of these risks and create water savings towards the 450 GL target. The Sustainable Communities Program provides \$300 million for adjustment assistance to minimise socio-economic impacts on Basin communities.

In further recognition of this feedback, the first purchasing program launched in mid-2024, the Selected Catchments Open Tender, excluded purchase of water held in IIOs to give IIOs more time to plan management of potential impacts.

Quantitative evidence on IIO impacts related to additional water purchase toward the 450 GL target is limited and could not be investigated as part of ABARES modelling⁴. This makes it difficult to estimate the magnitude of potential economic impacts on IIOs specifically related to the additional purchase volumes proposed. It is also important to recognise that impacts will vary depending on irrigators' business decisions. Many IIOs have exit fees and other mechanisms to help manage changing demand within their networks. Additionally, if some irrigators in an IIO area sell all their entitlements and stop irrigating, that has greater IIO impacts than irrigators selling a relatively small proportion of their entitlements and continuing to irrigate.

Section 3.2 (Modelling approach) below outlines how information on offers gathered through EOI 1 and EOI 2 were used to refine ABARES' modelling on the possible geographic distribution of purchase.

Identifying potential socio-economic impacts

3.1 Approach

The Department's approach to identifying and minimising potential socio-economic impacts for ministerial consideration builds on the body of research summarised in the Addendum to the Regulation Impact Statement⁵ and feedback received on the Framework⁶.

This research and consultation shows the challenges in identifying impacts of water recovery at the local scale due to the range of other factors that have a greater effect on reported measures of economic and social well-being.

Trends in the movement of water through the water market, trade liberalisation, global commodity prices, advances in agricultural technology, deregulation, climate and drought, competition for labour and broader demographic trends are the sources of significant and variable impacts on regional communities. These different influences should not be attributed to the effects of water recovery.

⁴ ABARES Water Trade Model (WTM) has been designed to generate specific modelling outputs such as change in water use, allocation prices and gross value of irrigated agricultural production at southern Basin, regional and industry level (see section 3.2 below). The WTM is not able to model granular distributional effects such as the impacts of purchase on IIOs.

⁵ <https://oia.pmc.gov.au/published-impact-analyses-and-reports/murray-darling-basin-plan-addendum-2012-basin-plan-regulation>

⁶ www.dcceew.gov.au/sites/default/files/documents/draft-450-framework-consultation-what-we-heard.pdf

This is consistent with findings from the economic research undertaken for the *2020 Independent assessment of the social and economic conditions in the Basin*. That review found that:

- The economic value of agricultural and irrigated production in the Basin has been steady over the past decade of water reforms
- The available evidence shows that factors unrelated to water reform, such as population size, are typically the key drivers of economic and social wellbeing, not exposure to water reform.⁷

New economic modelling by Marsden Jacobs Associates (MJA) highlighted in MDBA's *2025 Basin Plan Evaluation and 2025 Review of the Social and Economic Impacts of the Basin Plan* reinforce these findings. MJA's modelling indicates that:

- Change in the southern Basin agricultural sector was predominantly (greater than 95%) driven by factors other than Basin Plan water recovery
- There was a small but statistically significant impact on irrigated agricultural business turnover in the southern Basin due to Basin Plan water recovery. A 1.8% reduction over the period 2009 to 2022. This resulted in overall agricultural turnover being about 0.7% lower than it could have been otherwise over the same period
- Basin Plan water recovery has had no statistically discernible impact on population in southern Basin communities.

These evaluations do not suggest that water reform has no effect on the wellbeing of individuals or communities. Many submissions received by the Department through its consultation processes have highlighted experiences and observations that are not readily observed through aggregate data.

There are also challenges in predicting future impacts due to the southern Basin's interconnected water market, adaptation in the farming sector over time and the cumulative effect of past reforms.

This being the case the Department has taken an adaptive approach considering multiple lines of evidence to identify potential impacts incorporating:

- Economic modelling from the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) to estimate short-run impacts on irrigated agriculture production across regions
- Analysis of the relative vulnerability and adaptive capacity of local government areas to identify where impacts are most likely
- Emerging evidence, including the MDBA's 2025 Basin Plan evaluation and MJA's new study
- Providing funding through the Sustainable Communities Program to support communities and local government to identify and develop responses to local impacts.

⁷ www.dcceew.gov.au/sites/default/files/documents/mja-economic-assessment.pdf

- Ongoing engagement with stakeholders and industry.

This approach will continue to be refined based on consultation and will build in new lines of evidence as they become available. This provides for an adaptive and responsive assessment of potential impacts linked to practical measures to minimise the socio-economic impacts of the 450 GL program.

Further technical explanation for the analytical methods used is presented in section 2 of the Department's earlier published advice for the *Restoring Our Rivers: 2024 Selected Catchments Open Tender purchasing program*.⁸

3.2 Economic modelling of short-run impacts from opening an EOI 1 purchase program and expanding the EOI-2 purchase program

ABARES modelling of estimated economic impacts

The Department asked ABARES to model a 300 GL/y voluntary purchase scenario using its Southern Basin Water Trade Model to estimate the short-run impacts on irrigated agricultural production in the southern Basin.

This volume was chosen to indicate the cumulative impacts of approved and proposed purchase programs towards the 450 GL target. This is because cumulative impacts will be more significant than individual programs. A cumulative upper bound of 300 GL/y was modelled and should be considered an 'upper bound'. Lower amounts would have proportionally smaller impacts.

ABARES applied the same approach used to model scenarios⁹ for the addendum to the Regulation Impact Statement, the Selected Catchments Open Tender program and the EOI 2 purchase program, with one exception. ABARES incorporated new departmental analysis derived from offers received through the EOI 1 and EOI 2 processes and the final outcomes for the Selected Catchments Open Tender. This has allowed ABARES to refine its modelling around the possible distribution of purchase across regions and entitlement types. As discussed in section 2.3 of this report, this reflected a possible increased contribution from supplementary water right types and general/low security water right types resulting from value for money opportunities and environmental utility advice.

This modelling was informed by preliminary purchasing scenarios that may be possible as a result of EOI 1 and EOI 2 and do not necessarily reflect the final outcome. These scenarios are water market sensitive and are unable to be disclosed to protect the integrity of ongoing procurement processes. However, the purpose of this modelling is not to set targets to be achieved but to refine ABARES' economic impact estimates at the southern Basin, regional and industry levels.

⁸ www.dcceew.gov.au/sites/default/files/documents/socio-economic-considerations-ror-2024-selected-catchments-open-tender-purchasing-program.pdf

⁹ ABARES' modelling assumed purchase would be distributed across regions and entitlement types in the same proportions as existing CEWH holdings.

Further technical explanation of this approach to modelling, its assumptions and limitations is included in ABARES' published report, *The impacts of further water recovery in the southern Murray–Darling Basin*.¹⁰

The results of ABARES' modelling of this 300 GL/y purchase scenario are below.

Summary results

Table 2. Summary results for the southern Murray–Darling Basin of a 300 GL/y purchase scenario

Variable	Baseline scenario (No further recovery)	Water recovery scenarios (purchase) 300 GL/y
Average water allocation prices (\$/ML)	474	523
% change in average water allocation prices		+ 10.4
Average surface water use (GL/y)	3,748	3,595
% change in average surface water use		- 4.1
Average GVIAP (\$b/yr)	6.87	6.75
% change in average GVIAP		- 1.8

Note: Values reported in \$2022–23 dollars. 'No further recovery' includes all water recovery to October 2023, but no additional recovery. Water recovery volumes expressed as long-term average annual yield (LTAAY). GVIAP denotes gross value of irrigated agricultural production.

Water allocation prices will increase

Voluntary water purchase will reduce the supply of water available for irrigation, increasing water allocation prices. In the 300 GL/y scenario, average water allocation prices across the southern Basin are estimated to increase by \$49/ML (10.4%).

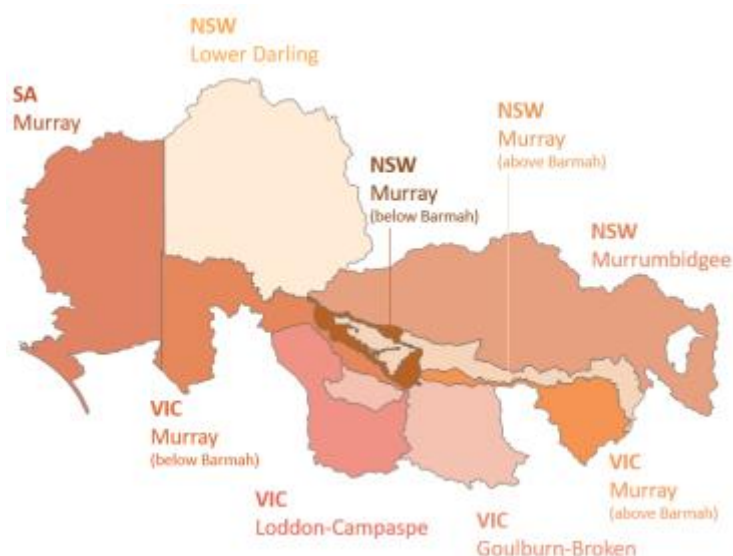
In response to stakeholder questions on previous modelling, ABARES has provided additional detail on the distribution of modelled water allocation prices in different rainfall scenarios published as an annex to its previous report¹¹. The annex provides additional details on the distribution of modelled water allocation prices in wet, medium, dry years and explains how industry water use responds to water prices. Consistent with previous ABARES studies, the additional results provided in the annex show that variation in rainfall is the most significant driver of allocation prices.

See Table 3 for a catchment region level breakdown of the impact on allocation prices. Figure 1 shows the 9 catchment regions covered in the analysis.

¹⁰ <https://www.agriculture.gov.au/abares/research-topics/water/the-impacts-of-further-water-recovery>

¹¹ This is available on ABARES' website at: www.agriculture.gov.au/abares/research-topics/water/the-impacts-of-further-water-recovery See 'Supporting documents' at the bottom of the report webpage.

Figure 1. Catchment regions



Higher water allocation prices are not a direct indicator of social and economic impacts but do have distributional consequences, being good for irrigators who are sellers of water allocations and bad for irrigators who are buyers.

Table 3. Impact on allocation prices (\$/ML)

Region	Baseline	300 GL/y	% change
NSW Lower Darling	\$272	\$283	+ 4.0 %
NSW Murray (above Barmah)	\$325	\$354	+ 8.9 %
NSW Murray (below Barmah)	\$606	\$672	+ 10.9 %
NSW Murrumbidgee	\$401	\$439	+ 9.5 %
SA Murray	\$606	\$672	+ 10.9 %
VIC Goulburn–Broken	\$401	\$452	+ 12.7 %
VIC Loddon–Campaspe	\$401	\$452	+ 12.7 %
VIC Murray (above Barmah)	\$325	\$354	+ 8.9 %
VIC Murray (below Barmah)	\$606	\$672	+ 10.9 %
Southern Basin	\$474	\$523	+10.4 %

Note: Prices reported in \$2022–23 dollars. Estimates for the Lower Darling are less reliable but have been included for completeness. “No further recovery” includes all water recovery as of October 2023, but no additional recovery. Barmah refers to the Barmah Choke.

The changes shown above are averages and the distribution of impacts at different times, in particular during drought when water is scarce, is also an important consideration.

Water use will decrease

Higher water allocation prices reduce surface water use. In the 300 GL/y scenario, average surface water use across the southern Basin is estimated to decrease by 153 GL/y (4.1%). The reduction in water use is less than 300 GL/y for several reasons, including the climate, substitution of other sources of water and changes in carryover behaviour of irrigators.

In percentage terms, surface water use is estimated to decrease the most for rice (11.3%) and pastures (6.0%), and least for almonds (0.1%) and other horticulture (0.9%) (Table 4). From a region perspective, the largest estimated reduction in water use occurs in NSW Murray above Barmah Choke (7.0%), VIC Goulburn–Broken (5.3%), VIC Loddon–Campaspe (5.2%) and NSW Murrumbidgee (5.2%) catchment regions (Table 5).

Table 4. Impact on water use by industry (GL/y)

Industry	Baseline	300 GL/y	% change
Almonds	726	725	- 0.1 %
Other horticulture	772	765	- 0.9 %
Pastures grazing	730	686	- 6.0 %
Cotton	377	358	- 5.0 %
Rice	417	370	- 11.3 %
Hay	306	292	- 4.6 %
Other cropping	420	399	- 5.0 %
All irrigation activities	3,748	3,595	- 4.1 %

Note: “No further recovery” includes all water recovery as of October 2023, but no additional recovery. “Pastures grazing” includes pastures for dairy and other livestock.

Table 5. Impact on water use by catchment region (GL/y)

Region	Baseline	300 GL/y	% change
NSW Lower Darling	81	81	- 0.0 %
NSW Murray (above Barmah)	387	360	- 7.0 %
NSW Murray (below Barmah)	160	154	- 3.8 %
NSW Murrumbidgee	1,155	1,095	- 5.2 %
SA Murray	373	369	- 1.1 %
VIC Goulburn–Broken	637	603	- 5.3 %
VIC Loddon–Campaspe	58	55	- 5.2 %
VIC Murray (above Barmah)	131	126	- 3.8 %
VIC Murray (below Barmah)	766	752	- 1.8 %
Southern Basin	3,748	3,595	- 4.1 %

Note: Estimates for the Lower Darling are less reliable but have been included for completeness. “No further recovery” includes all water recovery as of October 2023, but no additional recovery. Barmah refers to the Barmah Choke.

Production value will decrease to a lesser extent

Lower surface water use reduces the gross value of irrigated agricultural production. In the 300 GL/y scenario, the average value of irrigated production is estimated to decrease across the southern Basin by \$122 million/year (1.8%).

The value of irrigated production is estimated to decrease the most for rice (12.0%), and least for almonds (0.0%) and other horticulture (1.0%). See Table 6 for an industry-level breakdown of GVIAP impacts. The largest estimated catchment region level impacts are in NSW Murray above Barmah

Choke (4.7%) and the Loddon–Campaspe catchment in Victoria (3.8%). See Table 7 for the full catchment region level breakdown of GVIAP impacts.

The model estimates the short-run impacts of the water recovery scenarios. In particular, farm capital and technology are assumed to be fixed, and horticulture land use is assumed to be fixed at 2021 levels with a fully mature almond estate. In the longer-term increased water efficiency would at least partially offset these reductions. More broadly, any enhancements in farm productivity over time would counteract these effects.

Any reduction in the value of irrigated production is also likely to be at least partially offset by an increase in dryland production as farmers shift from irrigated agriculture to dryland agriculture. This is not included in the modelled results.

Table 6. Impact on GVIAP (\$m) by industry

Industry	Baseline	300 GL/y	% change
Almonds	\$992	\$992	- 0.0 %
Other horticulture	\$3,569	\$3,532	- 1.0 %
Dairy	\$748	\$733	- 2.0 %
Other livestock	\$627	\$614	- 2.1 %
Cotton	\$284	\$271	- 4.6 %
Rice	\$225	\$198	- 12.0 %
Hay	\$117	\$113	- 3.4 %
Other cropping	\$309	\$298	- 3.6 %
All irrigation activities	\$6,872	\$6,750	- 1.8 %

Note: Values reported in \$2022–23 dollars. Dairy and other livestock both fall under the “pastures grazing” water use category, reported above. Percentage impact on dairy assumed to be equal to percentage impact on other livestock in each region. GVIAP “No further recovery” includes all water recovery as of October 2023, but no additional recovery.

Table 7. Impact on GVIAP (\$m) by catchment region

Region	Baseline	300 GL/y	% change
NSW Lower Darling	\$296	\$295	- 0.3 %
NSW Murray (above Barmah)	\$338	\$322	- 4.7 %
NSW Murray (below Barmah)	\$196	\$191	- 2.6 %
NSW Murrumbidgee	\$1,487	\$1,444	- 2.9 %
SA Murray	\$1,304	\$1,285	- 1.5 %
VIC Goulburn–Broken	\$1,201	\$1,189	- 1.0 %
VIC Loddon–Campaspe	\$133	\$128	- 3.8 %
VIC Murray (above Barmah)	\$304	\$299	- 1.6 %
VIC Murray (below Barmah)	\$1,613	\$1,597	- 1.0 %
Southern Basin	\$6,872	\$6,750	- 1.8 %

Note: Values reported in \$2022–23 dollars. Estimates for the Lower Darling are less reliable but have been included for completeness. GVIAP denotes gross value of irrigated agricultural production. “No further recovery” includes all water recovery as of October 2023, but no additional recovery. Barmah refers to the Barmah Choke.

Relative vulnerability and adaptive capacity of local government areas

The Department has also commissioned ABARES to update the framework it developed in 2012 to measure the relative vulnerability, resilience and adaptive capacity of Basin communities to changes in water availability.

Social and economic characteristics of communities are important to understanding the potential impacts of changes in access to water, and the ability of communities to respond or adapt to these changes. The report is available at:

<https://www.agriculture.gov.au/abares/research-topics/social-sciences/natural-resource-management#community-vulnerability-and-adaptive-capacity-in-the-murray-darling-basin-report--a-focus-on-irrigation-in-agriculture>

The ABARES framework and results provide a relative measure of vulnerability, not an absolute measure; that is, they should not be used to say a specific area or community is, or is not, vulnerable.

This information is an input to inform planning for community adjustment and targeting assistance through the Sustainable Communities Program.

Potential impact on consumer prices

The modelled reduction of \$122 million per year (in 2022-23 dollars) in GVIAP is small compared to Australia's agriculture production of \$84 billion (excluding forestry and fisheries) in 2022-23. As such this program would not be expected to have a material impact on domestic food supply and therefore consumer prices. The exposure of consumer prices to international trade in agricultural commodities further reduces the likelihood of any impacts.

3.3 Other emerging lines of evidence

The Department's section 86ADB advice includes thorough consideration of emerging lines of evidence on the socio-economic effects of water purchase. Comparing and contrasting emerging lines of evidence as they become available helps build a robust analytical evidence base and supports a balanced approach to considering the potential socio-economic effects of water purchase towards the 450 GL target.

The following section assesses the key findings and methodological and data limitations of selected emerging lines of evidence.

MDBA's 2025 Basin Plan Evaluation

In July 2025 MDBA released the *2025 Basin Plan Evaluation* (the Evaluation) alongside its *2025 Review of the Social and Economic Impacts of the Basin Plan* (the Socio-economic Review). The Evaluation and Socio-economic Review draw heavily on new social and economic research reports commissioned by the MDBA. These research reports and underlying modelling reports are publicly available on MDBA's website.

The Marsden Jacobs Associates' (MJA) 2025 report, *Social and economic conditions of Murray-Darling Basin communities and the contribution of Basin Plan activities*¹² is a particularly important input to the MDBA's Socio-economic Review. It was commissioned by the MDBA as part of the Basin Condition Monitoring Program to address some of the gaps and limitations identified in previous studies, including analysis of outcomes at the local scale.

MJA's study is based on new modelling which assesses the relative contribution of historical Basin Plan water recovery compared to other drivers of change. The study used a backward-looking econometric modelling approach based on historical Local Government Area (LGA) level data to estimate the socio-economic impacts of historical Basin Plan water recovery.

While MJA's study did not consider future water purchases towards the 450 GL target, the Department view it as an important new line of evidence alongside ABARES' forward-looking modelling of water purchase towards the 450 GL. It allows the Department to consider ABARES' modelling results alongside MJA's socio-economic impact estimates for the previous, and significantly larger, period of Commonwealth water recovery. This provides an important point of reference to determine if conclusions drawn from previous analysis are consistent with new studies.

The key findings of MJA's study are outlined below.

Population

MJA (2025) used econometric modelling to investigate drivers of regional population dynamics across the southern Basin for the period 2002 to 2022, aiming to identify whether water recovery in the Basin has had any impact on LGA populations.

Key findings:

- Basin Plan water recovery has had no statistically discernible impact on population in southern Basin communities (MJA 2025, p. 173).
- This finding held for LGAs that were more dependent on irrigated dairy and/or rice production (MJA 2025, p. 173).
- LGAs with higher economic diversity experienced positive average annual population growth rates compared to LGAs with lower economic diversity, which saw low or negative average annual population growth rates, and their declining trend was more sustained over time (MJA 2025, p. 175).
- LGAs with higher levels of dependency on all types of agricultural production were associated with lower or negative population growth (MJA 2025, p. 175).

Social outcomes

MJA (2025) undertook regression analysis of Regional Wellbeing Survey data to investigate whether Basin Plan reforms had an observable impact on wellbeing and social cohesion – as measured by

¹² <https://www.mdba.gov.au/sites/default/files/publications/bcmp-social-economic-conditions-mdb-communities-contribution-bp-activities-marsden-jacob-report.pdf>

school enrolments, access to general health services, liveability and confidence, community participation, ability to cope with challenges and personal wellbeing.

Key findings:

- None of the models tested were able to isolate a statistically significant impact of Basin reforms on these social outcomes (MJA 2025, p. 183).
- The macro-factors that drive poorer social conditions in Basin communities were increasing remoteness, smaller population size, lower economic diversity and higher dependence on agriculture of any type (MJA 2025, p. 183).

Economic impacts

MJA's new econometric modelling investigated whether Basin Plan water recovery over the period 2009 to 2022, including on-farm, and off-farm infrastructure and water purchase, had changed total agricultural business turnover and irrigated agricultural business turnover in LGAs in the southern Basin – and, if so, by how much. 'Turnover' was used as an indicator of economic activity. It refers to the total sales or revenue generated by a business or sector over a given period.

MJA 2025 notes that measuring total agricultural turnover at the LGA level is useful because it also captures impacts on turnover from farmers substituting dryland cropping for irrigation, and thereby avoids overstating the contribution of water recovery to reduced agricultural production.

- Consistent with previous studies, MJA's modelling found that change in the southern Basin agricultural sector was predominantly (greater than 95%) driven by factors other than Basin Plan water reforms (MJA 2025, pp. 28, 156).
- There was a small but statistically significant impact on irrigated agricultural business turnover in the southern Basin due to Basin Plan water recovery. A 1.8% reduction over the period 2009 to 2022 (MJA 2025, p. 143 & 154). This has moderately reduced overall agricultural turnover from what it could have been otherwise.
- Water recovery across LGAs in the southern Basin was estimated to have contributed to total agricultural turnover being about 0.7% lower than it would have been otherwise (MJA 2025, p. 154).
- At the LGA level, these impacts appear to have been larger in some communities than others. The impact of Basin Plan water recovery is more observable in LGAs with higher dependency on irrigated agriculture, where irrigated agriculture accounts for more of total LGA turnover. However, for all LGAs the maximum reduction in agricultural turnover over the period 2009 to 2022 attributable to Basin Plan water recovery is estimated to be 3.1% or less, and the reduction in irrigated turnover 8% or less (MJA 2025, p. 156).

Department's interpretation

These results should be considered in the context that the Basin economy and agricultural sector has continued to grow throughout Basin Plan implementation. Total agricultural turnover in the Basin grew at an average compound annual growth rate of 2.2% in real terms between 2002 and 2022.

Over 2002–2010, total agricultural business turnover was flat due to the Millennium drought. Most of the growth in real agricultural business turnover has occurred since 2010 (MJA 2025, p. 98).

In addition, MDBA's 2025 *Review of the Social and Economic Impacts of the Basin Plan*¹³ noted that:

‘The most recent ABS data show a GVIAP in the Basin of \$9.8 billion in 2020–21 (in 2023–24 dollars), compared with \$9.3 billion in 2012–13 and \$7.7 billion in 2007–08. This represents a 6% increase since the Basin Plan was introduced in 2012–13 and a 27% increase since water recovery commenced in 2007–08. However, looking across all years from 2005 to 2021, the overall trend in real GVIAP in the Basin was flat, with some deviation aligned with the Millennium drought, which ended in 2010. This mirrors the trend in irrigated agricultural business turnover in the Basin, which the MJA (2025) analysis also shows as flat in real terms over the same period.’ (MDBA 2025, p. 14)

MJA's results are largely consistent with previous studies, including ABARES' purchase scenario modelling for the Basin Plan RIS Addendum; and the two approved purchase programs. The key conclusion shared by these studies is that water purchase has a moderate impact on irrigated agricultural production and change in the southern Basin irrigated agricultural sector is predominantly driven by factors other than Basin Plan water recovery.

MJA's other key finding was that Basin Plan water recovery has had no statistically discernible impact on population or available measures of broader community socio-economic metrics such as wellbeing and social cohesion. This means none of the models tested were able to isolate a statistically significant impact. The Department's view is that this should not be interpreted as indicating that water recovery has no effect on the wellbeing of individuals or communities. Many submissions received by the Department through its consultation processes have highlighted stakeholder's lived experiences and observations that are not readily observed through aggregate data.

Dairy Australia's 2025 report on the impacts of water purchase on the southern MDB dairy industry

Dairy Australia commissioned Ricardo to assess the potential impacts of water entitlement purchases on the dairy industry in the southern Murray Darling Basin. The report, *Impact of Water Buyback on the sMDB Dairy Industry: Potential impacts for dairy farms, processors and suppliers*, was released on 11 June 2025¹⁴. The report investigates a range of scenarios and potential responses from dairy farmers to a reduction in water use due to future voluntary water purchase.

The published report outlines several limitations that should be considered when interpreting results including scope of analysis, data constraints and modelling assumptions. There are significant methodological limitations acknowledged for the report's farm level findings. As such these have limited utility for policy consideration. For example, on page 38 the report notes that:

¹³ <https://www.mdba.gov.au/sites/default/files/publications/2025-review-social-economic-impacts-basin-plan.pdf>

¹⁴ <https://australiandairyfarmers.com.au/wp-content/uploads/2025/06/Ricardo-Impact-buyback-sMDB-dairy-industry-report.pdf>

- the small sample size (11 dairy farms out of a total of around 950 in the southern Basin) 'is not statistically representative, and caution is needed when generalising results'; and
- 'the findings are intended to illustrate possible impacts under different farm responses, not to quantify outcomes across the whole sector'.

Key findings

A scenario of 325 GL/y of voluntary water purchase in the southern Basin towards the 450 GL target is included in the report which was also considered by ABARES in the report it published in 2024¹⁵. The report's findings on milk production impacts under a 325 GL/y purchase scenario (estimated 5.5% reduction) are higher than ABARES' estimated 3% reduction in GVIAP for dairy under the same purchase scenario. The difference in these results could be in part because they are based on average production levels compared to marginal impacts which are modelled by ABARES.

Stakeholder feedback has identified dairy as a relatively more exposed irrigation industry and if impacts are relatively higher than modelled by ABARES (as suggested in this report) that would be the case. The Commonwealth will continue to work with Basin States on the uptake and rollout of the Sustainable Communities Program and how this work could be considered.

Program design considerations to minimise impacts

4.1 Programs under the Framework for delivering the 450 GL

The Framework for delivering the 450 GL includes a range of measures to minimise the socio-economic impacts of water recovery. The Framework outlines three programs to deliver the 450 GL:

1. Resilient Rivers Water Infrastructure Program: infrastructure projects, rules changes, land and water partnerships, and other ways to recover water
2. Sustainable Communities Program: adjustment assistance for Basin communities impacted by voluntary water purchase
3. Voluntary Water Purchase Program: purchase of water entitlements from willing sellers.

Initial insights from the progress of voluntary water purchasing, including from the proposed EOI 2 purchase program, will be shared with other programs as they become available.

Detailed information on the distribution of voluntary water purchase will inform potential targeting of community adjustment assistance once confirmed.

The Resilient Rivers Water Infrastructure Program

¹⁵ <https://www.agriculture.gov.au/abares/research-topics/water/the-impacts-of-further-water-recovery>

The Resilient Rivers Water Infrastructure Program is the primary program for infrastructure focused projects to recover water towards the 450 GL target. This program minimises the socio-economic impacts of water recovery by investing in non-purchase options that have positive or neutral socio-economic impacts.

As of 23 September 2025, 10 projects have been approved:

- 3 infrastructure projects to deliver 11.1 GL/y.
- 7 feasibility projects.

Applications for funding closed on 27 June 2025. An additional 13 projects are currently under assessment including five projects resulting from the funded feasibility applications.

Further detail is published on the Department's website at:

<https://www.dcceew.gov.au/water/policy/programs/open/rwip>.

The Sustainable Communities Program

The Sustainable Communities Program was opened to Basin state governments on 4 June 2024, providing \$300 million to invest in regional communities and support adjustment to a future with less consumptive water. This funding is available to Basin state governments for 4 years from 1 July 2024.

A funding agreement with New South Wales was announced on 5 December 2024. The NSW Sustainable Communities Program will provide \$160 million to projects and initiatives that support and create jobs and industry to innovate and stimulate economic sustainability and diversification.

The NSW Department of Primary Industries and Regional Development (NSW DPIRD) is delivering the Sustainable Communities Program in NSW.

NSW DPIRD is taking a three-stage approach to delivery of this program:

- Early investment: targeted support for communities most exposed to the effects of early rounds of water purchasing by the Australian Government.
- Consultation: place-based consultation with exposed Basin communities to understand their priorities and the necessary investments needed to support these communities.
- Substantive investment: delivery of multiple streams of support for Basin communities to mitigate adverse socio-economic impacts from water recovery measures. This support will be informed by place-based consultation, available evidence, and aligned with the community adjustment assistance principles set out in the Restoring Our Rivers Framework.

The NSW Government have announced eight Early Investment Round projects, including:

- \$4 million for Ravensworth Feedlot to expand its capacity to 75,000 head of cattle.
- \$4 million for Barooga Sports Club to upgrade the Bullanginya Precinct.
- \$3 million for Griffith City Council to beautify Griffith's CBD and improve local tourism sites.
- \$2 million for Leeton Shire Council to complete Stage 2 of the Roxy Theatre upgrade and establish the Roxy Institute of Performing Arts.

- \$1 million for Murray River Council to redevelop sites in Moama CBD.
- \$1 million for SunRice to upgrade its Leeton distribution centre.
- \$731,331 for Balranald Shire Council to upgrade a Heritage and Cultural Trail and the Lake Benanee campground.
- \$493,110 for Carrathool Shire Council to upgrade infrastructure at Hillston Caravan Park.

A funding agreement with the South Australian Government was announced on 6 March 2025. The South Australian Department of Primary Industries and Regions (PIRSA) is delivering the Sustainable Communities Program in South Australia. PIRSA is currently developing its program, which will provide \$20 million to South Australia's most affected River Murray communities.

The New South Wales and South Australian funding agreements are published at:

<https://federalfinancialrelations.gov.au/agreements/murray-darling-basin-sustainable-communities>.

As outlined in section 15a of both funding agreements, NSW and South Australia will complete Annual Progress Reports which will include a summary of feedback received from communities, regions and industry about the community adjustment assistance or the broader 450 GL program.

Funding offers remain available to the Victorian and Queensland Governments; however, Federation Funding Agreements are not yet in place. Purchasing up to 300 GL toward the 450 GL target will include catchments in Victoria. ABARES' modelling in section 3.2 shows that this will have impacts on irrigated agriculture production in Victoria. Funding is available through the Sustainable Communities Program to minimise impacts on communities from these programs.

Further detail is published on the Department's website at:

<https://www.dcceew.gov.au/water/policy/programs/open/sustainable-communities>

Funding for the Sustainable Communities Program is provided under the Water for the Environment Special Account (WESA). The third review of the WESA has been conducted by an independent expert panel, who reported to the Commonwealth Water Minister by 30 September 2025. As part of this review, the panel is providing findings and recommendations about the delivery of the Sustainable Communities Program, which will be considered by the Department as part of ongoing improvements to the program's effectiveness.



Australian Government

Department of Climate Change, Energy,
the Environment and Water

Restoring our Rivers Water Purchase Program

I, Murray Watt Minister for the Environment and Water:

- a) Have considered the social and economic impact on communities in the Murray–Darling Basin described in the attached document, related to purchasing 300 GL/y (long-term diversion limit equivalent) of water rights in the southern connected basin, as per section 86ADB of the *Water Act 2007 (Cth)*.

Noting that this is an increase of 130 GL/y on previously approved water purchase programs in the southern connected basin.

- b) Have approved the department:
- i. Expanding the Expression of Interest 2: Large Portfolios of Water purchase program beyond current program limits.
 - ii. Commencing a subsequent purchase program for Stage 2 of the Restoring our Rivers - Expression of Interest 1: Remaining Southern Connected Basin.
 - iii. Purchasing up to a maximum of 300 GL/y towards the 450 GL target through (i) and (ii) and previously approved water purchase programs.

11/11/2025

Murray Watt

Minister for the Environment and Water

Our Plan

The NSW Government remains committed to working with the Australian Government and other Basin States to deliver the Murray-Darling Basin Plan in full. We want to ensure that we protect our river systems and have resilient regional communities.

The NSW Government does not support water buybacks, but with the Water Amendment (Restoring Our Rivers) Act 2023 now in effect, we recognise that they will likely be part of the suite of measures the Australian Government will seek to use to meet the targets for returning water for the environment.

The NSW Government is clear that this must be done in a way that reduces socio-economic impacts and allows regional communities to prosper. In response, we have developed the **NSW Alternatives to Buybacks Plan**. This Plan details how we will deliver on our existing projects and bring forward new projects that can be delivered within extended timeframes to protect our communities and industries from large scale water buybacks.

Whilst our Plan does not eliminate the prospect of water buybacks in NSW, it outlines the strategy that we will take to provide a tangible reduction in the volume of water required to be purchased by the Australian Government to meet the water recovery targets.

Water recovery without further buybacks is a genuine solution, and significant volumes of water have already been recovered this way, improving environmental outcomes now. Indeed, around half of the water recovery that has been achieved under the Basin Plan to date has been completed without buybacks.

Working with the Australian Government

The NSW Government will work closely with the Australian Government on the design of their water purchase program if they pursue this to ensure that it is strategic and staged to give communities and the water market time to adjust and that funding for community adjustment assistance is sufficient to support affected industries and communities.

We support an integrated water recovery and community adjustment program that first minimises and then proactively mitigates negative impacts rather than retrospectively ‘rehabilitating’ affected communities and industries.

Supporting NSW communities

We have started analysis to understand which communities in NSW are most vulnerable to socio economic impacts, the extent of those impacts and the program design options that could minimise these impacts if they were adopted by the Australian Government.

We will present these findings to the Australian Government once complete, noting that the Water Amendment (Restoring our Rivers) Act 2023 requires the Australian Water Minister to consider socio-economic impacts before approving a 450 GL water purchase program.

We support calls from our stakeholders and communities for greater clarity and certainty from the Australian Government on program approach, design and timeframes of its impending water recovery program.

Key outcomes for the NSW Plan

The **NSW Alternatives to Buybacks Plan** seeks to achieve two outcomes:

1. Maximise the environmental outcomes achieved via the Sustainable Diversion Limit (SDL) adjustment mechanism that accounts for the 605 GL.
2. Maximise recovery towards the 450 GL of additional environmental water from investment in infrastructure, projects and rules-based changes.

Our plans to achieve these outcomes are detailed in the following sections.



2 - Yanco Creek

Community Participation Plan

1 September 2026

dphi.nsw.gov.au





Acknowledgement of Country

The Department of Planning, Housing and Infrastructure acknowledges that it stands on Aboriginal land. We acknowledge the Traditional Custodians of the land, and we show our respect for Elders past, present and emerging through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

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dphi.nsw.gov.au

Community Participation Plan
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Acknowledgement of Country	ii
Secretary's foreword	3
1 A Statewide Community Participation Plan	4
What is the Community Participation Plan?	4
Consistency and proportionality in community participation	4
Engagement strategies	4
Public participation – getting involved	5
Community participation objectives	6
Notification and Exhibition	7
Submissions	8
Staying up to date	8
2 Participating in planning functions	9
Planning functions	9
State planning framework – setting the rules and regulations	10
Strategic planning – how my region and community will change over time	12
Development assessment – development that may impact where I live and work	16
Other notice requirements	21
Public exhibition timeframes	22
Development types excluded from public exhibition	24
Key points to note about public exhibition	25
Glossary	26
Where can I find out more?	28



Secretary's foreword

A message from Kiersten Fishburn



We know that planning works best when it reflects what communities need and value. Local knowledge plays a vital role in shaping strategic plans and the assessment of development proposals.

The *Planning System Reforms Act 2025* lays the foundation for a modern planning system that is faster, fairer and focused on outcomes. One of its key commitments is creating a single statewide Community Participation Plan for all councils and planning authorities.

This plan brings consistency to consultation timeframes across NSW. It ensures communities have a strong voice in the planning system and sets clear expectations that engagement should match the scale and impact of a proposal or strategic plan.

We also understand that the planning system can seem complicated or daunting. That's why this plan explains the different ways you and your community can get involved at both the local and state level. It also encourages planning authorities to consult widely so decisions reflect your values, priorities and concerns.

Planning should be a partnership with people who know their communities best. That is why planning authorities can continue to develop their own engagement strategies that outline how councils and other planning authorities will work with their communities and ensure local context guides their approach.

Good participation must be accessible to everyone. This approach emphasises the importance of engaging respectfully with Aboriginal communities and people from culturally and linguistically diverse backgrounds. Everyone should be able to navigate a planning system that works for them.

This Community Participation Plan applies to planning authorities and functions subject to community participation requirements under the *Environmental Planning and Assessment Act 1979*. This includes the planning functions of the Minister for Planning and Public Spaces, the Department of Planning, Housing and Infrastructure and its Secretary, as well as all councils and relevant planning authorities across NSW.

I hope you find this plan a practical guide to participate in planning in NSW.

Kiersten Fishburn

Secretary, Department of Planning,
Housing and Infrastructure

A Statewide Community Participation Plan

1

Commencement: This document commences on 1 September 2026.

What is the Community Participation Plan?

The Community Participation Plan (CPP) sets out how and when planning authorities will engage the community and stakeholders in decision-making processes related to planning functions.

This plan is applicable to all planning authorities including the Department of Planning Housing and Infrastructure (the Department), local councils and other State Government Departments and agencies. It is designed to clearly outline how and when the community can participate in planning decisions and processes, and when planning authorities exercise their relevant planning functions.

The plan has been prepared by the Planning Secretary to set out the mandatory community participation requirements in accordance with Division 2.6 of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

Consistency and proportionality in community participation

Consistency and proportionality are key to the broader success of community participation. The Community Participation Plan standardises public exhibition timeframes across all planning functions, providing a consistent approach, no matter where you are in NSW.

Planning functions are subject to different levels of community participation that reflect the scale, complexity and potential impacts of the proposal or development. This ensures that exhibition requirements are proportionate to the scale and impact of the proposal.

This includes extended exhibition periods for draft strategic plans, as they establish the long-term vision and

identify future needs for housing, jobs, infrastructure and connected communities. Early community engagement at this stage is critical, as it helps inform decisions about land use and the location of future development.

In contrast, some low-impact local development applications may not require public exhibition, reflecting their limited scale and potential impacts. This helps focus community participation on matters that are most likely to affect the community.

While some development types may not be publicly exhibited, they are still assessed on their merits. The consent authority must consider all relevant planning matters as part of the overall assessment process including issues such as privacy, overshadowing and heritage significance.

Engagement strategies

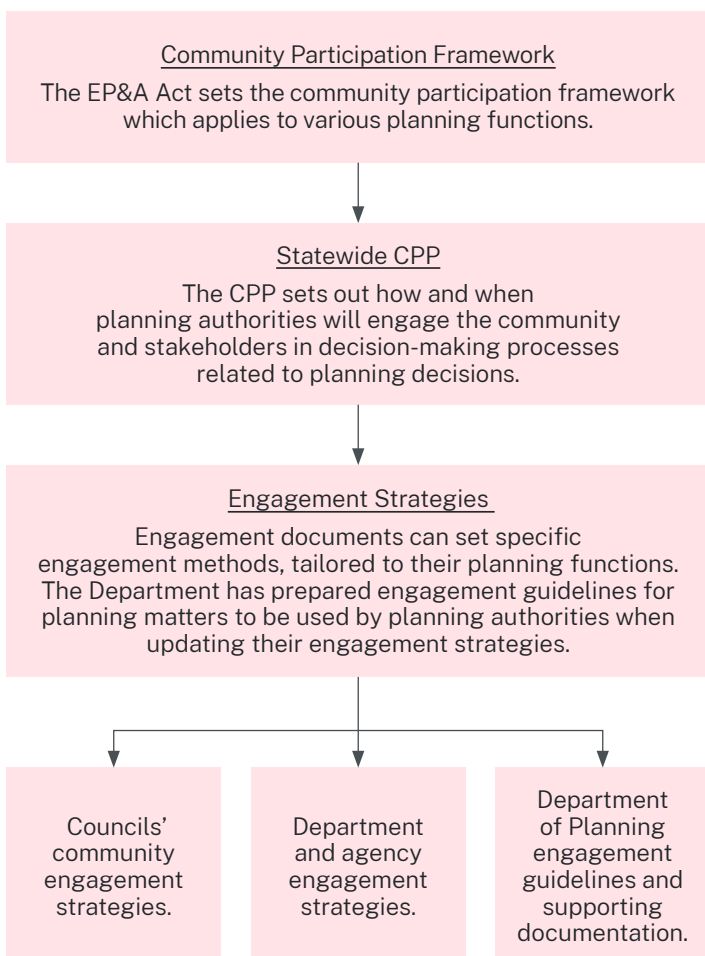
Councils and other planning authorities including the Independent Planning Commission can continue to specify engagement methods in their relevant engagement strategy within the parameters set by this plan. An engagement strategy must not specify timeframes for public exhibition of planning functions. These strategies outline the specific methods and tools that a planning authority will use to engage with communities and stakeholders. Every community is different, and engagement approaches should reflect the characteristics, needs and preferences of the communities they are intended to reach.

Councils and planning authorities are best placed to understand their communities and determine how to effectively engage with groups that may be harder to reach, including young people, people with disability, elderly, socio-economically disadvantaged, those living in rural areas, Aboriginal and Torres Strait Islanders communities and culturally and linguistically diverse people.



Figure 1 shows the hierarchy of community participation legislation and related documents and their relationship to a planning authorities engagement strategy.

Figure 1: Community participation framework in NSW



Public participation – getting involved

Community participation is an essential part of the planning process and a fundamental part of the EP&A Act.

Anyone affected by, or interested in, NSW's planning system including individuals, groups, organisations and government bodies can provide feedback and get involved on planning matters.

Getting involved in the planning process by providing feedback on a proposed development, plan or policy is an important way for the community to have a meaningful say in how their local area changes over time.

Participation plays an important role in improving the design of projects, informing decision-making and building confidence in the planning system so that communities across NSW feel heard and reflected in the spaces that they live and work in.

Effective participation is achieved by:

- Facilitating discussion between stakeholders so they can hear each other's concerns and ideas
- Creating opportunities for upfront discussions that can reduce potential disputes
- Assisting decision makers identify community concerns
- Utilising local knowledge and expertise
- Empowering local communities in the planning process.

Community participation objectives

The principles in section 2.23(2) of the EP&A Act have been considered when developing this CPP, including the community participation objectives. These objectives are included below and are used when engaging with the community and stakeholders on planning matters.



Open and inclusive

Planning authorities will keep the community informed and promote equitable participation. This includes incorporating culturally appropriate practices where relevant and conducting engagement in a safe environment so that all community members can join in.



Easy to access

Planning authorities will advise the community early about how and when they can participate. Information and engagement opportunities will reflect how each community accesses information, using the formats, channels, times and locations that are most likely to reach the people affected.



Relevant

Planning authorities will clearly identify what aspects of the project can be discussed and ensure as many community members as possible can participate. Engagement activities will acknowledge previous community input and be tailored to the context — such as location, application type, assessment stage, and earlier engagement — as well as the scale, nature, and impacts of the proposal.



Timely

Planning authorities will start community participation as early as possible and continue it for an appropriate period, providing regular project updates so people stay informed. The community will be given reasonable time to provide a submission, and authorities will maintain ongoing engagement through local networks.



Proportionate

Planning authorities will concentrate engagement effort on the stages of planning and decision making where community input can have the greatest influence. Where key directions have already been established, engagement will be clear about what has been decided and focus on the matters that remain open to change.



Meaningful

Planning authorities will clearly explain how community submission influence decisions and be upfront about what aspects of a plan the community can shape. Decision makers will engage directly, provide relevant responses, and genuinely consider all input.

Notification and Exhibition

Minimum public exhibition periods

The *Environmental Planning and Assessment Act 1979* sets out minimum community participation requirements for the public exhibition of certain planning matters.

During a public exhibition period all relevant documentation is made publicly available, and the community is invited to make a submission outlining their views on the draft policy, plan or proposal.

When and how you may be notified

If you are directly affected by a proposal, you may receive a notification during public exhibition that provides information on how to view a proposal and how to lodge a submission. Consent authorities may undertake a site visit of the subject site or neighbouring properties to assess impacts as part of their assessment.

Planning authorities will specify how they engage the community on certain types of development in their community engagement strategies. Engagement methods include, but are not limited to the following:

Table 1: Examples of engagement methods for different levels of engagement

Level of engagement	Objective	Method
Make information available	Planning authorities will keep the community informed and promote equitable participation	• a letter • an email • an on-site notice
Invite broader community input	Planning authorities will advise the community early about how and when they can participate	• public exhibition –invite written submissions • documents made available on websites • media releases • mailing lists, Electronic Direct Mail (EDM) • community newsletters and emails • social media posts • updates to subscribers via the NSW Planning Portal
Actively gather community input	Planning authorities will clearly identify what aspects of the project can be discussed and ensure as many community members as possible can participate	• drop in sessions • public meetings • reference groups • focus groups
Explore and refine the proposal with affected communities	Planning authorities will clearly explain how community submissions influence decisions and be upfront about what aspects of a plan the community can shape	• workshops • surveys • website content or, social media notification

Submissions

A consent authority will consider all submissions received during a public exhibition period. In some cases, the number of submissions on a development application determines who the final consent authority is.

Anyone can make a submission. The contents of a submission may be a general response to the project, and not technically detailed. You do not need to be a specialist to have your say.

Late submissions may be considered at the discretion of the consent authority. Submissions must be made in writing and submitted online via the relevant planning authority's website. For the NSW Independent Planning Commission, the panel members will only accept a late submission in exceptional circumstances. It is recommended you contact the relevant consent authority to confirm.

For local development applications, it may be possible to make submissions via the NSW Planning Portal or through other means, such as by post or electronic mail – it is recommended you engage with your council to confirm. For any other consent authorities, it is recommended to contact the consent authority to confirm how submissions can be made.

Where a development is not required to be exhibited, a consent authority is not required to consider submissions as part of its assessment.

Material received outside of a public exhibition period

Feedback can be provided to the consent authority at any stage of an application. This includes planning functions that do not require public exhibition. Where a development application is not publicly exhibited, feedback can still be provided – however it is not considered a formal submission.

Staying up to date

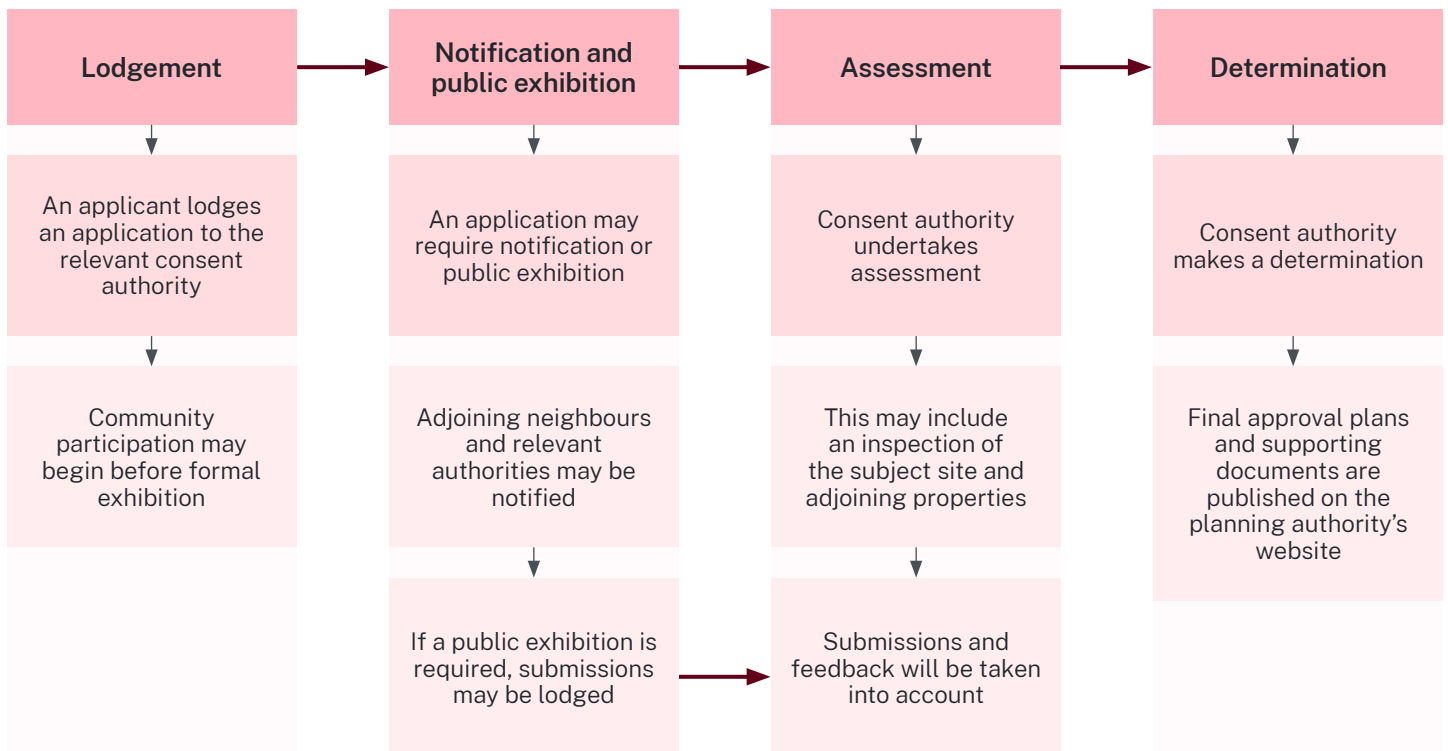
There are many ways to stay updated about development in your local area. You can sign up for alerts on specific projects such as planning proposals, new major projects and State significant development in your local government area.

Throughout this document you will find useful links to trackers and ways to subscribe to projects.

Process for development applications

Figure 2 shows the consultation process of a development application from lodgement to determination and outlines the key stages where participation occurs.

Figure 2: Summary of consultation during development assessment



Participating in planning functions

2

Planning functions

The CPP details exhibition timeframes for the following planning functions:

State Planning Framework – setting the rules and regulations

- Environmental Planning and Assessment Act 1979
- Environmental Planning and Assessment Regulation 2021
- State Environmental Planning Policies (SEPPs)

Strategic Planning – how my region and community will change overtime

- community participation plan (CPP)
- planning proposals for local environmental plans subject to a gateway determination
- development controls plan (DCPs)
- contribution plans
- regional or district plans
- local strategic planning statements (LSPS)
- activation precinct masterplans and delivery plans (including infrastructure delivery plans)
- structure plans, precinct plans and masterplans for urban renewal areas

Development Assessment – development that may impact where you live and work

- State significant projects
- regionally significant development
- local development
- designated development
- nominated integrated development or threatened species development
- environmental impact statement obtained under Division 5.1
- council-related development applications
- application for modification of development consent
- review of a determination or decision



State planning framework

Setting the rules and regulations

Acts, regulations and policies set the structure for the NSW planning system, providing a regulatory framework for planning decisions, including the assessment of development applications, making planning instruments and strategic planning.

You may be invited to lodge a submission on the following:



EP&A Act

The EP&A Act sets the structure for the NSW planning system. It is the principal legislation regulating land use in NSW and allows plans to be made to guide the process of development and regulate competing land uses.

EP&A Reg

The EP&A Regulation sets out how the procedural matters and requirements of the EP&A Act are carried out, including the provisions planning authorities must follow when assessing development applications.



SEPPs

Environmental planning policies are for State significant or statewide planning matters. They inform how land can be developed, managed and conserved in NSW.



Who is involved:



Department

The Department develops changes as needed and leads engagement



Councils

Councils provide expertise and feedback when an Explanation of Intended Effects is exhibited



Community

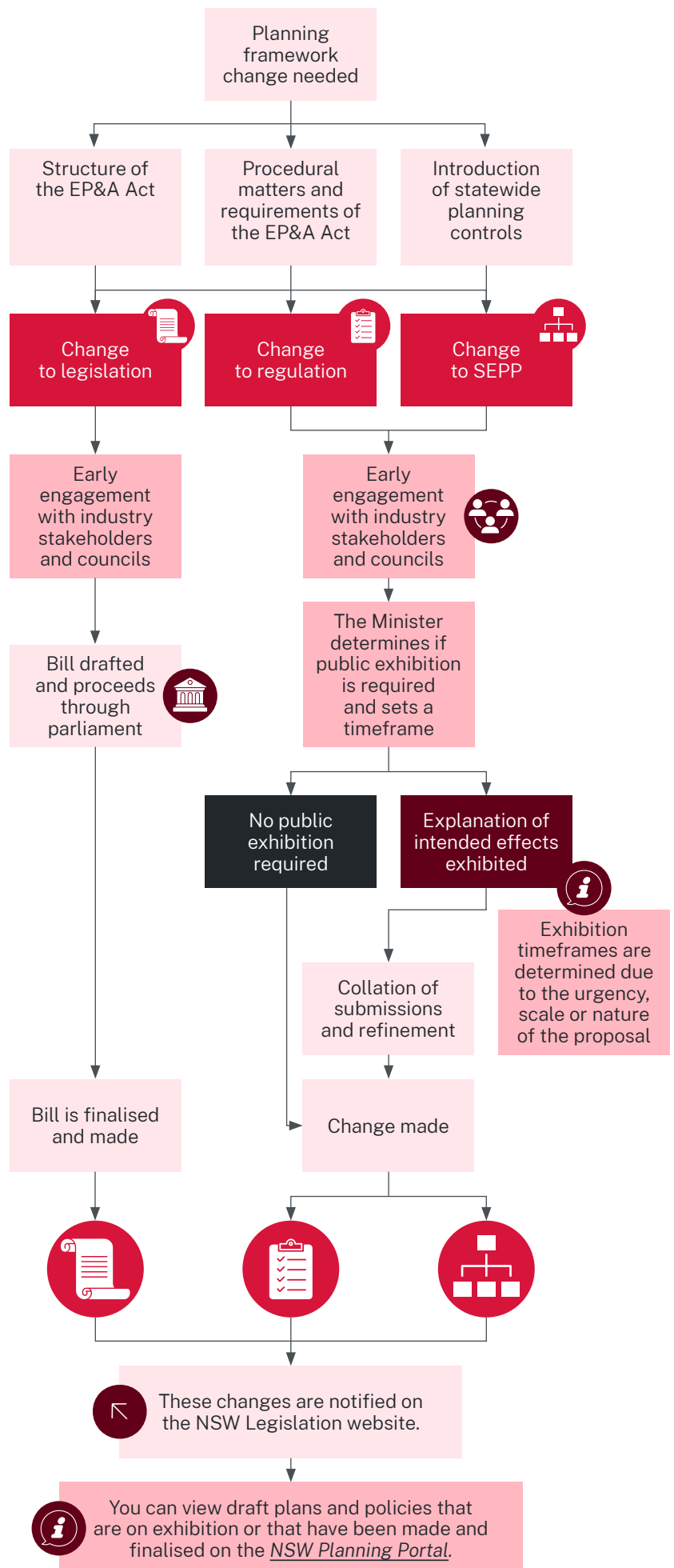
Provide feedback when an Explanation of Intended Effects is exhibited



Industry

Peak bodies and advocacy associations provide expertise

Figure 3: Exhibition process – State planning



Case study

Providing feedback on a housing policy change

Yao saw a government announcement on his news feed that it would soon be easier to build more housing types in places with access to good infrastructure.

The article linked to the Department of Planning, Housing and Infrastructure's website, where he found information on the proposed policy, which included changes to planning controls in the State Environmental Planning Policy (Housing) 2021 (Housing SEPP).

Supportive of the changes, Yao was pleased he could provide feedback, as he lived further from services and jobs.

The Department's Explanation of Intended Effects (EIE) document outlined the proposed changes to the Housing SEPP, and where they would apply across NSW.

Although confused by technical planning language, he found infographics, videos and guides written in plain English on the website that helped him understand the proposal.

Yao submitted feedback through a guided form and subscribed to updates.

When the policy was finalised, he read the 'What we heard' document on the website and saw how feedback had informed changes.

Strategic planning

How my region and community will change over time

Strategic planning helps guide how places grow, change and are protected. It is the foundation for how governments influence the shape of communities, determine where homes are built, where jobs are located, and how services and infrastructure connect across the State and how the environment is conserved.

Early engagement builds community confidence in the planning system, provides greater transparency about how decisions are made and ensures that potential concerns and priorities are explored proactively.

This aligns with the object of proportionality by encouraging and strengthening early, meaningful community consultation at the strategic planning stage. This ensures the focus of engagement is targeted on identifying issues and priorities that can be addressed prior to development assessment.



You may be invited to lodge a submission on the following:



Draft regional and district strategic plans
Exhibited for a minimum of 60 days

Plans developed to support future community needs in regions and districts across NSW. These include plans for homes, jobs, community infrastructure and a healthy environment.

Updated by NSW government every 5 years

Draft local strategic planning statements (LSPS)
Exhibited for a minimum of 60 days

Plans that detail the vision for land-use in a local area, special character values, and how change will be managed into the future.

Developed by councils and updated every 7 years.



Masterplans for urban renewal areas
Exhibited for a minimum of 42 days

Plans that set a future direction for areas by creating new communities that build on local character and provide updated housing, work, recreation and business opportunities.

A planning authority develops a masterplan for a precinct, in response to strategic direction.

Planning proposals to amend or create a new local environmental plan (LEP)
Exhibited for a minimum of 28 days unless specified in the gateway determination

Planning proposals create and amend LEPs which guide planning decisions for local government areas. They do this through zoning and development controls, which sets how land can be used.

A planning authority or proponent can instigate changes to an LEP.



Draft development control plans (DCP)
Exhibited for a minimum of 28 days

Plans that provide detailed planning and design guidelines to support the planning controls in a LEP.

A council may draft or require a DCP to be prepared.

Draft contributions plans
Exhibited for a minimum of 28 days

These plans enable consent authorities to levy contributions for public amenities and services required to support development.



Did you know: You can view your councils contribution plan on the NSW Planning Portal.



A council prepares a draft contributions plan as needed.



Draft community participation plan (CPP)
Exhibited for a minimum of 28 days

The CPP outlines how and when community participation is undertaken when relevant planning authorities exercise their planning functions.



Did you know: You can view plans on exhibition and under assessment on the NSW Planning Portal.

Established by the State government, the Planning Secretary prepares a draft CPP.

Who is involved:**Department**

The Department prepares regional strategic plans, policies and masterplans, and has a role in assessing planning proposals

**Councils**

Councils prepare strategic plans, contribution plans, masterplans and development control plans. Council also prepare and assess planning proposals

**Community**

The community provides the local perspective on strategic planning during public exhibition

**Industry**

Industry experts provide advice and feedback on proposals

**Case study****Lodging a submission on the Sydney Region Plan**

Myriam sees a post pop up on her social media account about a new plan called the Sydney Region Plan.

The post says that the Government is looking for the community to have their say on how Sydney will grow and transform over the next 20 years.

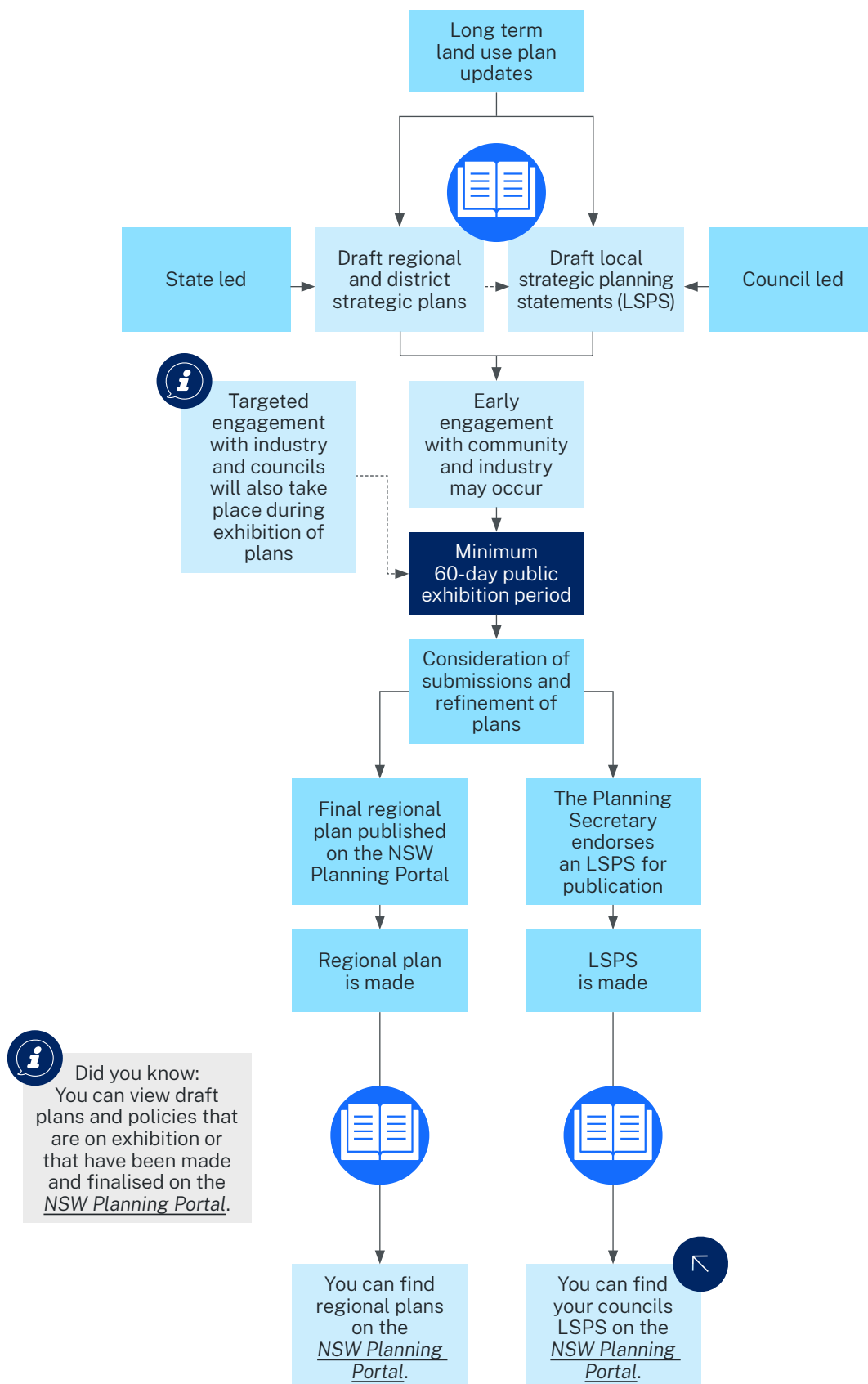
The post has a link to the NSW Planning Portal which has a copy of the draft Sydney Region Plan as well as some simple survey questions to fill out.

Myriam responds to the survey questions and then uses the statewide CPP linked on the NSW Planning Portal, to help her provide a planning focused feedback submission about the draft Sydney Region Plan.

Myriam would like to see more housing near the local train station as she has been renting but wants more opportunities to buy a home in a well connected area.



Figure 4: Exhibition process – Strategic planning



Development assessment

Development that may impact where I live and work

Development assessment functions are undertaken by several planning authorities, including councils, panels, the IPC and State agencies, who make decisions on proposals in accordance with the relevant approval frameworks and planning controls.

Exhibition requirements for development assessment are proportionate to the level of impact a project will produce. During exhibition, the public can see how planning controls translate into buildings and places in their community.

Where a development application requires a more rigorous assessment, and additional consultation requirements set out in legislation or a SEPP, minimum timeframes are generally longer. For example, State significant development applications generally have longer minimum timeframes than local development applications assessed by councils.

You may be invited to lodge a submission on the following:



State significant projects

*Exhibited for a minimum of 28 days
(a minimum period of 14-day applies in specified circumstances)*

Development of a large scale and economic value, environmental sensitivity, or declared significant by the Planning Minister. This includes State significant developments and State significant infrastructure.

[Subscribe here](#) to receive email alerts of major projects in your local government area.

For applications that rely on a rezoning exhibited by the Department, the details of the proposed amendments to the relevant planning instrument(s) will be publicly exhibited concurrently with the application.



Regionally significant development

Exhibited for a minimum of 14 days

Certain development applications of large economic value, scale and/or complexity. Regional planning panels are made up of independent experts that decide whether to approve a development.



Did you know: You can view applications on exhibition and under assessment on the [NSW Planning Portal](#).



Local development

Exhibited for a minimum of 14 days

The most common type of development applications in NSW. Projects range from home extensions to medium sized commercial, retail, and industrial developments.



Did you know: You can view exhibited and determined applications using the [DA tracker](#).

Development excluded from notification and public exhibition

No exhibition

Certain development that meets relevant planning controls.

Development types specified in Table 6 will be excluded from exhibition requirements (if they do not include a clause 4.6 variation).



[Continued on next page](#)



Council-related development applications

Exhibited for a minimum of 28 days

Councils regularly lodge development applications as an applicant to complete their own projects and achieve outcomes for the community. This includes development such as parks, affordable housing and toilet blocks, as well as commercial proposals.



Where a development application requires a more rigorous assessment, and additional consultation requirements set out in legislation or a SEPP, minimum timeframes are generally longer. For example, state significant development applications have longer minimum timeframes than local development applications assessed by councils.

Development applications with additional considerations

Exhibited for a minimum of 28 days



Did you know: You can view exhibited and determined applications using the DA tracker.

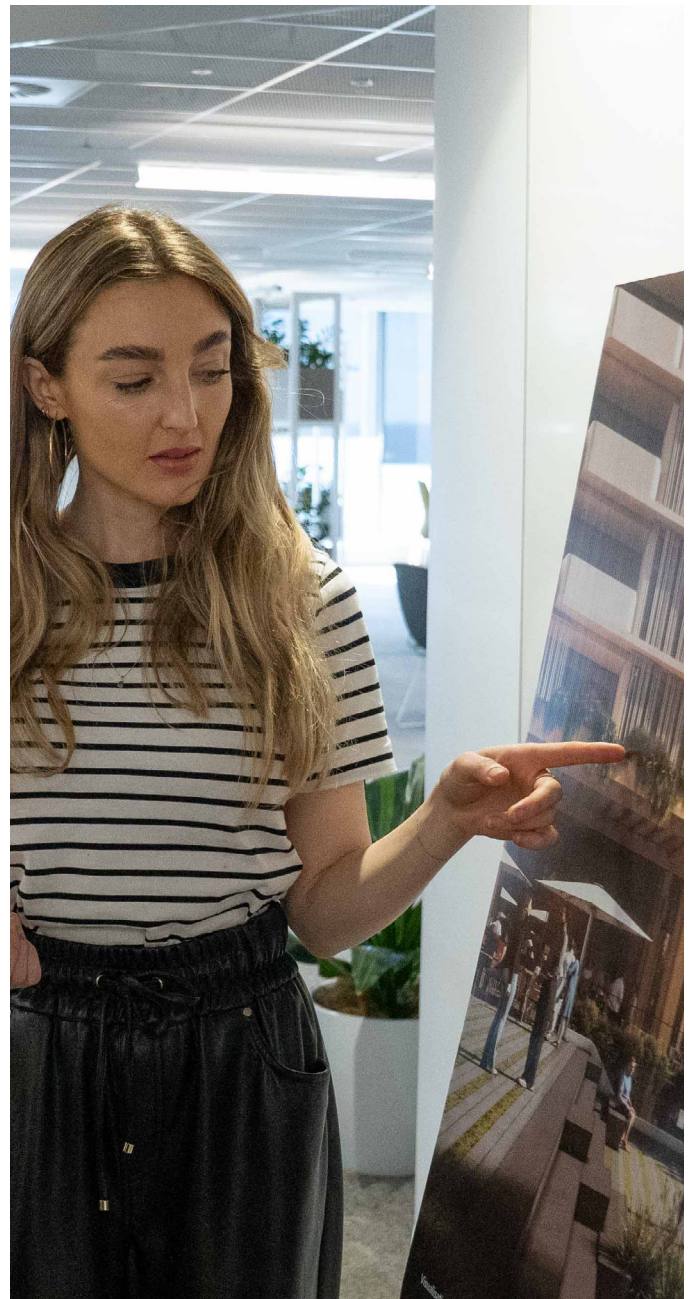


Designated development is a category of development that involves a higher level of assessment and scrutiny due to the potential risk it poses to the environment.

Nominated integrated development is development that requires certain approvals (such as a permit or license) from a NSW Government agency before it can be carried out.

Threatened species development is a category of development that affects threatened species and requires a species impact statement.

An Environmental Impact Statement (EIS) is required if an activity will have a significant impact on the environment. The EIS assesses the economic, environmental and social impacts of a project.



Who is involved in development assessment:



Department

The Department assesses and in some cases determines State significant projects



Councils

Council assesses local and regionally significant development applications. Council also provides advice on State significant projects



Community

The community provide valuable feedback on projects during public exhibition



Industry

Industry experts provide advice and feedback on projects



Case study

Learning about a solar farm in my local area

There has been a post on a community social media group that a solar farm is proposed near Anne's local town, with many comments objecting to the idea.

This is the first time she's heard of the project and is curious, so she goes online to check if there are any project documents available for her review.

Anne discovers that the energy company is intending to host webinars next week to introduce locals to their proposal. This is suitable for Anne as she has two young children and is glad she can join in from home.

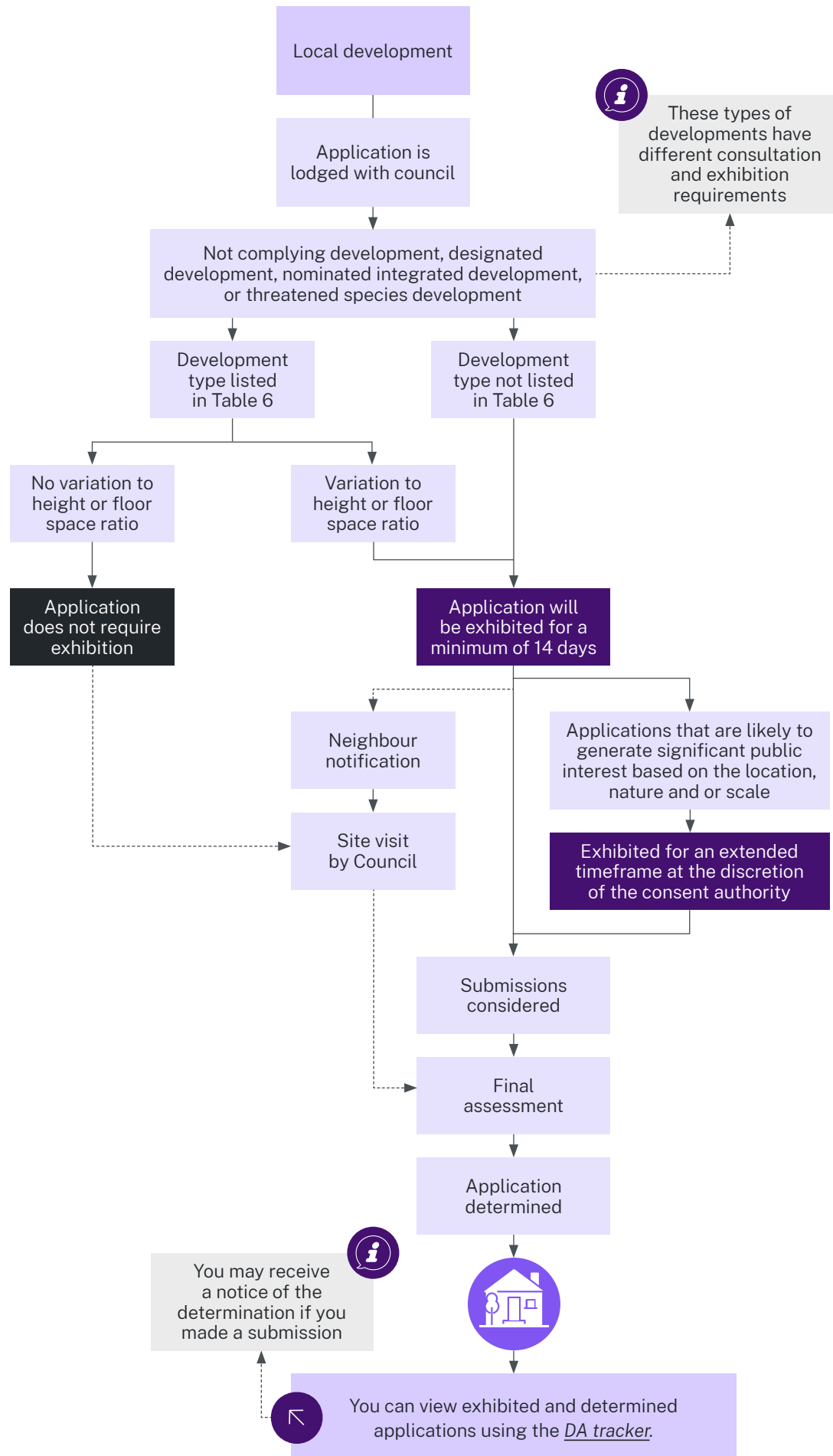
Upon joining the webinar, she discovers that the project is still in early development and a formal application is yet to be lodged.

It is also explained that for larger scale projects, such as renewable energy, the State Government assesses their environmental impact, as they are important to the State.

The community is being engaged as part of preparing the application, and Anne is encouraged to sign up for project updates to find out when the project moves through different stages of the planning process.

Anne will also be able to submit a formal submission when an environmental impact statement is lodged, and the formal exhibition process opens. It is important to be able to do this, as the submissions will be considered by the NSW Government as part of its assessment of the project.

Figure 5: Exhibition process – Local development





Other notice requirements

The following planning functions are subject to different approval pathways under NSW planning legislation and have varying notification requirements, which are not set by the community participation plan.

Some forms of development, such as exempt development, are considered low impact and do not require community notification. Others, such as complying development, voluntary planning agreements and certain development carried out without consent, may involve notification. This depends on statutory requirements or the nature and potential impacts of the proposal.

Table 2: Notice requirements for specific development types

Development type	Description	Notice requirement
Complying development 	Process that combines planning and construction approval for straight forward residential, commercial and industrial development. These provisions are in the State Environmental Planning Policy (Exempt and Complying Development Codes) 2008. Complying development applications are not publicly exhibited as they meet specific development standards established for straight forward, low impact projects. Therefore, there is no opportunity to provide feedback.	For certain development types you will be notified before works commence. Council have a requirement to publish certain documents relating to complying development certificates on their website. Notice provisions are stipulated in the EP&A Regulation. Further information can be found in the Guide to complying development
Exempt development 	Very low impact development that can be done without planning or building approval for certain residential, commercial and industrial properties. These provisions are in the State Environmental Planning Policy (Exempt and Complying Development Codes) 2008.	No applicable notice requirements. Visit the Exempt development web page for fact sheets and further information.
Voluntary planning agreements 	A method of securing contributions to help cover the cost of delivering infrastructure. They are legal agreements between a developer and a planning authority, such as the Minister for Planning and Public Spaces, or local councils.	A proposed agreement, amendment or revocation must be made available for inspection by the public for at least 28 days, as set out in the EP&A Act. Notification of a planning agreement can happen concurrently with the related planning matter.
Development without consent (Review of environmental factors) 	Certain projects undertaken by councils, government departments or State agencies. Before work can start, public authorities are required to assess the environmental impacts of a project.	Notice periods are set out in the relevant environmental planning instruments, and guideline documents.

Public exhibition timeframes

Tables 3, 4, 5 and 6 set out mandatory requirements for public exhibition
Table 6 sets out when certain development types are excluded from public exhibition.

State and local planning framework

Table 3: Public exhibition timeframes for policy and legislation

Planning function	Minimum exhibition timeframe
Draft legislation and regulations (the Department)	Discretionary based on the urgency, scale or nature of the proposal
Policies, guidelines or strategies publicly exhibited for a planning purpose	28 days unless decided otherwise due to the urgency, scale and nature of the proposal

Additionally, the Department may exhibit other proposals consistent with community participation objectives. For these functions, there may also be occasions where a government priority or administrative requirement demands immediate action, and the usual community participation process may be truncated.

Strategic planning

Table 4: Public exhibition timeframes for strategic planning

Planning function	Minimum exhibition timeframe
Draft community participation plan	28 days ¹
Planning proposals for local environmental plans subject to a gateway determination*	28 days or as specified by the gateway determination which may determine, due to the minor nature of the proposal, that no public exhibition is required ²
Draft development control plan	28 days ³
Draft contribution plans	28 days ⁴
Draft local strategic planning statements	60 days
Draft regional or district strategic plans	60 days
Draft activation precinct masterplans and delivery plans (including infrastructure delivery plans)	28 days ⁵
Structure plans, precinct plans and masterplans for urban renewal areas	42 days unless decided otherwise due to the urgency, scale and nature of the proposal

* Exhibition of planning proposals must also be carried out in accordance with the Department's Local Environmental Plan Making Guideline.

¹ EP&A Act, Schedule 1, clause 1.

² EP&A Act, Schedule 1, clause 4.

³ EP&A Act, Schedule 1, clause 5.

⁴ EP&A Act, Schedule 1, clause 6.

⁵ State Environmental Planning Policy (Precincts – Regional) 2021, sections 3.6(6), 3.7(6).

Development assessment

Table 5: Public exhibition timeframes for development applications

Planning function	Minimum exhibition timeframe ⁶
Application for development consent. Exclusions: a) complying development, b) designated development, c) nominated integrated development, d) threatened species development, e) State significant development, and f) targeted assessment g) development listed in Table 6	14 days
Application for consent for the following State significant development: - Housing development carried out by or on behalf of the Aboriginal Housing Office or the Land and Housing Corporation under the <u>Planning Systems SEPP, Schedule 1, section 26</u> - In-fill affordable housing under the <u>Planning Systems SEPP, Schedule 1, section 26A</u> - Build-to-rent housing under the <u>Planning Systems SEPP, Schedule 1, section 27</u> - Seniors housing under the <u>Planning Systems SEPP, Schedule 1, section 28</u> - Development in accelerated TOD precincts under the <u>Planning Systems SEPP, Schedule 2, section 19</u> - Development declared under the <u>EP&A Act, section 4.36(3)</u>. Including on the recommendation of the Housing Delivery Authority	14 days
Application for development consent for targeted assessment development, including any amended application under the pathway	14 days, unless a different period is specified in a State environmental planning policy ⁷
Application for modification of development consent required to be publicly exhibited by the regulations	14 days ⁸
Application for the review of a determination or decision of a consent authority (Division 8.2 review)	The same period as the development application or modification application was originally notified or advertised
Application for development consent for all other State significant development	28 days
Application for development consent for designated development	28 days
Environmental impact statement for State significant infrastructure under Division 5.2	28 days
Application for development consent for nominated integrated development or threatened species development	28 days
Application for development consent for category 1 remediation work under Chapter 4 of SEPP (Resilience and Hazards) 2021	28 days
Environmental impact statement obtained under Division 5.1	28 days
Council-related development applications	28 days
Re-exhibition of any amended application or matter	The period (if any) determined by the person or body responsible for publicly exhibiting the application or matter

⁶ Development applications that are likely to generate significant public interest based on the location, nature and or scale may be exhibited for an extended timeframe at the discretion of the consent authority.

⁷ EP&A Act, Schedule 1, clause 9C.

⁸ Excluding applications to modify a development consent made under section 4.55(2) specified in Table 6.

Development types excluded from public exhibition

Applications for development consent listed in Table 6 (other than applications for complying development certificates, designated development, nominated integrated development, threatened species development or for State significant development), are excluded from public exhibition, where the development:

- Does not require a variation to height of building or floor space ratio, under clause 4.6 of the Standard Instrument LEP (or an equivalent provision of any other environmental planning instrument).

Table 6: Development types excluded from public exhibition

Development types excluded from public exhibition ⁹
• Ancillary development to existing residential accommodation (such as but not limited to pools, sheds, pergolas and carports) • Bed and breakfast accommodation • Change of use (excluding a change of use to a registered club or pub, and excluding any development that adjoins, or is located on, land in a residential zone) • Demolition • Dual occupancy (up to two storeys) • Attached dwelling (up to 5 dwellings) • Dwelling house (up to two storeys) • Multi dwelling housing (up to 5 dwellings) • Secondary dwelling • Exhibition home • Extensive agriculture • Farm building • Home business • Home industry • Home occupation • Industrial retail outlet • Infrastructure facility in the Alpine region¹⁰ • Internal and external alterations and additions (excluding residential accommodation) • Internal and external alterations and additions to existing residential accommodation resulting in no more than two storeys • Kiosk • Repair and maintenance of recreation infrastructure, lifting facility, or snow-making infrastructure in the Alpine region • Roadside stall • Rural worker's dwelling • Signage (excluding where it adjoins or is in a residential zone) • Subdivision of land resulting in no more than 5 new lots • Subdivision of land that is subject to an existing development consent for its current use. • Temporary structure • Tree removal on private land • Applications to modify a development consent made under section 4.55(1) of the EP&A Act • Applications to modify a development consent made under section 4.55(1A) of the EP&A Act • Applications to modify a development consent made under section 4.56(1) of the EP&A Act with minimal environmental impact • Applications to modify a development consent made under section 4.55(2) of the EP&A Act where the development the subject of the consent is specified in this Table

⁹ Where a word or expression used in the Table is defined in the Dictionary to the standard instrument set out in the *Standard Instrument (Local Environmental Plans) Order 2006*, that definition applies to the word or expression as used in the Table.

¹⁰ As defined in Schedule 4A to *State Environmental Planning Policy (Precincts – Regional) 2021*.

Key points to note about public exhibition

- Timeframes are measured in calendar days and include weekends.
- The period between 20 December and 10 January (inclusive) is excluded from the calculation of a period of public exhibition period as outlined in Schedule 1 to the EP&A Act.
- In certain circumstances there may be merit appeal rights for a person who makes a submission to object during the public exhibition of a development application for designated development and some state significant development projects.
- Public authorities are not required to make available for inspection any part of an environmental impact statement where this publication would, in the opinion of the public authority, be contrary to the public interest due to its confidential nature or for other reasons defined in relevant legislation, such as the Government Information (Public Access) Act 2009.
- Sections 287 and 287A of the EP&A Regulation require submissions on State significant projects and other development applications where the Minister for Planning and Public Spaces, Planning Secretary or Independent Planning Commission is the consent authority, to be made through the NSW Planning Portal.
- The safety of community members, other stakeholders and staff must be considered during meetings, phone calls, and as part of any correspondence. Everyone has the right to participate in a respectful environment and are expected to behave in a manner that supports everyone's right to present their point of view.

Glossary

Planning terms and definitions	
Alpine region	Means the Alpine Region identified on the <u>State Environmental Planning Policy (Precincts – Regional) 2021, Kosciuszko Alpine Region Land Application Map</u>
Activation precinct	A dedicated area within regional New South Wales which has been identified by the NSW Government to drive regional economic development and declared to be an Activation Precinct in a Schedule made under Chapter 3 of the State Environmental Planning Policy (Precincts – Regional) 2021
Community Participation Plan	The community participation plan prepared and published under Division 2.6 of the EP&A Act
Contribution plans	A plan developed by councils for the purposes of imposing conditions requiring local infrastructure contributions to fund new and upgraded public amenities and/or services required to accommodate development
Council-related development applications	A development application, for which a council is the consent authority, that is – (a) made by or on behalf of the council, or (b) for development on land, other than a public road within the meaning of the <u>Local Government Act 1993</u> – (i) of which the council is an owner, a lessee or a licensee, or (ii) otherwise vested in or under the control of the council Note – Land vested in or under the control of the council includes public land within the meaning of the <u>Local Government Act 1993</u>
Delivery plan	A delivery plan for an activation precinct means a delivery plan for the precinct that is approved by the Planning Secretary under section 3.7 of Chapter 3 of the State Environmental Planning Policy (Precincts – Regional) 2021
Designated development	Designated development refers to high-impact developments (e.g. likely to generate pollution) or those located in or near an environmentally sensitive area
Development control plans (DCP)	A plan providing detailed planning and design guidelines to support LEP planning controls
Environmental impact statement (EIS)	An EIS provides information on the economic, environmental, and social impacts of the project. It helps the community; government agencies and the consent authority make informed submissions or decisions on the project
Gateway determination	A gateway determination is issued following an assessment of the strategic merit of a proposal to amend or create an LEP and allows for the proposal to proceed to public exhibition
Local environmental plan (LEP)	An environmental planning instrument developed by a planning proposal authority, generally a council. An LEP sets the planning framework for a Local Government Area

Planning terms and definitions

Nominated integrated development	Integrated development that requires an approval (within the meaning of section 4.45) under — (a) a provision of the <u>Heritage Act 1977</u> specified in section 4.46(1), or (b) a provision of the <u>Water Management Act 2000</u> specified in section 4.46(1), or (c) a provision of the <u>Protection of the Environment Operations Act 1997</u> specified in section 4.46(1)
Regional strategic plan	20-year plans addressing community needs for housing, jobs, infrastructure and a healthy environment for a region
Residential zone	Land in <i>R1 General Residential, R2 Low Density Residential, R3 Medium Density Residential, R4 High Density Residential or R5 Large Lot Residential</i> under a local environmental plan that adopts the standard instrument set out at the end of the <i>Standard Instrument (Local Environmental Plans) Order 2006</i> (or land in an equivalent land use zone, as that term is defined under clause 5 of <i>State Environmental Planning Policy (Housing) 2021</i>)
State environmental planning policy (SEPP)	An environmental planning instrument developed by the Department, relating to State significant or statewide planning matters
State significant development (SSD)	Development that is declared to be state significant development under section 4.36 of the EP&A Act Developments may be declared to have State significance due to their size, location, economic value or potential impacts, for example new non-government schools and hospitals and energy generating facilities
State significant infrastructure (SSI)	Development that is declared to be state significant infrastructure under section 5.12 of the EP&A Act SSI includes major transport and services developments with significance and impact beyond the local area, for example rail infrastructure, road infrastructure and water storage or treatment facilities
Threatened species development	Development to which section 7.7(2) of the <u>Biodiversity Conservation Act 2016</u> or section 221ZW of the <u>Fisheries Management Act 1994</u> applies
Urban renewal area	- Areas identified as having good access to existing or planned public transport connections, suitable for rejuvenation with new homes and jobs - State significant precincts which are large areas of predominantly State-owned land within Greater Sydney, identified by the NSW Government as areas for growth because of their social, economic or environmental characteristics

Where can I find out more?

Planning function	Link
Acts, Regulations and SEPPs	Draft plans and policies on exhibition and under consideration can be found here: www.planningportal.nsw.gov.au/have-your-say-
Strategic planning	Regional plans can be found here: www.planning.nsw.gov.au/plans-in-nsw/plans-by-region Local Strategic Planning Statements can be found here: www.planningportal.nsw.gov.au/local-strategic-planning-statements Contribution plans can be found here: www.planningportal.nsw.gov.au/infrastructure-contributions Planning Proposals on exhibition can be found here: www.planningportal.nsw.gov.au/ppr
State significant projects	Subscribe to receive email alerts for Major Projects here: www.planningportal.nsw.gov.au/major-projects/services/subscribe-notifications Track applications on exhibited here: www.planningportal.nsw.gov.au/major-projects/projects?status=Exhibition&lga=All&development_type=All&industry_type=All&case_type=All
Regional planning panels	View applications with the Regional Planning Panels here: www.planningportal.nsw.gov.au/planning-panel
Development assessment	View councils' DA trackers here: www.planningportal.nsw.gov.au/map/council-trackers
Complying development	View the guide to complying development here: www.planning.nsw.gov.au/sites/default/files/2023-02/guide-to-complying-development.pdf
Exempt development	Find more information on exempt development here: www.planning.nsw.gov.au/the-planning-system/development-assessment/planning-approval-pathways/exempt-development



Department of Planning, Housing and Infrastructure

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David Webb

From: NSW Department of Planning, Housing and Infrastructure
<noreply@email.dpe.nsw.gov.au>
Sent: Thursday, 27 August 2026 11:02 AM
To: David Webb
Subject: Statewide Community Participation Plan finalised

Follow Up Flag: Follow up
Flag Status: Flagged

[View in Browser](#)



Statewide Community Participation Plan finalised

The [new statewide Community Participation Plan](#) has been finalised and will come into effect on Tuesday 1 September 2026.

The statewide Community Participation Plan will replace over 100 existing plans used across the state, standardising consultation requirements and making it clearer and simpler for people to understand when and how they can have their say on planning matters.

It will apply to all planning authorities, including councils and NSW Government agencies, and is part of landmark reforms designed to make the planning system faster and fairer.

The statewide Community Participation Plan will introduce proportionality into exhibition timeframes for different planning functions and development types across the State and refocuses community and stakeholder consultation on strategic planning, where they can have a greater say and impact on outcomes.

The statewide Community Participation Plan was shaped by public feedback provided through more than 1000 submissions and survey responses on the draft plan.

Key changes following exhibition include:

- exhibition timeframes for draft district and regional plans and local strategic planning statements have increased to a legislated minimum of 60 days
- residential flat buildings and shop top housing development types will remain subject to a minimum 14-day exhibition
- minimum exhibition timeframes have been retained and planning authorities can extend exhibition timeframes in certain circumstances
- a refined list of lower impact development types that will not require exhibition.

For more information on key themes raised in submissions during the public exhibition period, please visit the [NSW Planning website](#).

To support the statewide Community Participation Plan, updates have been made to the NSW Planning Portal. Applicants will be required to confirm if a variation to a development standard is proposed, making it easier for councils to determine whether exhibition is required.

Transitional arrangements will apply for development or modification applications that were lodged but not yet determined before the commencement of the new plan. These applications will remain subject to the community participation requirements in the Act that applied before commencement.

For more information visit the [NSW Planning website](#).

[View the statewide Community Participation Plan](#)

What it means for councils

Councils will be required to implement the new statewide Community Participation Plan from 1 September 2026.

It has been designed for use alongside existing engagement strategies prepared by councils through local government legislation.

Councils will still be able to tailor how they collaborate and consult with their communities with supporting guidance on engagement strategies being rolled out shortly.

You can find answers to frequently asked questions about the new Community Participation Plan on the [NSW Planning website](#). If you have further questions, please reach out to our team at CPP@dphi.nsw.gov.au.

Kind regards,

Matt Riley

A/Executive Director, Planning System Reform
Department of Planning, Housing and Infrastructure



Department of Planning, Housing and Infrastructure, 4 Parramatta Square, 12 Darcy Street, Parramatta, NSW
2150, Australia

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DIAP Progress Reporting Consultation Summary

A consultation with Public Authorities and
Non-Public Authorities on the Opt-in DIAP
Reporting Template and Process

August 2026

1	Introduction.....	1
2	Summary of Consultation Themes	2
	2.1 Question 1: Changes to the Reporting Template.....	2
	Key Theme 1: Expand and Improve Action Topic Categories	2
	Key Theme 2: Increase Structured Reporting	2
	Key Theme 3: Separate Progress Reporting from Outcomes Reporting	3
	Key Theme 4: Better Recognition of Ongoing Actions.....	3
	Key Theme 5: Reduce Duplication and Improve Alignment.....	3
	Key Theme 6: Include Supporting Evidence.....	3
	2.2 Question 2: Reporting Outcomes and Impact.....	4
	Key Theme 1: Shift from Outputs to Outcomes	4
	Key Theme 2: Develop a Statewide Outcomes Framework	4
	Key Theme 3: Capture Feedback from People with Disability	4
	Key Theme 4: Use Quantitative and Qualitative Evidence.....	4
	Key Theme 5: Need for Guidance and Support	5
	2.3 Question 3: Current Internal Reporting Practices	5
	Key Theme 1: Reporting is Embedded in Existing Corporate Processes	5
	Key Theme 2: Reporting is Embedded in Existing Corporate Processes.....	5
	Key Theme 3: Governance Committees Play an Important Role.....	5
	Key Theme 4: Public Reporting Through Annual Reports	6
	2.4 Question 4: Digital Reporting Tools and Platforms.....	6
	Key Theme 1: Existing Systems Are Widely Used.....	6
	Key Theme 2: Support for a Digital Reporting Platform.....	6
	Key Theme 3: Interest in Data Visualisation and Reporting Dashboards.....	6
3	Areas of Difference across Public Authorities and Non-Public Authorities	6
	3.1 Authority-specific Insights	7
4	Recommendations.....	8
5	Conclusion.....	9

Acknowledgement of Country

The Department of Communities and Justice acknowledges the Traditional Custodians of the lands where we work and live. We celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of NSW.

We pay our respects to Elders past and present and acknowledge the Aboriginal and Torres Strait Islander people that contributed to the development of this report.

We advise this resource may contain images, or names of deceased persons in photographs or historical content.



Art work by Frances Belle Parker, *Culture is Strength*, Yaegl Country, Maclean NSW.

1 Introduction

In July 2026, the Department of Communities and Justice (DCJ) invited government departments and agencies, local councils, and other organisations that had previously participated in Disability Inclusion Action Plan (DIAP) progress reporting to provide feedback on the current opt-in reporting template and process.

The consultation sought input on four key questions:

1. What changes or modifications should be made to the current reporting template?
2. How could organisations better report on the outcomes of DIAP actions, particularly the impact on people with disability?
3. How do organisations currently report on DIAP implementation internally?
4. What digital tools, platforms or software could support future DIAP reporting?

A total of **32 organisations responded**, comprising:

- **5 Government departments and agencies**
- **25 Local councils**
- **2 Other organisations (non-public authorities)**

The objective of the consultation was to identify opportunities to improve the effectiveness, consistency and usability of DIAP progress reporting and inform the development of a future reporting template and digital reporting solution.

Under the *Disability Inclusion Act 2014*, NSW public authorities are required to report annually to the Minister on the implementation of their DIAPs. Government Departments and local councils meet this requirement through their annual reporting processes, while other public authorities are required to submit a separate annual report on DIAP implementation. The Minister is subsequently required to table a report in Parliament on the implementation of DIAPs across NSW.

Historically, DCJ has provided an opt-in reporting template that allows public authorities to report on the progress of their DIAP actions, highlight achievements and identify implementation challenges. As the current reporting template and process have been in place for several years, DCJ undertook targeted consultation with reporting organisations to identify opportunities to improve the quality, consistency and usefulness of DIAP progress reporting and inform the design of future reporting template and digital tools.

2 Summary of Consultation Themes

While responses varied across government departments, agencies, councils and other organisations, there was a high degree of consistency in the issues raised. Respondents broadly supported the continuation of a statewide DIAP reporting process and considered the current reporting template to be a useful foundation. However, feedback indicated a strong desire to modernise the reporting framework to better demonstrate the impact of disability inclusion initiatives, reduce administrative burden and improve consistency of reporting across organisations.

Across all four consultation questions, several common themes emerged. Respondents sought a stronger focus on outcomes and impacts for people with disability, rather than reporting primarily on activities completed. There was also significant support for expanding and refining action categories, improving alignment with existing organisational reporting processes, and developing a more streamlined digital reporting solution. Many organisations highlighted the need for guidance and standardised outcome measures to support more consistent reporting, while also emphasising the importance of retaining flexibility to accommodate different organisational contexts and levels of reporting maturity.

The findings presented below are organised according to the four consultation questions and highlight the key themes that emerged from the responses.

2.1 Question 1: Changes to the Reporting Template

Key Theme 1: Expand and Improve Action Topic Categories

The most frequently raised issue was the need to review and expand the existing Action Topic categories.

Respondents indicated that many actions do not align well with the current categories, resulting in overuse of the “Other” option and reduced consistency in reporting. Several organisations suggested introducing additional categories, allowing multiple topic selections, or redesigning categories to better reflect real-world outcomes and organisational functions.

Common suggestions included:

- Digital accessibility
- Accessible communications
- Accessible facilities
- Wayfinding and navigation
- Community participation
- Inclusive employment
- Governance and leadership activities

Key Theme 2: Increase Structured Reporting

Many respondents supported greater use of structured fields such as:

- Drop-down menus

- Tick boxes
- Standardised fields
- Mandatory fields where appropriate

The perceived benefits included improved consistency, easier analysis and reduced administrative effort. However, most organisations emphasised that some flexibility should remain for narrative reporting where additional context is required.

Key Theme 3: Separate Progress Reporting from Outcomes Reporting

A recurrent concern was that the current template combines information about:

- Activities undertaken
- Progress of implementation
- Outcomes achieved

Respondents felt these should be reported separately to distinguish action delivery from actual impact and enable more meaningful statewide analysis.

Key Theme 4: Better Recognition of Ongoing Actions

Many councils highlighted that DIAP actions are often ongoing and continue throughout the life of the plan.

Several respondents recommended introducing an “Ongoing” status option, noting that the existing status categories do not adequately reflect the continuous nature of many inclusion activities.

Key Theme 5: Reduce Duplication and Improve Alignment

Many councils expressed concern about duplication between DIAP reporting requirements and existing corporate reporting systems.

Respondents sought greater alignment with existing planning and reporting frameworks, including:

- Integrated Planning and Reporting (IP&R)
- Annual reporting processes
- Corporate performance reporting systems

Key Theme 6: Include Supporting Evidence

A number of organisations requested the ability to attach supporting materials such as:

- Photos
- Testimonials
- Case studies
- Videos
- Reports and documents

Respondents considered these valuable for demonstrating the practical impact of actions and highlighting examples of good practice.

2.2 Question 2: Reporting Outcomes and Impact

Key Theme 1: Shift from Outputs to Outcomes

The strongest and most consistent message across all sectors was that current reporting focuses largely on activities completed rather than the difference those activities make for people with disability.

Respondents consistently indicated that future reporting should place greater emphasis on:

- Outcomes achieved
- Community impact
- Changes in experience, accessibility and inclusion

Key Theme 2: Develop a Statewide Outcomes Framework

Many organisations requested that DCJ develop a consistent outcomes framework, including common indicators that all organisations could report against.

Common suggestions included:

- Improve consistency
- Enable benchmarking
- Support statewide analysis
- Reduce the burden on individual organisations to develop their own measures

Key Theme 3: Capture Feedback from People with Disability

Direct feedback from people with disability was widely identified as one of the most meaningful ways to understand impact.

Suggested approaches included:

- Community surveys
- User experience feedback
- Advisory groups
- Focus groups
- Testimonials

Many respondents stressed that outcomes should be informed by lived experience rather than solely organisational reporting.

Key Theme 4: Use Quantitative and Qualitative Evidence

Respondents supported the use of both quantitative and qualitative measures.

Examples included:

- Accessibility ratings
- Participation rates
- Employment outcomes
- User satisfaction measures
- Case studies

- Stories demonstrating impact

Several organisations noted that a combination of data and lived experience narratives would provide a more complete picture of outcomes.

Key Theme 5: Need for Guidance and Support

While organisations generally supported outcomes-based reporting, many councils highlighted practical challenges in measuring outcomes.

Common concerns included:

- Limited resources
- Lack of baseline data
- Limited evaluation expertise
- Difficulty measuring long-term community outcomes

Many respondents suggested that DCJ provide guidance, tools, templates and examples to support consistent outcome measurement.

2.3 Question 3: Current Internal Reporting Practices

Key Theme 1: Reporting is Embedded in Existing Corporate Processes

Most organisations reported that DIAP implementation is monitored through existing planning, performance and governance frameworks rather than standalone systems.

Common mechanisms included:

- Annual reports
- Operational plans
- Delivery programs
- Corporate reporting frameworks

Key Theme 2: Reporting is Embedded in Existing Corporate Processes

A common approach involved:

- Individual action owners providing updates
- Central coordination by a DIAP lead or community development team
- Consolidation into organisational reports

This model was used across both government agencies and councils.

Key Theme 3: Governance Committees Play an Important Role

Many organisations reported through established governance structures such as:

- Access and Inclusion Committees
- DIAP Working Groups
- Executive Leadership Teams
- Advisory Committees

These groups provide oversight, accountability and community input into implementation.

Key Theme 4: Public Reporting Through Annual Reports

Annual reports remain the primary mechanism for public reporting on DIAP progress across local government and other organisations.

2.4 Question 4: Digital Reporting Tools and Platforms

Key Theme 1: Existing Systems Are Widely Used

Respondents reported using a range of existing corporate systems to monitor and report on DIAP actions.

The most commonly referenced platforms included:

- Pulse
- Microsoft Excel
- Microsoft Forms
- Power BI
- SharePoint
- TechOne

Key Theme 2: Support for a Digital Reporting Platform

There was broad support for a future digital reporting solution that would:

- Reduce duplicate data entry
- Improve consistency
- Allow progress to be saved throughout the year
- Facilitate uploading evidence
- Generate reports automatically

Respondents highlighted the importance of ensuring any future solution can align with or integrate into existing organisational systems wherever possible.

Key Theme 3: Interest in Data Visualisation and Reporting Dashboards

Several organisations identified tools such as Power BI and other reporting systems as examples of platforms that support better analysis, monitoring and visualisation of performance data.

3 Areas of Difference across Public Authorities and Non-Public Authorities

While there was broad agreement among government departments and agencies, local councils and non-public authorities on the direction of reforming the reporting template and process, respondents differed in their priorities and areas of emphasis.

3.1 Authority-specific Insights

While there was broad agreement on the direction of reform, respondents differed in their priorities and areas of emphasis.

Government departments and agencies generally approached the consultation from a strategic and evaluation perspective. Their feedback focused on statewide consistency, outcome measurement, benchmarking and sharing learning across organisations.

Local councils were more likely to focus on implementation challenges, including limited resourcing, reporting duplication and alignment with existing Integrated Planning and Reporting (IP&R) frameworks. Councils strongly supported improvements to reporting but emphasised the need for practical and proportionate reporting requirements.

Non-public authorities generally supported outcomes-based reporting and highlighted the importance of evaluation frameworks, performance measures and alignment between DIAP reporting and broader organisational planning and reporting systems.

Table 1 shows the main areas of differences across agencies.

Table 1: Areas of difference across agencies

Theme	Government Departments and Agencies	Local Councils	Non-Public Authorities
Primary Concern	Reporting consistency, evaluation frameworks and measuring statewide outcomes	Practical implementation, resource constraints and reporting burden	Evaluation methods and alignment to organisational priorities
Approach to Outcome Measurement	Strong support for formal outcome frameworks, common indicators and quantitative measures	Supportive of outcome reporting but concerned about capability, resources and baseline data required to measure outcomes meaningfully	Focused on evaluation frameworks and guidance to support outcome measurement
Action Categories	Sought broader and more sophisticated action classifications to reflect diverse agency activities	Requested additional categories and greater flexibility to align with local government functions and services	Less concern with categories, provided existing reporting requirements remain flexible
Reporting Systems	Interested in agency-wide reporting frameworks and integration with enterprise reporting systems	Strong emphasis on aligning reporting with existing council systems and avoiding duplicate reporting	Focused on integrating reporting with existing project and performance management systems
Support Requested from DCJ	Sharing of templates, reporting examples and cross-agency learning opportunities	Practical guidance, training, webinars, outcome measurement tools	Guidance on evaluation methodologies and

Theme	Government Departments and Agencies	Local Councils	Non-Public Authorities
		and feedback on submitted reports	links between actions and outcomes
Administrative Burden	Mentioned but generally less prominent	Significant concern, especially among regional and smaller councils with limited resources	Limited concern raised compared with other sectors

4 Recommendations

The consultation findings indicate strong support for retaining a statewide DIAP reporting process while modernising the framework to better capture outcomes, improve consistency, reduce administrative burden and accommodate varying organisational contexts. The following recommendations seek to address both the areas of consensus and the differing needs expressed by government departments and agencies, local councils and non-public authorities.

4.1 Develop an outcomes-focused reporting framework, with separate reporting fields for activities delivered, outcomes achieved and evidence of impact to support more meaningful assessment of DIAP implementation.

4.2 Establish a statewide outcomes measurement framework, including common outcome domains, indicators and guidance that support consistency and benchmarking while remaining flexible enough to accommodate different organisational contexts and levels of reporting maturity.

4.3 Introduce a tiered reporting model, comprising core reporting requirements for all organisations and optional enhanced reporting elements, such as case studies, community feedback and supporting evidence, for organisations with greater capability and resources.

4.4 Introduce a more comprehensive and flexible action taxonomy, including additional categories, improved alignment with DIAP focus areas and the ability to accommodate diverse organisational activities.

4.5 Improve alignment with existing organisational reporting systems, particularly local government Integrated Planning and Reporting frameworks and commonly used reporting platforms, to reduce duplication and administrative burden.

4.6 Develop a contemporary digital reporting solution, with functionality for evidence uploads, progress tracking, reporting automation and future integration with existing organisational systems where feasible.

4.7 Provide practical guidance, training and resources, including outcome measurement tools, reporting examples, webinars and case studies to support more consistent and effective reporting practices.

4.8 Facilitate cross-sector knowledge sharing and continuous improvement, through the publication of good practice examples, statewide insights and opportunities for peer learning.

4.9 Strengthen accountability and feedback mechanisms, including acknowledgement of report submissions, communication of statewide findings and feedback to reporting organisations on emerging trends and opportunities for improvement.

5 Conclusion

The consultation demonstrated strong support for retaining an opt-in statewide DIAP reporting process while modernising the framework to better measure outcomes and impacts for people with disability. Although government departments and agencies, local councils and non-public authorities identified different priorities and challenges, there was broad agreement on the need for clearer outcome reporting, improved action categories, greater consistency and more efficient reporting processes. Collectively, the findings provide a strong foundation for the development of a future reporting framework that balances statewide consistency with flexibility and better demonstrates the contribution of DIAPs to disability inclusion outcomes across NSW.

Communities and Justice

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DOC26/225744

Clr Carol Oataway
Hay Shire Council
PO Box 141
HAY NSW 2711
mail@hay.nsw.gov.au

Dear Mayor Oataway

I am writing to invite Hay Shire Council to support **GambleAware Week 2026**, which will be held from **19 – 25 October 2026**.

GambleAware Week is an annual initiative led by the Office of Responsible Gambling to raise awareness about gambling harm in the NSW community. The week provides an opportunity to increase understanding of gambling harm, encourage conversations about gambling and connect people with information and support.

This year's theme is *Now we see it. Let's talk about it*. The week will focus on reducing the stigma associated with gambling harm by making this often-hidden issue more visible and encouraging open conversations. Developed in collaboration with people with lived experience, the campaign features a powerful 3D representation of gambling harm to build understanding, reduce stigma and encourage people to seek support when they need it.

Hay Shire Council can support GambleAware Week by promoting the campaign, hosting local events and partnering with local community groups and services. A promotional toolkit with campaign resources, social media content and event ideas will be available in late September on the GambleAware website at www.gambleaware.nsw.gov.au.

To receive updates about the campaign or to discuss how your council can get involved, please contact us at info@responsiblegambling.nsw.gov.au. In the meantime, please save the date and begin considering how you will get involved.

We look forward to working with you to prevent and minimise gambling harm in your community.

Yours sincerely



Alison Parkinson
Director, Office of Responsible Gambling

August 2026

Reference: A1014900

Clr Carol Oataway
Mayor
Hay Shire Council

By email: Cr.oataway@hay.nsw.gov.au
cc: DWebb@hay.nsw.gov.au
mail@hay.nsw.gov.au

24 August 2026

Dear Clr Oataway,

Thank you for your Council's engagement with the NSW Grants Commission in order to support the allocation of the Commonwealth Government's Federal Assistance Grants. As the Chair of the NSW Local Government Grants Commission's (Commission), alongside the Deputy Chair and Commissioners, we appreciate the local government sector's commitment to preserving the integrity of this important grant allocation process.

In accordance with our policy of providing information to councils about the way the Commission calculates financial assistance grants (FA Grants), please find attached a summary of Council's 2026-27 estimated FA Grants entitlement (**Appendix A**).

2026-27 Estimated entitlements

The Federal Government's FA Grants total estimated entitlement for 2026-27 is \$3.62 billion and is made up of \$2.5 billion for the general purpose component (GPC) and \$1.1 billion for the local roads component (LRC). The national estimated entitlement for 2026-27 increased by \$160 million to account for final adjustments to the Consumer Price Index (CPI) and population shares for the year.

The GPC is distributed across the states and territories on a population basis. NSW received 31.09% or \$779 million, which represents a 3.95% increase on last year's final figure.

The LRC is based on a historical formula. NSW's share of the total national road funding is 29%, or \$322 million.

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External factors impacting the GPC pool of funds in NSW

NSW communities and councils continue to be faced with a number of challenges including devastating climate disasters. In 2025, the CPI continued to trend towards previously average levels of about 3.5% to 4%. But further fluctuations cannot be ruled out.

Council's 2026-27 FA Grants estimated entitlement, compared to the 2025-26 final entitlement is as follows:

Hay Shire Council				
Year	General Purpose \$	Local Roads \$	Total \$	
2025-26 final	3,804,678	1,116,288	4,920,966	Change
2026-27 est	4,018,750	1,165,279	5,184,029	5.3%

The NSW Schedule of Payments (**Appendix B**) and the 2026-27 Fact Sheet (**Appendix C**) is also enclosed for Council's information.

Impact of advanced payments

The Commonwealth Government made an early payment of the 2026-27 estimated FA Grant entitlement. In June 2026, all councils were paid 80% of the estimated entitlement for 2026-27 in advance, as calculated at that date. This has resulted in the quarterly instalments for 2026-27 being reduced and will be paid in quarterly instalments in August 2026, November 2026, February 2027 and May 2027.

The Commission continues to be concerned about the unpredictability that the practice of advance payments creates. Long-term and annual budgeting forecasts are subject to changes, and annual financial reporting can often be skewed. Councils are advised not to rely on either the availability of future advance payments or the value of those advances if received.

Challenges in fairly distributing the GPC funds

As councils will be aware, the Commission is required to adhere to the National Principles which mandate a per capita payment based on population growth/decline. This inhibits the full application of the Horizontal Fiscal Equalisation (HFE) Principle to distribute the grants based on greatest relative need. It is also the policy of the NSW Government to explore opportunities to direct grants to communities with the greatest relative need. The Commission has had regard to these policies in allocating the grants.

Maintaining the annual negative floor on the GPC

The Commission has maintained the negative floor in 2026-27. It not sustainable to protect those councils with greatest relative advantage. The negative floor is essential to

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distribute the GPC more fairly, allowing greater application of the HFE, consistent with the National Principles and NSW policy.

There is no guarantee that a council will receive an increased FA Grant each year. There are a number of changing variables, including a council's changing measure of relative disadvantage compared to the state average measure and the size of the total FA Grant pool.

Commission's review of the allocation methodology

The Commission is currently reviewing the methodology used to allocate the FA Grant for the 2027-28 financial year and subsequent years.

To support its review, the Commission will conduct a series of stakeholder consultation sessions, both in person in Sydney and Regional locations, and online via webinar. These sessions will outline the proposed methodology and provide councils with an opportunity to offer feedback.

The draft methodology has been developed in accordance with the National Principles and the State Government's Policy of targeting the Financial Assistance Grants, as far as possible, to councils experiencing the greatest relative disadvantage.

Councils are invited to register their interest in attending any of the eight in person sessions commencing early August 2026 via the following link: [NSW Local Government Grants Commission, or register for a webinar session:](#)

8 September 2026 – [Register here](#)

16 September 2026 – [Register here](#)

I would ask that this letter please be tabled at the next Council meeting.

If you have any questions concerning these matters, please contact the Commissions Secretariat on (02) 4428 4142 or grantscommission@olg.nsw.gov.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Linda Scott".

Linda Scott

Chair

Local Government Grants Commission

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Local Government Grants Commission



Enc:

- 2026-27 Council Entitlement
- 2026-27 Fact Sheet
- 2026-27 NSW Schedule of Payments



The Hon Sam Rae MP
Minister for Aged Care and Seniors

Ref No: MS26-000900

Mayor Carol Oataway
Hay Shire Council
mail@hay.nsw.gov.au

Dear Mayor

I write to advise you of the Australian Government's decision to extend Commonwealth Home Support Program (CHSP) grant agreements by a further two years, to 30 June 2029.

In many communities just like yours, local government plays an essential role in the delivery of aged care services to older Australians. The CHSP, in particular, is valued as the entry point to aged care for many older people, providing supports like cleaning, shopping, meals, transport and home maintenance.

By extending CHSP grant agreements, our government is offering certainty to providers, including local governments such as the Hay Shire Council, to continue offering these important services to the older people who rely upon them to live at home for longer.

The two-year grant extension will be conducted under the existing Grant Opportunity Guidelines to ensure that agreements can be offered and executed by 30 June 2027. Local government providers will receive an "Invitation to Apply" by December 2026 to confirm their intent to continue serving the needs of their older residents from July 2027 onwards.

As Minister, it is my expectation and I believe the expectation of residents, that where local governments are involved in the provision of aged care services through the CHSP that this service provision will continue on an ongoing basis.

Our government believes the CHSP should remain a standalone program— rather than being rolled into Support at Home— and we will use this extension to strengthen the program so it better delivers for older Australians, with consultation on this to begin later this year. This consultation will include how block funding can be continued, ensuring fair and equitable contributions to the costs of home care and how early intervention services can reduce pressure across the system. We encourage you to participate in this consultation process, with further information to be made available via the Department of Health, Disability and Ageing shortly.

Older Australians deserve continuity and certainty in the services they rely on and I look forward to confirmation from you of the Hay Shire Council's continued engagement in aged care service delivery.

Yours sincerely

Sam Rae

25 August 2026

24 August 2026

FAO: The General Manager

Dear General Manager

Inherent conflicts of interest where council has multiple roles in relation to property

The NSW Ombudsman has developed guidance to help manage the inherent conflicts of interest that arise when councils undertake multiple roles in relation to property.

This issue was surfaced in our recent investigation into Lane Cove Council. It had earlier been considered in an investigation into Broken Hill City Council. We are sharing the lessons from these matters and our broader work with all councils to help them avoid maladministration in similar situations.

It is important that all councils remain alert to the risks present when undertaking concurrent roles in relation to property. We encourage you to actively consider this and take steps to manage the conflicts of interest that arise in these situations.

You can access guidance and information here:

- **Guidance note:** [Lessons for councils when regulating their own property developments](#)
- **2026 Report:** [Investigation into enforcement of fire safety obligations at a residential building in Lane Cove](#)
- **2020 Report:** [An inherent conflict of interest: councils as developer and regulator](#) (includes Broken Hill City Council investigation report)

The Environmental Planning and Assessment Regulation 2021 (**EPA Regulation**), which includes a requirement for all councils to adopt and apply a policy on conflicts of interest in council-related development, should also be adhered to along with relevant guidelines issued by government agencies and departments.

Yours sincerely



Chantal Snell
Senior Deputy Ombudsman - People, Performance & Sector Improvement
NSW Ombudsman

David Webb

From: David Reynolds - Chief Executive LGNSW <lgnsw@lgnsw.org.au>
Sent: Friday, 14 August 2026 4:48 PM
To: David Webb
Subject: Legal Opinion: Meeting Regulation 2026 – Briefing before meetings

Follow Up Flag: Follow up
Flag Status: Flagged



MEMBER MESSAGE

Legal opinion: Local Government (General) Amendment (Meetings) Regulation 2026 – Briefings before meetings

Dear Mr Webb,

As you know, the *Local Government (General) Amendment (Meetings) Regulation 2026* (Amendment Regulation) was made on 25 June 2026 and commenced operation on 26 June 2026. The Amendment Regulation amended Part 10 [Meetings] of the **Local Government (General) Regulation 2021** (LG Regulation) to secure some of the policy objectives of the *Local Government (General) Amendment (Model Code of Meeting Practice) Regulation 2025* (which was disallowed by the Legislative Council on 26 May 2026).

The amendments prevail over any inconsistent provisions contained in the prevailing Model Code of Meeting Practice or a council's code of meeting practice (any inconsistent provisions are void and of no effect).

One of the amendments, a new section, which bans briefings before council meetings, is causing a high level of confusion and concern for members. LGNSW has obtained a legal opinion from Mr Arthur Moses (Senior Counsel) in relation to this section. [Read full advice notice >](#)

The legal opinion provides some clarity on the scope and effect of section 236A. For example, Mr Moses advises that the section does not prohibit every meeting that may occur between councillors and staff, or at which councillors and staff both happen to be present, where a matter is discussed that is or will be listed on the agenda for a council meeting. A public forum, a community consultation or a party meeting at which an officer (staff member) happens to be present is not, without more, a "meeting with council staff".

Further, Mr Moses advises that: *“A councillor cannot contravene s 236A(1) merely by discussing with staff a subject which is capable of coming before the council one day. Almost every subject of council business is capable of doing so, and a construction to that effect would make the ordinary discharge of the office impossible. But a councillor who meets staff about a matter which he or she knows is being prepared for report to a particular meeting is at risk, and the absence of a published agenda will not assist.”*

At paragraph 2.21 of the legal opinion, Mr Moses provides the following summary of what is likely to be caught, not caught, and what remains doubtful (subject to the facts):

- **Caught:** a pre-meeting briefing session however described, including one styled as a workshop, seminar or information session, at which staff take councillors through business destined for the agenda; a meeting requested by a councillor with the general manager or a director to discuss such an item; a site inspection arranged with staff to discuss a development application listed or to be listed.
- **Not caught:** a public forum conducted under Part 4 of a council's code of meeting practice; a community consultation or public information session open to the public; a political party or caucus meeting; a chance encounter; a meeting with staff about a matter that is not, and is not going to be, on an agenda; and the receipt of written information under s 236A(3).
- **Doubtful:** a gathering convened for a general purpose at which an agenda matter is raised incidentally. Mr Moses' view is that such a gathering is not a meeting "to discuss" the matter, and is not caught, but a councillor who allows such a discussion to develop into a briefing in substance is at risk.

It remains unclear whether councillors (except for mayors) can meet with council staff before a council or committee meeting for purposes including the following:

1. fulfilling their Integrated Planning and Reporting (IPR) requirements including holding workshops with council staff to discuss a council's community strategic plan, community engagement strategy, resourcing strategy, delivery program, and operational plan (budget);
2. carrying out their responsibilities under the Guidelines for the Appointment and Oversight of General Managers, including participating in interviews and performance reviews;
3. attending professional development events, conferences and meetings which may be the subject of attendance reports to council meetings.

LGNSW is seeking further clarification from the Minister and/or OLG on the above.

Should you have any further questions regarding this matter, please contact Michael Chillari, Legal Officer, at michael.chillari@lgnsw.org.au.

Kind regards,

David Reynolds

Chief Executive, LGNSW

David Webb

From: Ann Edwards <Ann.Edwards@portstephens.nsw.gov.au> on behalf of Tim Crosdale <Tim.Crosdale@portstephens.nsw.gov.au>
Sent: Thursday, 10 September 2026 3:51 PM
To: nswcouncils@olg.nsw.gov.au
Subject: Local Government (General) Amendment (Meetings) Regulation 2026
Attachments: Council resolution 25 August 2026.pdf

ATTN: General Manager

Dear Sir/Madam

Re: Local Government (General) Amendment (Meetings) Regulation 2026

Port Stephens Council, at its meeting held on 25 August 2026, unanimously passed a resolution concerning the current Local Government (General) Amendment (Meetings) Regulation 2026 and the restrictions imposed on councils regarding interacting with the General Manager and council officers. Council resolved that:

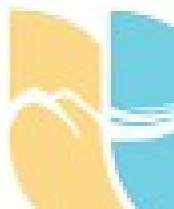
- 1) *Notes the changes by the State Government, that could restrict Councillors from directly communicating with council staff regarding matters that are listed on Council meeting agendas or may be listed on future meeting agendas.*
- 2) *Recognises that these restrictions could limit Councillor's ability to undertake appropriate due diligence, and asks the General Manager to seek clarification to help Council fully understand how the changes might impact Council's ability to properly consider the implications of reports and recommendations before making decisions on behalf of their communities.*
- 3) *Acknowledges that informed decision-making is a fundamental responsibility of elected representatives and that restricting access to factual information from council staff may undermine transparency, accountability, and good governance.*
- 4) *Notes that the current arrangements may place Councillors across New South Wales at a disadvantage by requiring all communication to be filtered through administrative processes, which can delay or limit access to relevant information.*
- 5) *Calls on the NSW Government to review the current provisions governing Councillor and staff interactions to ensure Councillors are able to seek factual information and clarification from appropriate council staff while maintaining clear governance boundaries and avoiding inappropriate direction of staff.*
- 6) *Whilst the review is being undertaken, consider amending the current restrictions on staff and Councillors interactions and briefings.*
- 7) *Requests that the General Manager write to:*
 - *the Minister for Local Government;*
 - *the Shadow Minister for Local Government;*
 - *the President of Local Government NSW; and*
 - *all NSW councils,**seeking support for a review of the current restrictions and advocating for a framework that enables Councillors to fulfil their due diligence obligations through appropriate access to council staff.*

Council is seeking your council's support on calling on the NSW Government to undertake a review of the current provisions governing Councillor and staff interactions to ensure Councillors are able to seek factual information and clarification from appropriate council staff while maintaining clear governance boundaries and avoiding inappropriate direction of staff.

Further to the review, Council is seeking support to have the current restrictions on staff and Councillors interaction and briefings amended whilst the above review is undertaken.

Thank you in advance for your support in writing to the Minister for Local Government and the Shadow Minister for Local Government.

Yours sincerely,



Tim Crosdale
General Manager

p 02 4988 0246 | m 0413 906 606
w portstephens.nsw.gov.au



We acknowledge the Worimi people as the original Custodians and inhabitants of Port Stephens.

We acknowledge and pay respects to Worimi elders past and present. May we walk the road to tomorrow with mutual respect and admiration as we care for the beautiful land and waterways together.
Artwork by Adam Manning.



10 September 2026

Telephone enquiries
Tony Wickham
Governance Section Manager
(02) 4988 0187
Please quote file no: A2004-0284

This email is confidential. Please read our [Email Disclaimer & Privacy Policy](#) before replying.



Amendment to Library Act 1939, Library Rules, and the Library Regulation

Dear Mr David Webb

I am writing to inform you of recent amendments to the Library Act 1939 which will necessitate a change to how your local library rules are cited and made.

The Library Amendment Act 2026 added s10(1)(g) to the Library Act which sets out that local libraries are free to collect and make available library material. This is a welcome amendment which strengthens the ability of libraries to withstand pressure from individuals or groups who may wish to exclude certain material from library collections.

The Act amendment also moves the rule-making power for local councils from the Library Regulation into the Act itself.

Note that the Library Regulation is to be remade and will continue to enable the Library Council of NSW to calculate yearly subsidy payments for local councils, provide for the registration of members of local libraries, set maximum fees, and enable library governing bodies to direct people to leave if they have contravened library rules.

There is no change to the types of rules that local councils may make for their libraries, however councils will need to make some administrative changes in regard to library rules, as outlined below.

Scope of Library Rules

The scope of library rules that may be made is unchanged, as set out in s15(2) of the Library Act 1939.

Rule-making powers

Library rule-making powers for local councils were previously set out in clause 6 of the Library Regulation. These powers are now articulated in s16 of the Library Act 1939, as follows:

16 Rules

(1) The governing body of a library may make rules, not inconsistent with this Act or the regulations, for the library relating to the use of the library and the library services and information services it provides, controls or manages, including about matters specified in section 15(2)(e)–(g), (j), (l) and (n).

(2) The rules—

- (a) must be published on the governing body's website, and
- (b) take effect on the date of publication or a later date specified in the rules.

(3) In this section—

governing body means—

- (a) for the State Library—the Council, or
- (b) for a local library—the local authority providing, controlling or managing the library, either directly or under an agreement or other

arrangement to which the local authority is a party.

Rules previously articulated in the Regulation

Some standard rules previously articulated in clauses 9-16 of the Library Regulation 2018 will not be part of the new Library Regulation 2026.

These include *damaging library material or equipment, noise, proper use of a library, eating and drinking*.

Councils may continue to have these matters regulated by library rules, but must publish them as part of their rules. Suggested wording is attached.

Timing

On 1 September 2026 the Library Regulation 2018 will be repealed and replaced with the Library Regulation 2026.

Councils will have a year from 1 September 2026 to transition.

Further information

Please contact the State Library of NSW's Public Library Services Branch for more information if required.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'C. Butler-Bowdon', with a stylized flourish at the end.

Dr Caroline Butler-Bowdon
State Librarian

cc Library Manager

21 August 2026

Attachment

Suggested wording for library rules that were previously set out in the Library Regulation

Councils may wish to adopt some or all of these rules and publish them as part of their library rules, in accordance with s16 of the *Library Act 1939*.

Certain things must not be taken into a reading room

A person entering a library with any umbrella, bag, case or package, or any photographic or other equipment, must not take it beyond any vestibule of the library except with the consent of the governing body for the library.

Reproduction of library material

(1) The governing body of a library may give notice to users of the library that certain library material of the library is unsuitable for reproduction.

(2) A person must not photograph, photocopy, trace or otherwise reproduce (whether by electronic or digital reproduction) any such library material.

11 Damaging library material or equipment

(1) A person must not damage, deface or improperly interfere with any library material of a library or any equipment provided by a library for the purposes of accessing library material.

(2) For the avoidance of doubt, turning down the page of a book or otherwise causing any printed matter or the like to become creased is damaging library material.

12 Deliberate misplacing or hiding of library material

A person must not wilfully misplace or hide any library material, or any record of the library material, of any library.

13 Noise

A person must not, by speech or otherwise, make any more noise in a library than is reasonably necessary for the use of the library.

14 Proper use of a library

A person must not, without the consent of the governing body for the library, use a library for a purpose other than reading, consulting or borrowing the library material of the library or for any other library service or information service.

15 Eating and drinking prohibited

A person must not eat or drink in a library otherwise than on those parts of the premises set aside for that purpose by the governing body for the library.

16 Animals prohibited

(1) A person must not take an animal into a library or leave an animal in the library unless the person has the consent of the governing body for the library.

(2) This clause does not prohibit a person with a disability from taking an assistance animal into a library.

Directions to leave

Clause 8 of the Library Regulation 2026 enables library staff to direct a person to leave and not re-enter the library for a period of time, as follows:

8 Directions to leave

- (1) A library staff member may direct a person to leave the library and not re-enter the library for a period specified by the staff member if the staff member reasonably believes—
 - (a) the person has contravened the rules for the library, or
 - (b) the person's conduct is likely to—
 - (i) offend a person in the library, or
 - (ii) interfere with another person's use of the library.
- (2) The period specified by the staff member must not exceed the maximum period determined by the governing body of the library.
- (3) A person given a direction under this section must comply with the direction.
Maximum penalty—2 penalty units.
- (4) In this section—
library staff member means—
 - (a) for the State Library—a member of staff of the Council, or
 - (b) for a local library—a member of staff of the library.

Note that the reasons for asking a person to leave or excluding a person are either rule breaches or *conduct that offends or interferes with another person's use of the library*.

Under the previous Regulation the person's "condition", "manner" and "dress" were listed as possible reasons for exclusion.

These concepts have now been omitted, however libraries may adopt rules which address "condition" and "manner" e.g. codes of conduct which outline acceptable behaviours or being respectful of others, and libraries may also adopt rules around appropriate clothing if appropriate e.g. wearing of shoes or shirts.

25 May 2026

The General Manager
Hay Shire Council
134 Lachlan Street
Hay NSW 2711

mail@hay.nsw.gov.au

Dear Sir/Madam

Re: Notification of addition to the National Trust of Australia (NSW) Register: Oxley Bridges

I am pleased to advise that the above items, located along the Oxley Highway, in Oxley, have been listed on the National Trust of Australia (NSW) Register. The National Trust of Australia (NSW) maintains a Register of landscapes, townscapes, buildings, industrial sites, cemeteries and other items or places which the Trust determines have heritage significance and are worthy of conservation.

The Register lists those buildings, sites, areas and items which, in the Trust's opinion, fall within the following definition:

"Those places which are components of the natural or the cultural environment of New South Wales, that have aesthetic, historical, architectural, archaeological, scientific, or social significance, or other special value for future generations, as well as for the present community."

While the Trust Register has no legal force, it is widely regarded as an authoritative statement on the heritage significance of a place. The purpose of the Register is to alert responsible authorities, property owners and the public to this significance. The listing of a place on our Register and the information contained on the listing card may assist in the decision making process and ultimately the conservation of places and items.

Attached for your information is the listing report for the Oxley Bridges. Should you wish to discuss this listing, please contact our Advocacy Department at advocacy@nationaltrust.com.au

Yours sincerely,



David Burdon
Director, Conservation

NATIONAL TRUST REGISTER LISTING REPORT

CITY/SUBURB/TOWN	NAME OR IDENTIFICATION		ADDRESS OR LOCATION
Oxley	Oxley Bridge No.1 and Oxley Bridge No.2		Approx. 415-520m south west of Oxley Township, Oxley Highway
LGA:	Balranald Shire Council Hay Shire Council	ABORIGINAL NATION:	Muthi Muthi
POSTCODE:	2711	LOT/DP:	Highway 11 (also recognised as B59)
COMMITTEE:	Industrial Heritage Committee	GRID:	Lat: -34° 19' 74.42" Long: 144° 11' 07.23"
AUTHOR:	B. Calvert	LISTING DATE:	29/04/2026

STATEMENT OF SIGNIFICANCE:

Oxley Bridge No.1 and Oxley Bridge No.2 are significant because they were designed and assembled as a wrought iron assembly kit that used bolted, rather than hot riveted connections present in most bridges from that era. They have lasted for over 135 years, reaching an unusual level of longevity considering the simplicity of their construction. The design was drafted by G. H. Royce and Co. and approved by Public Works Department. G. H. Royce and Co. were then employed as contractors for their construction.

The bridges, as wrought iron assembly kit constructions and for using rolled wrought iron joists, are rare in NSW. Rolled wrought iron joists were only manufactured for a short time in the late nineteenth century and the use of which in Australia for this purpose appears to be unusual.

Although major alterations were made to the decks in the early 1980s and various alterations have been made to the abutments over the years, both bridges remain in a state representative of their original 1880s plans and construction. The later additions were suitable for preserving their appearance as wrought iron beam bridges.

DESCRIPTION:

Oxley Bridge No.1 is four spans long and crosses over the Lachlan River at a narrow point on the floodplain. It is the larger of the two bridges, reaching a total length of 36.7 metres. The deck is single lane and has a distance of 5 metres between the kerbs. The bridge consists of five beams mounted on three cross-braced piers with timber and concrete abutments bookending the deck. Each span is 9.1 metres in length.

Oxley Bridge No.2 is two spans long and crosses over Cumbung Creek at a narrow point on the floodplain. It is the smaller of the two bridges, measuring only 19.7 metres. The deck is also single lane and also has a distance of 5 metres between the kerbs. As with Oxley Bridge No.1, it is a

beam bridge mounted on a cross-braced pier with timber and concrete abutments. Although smaller, it has the same general proportions as the Lachlan River equivalent with the spans also coming to a length of 9.1 metres.

Both bridges have had their decks replaced with reinforced concrete. On the underside of the deck, all of the original buckle plates have been replaced with mild steel sheets that are bolted to the top flanges of the beam.

There are five beams below the bridge that are longitudinally arranged and each are spaced approximately 1245 mm apart. The beams are wrought iron rolled joists. These beams are mounted on a transverse rolled wrought iron joist in the position of the headstock, above the pier. The arrangement is fixed together with a connecting plate that bolts the longitudinal beam and the transverse beam at the flanges. The top of the pier is then reinforced with brackets that are bolted together. Below this, the transverse beam is bolted to a pier consisting of three iron screw piles that are embedded into rounded concrete footings. The piles are each braced by replacement mild steel flat bars and wrought iron bracing clips with lightly ornamented cast iron pile caps on top.

The bridge abutments consist of mass concrete headwalls. Most are of modern reinforced concrete, although the eastern end has modern reinforced concrete that abuts onto older mass lime concrete below. The lower, older concrete wall shows pile caps embedded into the wall.

HISTORY:

Agitation for a bridge at Oxley began in the 1870s by local residents. The construction of a crossing over the Lachlan River would reduce time and costs involved in the movement of stock from holdings in southwestern NSW and the benefits of this presented an opportunity for government investment in the region. During the 1880s, transportation lines into the Riverina were being greatly expanded by the NSW government to ensure that produce would continue to be directed toward Sydney markets and away from Melbourne or South Australia. At Hay and Balranald, it had been identified that clearer connections between the 'back country' (areas west of the Lachlan River) were part of the solution to avoid homesteads sending their wool and livestock south. As outlined in an article at the time:

It is not to be supposed that owners of the above-mentioned properties will forward and pay carriage for their wool etc. to Balranald, which, is about 60 miles from Oxley, and then, bring it up stream to Hay, a distance of 280 or 300 miles, when they could, if government would only carry out their part of the contract, send it to Maude direct, distant only 25 miles from Oxley, thence to be shipped by boat to Hay; and as it is of the utmost importance to the merchants of Sydney, if they think the trade of the back country worth having, instead of letting it go, as it does now, to Melbourne, they should urge upon the Government the necessity of commencing the Oxley bridge with as little delay as possible in order that it may be open for traffic at the same time as the railway, this giving us a direct route through Oxley to Maude.¹

Shortly thereafter, the Main Roads Branch of the Public Works Department undertook the construction of two iron beam and buckle plate bridges at Oxley. The contractors for the bridges were G. H. Royce and Co. These contractors were also responsible for the construction of several other bridges in Australia. Separating themselves from other providers, they sold a kit-bridge system developed by the Horsely Company located in England. The Horsely Company had a

¹ The Hay Standard and Advertiser for Balranald, Wentworth, Maude, *Correspondence*, 9 June 1880, p.2.

history of developing bridges for canals and railways.² The Bridges were officially opened in 1883.³

In 1932, the New South Wales Department of Main Roads was established, taking up responsibility for the maintenance of bridges and other road structures that were not otherwise maintained by local councils. The first program of works undertaken by the Department of Main Roads at Oxley was in 1940. These works saw the installation of a lime mortar concrete wall to the eastern abutment of Oxley Bridge No.1. During the early 1970s there was also additional work

done to deck of the bridge, which saw a concrete kerb and new handrails installed, likely as a response to growing motor vehicle traffic. By 1972, the bridge decks consisted of buckle plates topped with fine gravel and finished with a bitumen surface.

By 1979, inspections, undertaken by the Main Roads Department, had identified that both bridges had failing elements. The condition of the buckle plates was notably poor. Several options were considered for the decking of the structure, including the installation of additional mild steel beams to act as underbracing, however, it was ultimately determined that the most effective way of maintaining the structure was to replace the entire deck with a new reinforced concrete design. The design was prepared by J. E. Rayment. This work would be undertaken in two stages: first, by reinforcing the strength of the existing piles and then, secondly, by replacing the deck with a new concrete structure. These works appear to have been overseen by Divisional Engineers J. R. M. Macbride and G. Cruishank.

While the works were being undertaken, temporary diversion roads were constructed. Temporary bridging, including earthworks, was undertaken on the north riverbanks. To span the Lachlan River, a Bailey Bridge was employed.⁴

To install new reinforced concrete decking, a number of upgrades to the overall design arrangement of both bridges was required. It was identified that the existing wrought iron columns, while still in good condition, would require reinforcement and that the abutments required strengthening. Immediately prior to undertaking the strengthening works, in September 1980, microscope testing was undertaken to identify whether the columns were weldable. The results of the test determined that the columns were wrought iron.

The method used to reinforce the riverbed columns was to create small sumps around each of the piles and pump out water using compressed air. Riverbed material, including clay and earth from around the lower screw piles was removed by jacking a circular casing into the riverbed and then undertaking airlift excavation to an approximate depth of 1.5 m below ground level. Reinforced concrete piles were then instated around the screw pile columns to strengthen them at the base. Concrete pouring was done using a tremie chute and kibble.

Mimicking the lime mortar encasement of the No.1 bridge's eastern abutment, the other abutment piers were also excavated and encased in modern reinforced concrete. These works occurred in November 1980. Additionally, all iron bracing clips were disassembled and inspected for suitability. It was determined that the iron brace spacers, iron wedges and iron clips were reusable after sand blasting and recoating, however, the iron flat bar sections of the lower braces had undergone too much section loss and required replacing in mild steel.

² The Sydney Morning Herald, *GEO. H. Royce and Co., Engineers, 305 George-Street*, 8 March 1879, p.10.

³ Register of Australian Historic Bridges" by C.Y. O'Connor, published by IEAust/Aust Heritage Commission in 1983.

⁴ Transport, Roads and Traffic Authority File Note 197 118. ⁴

Ibid.

In order to determine whether new plates or new longitudinal beams were required, inspection was undertaken during the removal of the old decking and the condition of the plates and longitudinals was reassessed. It was determined on-site that the original buckle plates and corresponding iron angle bar to which they had been fixed were too severely degraded for reuse.

The iron plates and angle bars were replaced by pressed mild steel equivalents and new mild steel angle bars. It was identified that the longitudinal beams were in a fine enough condition that they could be reused after sandblasting and recoating. To lock the new concrete deck into the existing substructure, studs and stirrups were welded onto the longitudinal beams and set inside the concrete matrix with other reinforcing, effectively locking the deck into the rest of the substructure. These works took place between May 1981 and November 1981.⁴

Since 1981, a number of more minor maintenance works have occurred to the bridges. These include the replacement of the handrail with more modern guard rails that are directly fixed into the deck. More recently, the approaches appear to have been upgraded with ballast and the wingwalls replaced with treated timber and metal flashing.

SITE / LOCATION PLAN:

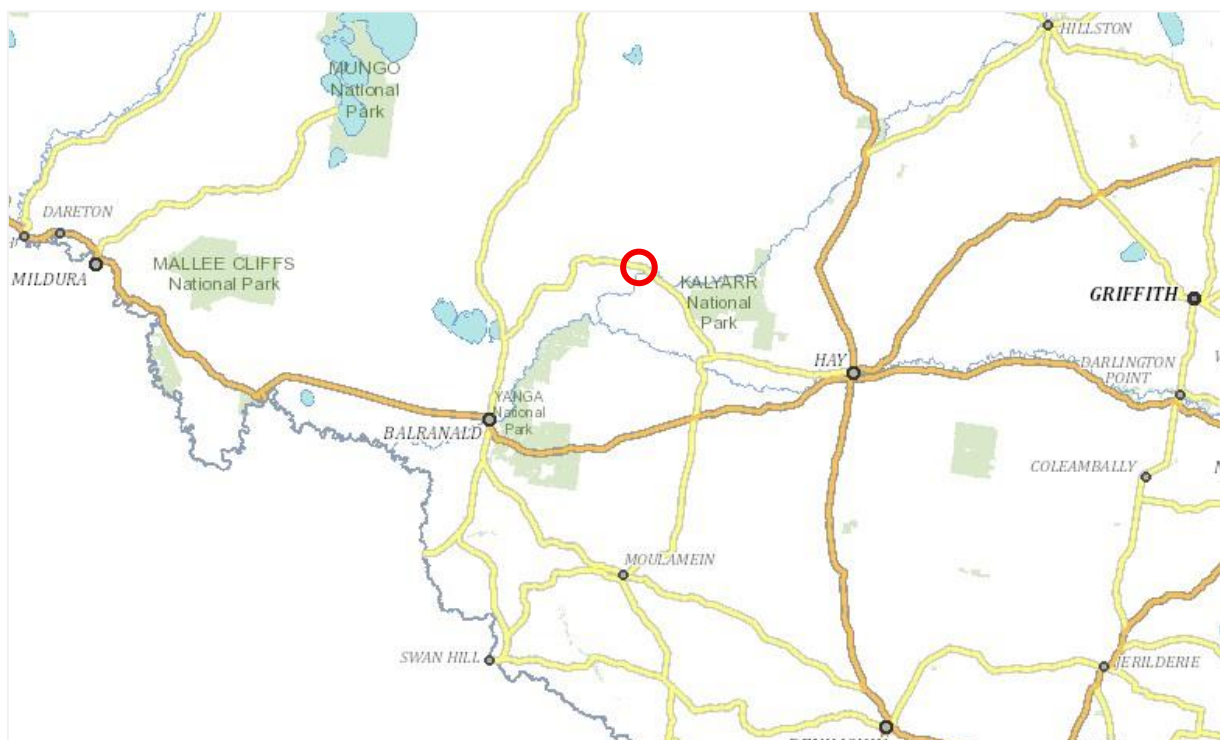


Figure 1: Map showing the location of the Oxley Bridges in southern NSW (source: NSW Planning Portal Spatial Viewer).

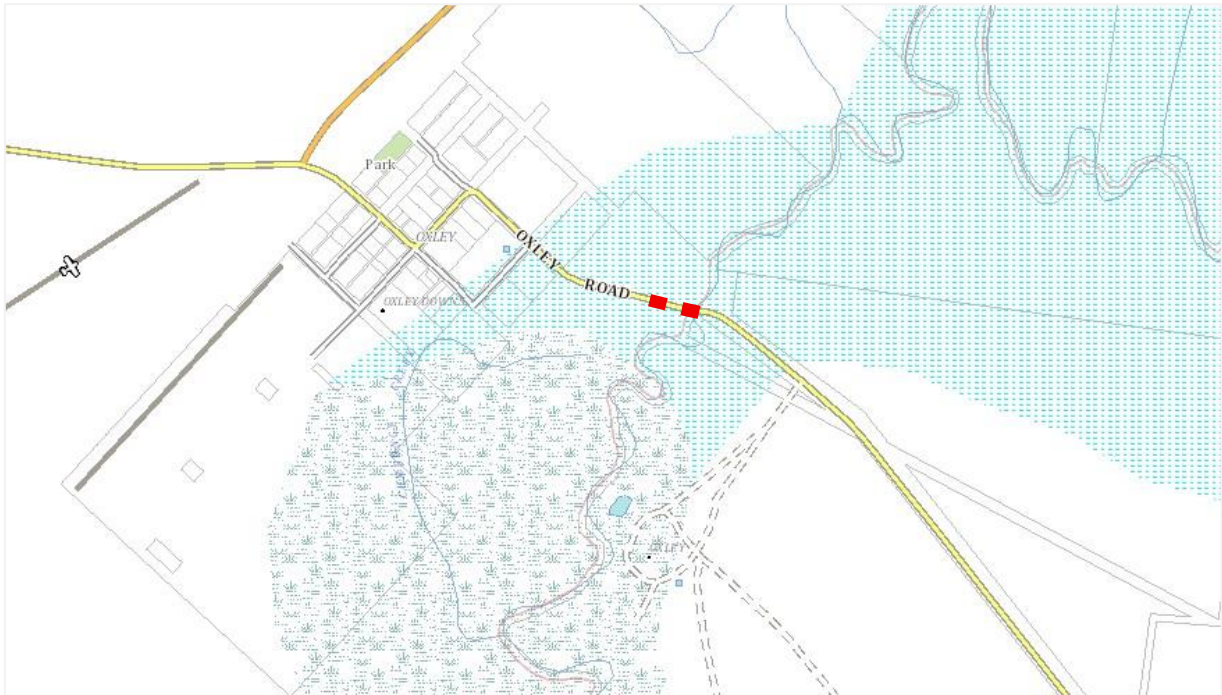


Figure 2: Road Map showing the bridge located in relation to the township of Oxley (source: NSW Planning Portal Spatial Viewer).



Figure 3: Satellite image showing the bridges outlined in red (source: NSW Planning Portal Spatial Viewer).

PLANS / PHOTOGRAPHS:

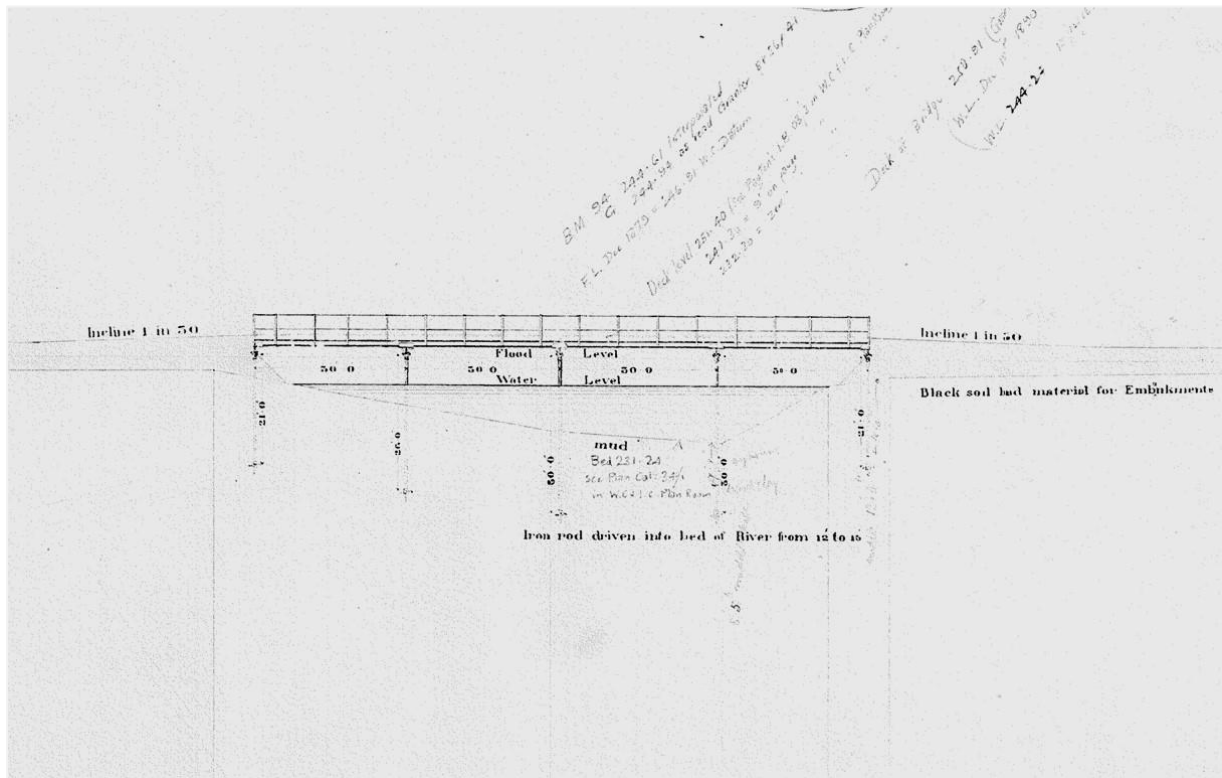


Figure 4: Extract of original plan of Oxley Bridge No.1 (B3335) shown in gradient.

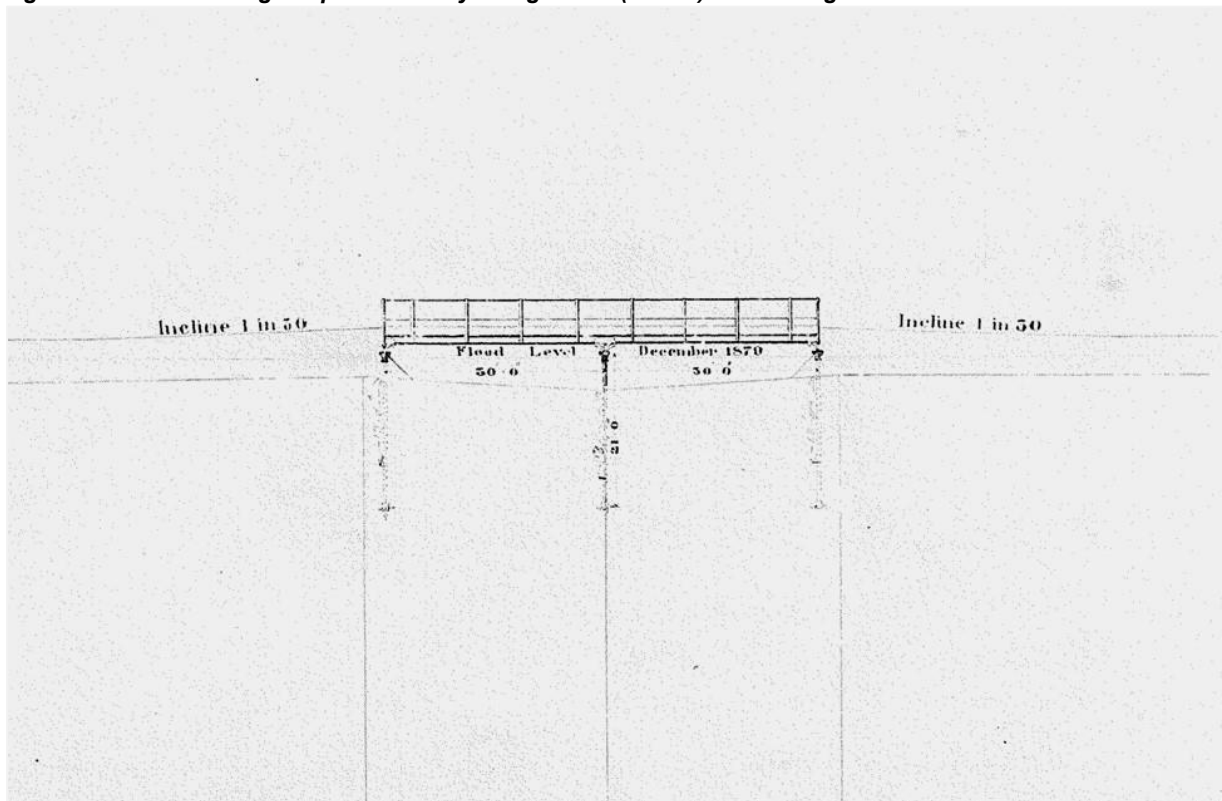


Figure 5: Extract of original plan of Oxley Bridge No.2 (B3336) shown in gradient.

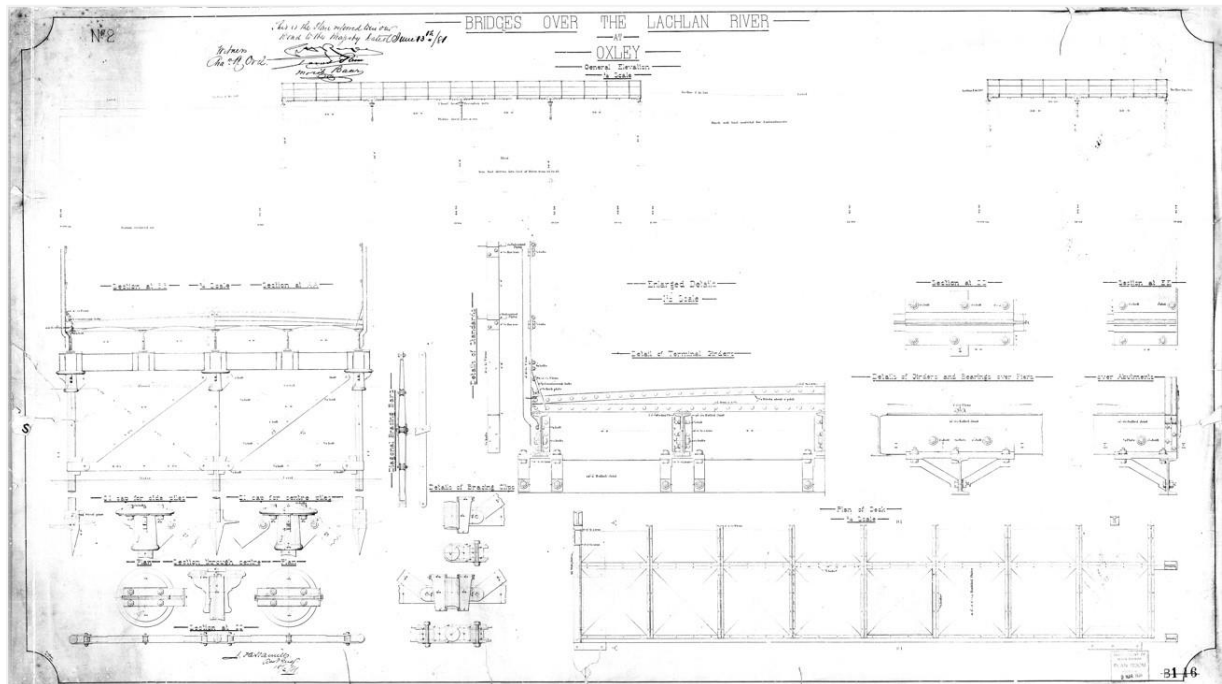


Figure 6: Original bridge designs showing G H Royce & Co. as contractors, with the design approved by the Department of Public Works.



Figure 7: Overview of Oxley Bridge No.1 showing decking, beams and piers.



Figure 8: Rolled wrought iron joists and angle plates used to brace the transverse beam.



Figure 9: Rolled wrought iron joists shown below the deck with mild steel plates bolted to the beam flanges.



Figure 10: Lime mortar concrete headwall on the eastern side of the embankment showing an embedded cast iron pile cap.



Figure 11: Overview of Oxley Bridge No.2 showing rolled wrought iron beams, deck and piers in its setting on Cumbung Creek.



Figure 12: Central pier under the Oxley bridge, showing rolled wrought iron bracing bars and clips. Note, as well, the rolled wrought iron joists and replaced metal sheeting that has been bolted to the flanges.

BIBLIOGRAPHY:

The Riverina Grazier, *The District*, 16 March 1915, p.3.

The Riverine Grazier, *Oxley*, 30 July 1886, p.2.

The Hay Standard and Advertiser for Balranald, Wentworth, Maude, *Correspondence*, 9 June 1880, p.2.

Transport for NSW, Roads and Traffic Authority, File No. 197.118.

David Webb

From: LGNSW Media <media@lgnsw.org.au>
Sent: Friday, 4 September 2026 11:14 AM
To: David Webb
Subject: Councils launch action plan to secure water and sewerage for regional NSW



**MEMBER
MESSAGE**



SECURING OUR WATER SUPPLY

A Growing Crisis, A Shared Responsibility

*Delivering safe, reliable and affordable water and
sewerage services for regional NSW communities.*



Councils launch Action Plan to secure water and sewerage services for regional NSW

Dear Mr Webb,

This morning, LGNSW and the Water Directorate have launched a new Action Plan aimed at securing the provision of safe and affordable water and sewerage services for nearly 2 million people across the State.

"[Securing our Water Supply](#)" aims to strengthen water security, renew ageing infrastructure and support the Local Water Utilities that almost two million people in NSW rely upon.

LGNSW is inviting your council to join us in this important advocacy.

A suite of materials including a copy of the policy document and templates for a notice of motion, a media release and a letter to the Premier and Minister Jackson [are available on the LGNSW website](#).

I strongly encourage you to download the materials, tailor them to the specific challenges and needs of your community and to join us in demanding greater support for councils providing this vital service across the state.

Kind Regards,

Mayor Darcy Byrne
President LGNSW

Media Release

The peak body for NSW councils has today warned that without urgent action the delivery of safe, reliable and affordable water services to nearly 2 million people across the state could be put at risk.

Local Government NSW and the state's Water Directorate have launched a 6 point Regional Water Action Plan which aims to strengthen water security, renew ageing infrastructure and support the Local Water Utilities that almost two million people in NSW rely upon.

LGNSW President Mayor Darcy Byrne said without urgent action NSW risked facing a widespread crisis.

"Access to clean, safe and reliable water is not just an essential service – it's a basic human right," said Mayor Byrne. "Every person in NSW regardless of their postcode should be able to turn on the tap and access safe, clean water.

"It's not an optional extra – it underpins public health, housing, jobs, education, agriculture and every part of life in regional NSW.

"Too many councils are being asked to maintain ageing infrastructure and absorb growing costs without the long-term funding certainty they need.

"Just a few months ago the [NSW Auditor-General found that almost \\$1 billion](#) is urgently needed to keep water infrastructure operational. Broader sector estimates put priority investment needs at about \$5 billion.

"Councils in regional communities simply cannot do this alone and shouldn't be expected to," said Mayor Byrne.

The Executive Officer of the NSW Water Directorate Mr Brendan Guiney said the plan was the result of the joint work they do with LGNSW to advocate for the needs of member local water utilities right across regional NSW and the communities they serve.

"Addressing current risks, and planning for the future of our water supply and wastewater services is a shared responsibility with the State Government," said Mr Guiney.

“Funding and collaboration between all levels of government, Commonwealth, State and Local is vital to regional NSW through the provision of sustainable and affordable water and wastewater services”.

The Regional Water Action Plan was launched with the support of local Mayors.

MidCoast Council Mayor and Water Directorate Committee Executive Cr Claire Pontin said the action plan reflected a shared purpose of the two groups.

“This advocacy from LGNSW and the Water Directorate will ensure that we can speak with one voice when it comes to securing our water supply” said Mayor Pontin.

“Communities across rural, regional and remote NSW will benefit significantly from this much needed attention and action.”

Cr Sharon Cadwallader, Mayor of Ballina Shire, who hosted this week’s LGNSW Water Management Conference, said the action plan was about equitable access and collaboration.

“Regional and rural communities deserve a water and sewerage system that is safe, reliable, sustainable, and fit for the future,” said Mayor Cadwallader.

“This six-point plan recognises that achieving this requires more than just building infrastructure — it requires long-term investment, sensible regulation, a skilled workforce, and stronger collaboration between local water utilities.”

“Councils in the bush are really hurting. They are doing an incredible job under trying circumstances and I call on the State Government to jump on board with this plan to support them in delivering this vital service to their communities.

The “Securing our Water Supply” Action plan calls on the NSW State Government to partner with LGNSW and the Water Directorate to:

1. **Provide capital grant funding of \$5 billion for LWUs for at least a further 10 years;**
2. **Strengthen drinking water quality in rural, regional and remote NSW** including support for LWUs to address emerging contaminants such as PFAS;
3. **Reduce unnecessary regulatory burdens on LWUs in rural, regional and remote NSW** including the NSW Regulatory and Assurance Framework, water utility strategic planning and Section 60 approvals;
4. Implement a complementary Community Service Obligation model for **better targeted, more efficient and predictable funding for councils** that cannot raise sufficient revenue to meet the costs of running their water and sewerage systems;
5. Commit \$4 million per annum to a **Local Water Utilities Alliance program**, enabling utilities to share expertise, access specialist skills, coordinate planning and to respond more effectively to droughts, emergencies and asset management challenges;
6. Commit to a \$15 million, 10-year Regional Water Workforce Development Program to **build a skilled and sustainable regional water workforce** and allocate \$2.5 million over 5 years to create dedicated career pathways for Aboriginal and Torres Strait Islander peoples.

SECURING OUR WATER SUPPLY

A Growing Crisis, A Shared Responsibility

*Delivering safe, reliable and affordable water and
sewerage services for regional NSW communities.*





PRESIDENT'S FOREWORD: THE CHALLENGE

Access to a clean, safe and reliable water supply is not just an essential service – it's a basic human right. Every person in NSW regardless of their postcode should be able to turn on the tap and access safe, clean water. Across regional NSW, Local Water Utilities (LWUs) provide essential drinking water and sewerage services to almost two million people. These services underpin public health, housing delivery, economic development and community wellbeing.

But the sector is under growing pressure from ageing infrastructure, increasing water security risks and uncertainty about future investment.

Beyond public health, a reliable water supply is also essential for businesses and regional growth. Every aspect of life in the regions is reliant on safe and well-managed water resources – primary production, tourism, manufacturing, healthcare and education.



All of this is at risk if urgent action isn't taken to secure our water resources.

Without coordinated action, threats to water security will continue to grow, infrastructure failures will become more likely and housing delivery will face increasing constraints. The NSW economy is at risk of stagnation without investment in essential water and sewerage services, workforce shortages will deepen and regional communities will face increasing inequality in access to water supplies.

We must learn our lessons from the most recent droughts and heed the warning of authorities such as the NSW Auditor General. Regional NSW is not currently in a water crisis, but without action on funding, resilience and long-term planning, we soon will be.

Local Government NSW and the Water Directorate have developed a Regional Water Action Plan to secure the future of water and sewerage services across regional NSW. We are calling on the State Government to partner with us in taking that action and to secure these vital water services for regional communities.



Darcy Byrne

Mayor Darcy Byrne
President LGNSW



THE PROBLEM



Water security risks are increasing, the funding gap is growing and red-tape is causing delay.

Drought, climate variability and growing demand are placing increasing pressure on regional water supplies. Many communities are reliant on single water sources and are served by ageing infrastructure designed for past climatic conditions.

Regional councils own and operate billions of dollars of water and sewerage infrastructure. Many assets are ageing and require renewal or replacement, while construction costs and regulatory obligations continue to rise.



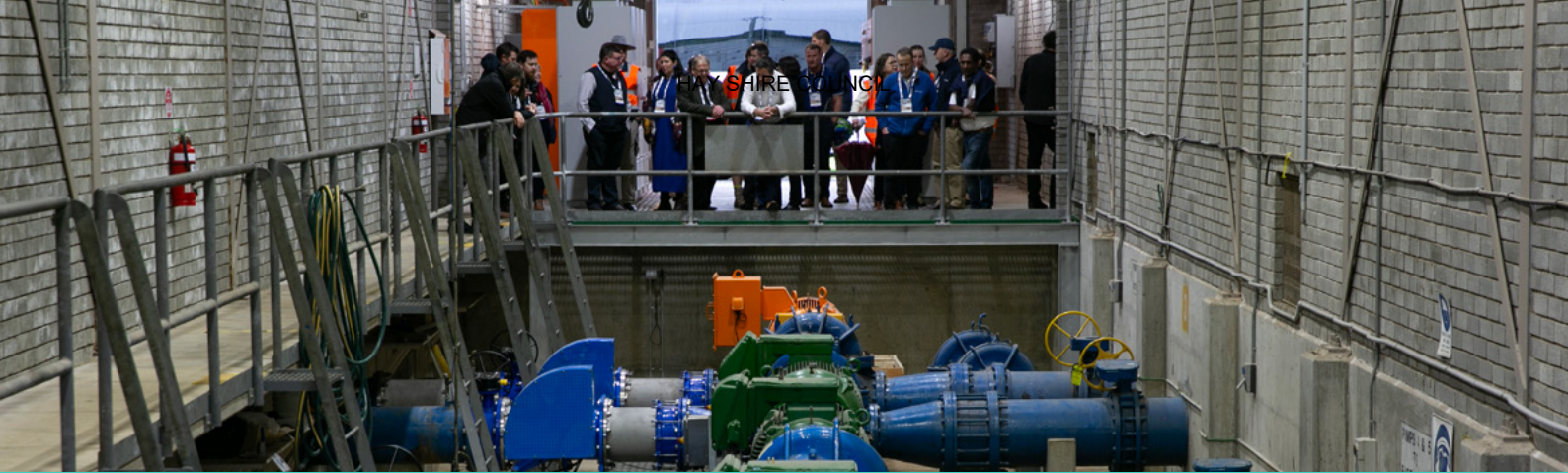
For many local water utilities, costs are growing faster than the capacity to fund them.

As evidenced in the Auditor General's report published in January 2026¹, an urgent investment of at least **\$1 billion is needed to fund the backlog** of water infrastructure programs. Estimates of the broader need for investment paint an even bleaker picture, suggesting that approximately **\$5 billion is required to address priority risks**². Councils simply cannot meet these costs.

In addition the red-tape and administrative burden around water infrastructure planning and approvals continues to delay the delivery of essential water infrastructure for communities across NSW. This burden has been hindering innovative alternative solutions for our treatment, distribution and collection systems in regional NSW.

1. [Local government 2025 | Audit Office of New South Wales](#)

2. [Report: Inquiry on Protecting Local Water Utilities from Privatisation | Parliament of NSW](#)



ACTION PLAN

LGNSW and the Water Directorate are calling on the NSW Government to:

1

Provide capital grant funding of \$5 billion for LWUs for at least a further 10 years.

2

Strengthen drinking water quality in rural, regional and remote NSW including support for LWUs to address emerging contaminants such as PFAS.

3

Reduce unnecessary regulatory burdens on LWUs in rural, regional and remote NSW including the NSW Regulatory and Assurance Framework, water utility strategic planning and Section 60 approvals.

4

Implement a complementary Community Service Obligation model for **better targeted, more efficient and predictable funding for councils** that cannot raise sufficient revenue to meet the costs of running their water and sewerage systems.

5

Commit \$4 million per annum to a **Local Water Utilities Alliance program**, enabling utilities to share expertise, access specialist skills, coordinate planning and to respond more effectively to droughts, emergencies and asset management challenges.

6

Commit to a \$15 million, 10-year Regional Water Workforce Development Program to **build a skilled and sustainable regional water workforce** and allocate \$2.5 million over 5 years to create dedicated career pathways for Aboriginal and Torres Strait Islander peoples.

TEMPLATE LETTER TO NSW PREMIER AND MINISTER FOR WATER

[Date]

The Hon. Chris Minns MP

Premier

By email: kogarah@parliament.nsw.gov.au

The Hon. Rose Jackson MLC

Minister for Water

By email: office@jackson.minister.nsw.gov.au

Dear Premier and Minister

Safe, reliable and affordable water and sewerage services for [XXXXX] Council

I write on behalf of [XXXXX] Council to ask that the NSW Government take urgent action to secure safe, reliable and affordable water and sewerage services for regional and rural NSW.

Our Council provides essential drinking water and sewerage services to [number] residents, protecting public health and supporting housing, local employment, economic development and community wellbeing.

Council faces significant pressures from [ageing infrastructure, water security risks, population growth, skills shortages]. Our priority unfunded or underfunded projects include [project name and brief description], with an estimated investment requirement of [\$ amount].

Without timely investment, the consequences may include [service interruption or failure, drinking water risk, constraints on unlocking proposed dwelling lots or other local development]. Funding would enable Council to [describe the outcome and community benefit].

Local Government NSW and the Water Directorate have developed a policy proposal, *Securing Our Water Supply: Delivering safe, reliable and affordable water and sewerage services for regional communities at risk*, with six key asks of the NSW Government:

1. Provide capital grant funding of \$5 billion for at least a further 10 years.
2. Strengthen drinking water quality in rural, regional and remote NSW including support for LWUs to address emerging contaminants such as PFAS.
3. Reduce unnecessary regulatory burdens on LWUs in rural, regional and remote NSW including the NSW Regulatory and Assurance Framework, water utility strategic planning and Section 60 approvals.

4. Implement a complementary Community Service Obligation model for better targeted, more efficient and predictable funding for councils that cannot raise sufficient revenue to meet the costs of running their water and sewerage systems.
5. Commit \$4 million per annum to a Local Water Utilities Alliance program, enabling utilities to share expertise, access specialist skills, coordinate planning and to respond more effectively to droughts, emergencies and asset management challenges.
6. Commit to a \$15 million, 10-year Regional Water Workforce Development Program to build a skilled and sustainable regional water workforce and allocate \$2.5 million over 5 years to create dedicated career pathways for Aboriginal and Torres Strait Islander peoples.

[XXXXXXX] Council has endorsed this action plan and is calling on the NSW Government to adopt these actions to secure the vital water services for regional and rural communities.

Premier and Minister, I look forward to receiving your response to the action plan and your advice on how the NSW Government will invest in long-term water security needs of regional and rural NSW.

Yours sincerely

[Mayor name]

Mayor

[Council name]

cc: Local Government NSW

Attachment

1. Action Plan: Securing Our Water Supply - Delivering safe, reliable and affordable water and sewerage services for regional communities at risk.

Reference: A1010415

Dear General Manager

I write to you with a short update on the work of the Grants Commission and its review of the methodology used to allocate Financial Assistance Grants for the 2027–28 financial year and subsequent years.

To support its review, the Commission will conduct a series of stakeholder consultation sessions, both in person in Sydney and Regional locations, and online via webinar. These sessions will outline the proposed methodology and provide councils with an opportunity to offer feedback.

The draft methodology has been developed in accordance with the National Principles and the State Government's Policy of targeting the Financial Assistance Grants, as far as possible, to councils experiencing the greatest relative disadvantage.

Councils are invited to register their interest in attending any of the eight in person sessions commencing early August 2026 via the following link: [NSW Local Government Grants Commission](#), or register for a webinar session:

8 September 2026 – [Register here](#)

16 September 2026 – [Register here](#)

Please note that all sessions will present the same information.

The Commission welcomes principle-based written submissions from councils regarding the proposed allocation methodology. Submissions may be sent to grantscommission@olg.nsw.gov.au by 25 September 2026.

Yours sincerely

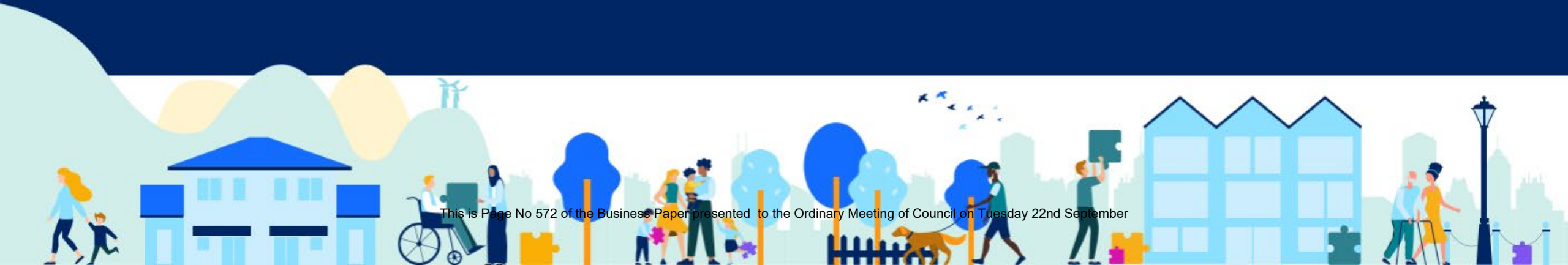


Brett Whitworth
Deputy Chair
Local Government Grants Commission

Local Government Grants Commission

Proposed Methodology Consultation

This is Page No 572 of the Business Paper presented to the Ordinary Meeting of Council on Tuesday 22nd September



Acknowledgement of Country

We acknowledge the Traditional Custodians of the lands, skies and waters across New South Wales and pay respect to Elders past and present.

We honour Aboriginal peoples' ongoing connections to Country, community, culture and knowledge, and we commit to working in partnership to support self-determination.

I also acknowledge and pay my respects to our Aboriginal and Torres Strait Islander people/colleagues joining us today.



Purpose for today

Section	Title
1	Why are we here?
2	Guiding principles and objectives
3	General Grant Methodology
4	Local Roads Component
5	Adjustment to ensure National Principles are addressed
6	Feedback



NSW Commissioners



Linda Scott
Chair



Brett Whitworth PSM
Deputy Chair
(Office of Local Government
Deputy Secretary)



Leanne Barnes
PSM OAM
Commissioner



Jason Hamling
Commissioner

Role of the NSW Commission

The Commission is an independent body.

Makes recommendations, within the legislative parameters, to the Minister for Local Government on the allocation of Financial Assistance Grants to NSW councils

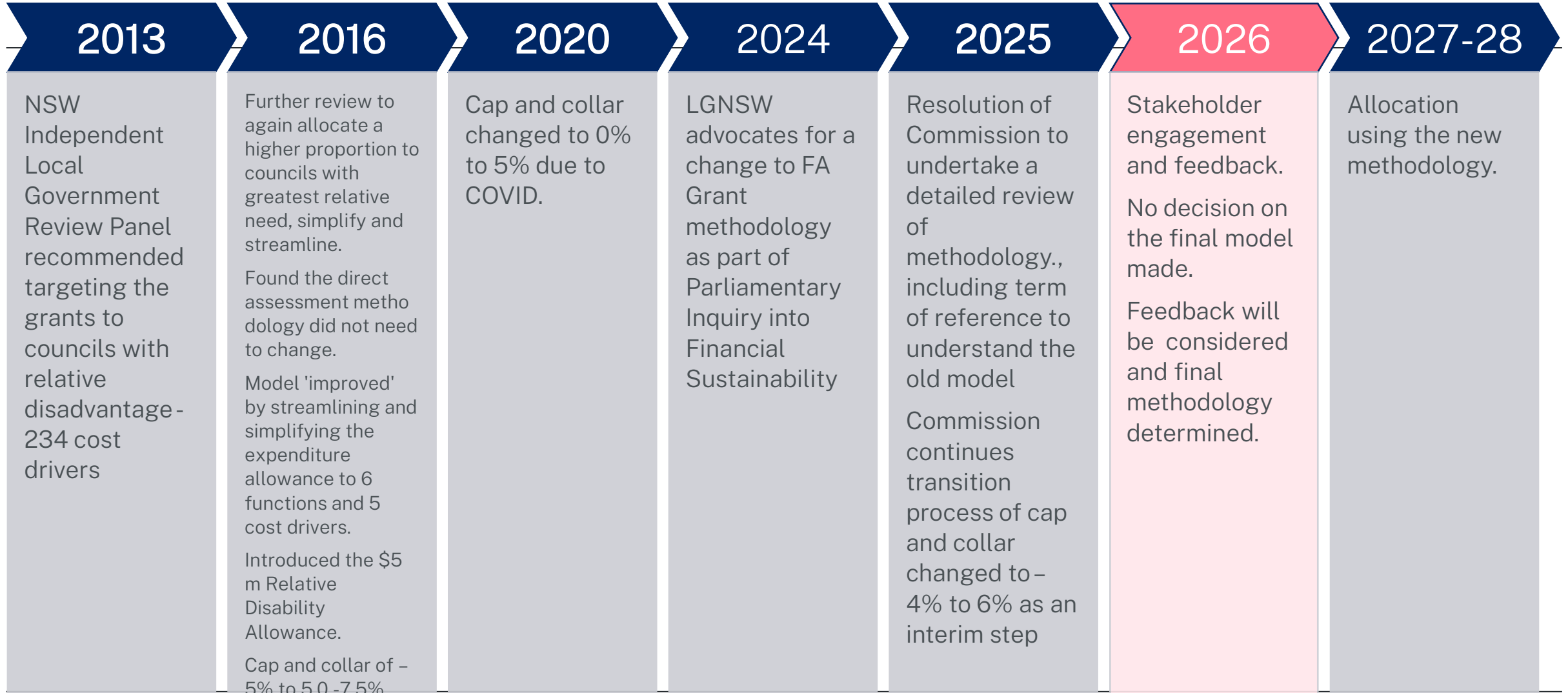
These grants support councils in providing essential services and infrastructure to their communities.



1

Why are we here?

History



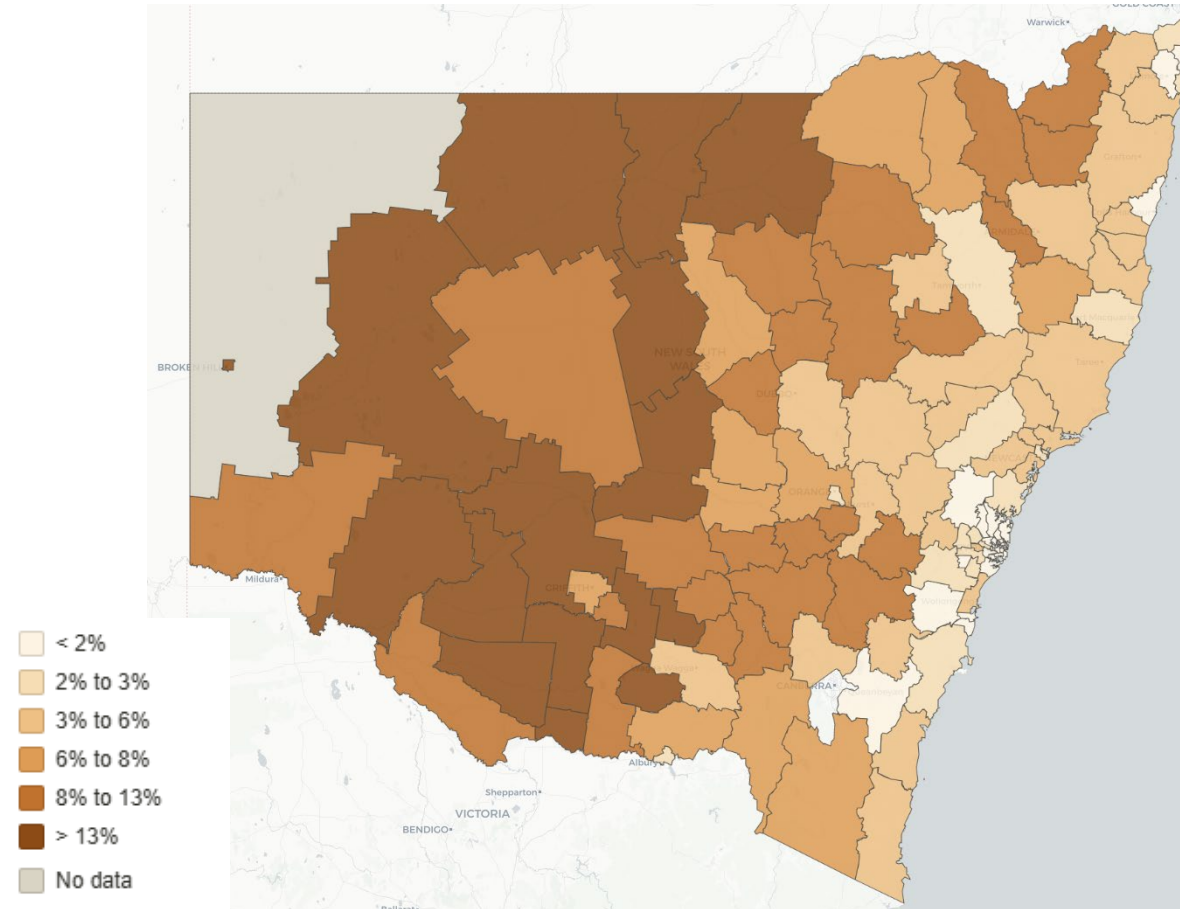
Rationale for the methodology review

- Calculation complexity reduces transparency and limits confidence in equitable allocations
- Data credibility has been eroded across the sector - council provided expenditure allowance and road length data, lacks validation and integrity
- Significant annual variation in costs reported by councils
- Several cost driver data sources - such as rainfall, topography, drainage, and environmental hectares - are outdated or invalid
- Resulting in reduced integrity and confidence in the methodology's effectiveness

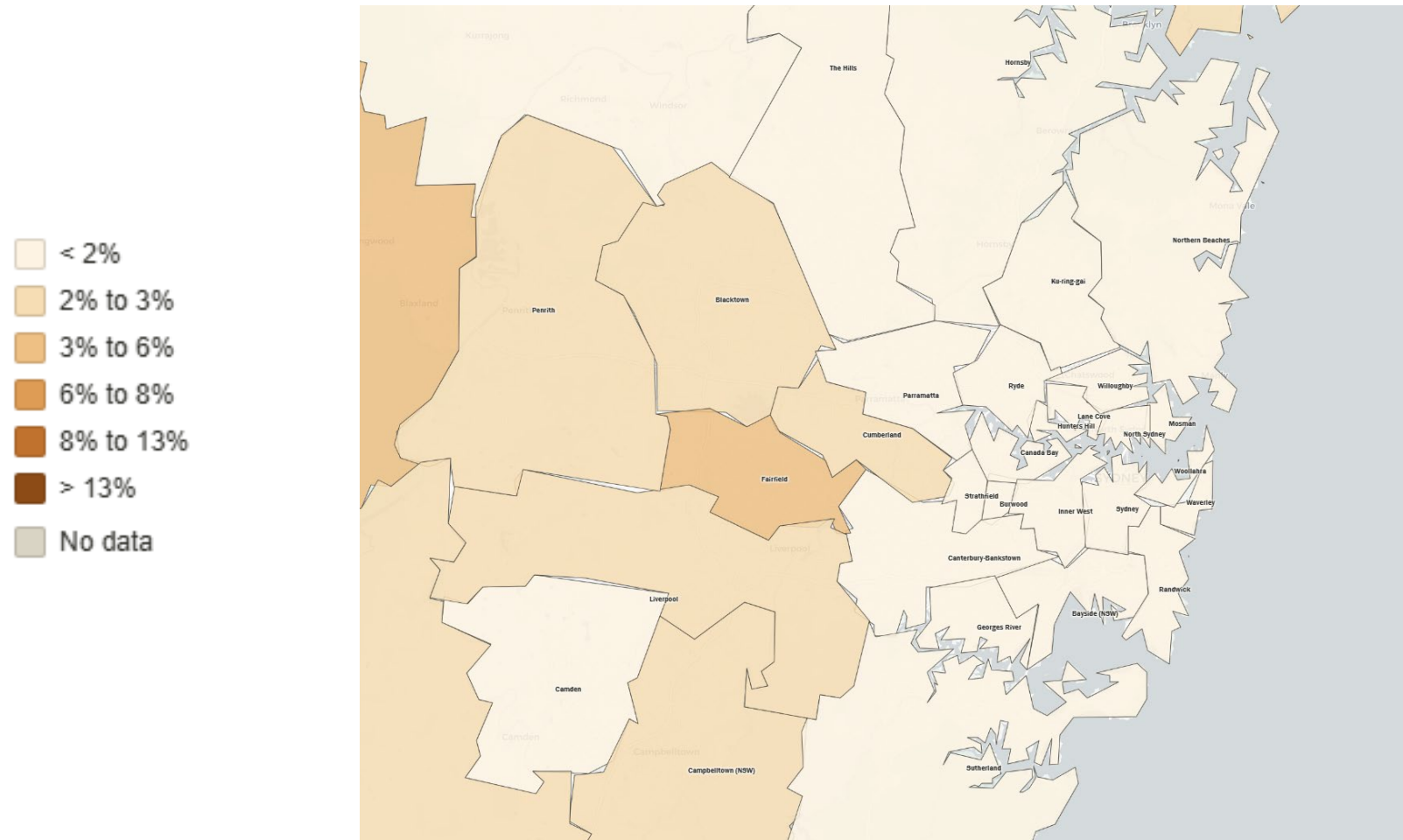


2025-26 allocation

FA Grants as a percentage of income



Metropolitan 2025-26 allocation FA Grants as a % of income



2

Guiding principles and objectives

Legislative Requirements

The Commission operates under the **Commonwealth Local Government (Financial Assistance) Act 1995**, which requires:

Distribution of general purpose and local roads grants to councils.

Allocation based on national principles of equity and need.

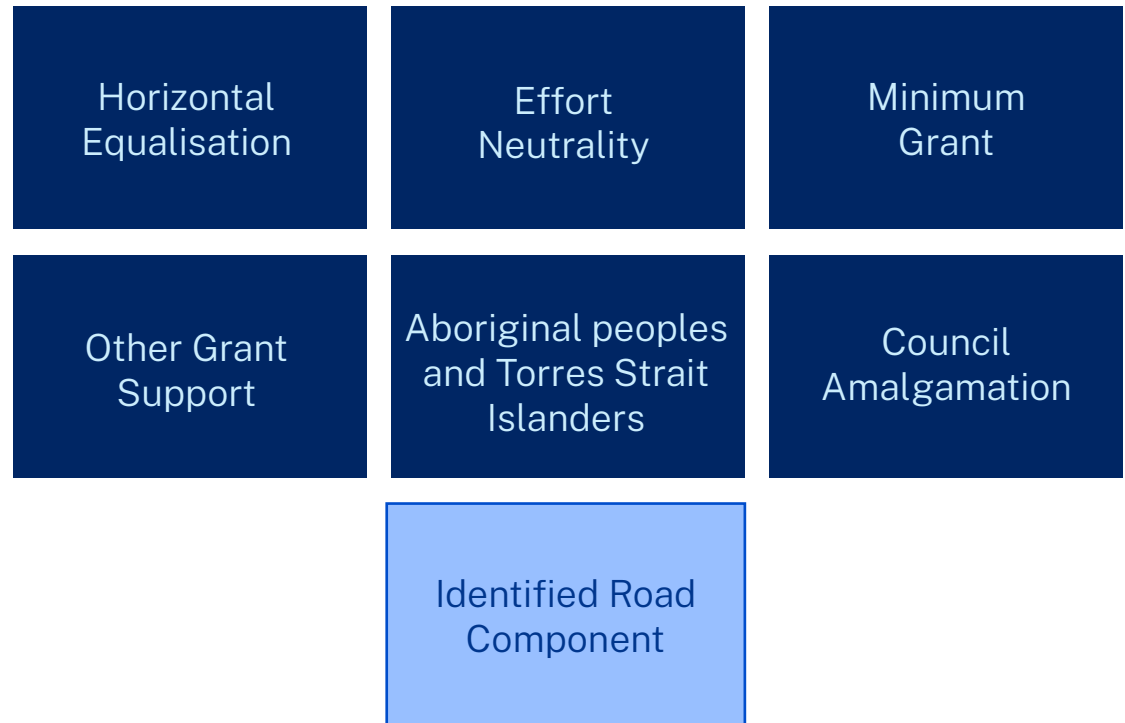
Transparent processes, including consultation with councils and public reporting.

The Objectives

The funding is to assist councils to improve in five areas.



The Commission seeks a more equitable distribution of the FA Grant which must adhere to the Principles.



Federal Legislation

Horizontal Fiscal Equalisation

‘a mechanism designed to ensure that all states and territories have a similar fiscal capacity to deliver services to their residents, regardless of their individual revenue-raising abilities’

Assessing relative needs -
what is council's relative
position based on a basket
of indicators

Role of the minimum per
capita grant

Federal Legislation



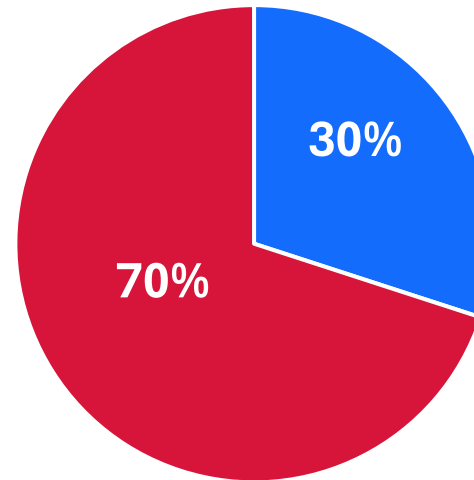
Effort Neutrality

A council's grant is not to be influenced by its policy decisions

NSW Government policy is to allocate funds, as far as possible, to councils with the greatest relative need

Federal Legislation

General Purpose Component Per Capita Minimum Grant



Based on 30% of the General Purpose Component pool divided by the State's population.

Additional objectives of grant methodology 2027-28

Address Commission's objectives:

Objective	Description
Simplicity	Reduce model inputs and only use factors with a material impact.
Reliability	Data is consistent and obtained from trusted sources.
Equalising financial sustainability	Equalising the financial sustainability of councils across the State and reducing financial disparity.

3

Draft Methodology

General Grant Methodology

Current Direct Assessment vs Proposed Balanced Budget

PREVIOUS

Direct assessment is based on assessing the level of advantage or disadvantage in each area of expenditure and revenue and summing these assessments over all areas of expenditure and revenue for all councils



PROPOSED

A balanced budget model is based on making an assessment of each council's costs of providing services and its capacity to raise revenue, including its capacity to obtain other grant assistance.

All other states except SA use balanced budget

The proposed General Purpose grant is implemented in 3 steps

1

Allocate 30% per capita
to *all* councils

2

Assess financial need by
council

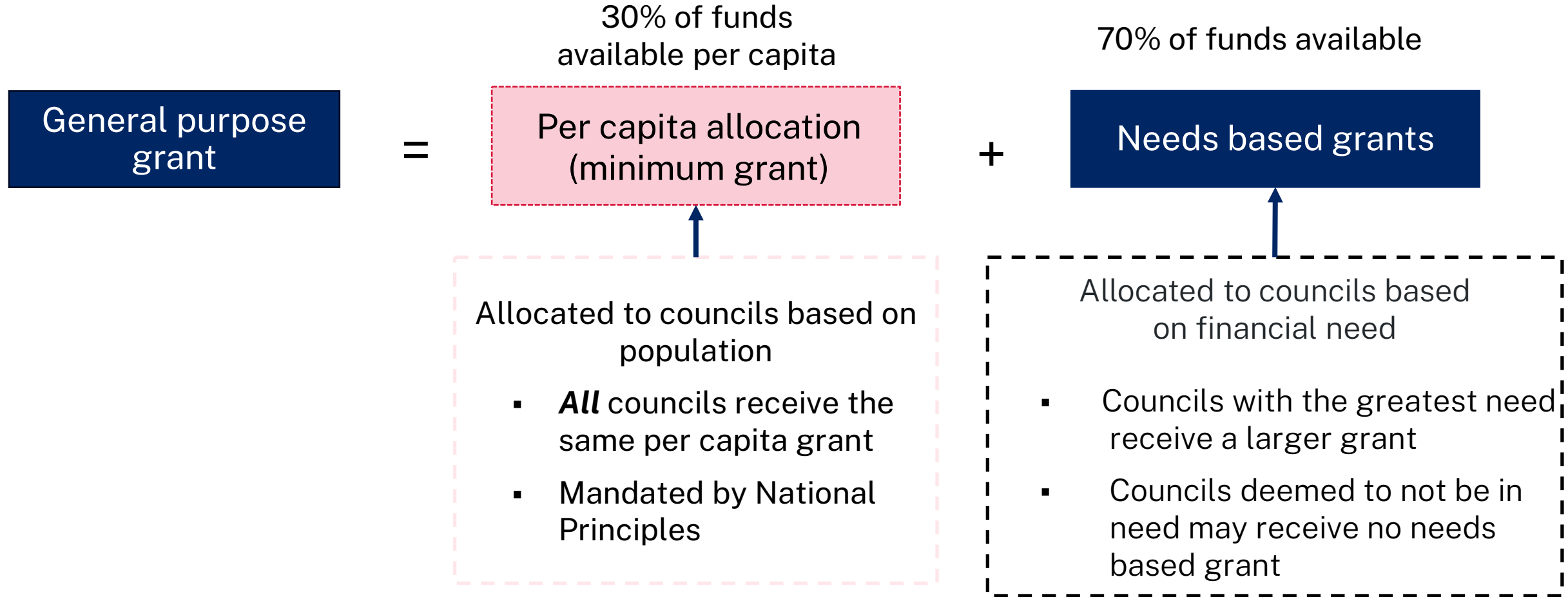
- Estimate *expenditure need* and *revenue capacity* by council
- Calculate financial need by council (expenditure need - revenue capacity)

3

Allocate 70% based on size of
financial need

- financial need $\leq$ weighted average = minimum grant
- financial need $>$ weighted average = minimum grant plus needs based
- *grant allocated proportionally based on size of financial need*

General purpose grant



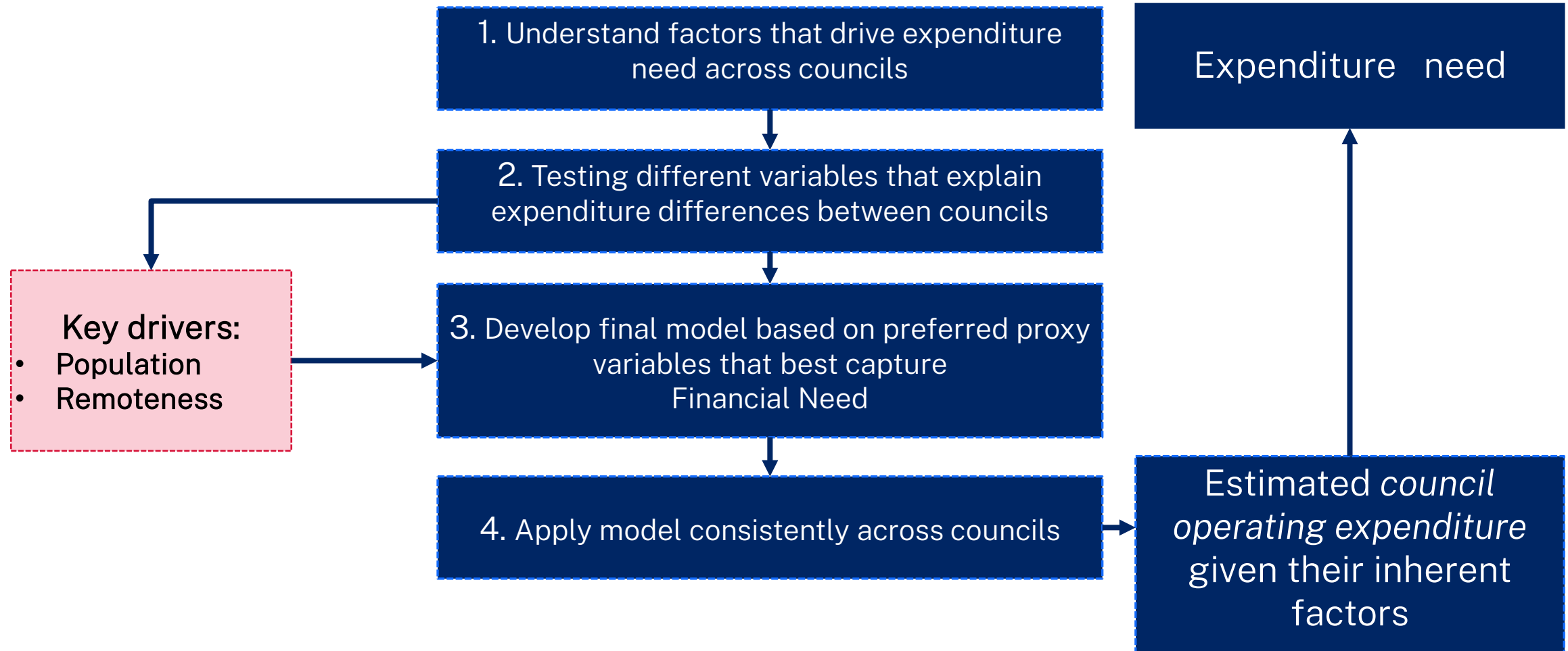
Assess financial need by council



$$\text{Financial need} = \text{Expenditure need} - \text{Revenue raising capacity}$$

Needs based grants allocated on principles of *horizontal equalisation* and *effort neutrality* as defined by the Act

Expenditure need

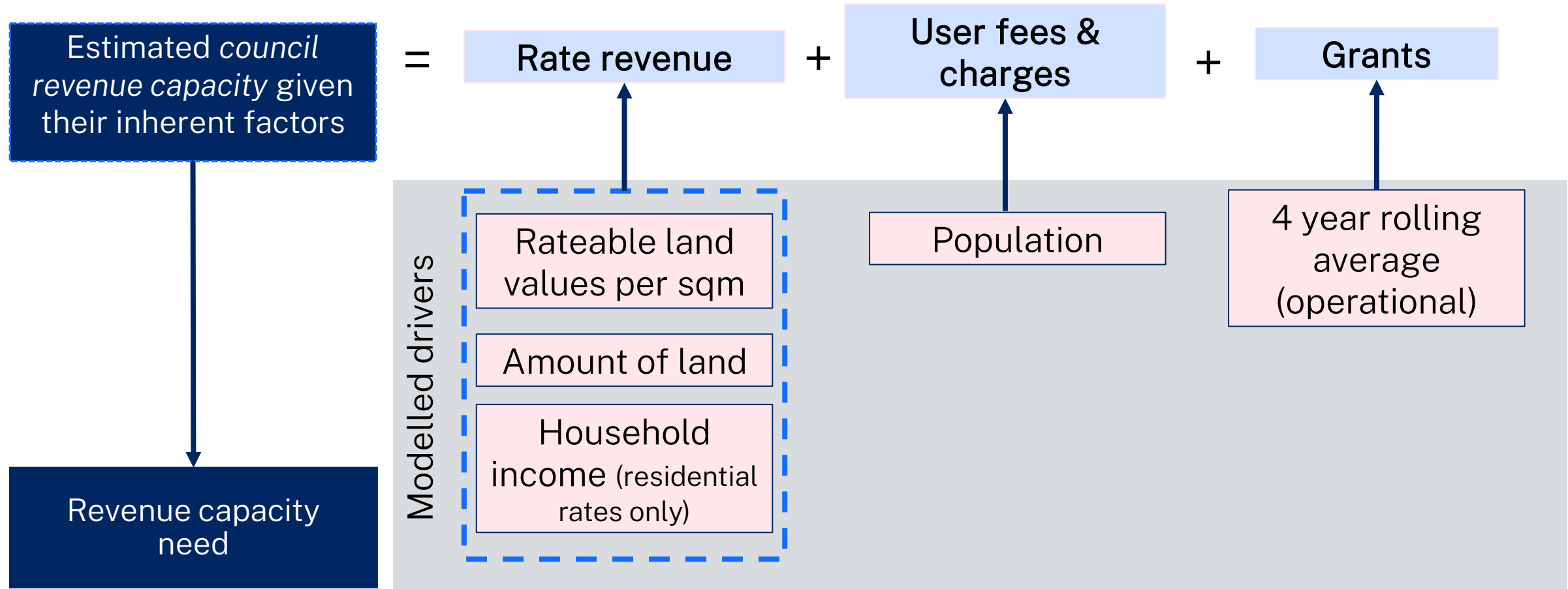


Data sources - General Purpose Component



Data source	
Financial Data Return	Councils must ensure the completed FDR is accurate and a direct reflection of the audited information included in the Financial Statements
Annual Permissible Income Workpapers	Audited rating information including number of rating assessments in each category, notional yield for each category, land valuation for each category
ABS	Nationally consistent, transparent and well-documented – population data and ATSI data
ARIA+ (Accessibility/Remoteness Index of Australia)	ARIA+ is an objective and nationally consistent measure of remoteness in Australia developed by the Australian Centre for Housing Research. It is nationally consistent, transparent, well-documented and enables fair and comparable assessment of remoteness across councils and regions

Revenue capacity



Outcomes of general grant component



Every council receives the minimum grant

Financial need < weighted average need → minimum grant **only**

Financial need > weighted average need → minimum grant **plus** needs based grant in proportion to relative financial need

Larger financial need → **Larger needs based grant**

4

Draft Methodology

Local Roads Component

Local roads component – National Principles



“The identified road component should be allocated ... on the basis of the relative needs of each local governing body for roads expenditure... relevant considerations include length, type and usage of roads in each local governing area.”



Implications:

Allocation should be based on road expenditure need

Allocation, where possible, should use data on length, type and usage of roads

The local roads component is implemented in 3 steps



STEP 1: Establish Cost Index (Rawlinsons)



STEP 2: Identify road need on road network extent and the established cost index



STEP 3: Allocate the grant based on council road expenditure need

Data sources – Local Road Component

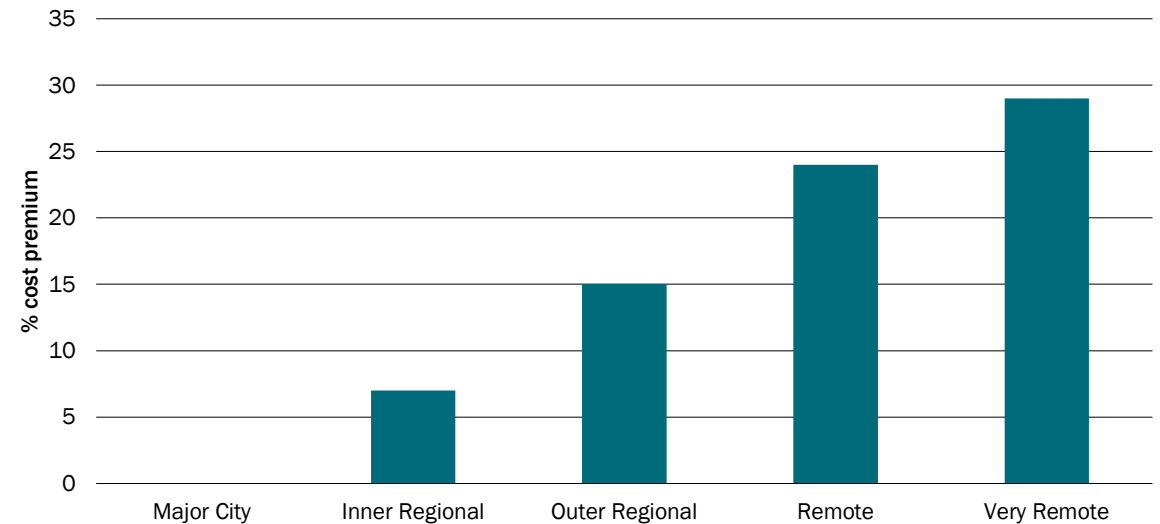


Data source

Rawlinsons Cost Index	Provides accurate building cost data and benchmarking for Australian construction projects
Annual Roads and General Return	Verifiable data provided annually by councils

Step 1: Establish the cost index

- Local roads funding models require metrics of council cost disadvantages.
- Rawlinsons Regional Construction Cost Index, captures that geographic cost disparities that councils face in the operational maintenance of their road network.

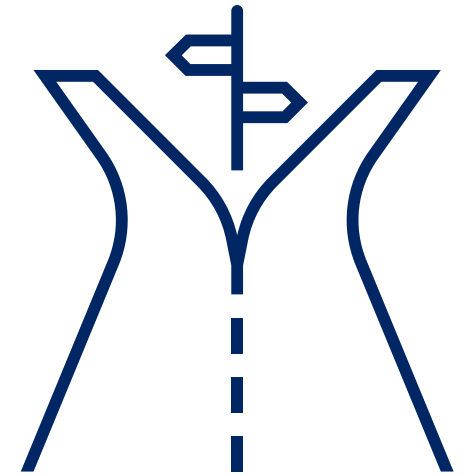


Estimated cost premium according to Rawlinson's Regional Construction Cost Index 2026 for different ABS remoteness categories, relative to major cities (%)

Step 2: Identify road need on road network extent and the established cost index

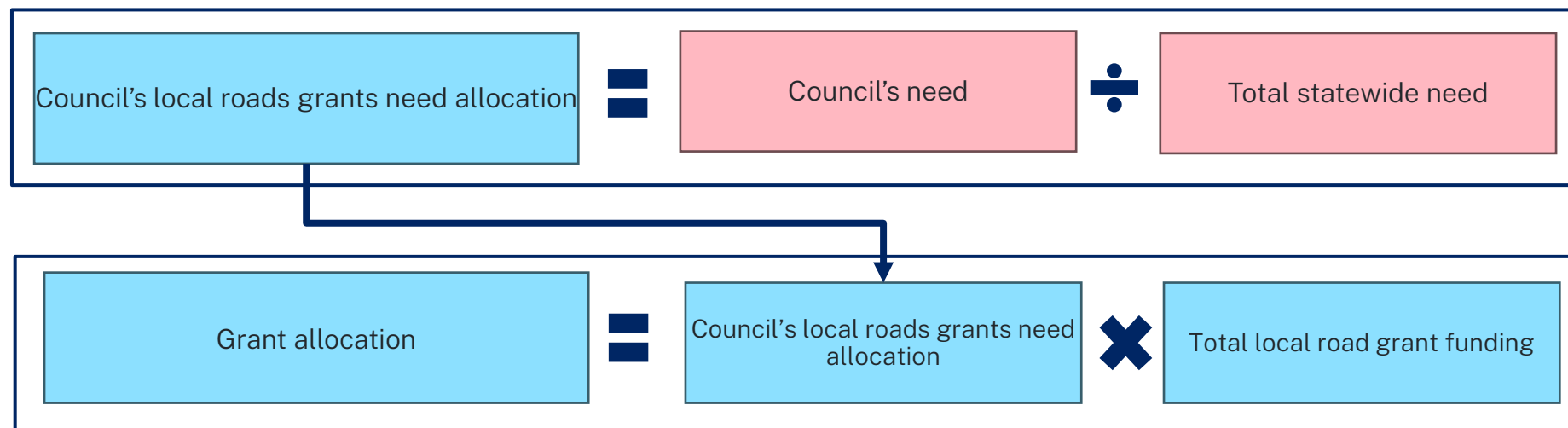
$$\text{Road expenditure need} = \text{Council's road length} \times \text{Estimated Rawlinsons Index for Council's Remoteness Category}$$

- Longer road length = ↑ road expenditure need = ↑ road grant
- Higher cost index = ↑ road expenditure need = ↑ road grant



Step 3: Allocate the grant based on council road expenditure need

Grants are allocated to councils based on a council's road expenditure need as a share of expenditure need across the state:

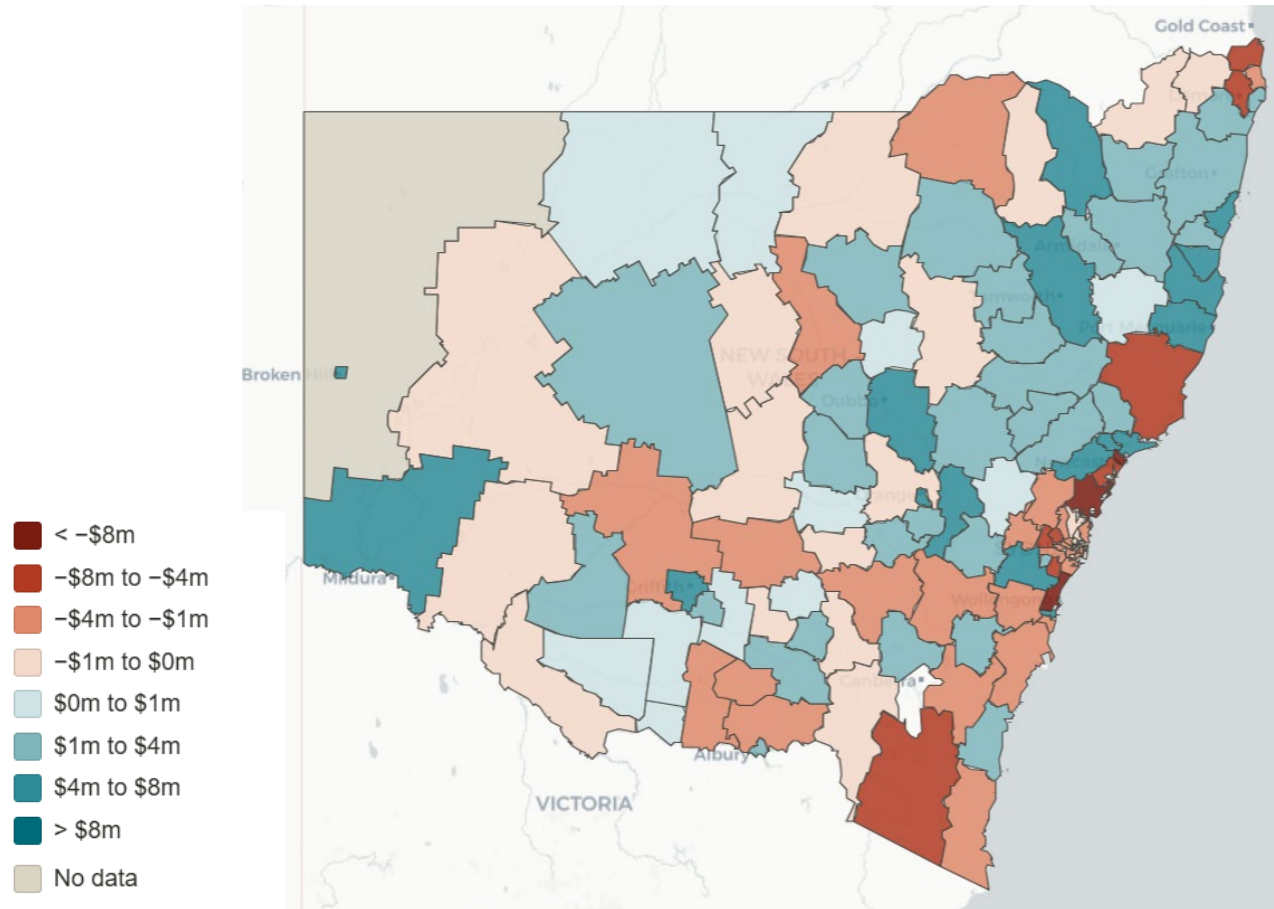


- *Expenditure need is increasing in road length*

5

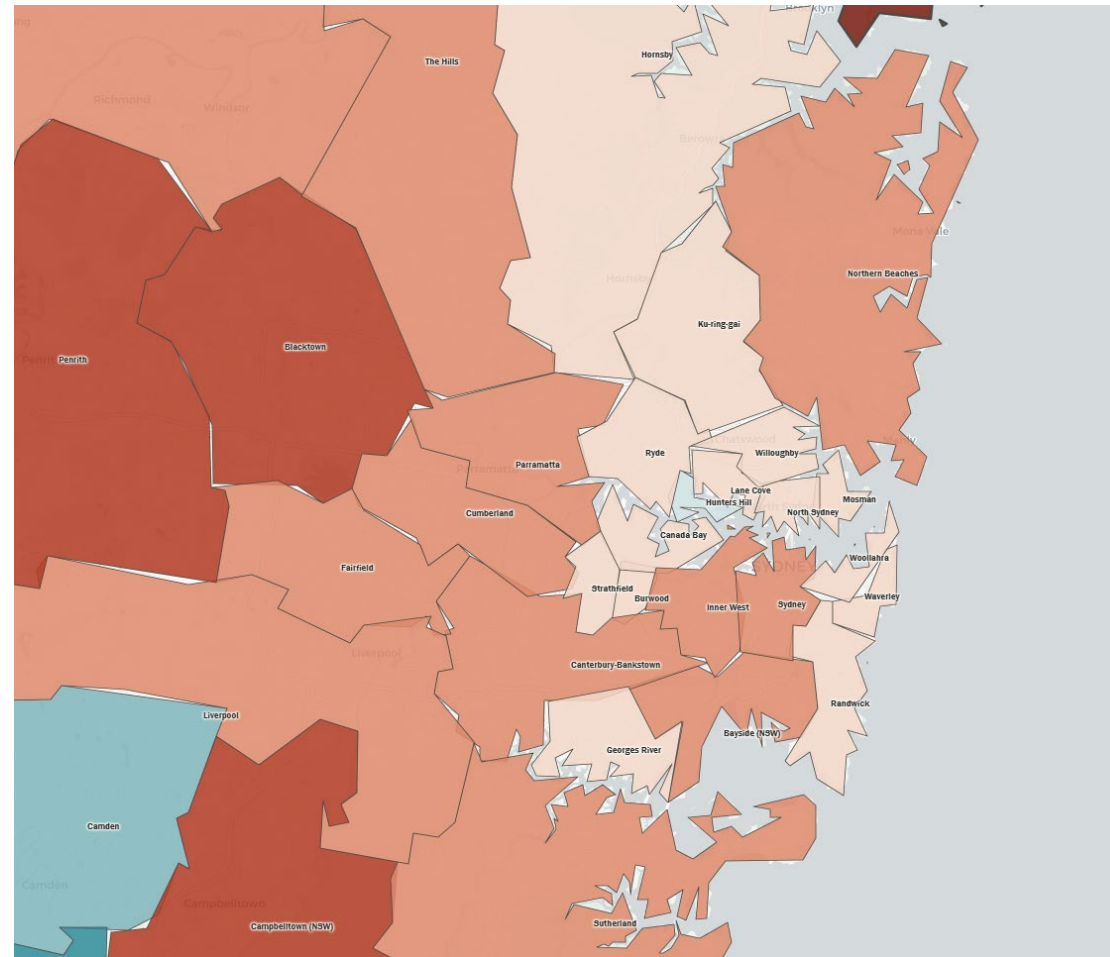
Adjustment to ensure National Principles are addressed

Base Line – General Purpose and Local Roads Compared to 2025-26 total allocation (\$ million)



Base Line – General Purpose and Local Roads Compared to 2025-26 total allocation (\$ million)

Metropolitan



Recommended option for feedback Grant Floor Criterion – ARIA + > 6

We know that councils in the most remote parts of NSW depend heavily on steady grant funding to cover their everyday costs. Because of this, we have adjusted our approach so these councils do not face grant funding cuts that they cannot afford.



Adjustment to address National Principles

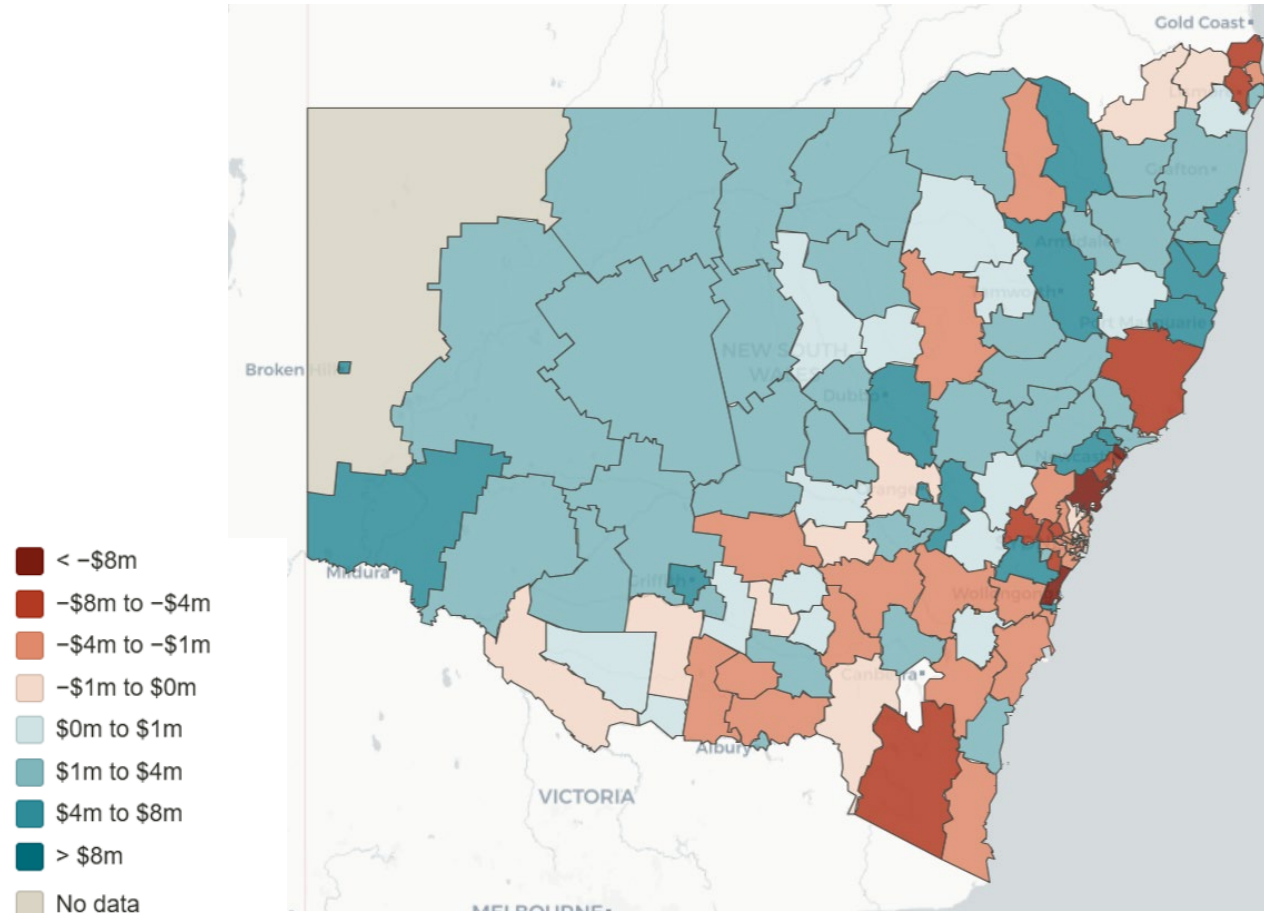
Grant Floor Criterion – ARIA + > 6



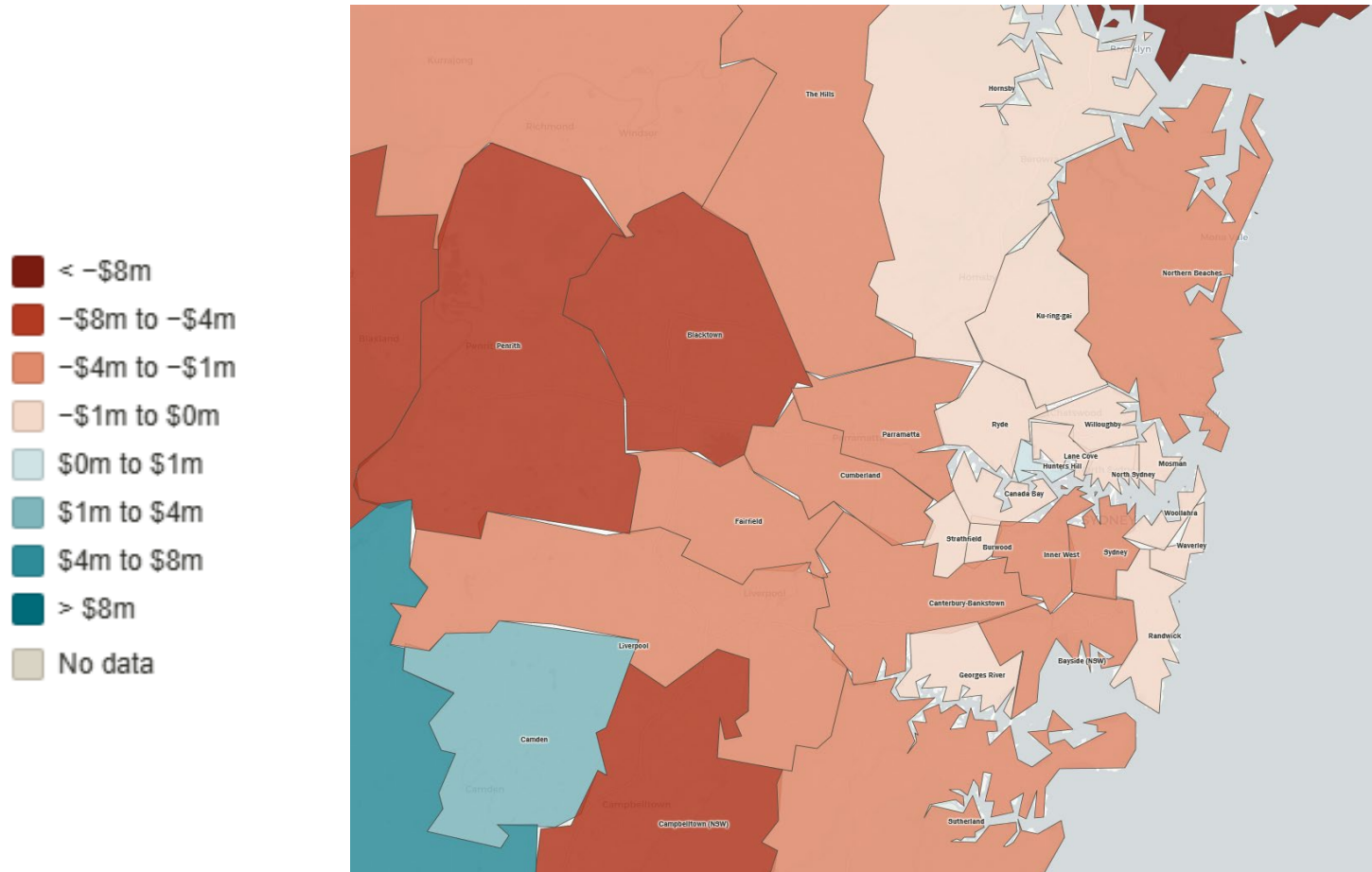
	Expenditure assumption	Revenue assumption
Description	As per the base case - estimated statistically from councils' actual operating expenditure (excluding water and sewer), based on population, remoteness and ATSI.	As per the base case.
	As per the base case but assume that councils that are over ARIA SCORE OF 6 (14 of the most remote NSW councils) can only receive a general grant equal to or greater than the 2025-26 grant (funds redistributed from other councils receiving above the minimum grant)	
Rationale	This type of adjustment is more transparent and justifiable than other approaches. These councils have unique expenditure needs which may not fully be captured by the statistical approach to measure expenditure but are recognised by the Commission.	

Grant Floor Criterion – ARIA + > 6

Compared to 2025-26 allocation (\$ million)

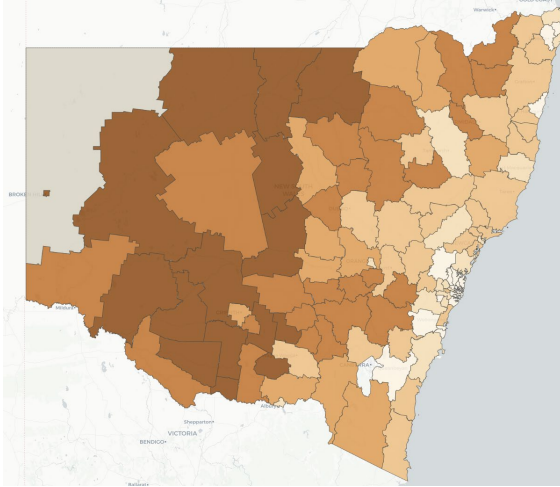


Metropolitan Grant Floor Criterion – ARIA + > 6 Compared to 2025-26 allocation (\$ million)

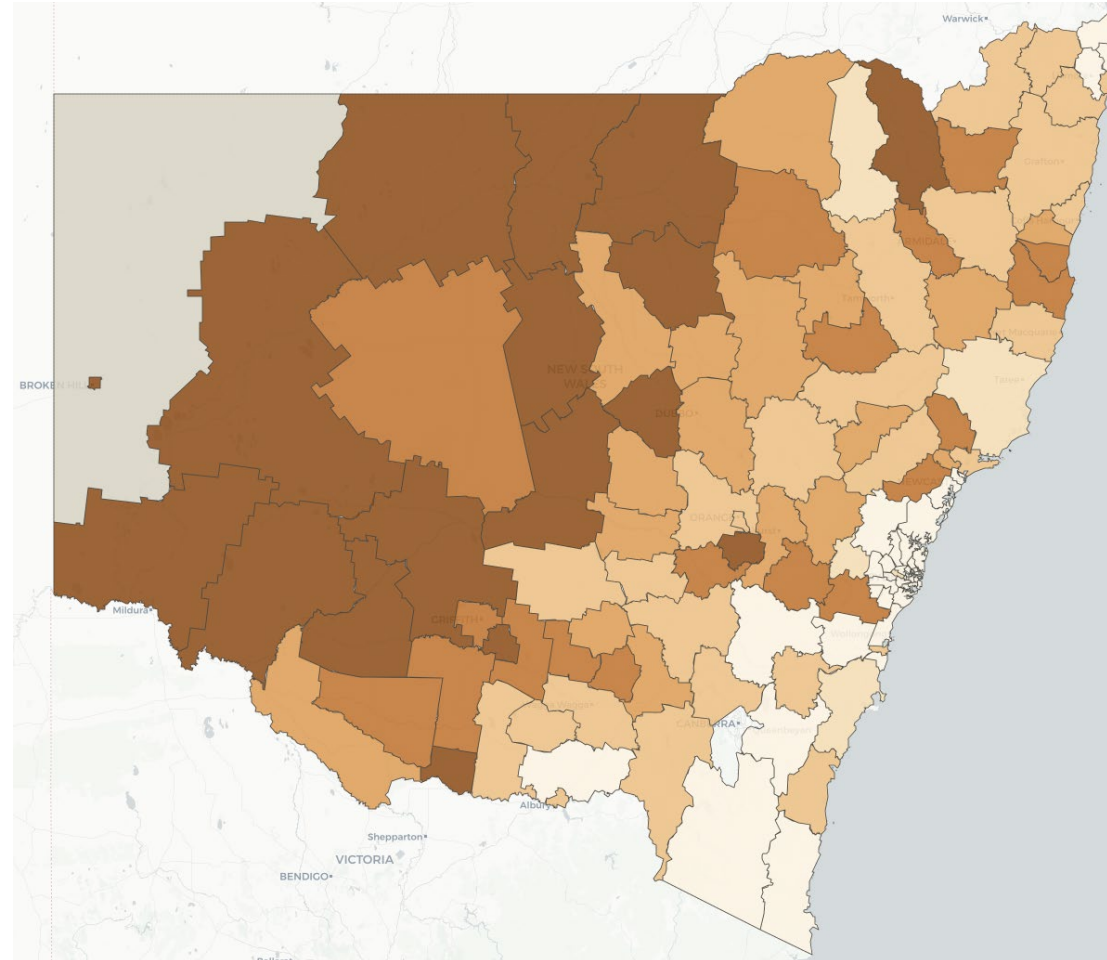
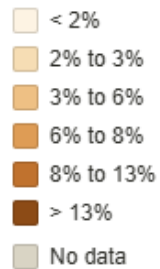


Grant Floor Criterion – ARIA + > 6

FA Grants as a percentage of income

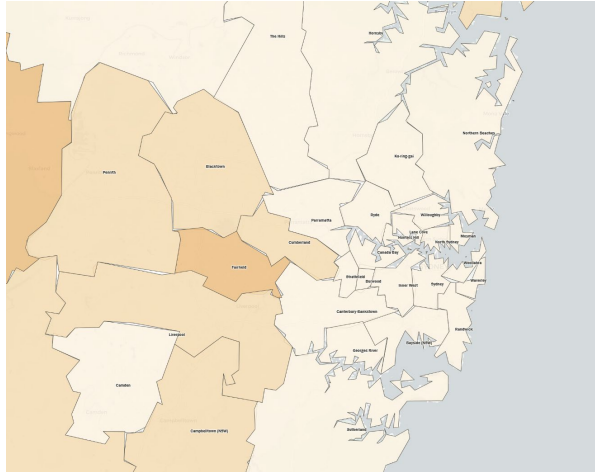


Reminder of 2025-26

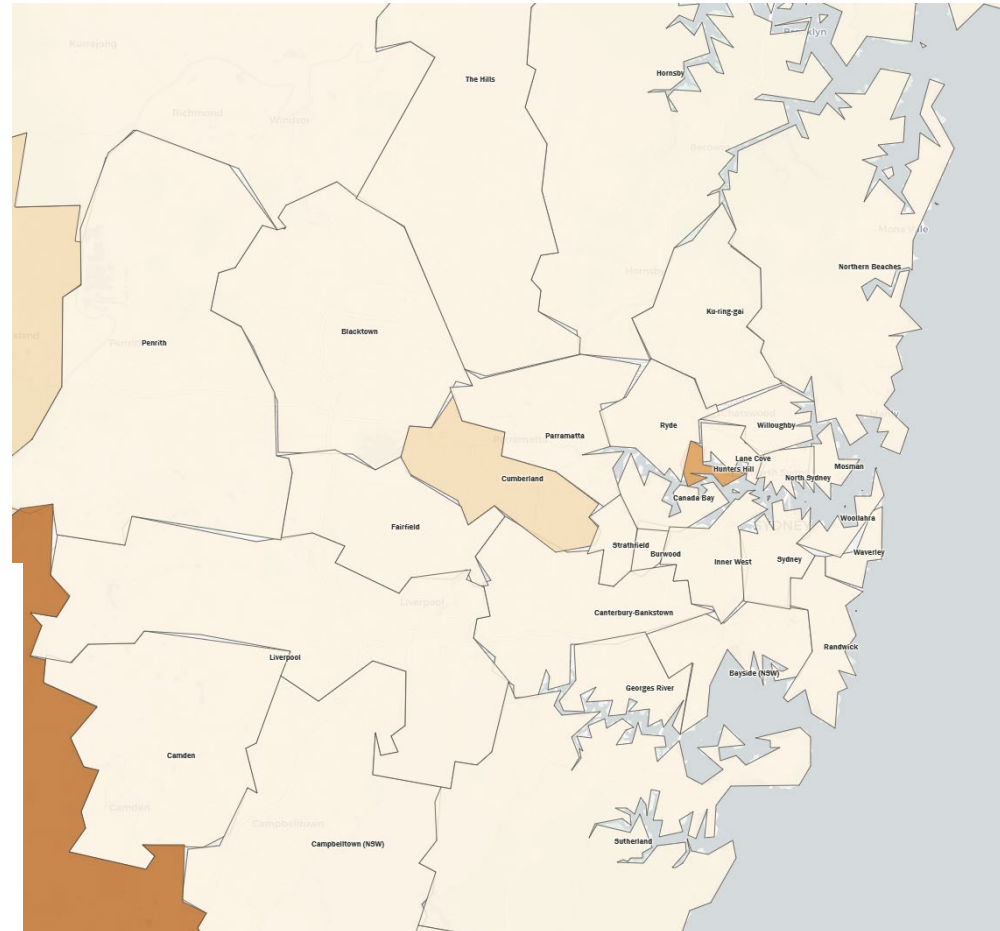
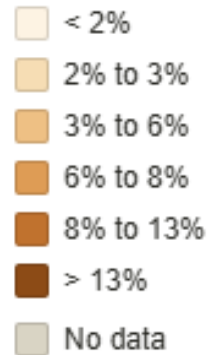


Metropolitan Grant Floor Criterion – ARIA + > 6

FA Grants as a percentage of income



Reminder of 2025-26



Adjustments for National Principles

Options long list



Scenario name		Description
Baseline	Base	As per statistical model
Disaster Grant Adjustment	DGA	Excludes grants reported in the “Storm/flood damage – Operating” cell of the annual Financial Data Return from revenue capacity due to timing mismatches
Uniform Grant Scaling	UGS	Scale down grants for revenue capacity calculation due to funding uncertainty and historical assessment
Variable Grant Scaling	VGS	Rather than reducing grants for all councils, grants are scaled down only for those councils most reliant on grant funding
Remote Expenditure Adjustment	REA	Higher historical expenditure assumed for remote councils
Minimum Grant Rule	MGR	Councils with populations above 80,000 receive only the minimum grant amount
Grant Floor Criterion	GFC	Councils meeting the selected criterion receive at least their 2025-26 grant allocation, with funding redistributed from other councils

Comparing the options

Change in grants as a % difference in councils' total income

	Base 25/26	DGA	DGA and REA	UGS	VGS	MGR	GFC Remote and V remote	GFC R, VR and OR	GFC ARIA + >6	DGA and GFC ARIA + >6
Major City	-0.3%	-0.3%	-0.5%	-0.4%	-0.6%	-0.7%	-0.5%	-0.6%	-0.5%	-0.6%
Inner Regional	1.8%	1.7%	1.4%	1.7%	1.6%	2.3%	1.3%	0.6%	1.1%	1.3%
Outer Regional	1.7%	1.8%	1.4%	2.5%	2.5%	3.1%	1.2%	4.0%	1.9%	2.2%
Remote	-1.4%	2.0%	5.0%	2.8%	3.9%	0.7%	5.1%	5.1%	5.1%	6.1%
Very Remote	0.0%	-1.3%	4.7%	0.3%	0.8%	2.4%	5.2%	5.2%	5.2%	5.5%

6

Feedback

Feedback and submissions: grantscommission@olg.nsw.gov.au

Consultation Program

NSW Local Government Grants Commission



Date	Event
3 August 2026	Sydney
6 August 2026	Queanbeyan
14 August 2026	Coffs Harbour
1 September 2026	Maitland
4 September 2026	Cobar
8 September 2026	Webinar
14 September 2026	Griffith
15 September 2026	Dubbo
16 September 2026	Webinar

Presentation Evaluation

The Commission is seeking your feedback to help ensure the presentation and supporting materials are clear, concise and provide councils with sufficient information to prepare informed, principle-based submissions.



**Local Government Grants
Commission Proposed
Methodology Engagement**



Submissions

We encourage councils to focus their feedback on the proposed methodology and any suggested improvements.

Council-specific examples are welcome where they help illustrate broader issues or risks.

Date	Action
By 9 October 2026	Submissions received
October / November 2026	Feedback considered
2027-28	New methodology implemented

Please email submissions to
grantscommission@olg.nsw.gov.au
by 9 October 2026.

Please note receipts after this date
may not be considered.

Submission guidelines can be
accessed at the **[OLG Website](#)**



Council Submission Template Guide

Proposed Methodology Consultation 2026

Purpose

Councils are encouraged to provide **principle-based feedback** on the proposed methodology. Feedback should focus on the methodology's underlying principles, practicality, transparency, fairness, data sources, potential impacts, risks, and opportunities for improvement.

Council-specific examples are welcome **where they help** illustrate broader issues, risks, or implementation considerations.

Submissions may address all or only those topics relevant to your council.

Please ensure the submission provides **Council Details:**

- Council Name
- Contact Person
- Position
- Email
- Date

Preparing a Principle-Based Submission

When preparing your submission, councils are encouraged to:

- ✓ Focus on the methodology rather than individual funding outcomes.
- ✓ Consider whether the methodology is fair, transparent, practical, and fit for purpose.
- ✓ Consider whether the proposed data sources and indicators are appropriate, reliable, and representative.
- ✓ Identify any risks, assumptions, implementation challenges, or unintended consequences.
- ✓ Suggest improvements or alternative approaches where appropriate.
- ✓ Only use council-specific examples where they help illustrate broader issues or risks.
- ✓ Support feedback with evidence, experience, or clear rationale where possible.

Avoid focusing solely on whether the methodology increases or decreases your council's allocation.

T 02 4428 4100 TTY 02 4428 4209 E grantscommission@olg.nsw.gov.au

Locked Bag 3015 NOWRA NSW 2541

www.olg.nsw.gov.au

Suggested Topics for Feedback

1. Overall Position - Please indicate your council's overall position on the proposed methodology:

- Support
- Support with minor modifications
- Support with significant modifications
- Do not support
- Unable to determine without further information

2. Alignment with Principles - Consider whether the methodology aligns with key principles such as:

- Equity and fairness
- Transparency
- Simplicity
- Consistency
- Accountability

3. Practicality and Implementation - Consider:

- Ease of understanding
- Availability of required data
- Administrative burden
- Implementation challenges

4. Transparency and Clarity - Consider:

- Whether the methodology is easy to understand
- Whether assumptions are clearly explained
- Whether councils can understand how outcomes are determined

5. Data Sources and Indicators - Consider:

- Appropriateness of the proposed data sources
- Accuracy in reflecting local government circumstances
- Data quality, limitations, or gaps
- Currency and reliability of the data
- Alternative assured data sources or indicators that should be considered

6. Potential Impacts - Consider potential:

- Financial impacts
- Service delivery impacts
- Regional impacts
- Equity impacts

7. Risks and Unintended Consequences

Identify any risks, challenges, assumptions, or unintended outcomes that may arise from implementation.

8. Suggested Improvements

Provide any recommendations that would strengthen the methodology or improve its application.

9. Additional Comments

Include any other information that may assist in assessing and refining the proposed methodology.

Submission Process

Please note that submission receipts will only be accepted up to and including **7 October 2026**. Receipts received after this date may not be considered.

Please email completed submissions by 7 October 2026 to:

grantscommission@olg.nsw.gov.au

Thank you for taking the time to provide feedback. Your input will assist in ensuring the methodology is robust, transparent, equitable, and practical for councils across NSW.

Our reference: A1020255

Clr Carol Oataway
Mayor
Hay Shire Council

By email: Cr.oataway@hay.nsw.gov.au
cc: DWebb@hay.nsw.gov.au
mail@hay.nsw.gov.au

4 September 2026

Dear Clr Oataway,

I write to provide an update on the NSW Local Government Grants Commission's (the Commission) review of the methodology for how the Commonwealth Government's budgeted Financial Assistance Grants (FA Grants) are allocated to NSW councils. As foreshadowed, this review is being conducted in response to advocacy from the NSW peak local government bodies to ensure improvements to the methodology are made, that it complies with the legislation, is fairer, more transparent and is based on the most correct data available.

The Commission understands that any change to the way grants are distributed is very important for councils and your communities. For this reason, we are seeking council and stakeholder feedback on the draft methodology, as proposed in this letter, before any final decision about the allocation methodology is made.

As all councils understand, this draft proposal cannot change the total Commonwealth funding pool available to NSW councils. Instead, this draft methodology may change how that funding is distributed between councils, with the aim of meeting the legal requirements of the grants, which includes better reflecting each council's relative financial need.

Further information about the key methodology changes is provided at **Attachment A** to support your Council's consideration of the proposal.

To assist with planning and feedback, the table below shows your Council's indicative funding under the draft proposal, assuming the annual NSW amount does not change. These figures are estimates only – as the Commonwealth Government controls the total amount, and this varies with their budget allocation. However, we are providing you this estimate to help councils understand the possible effect of the proposed changes.

	General Purpose Component \$	Local Road Component \$	Total \$
2025-26 Actual	3,804,678	1,116,288	4,920,966
Proposed Methodology	4,375,941	1,724,407	6,100,348

The Commission would welcome your council's views on the draft methodology, including its practicality, transparency, fairness, data sources, potential impacts, risks and any opportunities for improvement. In particular, if you have views on the methodology or data sources, we will welcome your views on alternative methodologies or data sources to use.

The methodology presentation and submission template guide are available on the Office of Local Government website [here](#). Your feedback on the methodology and data sources will help the Commission understand how the proposal may affect councils in practice before we finalise our approach. Submission should be provided **by 9 October 2026** to grantscommission@olg.nsw.gov.au.

Thank you for the important work you and all NSW councils do to support your communities and the financial sustainability of council.

Yours sincerely



Linda Scott
Chair
Local Government Grants Commission

Attachment A – Summary of proposed methodology changes

General Purpose Component

The proposed methodology change uses a balanced-budget approach, which is used by the majority of other Australian jurisdictions. In simple terms, this compares what each council is expected to need to spend with what it is reasonably able to raise in revenue.

This provides a more complete picture of a council's financial position and is intended to ensure funding is allocated fairly, consistently and to better align with the Legislative Instrument - National Principles. The model supports the principles of horizontal fiscal equalisation and effort neutrality. This means councils should be able to provide a comparable level of service through reasonable revenue and expenditure effort, without grant outcomes being driven by individual policy choices. The proposed approach looks at both the cost of delivering local services and a council's ability to raise revenue.

As required under the National Principles, 30 per cent of the General Purpose Component (GPC) funding pool must be distributed on a per-capita basis. This means this part of the funding is allocated to councils based on population. The remaining funding would be distributed according to assessed financial need, with financial need being measured as the gap between a council's modelled expenditure need and modelled revenue capacity, compared with the NSW average.

The proposed methodology would:

1	2	3
Allocate 30% per capita to all councils	Estimate expenditure need and revenue capacity	Allocate 70% according to financial need

Table 1 compares the previous and proposed methodology:

Area	Previous methodology	Proposed methodology
Minimum grant	Allocated after the needs assessment, adding complexity	Allocate 30% of the GPC to all councils on a per capita basis before assessing need
Definition of need	Expenditure need and revenue capacity assessed separately and relative to state averages	Use a balanced-budget approach that accounts for expenditure need and revenue capacity together
Expenditure data	Six expenditure categories; not all expenditure covered; reliance on unaudited disaggregated reporting	One aggregated operating expenditure measure using data aligned more closely with audited totals; water and sewer excluded
Expenditure drivers	The model did not account for remoteness	Model accounts for population, Aboriginal and Torres Strait Islander population, ARIA+ remoteness and the interaction between population and remoteness

Area	Previous methodology	Proposed methodology
Revenue capacity	Rates capacity based mainly on land values and aggregated urban/non-urban categories; limited treatment of other revenue	Residential rates based on household income; business, farmland and mining rates assessed using land values; include modelled user fees and charges and a four-year average of operating grants
Adjustments	Separate relative disability allowance and post-model adjustments increased complexity	Remove the separate disability allowance and rely more directly on the model
Local roads	Fixed weightings and separate urban/rural treatment using population, road length, bridge length and remoteness	Use council-reported road and bridge length, adjusted by regional construction cost differences (estimated using Rawlinsons regional construction cost indices)

Table 2 identifies the expenditure need and revenue capacity drivers for the draft methodology of the General Purpose Component:

Expenditure Need	Revenue Capacity
- Modelled as the average operating cost per person expected for a council with similar structural characteristics, rather than the council's chosen or actual spending in a single year - Based on total operating expenditure, excluding water and sewer services, using four years of data - Population: smaller councils are generally assessed as having higher per capita costs because fixed costs are spread across fewer residents - Aboriginal and Torres Strait Islander population: recognises additional service-delivery needs and the relevant National Principle - ARIA+ remoteness recognises isolation-related costs such as freight, travel and access to specialised labour - Population and remoteness interaction recognises that the per capita cost effect of isolation is greater for small remote councils - The model produces a per capita expenditure need for each council using common statewide coefficients	- Estimated as what a council should reasonably be able to raise on average, rather than the revenue it chooses to collect in a particular year - Residential rates: assessed using average household income and the number of households, reflecting affordability and the size of the residential base - Business, farmland and mining rates: assessed separately using land values and category-specific statewide benchmarks - User fees and charges: estimated statistically from council characteristics, excluding water and sewer charges, to preserve effort neutrality - Operating grants: included as a four-year council average as grant support must be recognised and varies considerably between years - The combined rates, user fees and charges, and operating grants produce a per capita revenue-capacity estimate for each council

Under the draft methodology, financial need equals expenditure need minus revenue capacity. Councils, above the weighted NSW average financial need receive a needs-based grant; other councils receive the minimum per capita grant only.

Local roads component

The proposed methodology identifies road need using each council's reported local road and bridge network length, adjusted for regional differences in construction costs via the Rawlinsons Australian Construction Handbook indices. The respective index figures give an indication of how total building project costs vary across NSW, which is used to proxy variations in road maintenance costs. Where a council-specific index is not available, it is estimated using population and ARIA+ remoteness.

Road type, condition and usage are not directly included because comprehensive, consistent and audited data are not available.

Adjustment to ensure national principles are addressed

The methodology recognises that regional, rural, and remote councils often face higher service delivery costs – for this reason, remoteness is included as an important factor in assessing relative need. The methodology also recognises the needs of Aboriginal and Torres Strait Islander communities, consistent with the National Principles.

The Commission's preferred option includes a safeguard for the 14 most remote NSW councils (Accessibility and Remoteness Index of Australia - or ARIA - score above 6), ensuring they do not receive less funding than they currently receive. The Commission has noted that these councils face unique service delivery challenges, have limited capacity to generate revenue locally, and rely heavily on grant funding. The safeguard provides greater funding certainty for these communities.

Circular to Councils

Subject/title	2026 Updated Pensioner Concession Application Forms for Council Rate Rebates
Circular Details	Circular No 26-20 / 4 September 2026 / A980193
Previous Circular	N/A
Who should read this	General Managers / All council staff
Contact	Performance Team / (02) 4428 4100 / olg@olg.nsw.gov.au
Action required	Information / Council to Implement

What's new or changing?

- Pensioner Concession Application Forms across all three formats have been revised to align with current legislative, privacy and consent requirements, including Services Australia's Centrelink Confirmation eServices (CCeS) procedural guide and Department of Veterans' Affairs (DVA) requirements.
- The Forms are now available on the OLG Portal only (not available on the OLG Website).
- Councils must implement the updated forms within 28 days of release.
- Applications must be filled and completed through the relevant local council only.
- An Instructions for Councils document has been issued to support councils in implementing and using the forms, including key requirements and conditions which must be followed for compliance.

What will this mean for council?

- Councils will need to replace existing forms and implement the updated versions within 28 days from the date the forms are made available on the OLG Portal
- Councils should refer to the Instructions for Councils document available on the OLG Portal to understand the requirements and conditions for using the updated forms.

Councils will need to update procedures, templates and webforms to align with revised consent, privacy and CCeS requirements as per Instruction for Council document.

Key points

- OLG has updated the Pensioner Concession Application Forms across three formats: hardcopy, electronic and verbal.
 - **Hardcopy:** for printing or provision as a PDF, requiring a wet ink signature.
 - **Electronic:** for council webform supporting for online applications.
 - **Verbal:** for use by council officers to obtain application details and consent verbally.
- These forms are provided as templates. Councils must insert their own details to ensure clear identification of the responsible authority and to obtain informed consent in accordance with legislative and CCeS requirements.
- Councils are responsible for directly administering applications and ensuring consent is obtained and recorded in accordance with the supporting Instructions for Councils document. These forms are for council use only.
- Councils are required to adopt and implement the updated forms within 28 days of release to support transition.
- The revised forms comply with the *Local Government Act 1993*, *Local Government Regulation 2021* and *Privacy and Personal Information Protection Act 1998 (NSW)*.
- The forms reflect current legislative, privacy and consent requirements, supporting compliance with Centrelink Confirmation eServices (CCeS) procedural guide for businesses and DVA's obligations when assessing eligibility.
- Councils must refer to the Instructions for Councils document, particularly in relation to how each form is used to collect information. In implementing the templates, each council must ensure it:
 - has a CCeS agreement in place with Services Australia;
 - complies with Services Australia requirements set out in the CCeS Procedural Guide, including requirements for electronic consent and prescribed consent wording; and
 - rectifies any non-compliant consent wording identified by Services Australia.
- Translation of key sections will support improved accessibility for non-English speaking applicants and ensure equitable access to the application process.

Where to go for further information

- Office of Local Government has further information available at <https://www.olg.nsw.gov.au/public/laws-and-regulations/rates-charges-and-pensioner-concessions>.

A blue ink signature of Brett Whitworth.

Brett Whitworth PSM
Deputy Secretary, Local Government



NSW Department of Education

Ref: RML26/2890

11 September 2026

Councillor Carol Oataway**Mayor****Hay Shire Council****Email:** cr.oataway@hay.nsw.gov.au

Dear Mayor Oataway,

I am writing to formally advise that the NSW Department of Education's partnership with United Way Australia (UWA) will draw to a close on 30 September 2026, having exceeded its target reach across the program.

The department acknowledges Hay Shire Council's participation in the program delivered by UWA, which is aimed at improving childhood literacy skills.

The department will now conduct a review of the program to help inform future early learning literacy programs and would welcome your feedback regarding your experience. In accordance with NSW government procurement policy, it is not possible to further extend the grant without going through a new, competitive process. The review will also ensure that any future investment in programs is compliant with the NSW Grants Administration Guide.

Through programs like Brighter Beginnings, the department continues to support children from birth through to kindergarten, in partnership with other government agencies and frontline professionals. High-quality resources are available to support parents with early literacy development through the NSW Parent and Carer Information Hub and Brighter Beginnings newsletter at <https://www.nsw.gov.au/family-and-relationships/early-child-development>.

The Brighter Beginnings program was extended in the 2026/27 NSW Budget, providing \$39.5 million over four years, continuing to focus on lifting child development outcomes. As part of this program, the department is exploring a range of opportunities to support early literacy in the home. The department is looking forward to keeping you updated in the near future.

Should Hay Shire Council require any further information, you can contact Ian Brunton, R/Director, Early Childhood Development, Early Childhood Outcomes, by email at ian.brunton2@det.nsw.edu.au or by telephone on 0408 899 728.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Parsons".

Joe Parsons

Executive Director

Programs and Local Operations

Early Childhood Outcomes

C10 - Economic Development, Tourism & Energy**August / September 2026**

REPORTING OFFICER	Executive Manager Economic Development, Tourism and Energy
ATTACHMENTS	- Nil

INTRODUCTION

Monthly update on the activities of Economic Development, Tourism and Energy

COMMENTARY**Visitor Information Centre (VIC)**

	August 2026	July 2026	June 2026	August 2025
No. visitors assisted at VIC	1,106	1,179	1,093	1,228
No. visitors to Shear Outback	874	718	583	841
No. visitors to Dunera Museum*	183 (16%)	144 (12%)	146 (13%)	192
No. visitors to Hay Goal*	489 (44%)	383 (32%)	362 (33%)	440
No. visitors to Bishop's Lodge*	86 (8%)	61 (5%)	81 (7%)	109
% visitors from NSW	44%	48%	47%	47%
% visitors from Victoria	25%	28%	30%	27%
% of museum visitors using Tap and go (payWave)	71%	74%	64%	62%
No. of Cycle Hay bike hires	18	28	12	28
<i>Thank you for reminding us of the tragedy that comes from War. Beautifully presented museum!</i>				
Viv from Ellam				

LOVE Hay Program

The LOVE Hay Gift card program continues to deliver, with every purchase supporting our local businesses.

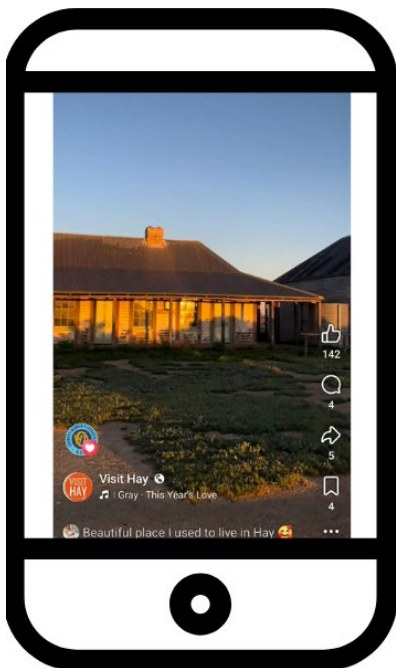
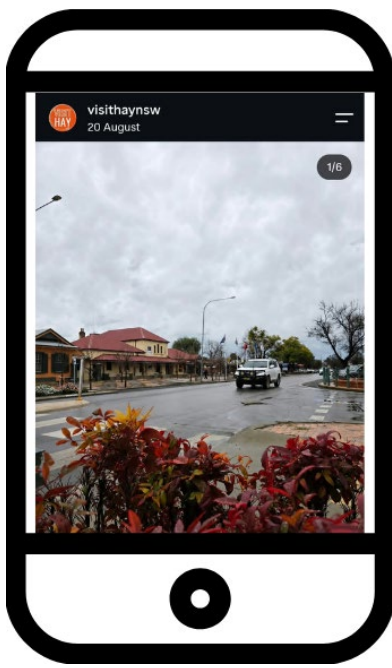
	August 2026	July 2026	June 2026	August 2025
No. of cards sold	76	98	1116	105
Value loaded on cards	\$5,850	\$5,700	\$8,460	\$6,620
No. cards redeemed	96	159	142	207
Value of cards redeemed	\$3,669	\$5,475	\$5,186	\$8,291
No. of cards loaded to date	11,407			
Total value of cards loaded to date:	\$764,292			

The economic activity from the Love Hay Program has resulted in an additional \$592,370 in value add and accounted for 6 additional jobs being maintained or created.

TED Team providing assistance to/or delivery of the following events:

Date	Event
3 October	Booligal Sheep Races
9-10 October	Hay Glow – Neon Lights

	August 2026	July 2026	June 2026	August 2025
Visit Hay Website				
Event count	30,970	29,951	29,096	32,945
No. of website users	5,233	4,885	4,787	4,705
% first time users	86.32%	85.24%	85.54%	83.09%
No. of organic searches^	2,039	2,054	1,993	2,202
Top landing page	Top 5	Home page	Home page	Home page
Second landing page	Home page	Top 5	Top 5	Top 5
<i>Visitnsw.com continues to be a great referral for Visit Hay. We keep this strong by ensuring content is fresh and up to date.</i>				
Visit Hay Facebook				
Total no. of followers	5,290	5,231	5,192	4,778
No. of new followers	74	51	92	16
No. of page media views	120,670	102,300	124,500	66,037
No. of individuals viewing pages	94,159	78,329	77,500	51,775
Visit Hay Instagram				
Total no. of followers	1,709	1,704	1,695	1,617
No. of new followers	5	9	7	14
No. of engagements	256	260	179	9
No. of likes	143	231	na	6
No. of shares	7	11	na	3
No. of re-posts	1	5	na	0
No. of accounts reached	2,987	3,725	5,871	6,526
No. of views	8,799	11,734	8,400	2,420
Top location for views	Sydney	Sydney	Sydney	Sydney
Top audience age bracket	35-44	35-44	35-44	35-44

FACEBOOK	INSTAGRAM
	
Top post for the month was a reel of Sunset over the One Tree Hotel. Viewed 10,627 times, increasing our followers by 16 and with 156 interactions. 4 people commented on the post, 6 people shared it and 4 saved it for later.	Rainy Day in Hay 998 views from 483 accounts. 42 interactions with 41 likes, 1 save.

Destination Management Plan

The Destination Management Plan (DMP) was endorsed by the Council in 2021. The TED have recently completed a Visitor Survey which will inform the review of the DMP. Top level results:

- 56.2% of respondents were first time visitors to Hay
- Respondents were from NSW (35.2%), Victoria (22.5%), and South Australia (19.7%)
- 58.9% of respondents stayed between 1 – 2 nights, 19.7% were passing through Hay
- 33% were return visitors
- 73.2% rated their visit as very satisfied.

Item Number	Outcome/Indicator	Action this month
Action 4.3	Continue to implement and promote existing events program and consider new events to expand visitor economy	• Impressions have increased by 19% • Awareness and views of Top 5 landing pages have increased, with Hay Rodeo and Hay Races showing this increase. • Social media following on both Facebook and Instagram has increased with the accounts now at 6,935 combined. • New web users from SA, NSW and VIC have increased by 8%.
Action 6.2	Strengthen collaboration across LGA boundaries as well as with important stakeholders such as DNRM, DNSW and other Regional Tourism organisations	Strategic plan has been completed.
Action 6.4	Allocate resources to measure and interpret visitor data on an annual basis, including on numbers of visitors, spend and market segments	Based on the transaction data received in July, Hay attracted 11,200 tourists (more than 4 hours between transactions or overnight). This is a 0.8% increase on last month.

Economic Analysis - Monthly Analysis

Expenditure Type	Month % change	August 26	July 26	June 26
Resident Local Spend	-10%	1.80m	2.01m	1.92m
Visitor Local Spend	+8%	2.65m	2.46m	2.12m
Resident Escape Spend	-8%	2.65m	2.89m	2.67m
Resident Online Spend	-4%	3.33m	3.47m	3.36m

When comparing August local spend figures to July, both months recorded similar total spend with August overall slightly lower at 0.5% indicating a stable winter spending behaviour across the LGA.

While there was a contraction month on month, when comparing year on year figures (August 2025/August 2026):

Resident escape spend was up 14.54% and

Resident Online spend was up 11.41%.

Resident Local spend was down -1.53%

Visitor Spend was up 1.04% - bringing it back to parity from the 25% decline in April 26.

Discretionary spend was down by 11.8% which is a significant indicator of consumer confidence. The decline was mainly evident in visitor discretionary spend suggesting the contraction may be attributed to the re-introduction of the full fuel excise in early August 2026.

South West Renewable Energy Zone Project Updates

Following is a summary table of all four projects with Access Rights (blue) granted under the REZ and projects with a footprint or impact for Hay LGA. Updates since June 2026 in red.

Project	Developer	Capacity	Status	Construction Jobs	Opex	Transport Route
Pottinger Energy Park*	Someva/AGL	831.2 MW	Approved MOD being submitted for OSOM transport Route QUANTA announced s Balance of Plant Operator	550	35	Towers - Geelong, Echuca, Deniliquin - Jerilderie Road (1/4 entrances) Blades - Geelong, Tocumwal, Finley, Deniliquin (1/4 entrances)
Bullawah Wind Farm *	BayWa R.E.	262.3 MW	IPC Hearing completed. Outcome expected by mid October	180	35	Towers and Blades - Adelaide, Euston, Balranald, Hay access via Jerilderie Road.
Yanco Delta Wind Farm *	Origin	1.5 GW	Modification lodged	850	50	Blades - Geelong, Toc, Jerilderie onto the Newell and then Kidman Towers - Adelaide, Euston, Balranald, Hay onto the Sturt then Kidman Way past Coleambally.
Dinawan Energy Hub*	Spark Renewables	1.8 GW	Assessment progressing	850	50	Towers - Port Kembla to site via Newell and Kidman (Wagga via Hume, Darlington Point via Sturt, Jerilderie via Kidman) Turbines - Adelaide, Euston, Balranald, Hay on the Sturt
Non Access rights holders						

Project	Developer	Capacity	Status	Construction Jobs	Opex	Transport Route
Hay Sun Farm	Metlen	440 mww/h BESS 100 mw Solar	Approved (2017)	130 jobs (July 26)		
Baldon Wind Farm	Goldwind	1 GW	Referred to IPC	180 Stage 1 – 45 turbines	35	Towers and Blades - Adelaide, Euston, Balranald, access from Sturt Hwy (west of Hay)
Abercrombie Wind Farm	Vestas	2.5 GW	Preparing EIS	500	35	Adelaide / Portland / Geelong
Techelry Wind Farm	Neoen	577 MW	Responding to submissions	300	25	Adelaide and Newcastle via Wagga
Romani BESS	Samsung Renewable Energy	800 MW/H BESS	Responding to submissions	100		

* Final turbine numbers will be determined by during Detailed Design

Roadmap

The implementation phase of the Hay Economic Transition Roadmap is continuing, with the roadmap being used to inform and support key discussions and processes as outlined below.

Action Update

*Accelerator Action

Action		Activity
LL.1 ★	Engage a Community Facilitator/Connector over multiple years to convene, support and activate local partnerships and networks.	Funding Application Submitted for Active Regional Communities Program to fund LL1 to deliver LL2, LL3, LL7 and LL8. Announcements still pending.
LL.4 / LL.5	Implement the Hay Renewable Energy Community Benefits Framework / Establish the Regional Energy Benefit Committee to guide the design, prioritisation and deployment of community benefits.	Updated Terms of Reference presented to Council for adoption at September Council meeting.
LL.7	Deliver community leadership and skills development programs targeting a diverse range of participants, including young people, volunteers, cultural groups and emerging leaders.	Youth public speaking workshops and programs to build the capacity of organisations and employers to engage youth are funded and planned for October 2026.
LL.12/ LL.13	Community engagement, communications and information sharing to improve access to information, promote participation in community life and improve awareness of the economic and energy transition	Regular monthly email community organisation and business newsletters distributed, in addition to targeted emails on specific topics, eg CEBP survey.
H.1 ★	Engage a local housing coordinator to broker, facilitate and accelerate housing initiatives	Discussion with EnergyCo continuing.

	responding to rising demand over the next five years.	
H.7	Deliver a program of targeted engagement and information sharing initiatives to empower private market development, deployment of local capital to address housing needs and connect local suppliers and strengthen supply chains.	A proposal will be developed to deliver a housing forum in March 2027 to help address the accommodation gap/need by bringing together developers, community, and industry experts to discuss modern methods of construction, planning pathways, finance and activating underused housing stock.
LN.1 ★	Establish a locally-led primary production innovation network (PIN) to support information sharing, peer learning, strategic partnerships and collaboration across land-based industries.	Discussions initiated with Riverina LLS to progress the establishment of PIN.
BI.6 ★	Establish a local business concierge service acting as liaison between new industries and local businesses — programs, resources, funding access.	Discussions with EnergyCo continuing.
BI.19	Review Destination Management Plan to expand the local tourism economy and ensure the natural, lifestyle and historical assets of the region are enhanced.	Initial internal review of the Destination Management Plan has commenced.

Youth

Youth Voice

Hay Shire Council has received funding under the FRRR Next Gen BluePrint program to both provide young people with the skills to actively participate in community decision making and build the capacity of local organisations to better communicate, engage and work with young people. This will include:

- Four young people aged 12 years attending the Ignite Leadership Camp in Victoria in the upcoming Spring school holidays
- Public speaking and advocacy workshops for young people
- Youth communication, engagement and understanding Gen Z and Alpha workshops for community organisations and businesses/employers, which also help support workforce actions in the Hay Economic Transition Roadmap.

Community Participation

Taskforce members have continued to support community events this past month including:

- facepainting, bracelet making, hair braiding and games at the Goulding Family Community Fundraiser
- facepainting and supervising laser tag at the Junior Magpies Presentation Day

- assisting at the gate at the Hay Show.



Recreational and Social Activities

Hay Shire Council was successful in receiving Spring and Summer Holiday Break funding. The funding will be used to deliver:

- laser tag activities for young people in conjunction with the Hay Glow event in the Spring school holidays
- a colour run and a trip to Echuca in the summer school holidays.

RELEVANCE TO STRATEGIC COMMUNITY PLAN	Social 1.1 Our community is skilled and supported 1.1.1 Our community has access to a range of employment opportunities 1.1.2 Increase housing options within the community 1.1.3 Improve access to health services 1.1.4 Support local health initiatives and programs 1.4 Our youth and aged are supported 1.4.1 Advocate for greater capacity for local based child care services 1.4.2 Support youth and aged services and initiatives 1.5 Our community is inclusive and sustainable 1.5.1 Residents of all abilities and cultures have access to public facilities 1.5.2 Inclusive and Empowered Communities 1.5.3 Enhance educational pathways and opportunities 1.5.4 Promote inclusion and education of all abilities workers in community and business sector 1.5.5 Facilitate access public spaces for cultural and community events 1.5.6 Support cultural programs and initiatives, including First Nations Environmental 2.2 Our Community is resilient and adaptive 2.2.1 Support business with climate risk adaptation and best practice Economic 3.1 Our community welcomes new and innovative industry to support our future 3.1.1 Future Ready Businesses 3.1.2 Strengthen Business Support Services 3.1.3 Business Attraction and Investment Growth 3.1.4 Facilitate growth industries including workforce development and skills 3.1.5 Identify opportunities to grow the agricultural sector 3.1.6 Identify opportunities to grow the renewable energy sector 3.2 Our community values its history and tourism 3.2.1 Increase tourism and visitor spend 3.2.2 Promote events and activities 3.2.3 Actively identify, promote and enhance tourism initiatives 3.2.4 Showcase our open space, recreation and cultural facilities 3.3 Our community is resilient and adaptive 3.3.1 To proactively reduce the risk and limit the impact of disasters associated with natural hazards on our community and economy
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	3.3.2 Coordinated action for Climate Resilient Economic Development 3.3.3 Reimagined Care Economy
FINANCIAL IMPLICATION	Low
LEGISLATIVE IMPLICATION	Nil
POLICY IMPLICATION	Nil
ASSET IMPLICATION	Nil
RISK IMPLICATION	Low

RECOMMENDATION

That Council notes the information provided in the report and actions being undertaken

C11 – Corporate Performance & Community Monthly Report: September

REPORTING OFFICER	Executive Manager Corporate Performance and Community
ATTACHMENTS	-Draft CCTV Policy, dated September 2026

INTRODUCTION

This report provides Council with information on the operations of the Corporate Performance and Community sector of Council.

COMMENTARY**Corporate Performance Monthly Report****Compliance Activities**

Corporate Performance staff continued to progress a range of governance, compliance and strategic planning initiatives during the reporting period. Key activities included:

- Participation in planning activities for Council's Disability Inclusion Action Plan.

No reportable compliance breaches or other significant compliance matters were identified during the reporting period.

Audit, Risk and Improvement Committee (ARIC) / Internal Audit

The meeting of Council's Audit, Risk and Improvement Committee (ARIC) scheduled for 25 September 2026 has been cancelled and any outstanding items for consideration will be presented to the planned October 2026 meeting. The October meeting will consider the Internal Auditor's final reports.

A proposal for the appointment of a new Internal Auditor has been received and is the subject of a separate report included in this Council agenda.

Policies

Council staff have drafted a Closed-Circuit Television (CCTV) Policy for public areas where CCTV systems are installed. The draft Policy is attached to this report for consideration.

The purpose of the Policy is to establish a clear and consistent framework for the use, management, access, storage and disclosure of CCTV systems operated by Hay Shire Council in designated public areas, including the new Pool AI Safety System.

The draft Policy complements Council's Workplace Surveillance Policy, which is currently under review and will be presented to a future meeting of Council for consideration and adoption.

It is also anticipated that a Recording Devices in Sensitive Places Policy will be developed to complement the CCTV Policy and Workplace Surveillance Policy.

Risk Management

Risk management activities continued throughout the reporting period, with a focus on strengthening workplace controls, risk identification and incident management processes. Key activities included:

- Work continued on the Continuous Improvement Pathway (CIP) Workbooks. The 2026 topics are Fleet Sedan (Light) and Fleet Truck (Heavy). The CIP provides an additional mechanism for Council to identify, assess and manage organisational risks. Upon completion, the Risk Improvement and Self Risk Assessment will be submitted, with a report to be provided to Council.
- Risk assessments continued to be reviewed and updated following workplace inspections, incidents, operational changes and legislative updates. This ongoing review process assists in ensuring hazards are appropriately identified, control measures remain effective and Council continues to meet its Work Health and Safety (WHS) and risk management obligations.
- The WHS/Risk Officer met with Damien Connell, Statewide Mutual's Regional Risk Manager. The meeting provided an opportunity to discuss emerging risks, share best practice approaches and identify opportunities for continuous improvement within Council's risk management framework.

Work Health and Safety (WHS)

Routine WHS activities continued throughout Council's operations during the reporting period, including incident monitoring, hazard reporting, workplace consultation and the provision of safety advice and support. Additional activities included:

- Installation of a shelter at the Waste Facility incorporating an eyewash station, fire extinguisher and first aid kit accessible to both members of the public and Council staff.
- Finalisation of safety procedures and designated areas for public tours at the Waste Facility to allow visitors to safely view recycling and the FOGO process.
- Completion of a risk assessment and implementation of dust suppression measures associated with glass crushing operations at the Waste Facility.
- Attendance by the WHS/Risk Officer at the Statewide Mutual Risk Conference in Sydney. The conference provided valuable insights into emerging risk management practices and governance obligations, as well as opportunities to network with local government representatives and share knowledge and best practice initiatives.
- The Workplace Health and Safety Committee met on 27 August 2026, with the next meeting scheduled for Thursday, 12 November 2026.
- National Safe Work Month will be held during October 2026. Council will participate in selected awareness activities promoting the Safe Work Australia theme, "Safe Work is for Life". The campaign reinforces the importance of proactive risk management, worker wellbeing and maintaining a strong safety culture across all Council operations.
- Council also received a visit from AVCRM (Aviation Compliance and Risk Management), which included a demonstration of its RPA Manager and Airport Management Software systems. The systems demonstrated opportunities to enhance Council's management of drone operations, airport compliance requirements and associated operational risks through improved digital monitoring and reporting processes.

- Council continues to monitor emerging WHS legislative requirements, with key focus areas including crystalline silica compliance and the delivery of targeted WHS awareness training. These activities support Council's commitment to maintaining a safe workplace and meeting its legislative obligations.
- Council is progressing the remaining actions identified through the November 2025 WHS Self-Audit. The Hazardous Noise Procedure has been developed and is awaiting final management endorsement prior to submission to StateCover. Associated risk assessments continue to be undertaken across applicable operational areas, with relevant controls recorded in Council's Hazardous Noise Register.
- Development of the Falls Risk Procedure is progressing as scheduled, with completion anticipated ahead of the November 2027 deadline.
- Arrangements for employee skin checks under Council's Safety and Wellbeing Incentive Program have been rescheduled following the cancellation by the service provider. The checks are now scheduled to take place on 21, 22 and 23 October 2026. The program continues to support proactive health monitoring and Council's commitment to employee wellbeing.

Human Resources Activities

The Human Resources team continues to deliver a broad range of workforce management services supporting Council's strategic and operational objectives. This includes recruitment, employee relations, performance management, workforce planning and staff development.

During the reporting period, key activities included:

- Testing of the SALT mandatory online training platform. Final system checks and refinements are underway, with a small number of technical issues currently being addressed. The platform remains on track for full implementation and is expected to be operational within the coming weeks.
- External recruitment for Pool Attendants, Water and Sewer Operator and a Mechanic is underway, with onboarding activities progressing to support the successful commencement of new employees.

Staff Training and Development

Council continues to prioritise the development of a skilled and capable workforce through targeted learning opportunities and professional development initiatives that support organisational performance and service delivery objectives.

Key training and development activities undertaken during the reporting period included:

- Stage 3 Child Safe in Councils training continued across operational work groups. Strong completion rates have been achieved within the Stores and Waste Management teams, while employees within the Hay Multi Service Outlet, Water and Sewer, and Parks and Gardens teams have been provided access to the training and are continuing to complete the program.
- Council continued to invest in the development of its water operations workforce. Council's Cadet Engineer and Utilities Assistant are scheduled to attend Part 1 Water Treatment Operations – Chemical Dosing Systems training in Bathurst from 26 to 30 October 2026. The Utilities Operator is also scheduled to attend Part 2 Water Treatment Operations training in Nowra from 23 to 27 November 2026. Participation in these programs will further strengthen the

skills and knowledge required for the safe and efficient operation of Council's water treatment infrastructure.

- Forklift Operations training has been scheduled for Council's Storesperson and a Parks and Gardens Labourer through Western Riverina Community College in Griffith during October 2026. This training will support the safe operation of plant and equipment and enhance operational capability across Council's works areas.
- Online Test and Tag training was arranged for Council's Storesperson. This training will strengthen Council's internal capability in electrical equipment safety management and support ongoing compliance with workplace safety requirements.
- Three employees have been scheduled to undertake nationally recognised Enter and Work in Confined Spaces and Operate Breathing Apparatus training. This training will strengthen Council's capacity to safely undertake high-risk operational activities while meeting relevant legislative and regulatory obligations.
- Additional training and professional development opportunities have been identified to support future workforce development objectives. Proposed training activities include Backhoe and Loader Operations, Working Safely at Heights, Asbestos Awareness, Artificial Intelligence (AI), Psychosocial Hazards, Customer Service, Working Safely with Chlorine, Driver Safety for Operators of Large Plant and Machinery, and Fluoridation training.

Other Activities

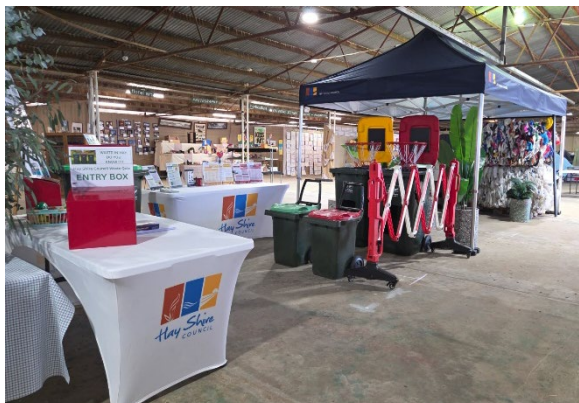
Additional Corporate Performance activities undertaken during the reporting period included:

- Preparation for and presentation of Australian citizenship ceremonies for two recipients.
- Council's WHS/Risk Officer, Wes Moorhouse, coordinated a waste education display at the Hay Show to promote recycling and resource recovery through a range of interactive exhibits and educational materials.

The display featured bales of recycled plastics and aluminium, together with examples of products manufactured from recovered materials, including pipes, waste bins, plant pots, outdoor furniture, bollards and garden edging.

A FOGO process flow chart demonstrated the journey from collection through to compost production. Interactive activities for children also assisted in raising awareness of recycling practices and reducing contamination, supporting Council's commitment to environmental sustainability and community education.

The display provided a valuable opportunity for Council to promote positive waste management behaviours and increase community awareness of recycling and resource recovery.



LIBRARY STATISTICS – MEMBERSHIPS, LIBRARY USE AND LOANS

Membership

Library service delivery continued as usual throughout August, with overall visitation remaining steady compared with the previous month. A total of 2,893 visits were recorded during August, bringing total visitation for the 12-month period from August 2025 to August 2026 inclusive to 29,389 visits. During the month, 14 new members joined and five existing members re-registered, with current Library membership standing at 1,840. These figures demonstrate sustained community use of the Library and continued engagement with its services, resources and programming.

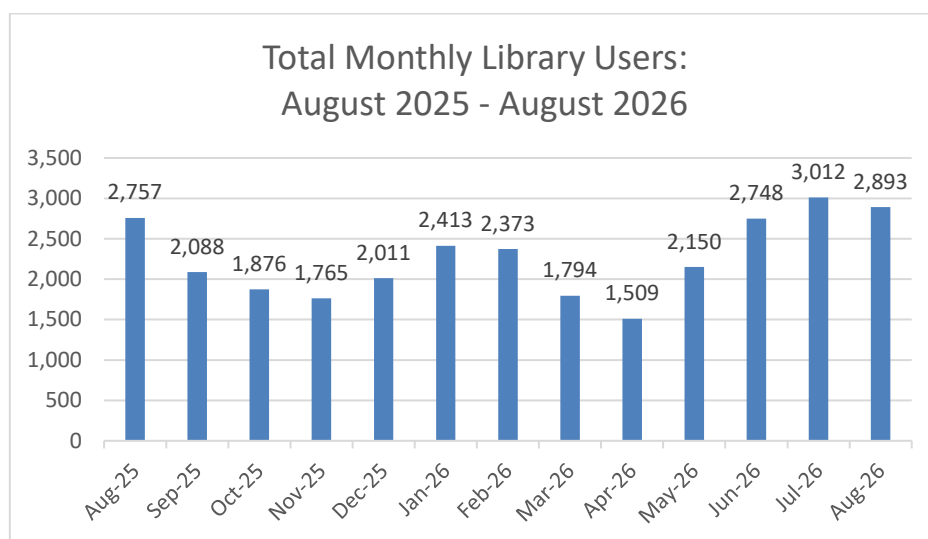


Figure 1: Total library Users data (August 2025 - August 2026)

Breakdown of Library Use

August data indicates broader and more intensive use of the library across both programmed and self-directed services. Total visitation increased from 2,748 in June to 3,012 in August, while general library use remained comparatively stable at 2,212 visits, indicating that the overall increase was primarily driven by greater engagement with programs and digital services.

Program participation increased substantially, from 257 attendances in June to 445 in August. Adult participation rose from 106 to 147, while early childhood attendance remained broadly comparable at 113. A further 185 attendances across children's open programs reflects the expanded level of school holiday and children's programming delivered during the month.

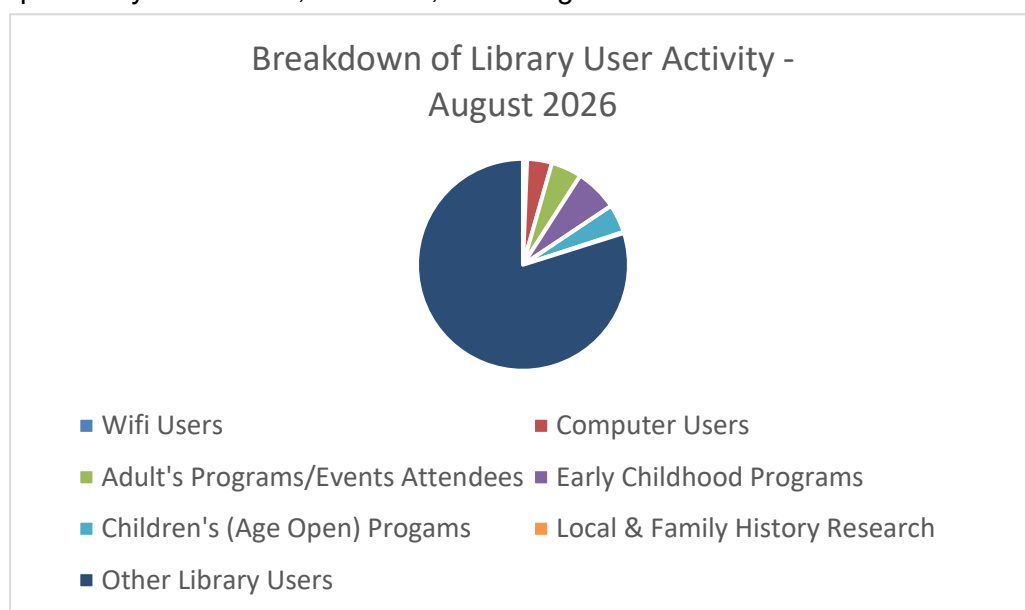


Figure 2: Breakdown of Library Users (August 2026)

Digital access also showed notable growth, with public computer use increasing from 146 to 284 and Wi-Fi use from 37 to 67. Collectively, the figures demonstrate that increased visitation is being supported by growth across multiple areas of service delivery, rather than reliance on a single program or activity.

Circulation

A total of 902 loans and renewals were recorded during the reporting period, comprising 787 new issues and 115 renewals, with 812 items returned. Borrowing was particularly strong at both ends of the age spectrum: borrowers aged 0–14 accounted for 258 issues (29%), while those aged 60 years and over accounted for 412 (46%). Together, these cohorts represented almost three-quarters of total circulation, highlighting the importance of the collection to both younger readers and older community members.

Collection use was led by Easy/Children's Books (258 loans), Adult Fiction (200), Junior Fiction (107) and Large Print (82). The strength of children's collections aligns with the library's continued focus on early literacy and children's programming, while Large Print and Adult Fiction remain important components of the collection for adult and older borrowers.

Resource sharing across the Western Riverina Libraries (WRL) network also continued, with 38 reservations placed by Hay Library patrons for materials from other branches and 63 reserved Hay Library items supplied to patrons at other WRL branches. This reciprocal movement of materials extends the range of resources available to local members while ensuring Hay's collection contributes to access across the wider WRL network.

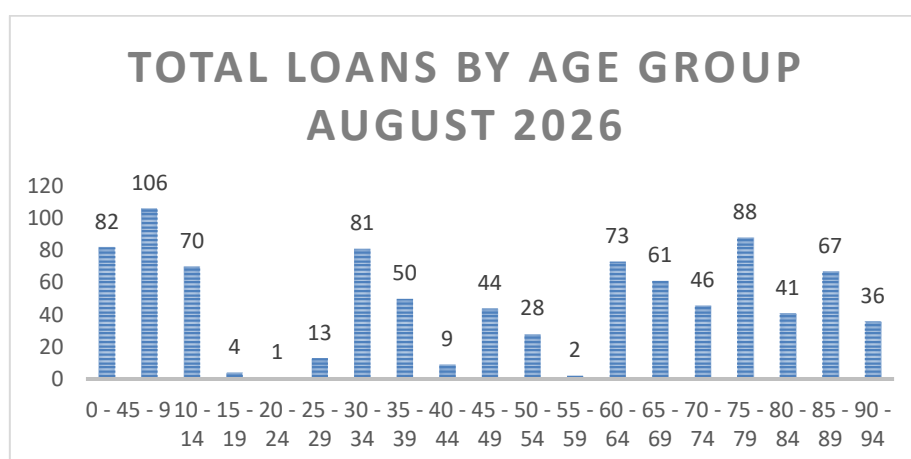


Figure 3: Total Loans by Age Group (August 2026)

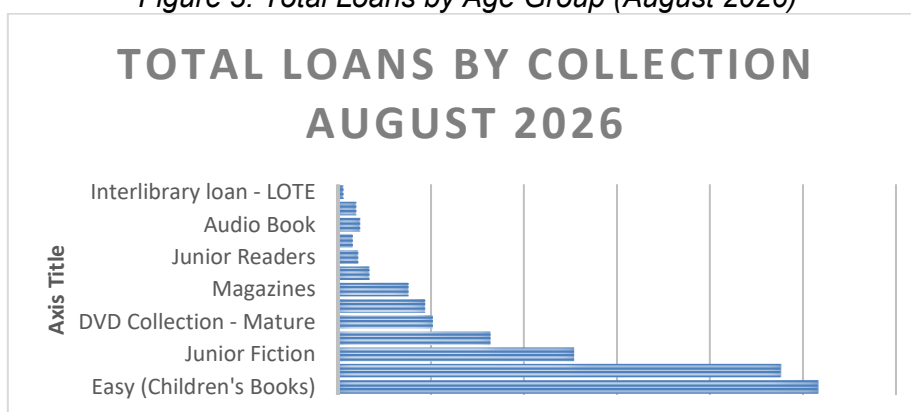


Figure 4: Total Loans by Collection Type (August 2026)

Successful Grant Application for Tech Savvy Seniors Program

Hay Shire Library was successful in securing funding through the State Library of NSW Tech Savvy Seniors program, a NSW Government initiative delivered in partnership with Telstra. The program will provide structured, practical digital literacy training for older residents, supporting greater confidence, independence and safe participation in an increasingly digital environment.

Hay Shire Library will deliver 10 small-group sessions, with five participants per session, providing training opportunities for up to 50 participants across the program. Numbers have been intentionally limited to five participants at each session to correspond with the library's accessible public computer capacity and enable staff to provide individual assistance and practical, hands-on learning. This delivery model is particularly suited to participants who may have limited previous experience using digital technology.

Training topics have been selected for their practical relevance to the Hay community and will be repeated across the program to provide multiple opportunities to participate. Sessions will include getting to know your smartphone; sending and receiving emails; staying safe online and avoiding scams; using apps that make everyday life easier; and shopping and banking online safely. These topics support practical skills increasingly required to communicate, access information, use online services and participate safely in the digital environment.

The library will work collaboratively with HMSO and the Centrelink Agency to identify and support older residents who may benefit from the program, particularly clients requiring assistance to build the foundational digital skills needed to access government and aged care information and services. Planning for the first session is underway, with Library staff undertaking facilitator training and professional development and utilising program resources and training materials provided by the State Library of NSW.

The program includes formal quarterly reporting, participation monitoring and final acquittal requirements, together with a requirement to provide a de-identified participant story demonstrating program outcomes. The initiative strengthens the library's role in digital inclusion and lifelong learning, while providing a practical response to digital literacy and access needs identified across Library, HMSO and Centrelink Agency services.

Event of the Month – CBCA Book Week 2026: *A Symphony of Stories*

Hay Shire Library celebrated CBCA Book Week 2026 – *A Symphony of Stories* from 24–28 August, delivering an extensive program of literacy, creative learning and hands-on activities that engaged 195 children across school, preschool, Early Learning Centre (ELC) and Story Time visits.

The Children's Book Council of Australia (CBCA) Book of the Year Awards have played an important role in Australian children's literature since the first award was presented in 1946, celebrating 80 years in 2026. Over this time, the awards have continued to recognise and showcase outstanding Australian books, authors and illustrators and provide libraries, schools, educators and families with an important platform for introducing children to quality Australian literature.

Participation included 126 students across six school classes (Kindergarten, Years 1, 2, two Year 3/4 classes and Year 6), 15 preschool children, 27 ELC children and 27 Story Time participants. For the 2026 program, staff primarily selected titles from the CBCA Early Childhood and Picture Book categories, together with a New Illustrator shortlisted title, matching books and activities to the ages, interests and developmental stages of visiting groups. Activities were designed to extend the themes and ideas within each story through creativity, discussion, play, writing and hands-on learning.

Summary of books chosen by staff and activities below:

Derek by Anne Donaldson, illustrated by Matt Shanks, an Honour Book in the 2026 Early Childhood category, explores curiosity, courage and connection through the story of an inquisitive fish wondering about his world and why he is alone. Children made fishing rods and fish from card, sticks and magnets before using their creations to “go fishing” in the library sandpit, extending the aquatic story through imaginative and active play.

Beyond the Shore by Gunai author Kirli Saunders OAM, illustrated by Mark Chester Harding, was shortlisted for the CBCA New Illustrator Award. The story gently explores fear of the unknown, curiosity, courage and the possibilities found by venturing beyond what feels safe. Children created coloured sand artworks and their own sea creatures from paper cups, recyclables and craft materials, providing a tactile and creative response to the book’s ocean setting and themes.

Bob and Dob, written and illustrated by Sean E Avery and recognised as an Honour Book in the 2026 Picture Book of the Year category, uses humour and a playful take on “crying wolf” to explore sibling relationships, storytelling, honesty and the consequences of our actions. Children made bird-shaped kites with paper and ribbons and created their own Bob and Dob birds from paper cups, together with envelope crocodiles inspired by the story.

Dear Broccoli, written by Jo Dabrowski and illustrated by Cate James, was shortlisted for the 2026 Picture Book of the Year Award. Told through a humorous exchange of letters between a child and the broccoli he does not want to eat, the book uses correspondence, persuasion, wordplay and humour to explore food and differing perspectives. Children created plates of foods they disliked using leaves, sticks, branches, pinecones and craft materials. Where time permitted, the activity was extended by inviting children to write their own letters to disliked foods, encouraging creative writing, persuasive language and individual expression.

The *Dear Broccoli* activity received particularly strong feedback. Following Book Week, Year 3/4 teachers identified its relevance to their classroom curriculum and requested the same story and activity for a subsequent Library visit. This demonstrates growing recognition of the value of collaboration between the library and local schools and the capacity for Library collections, resources and programming to complement curriculum learning. Importantly, this collaboration is beginning to extend beyond Book Week and other major events into ongoing school engagement with the library.

Story Time featured 2026 CBCA Early Childhood Book of the Year winner *The Emperor’s Egg* by Rae Tan, a reimagining of an ancient Chinese folktale exploring integrity, courage and patience. Children extended the imaginative elements of the story by designing and creating their own creatures from recycled materials. Book Week dress-up was incorporated into the celebration, with all participating children receiving a prize and six Best Dressed certificates awarded. Combining shared reading, dress-up, creative play and making provided multiple opportunities for young children to engage with the story and associate books and reading with enjoyable, social experiences.

The majority of programmed activities were conducted in the outdoor spaces behind the library, enabling children to move, create, explore and participate in larger, active and sometimes messy learning experiences that would have been difficult to accommodate within the main Library. This reflects the broader direction of contemporary public library practice, where lawns, courtyards and adjoining civic spaces can function as extended learning environments for reading, early literacy, creative activities and community programming. Book Week demonstrated the considerable potential of the library’s external areas to support future Story Time, school-aged, school holiday and broader community activities.

The Book Week theme, *A Symphony of Stories*, was also carried throughout the library. An ongoing craft table in the junior area provided existing and recycled materials for children visiting after school and on weekends to make their own musical instruments, extending Book Week participation beyond scheduled class visits. Children were also invited to colour individual piano keys, which were combined into a large collaborative “wobbly piano” window display, with musical notes and discs decorating the library. Selected work from Kindergarten, Year 1 and Year 6 remains on display, allowing children to see their creativity recognised and celebrated within their community Library.

The program continued the library’s philosophy of delivering engaging, sustainable and cost-conscious programming, making purposeful use of existing craft supplies, recyclables, natural materials and items collected by staff wherever possible. This enabled a diverse program to be delivered while minimising additional expenditure and encouraging creative reuse of materials.

Library staff are continuing to develop confidence and capability in moving towards best-practice early and school-aged literacy programming, including thoughtful selection of age-appropriate literature, effective session delivery and complementary extension activities that encourage children to discuss, interpret, create and respond to the books they experience. The focus is increasingly on ensuring activities have a clear connection to the literature and provide meaningful opportunities for creativity, language development, comprehension, play and positive engagement with reading.

Feedback throughout Book Week was excellent. Children enthusiastically participated in activities, positive feedback was received from visiting classes and educators, and the program directly generated a subsequent curriculum-linked school visit. Several children also independently asked whether the library would be offering activities during the upcoming school holidays. These responses provide encouraging evidence that engaging literacy programming is helping to build ongoing relationships with young Library users and enthusiasm for returning to the library, participating in programs and engaging with books and reading.

The extensive program was delivered despite Library staffing being reduced to approximately 1.6 FTE during the event week due to staff absences. Hay Shire Library gratefully acknowledges Hay Shire Council office staff who assisted with desk coverage, customer service and day-to-day Library operations. Their assistance enabled Library staff to facilitate the scheduled Book Week program while maintaining normal Library services and demonstrates the value of cross-Council collaboration in supporting positive community outcomes.

Looking ahead to 2027, the CBCA has announced *Catch the Reading Bug* as the next Book Week theme. Building on the success of this year’s Early Childhood and Picture Book-focused activities, planning will



explore opportunities to broaden programming across the CBCA categories and engage older cohorts, including upper-primary and secondary-aged children and young people.

This will include consideration of age-appropriate Younger and Older Readers titles, activities and events designed not only to support literacy but to encourage older children and young people to re-engage with recreational reading.

Continued collaboration with

Figure 5: Book Week Craft Made by Participants (August 2026)

curriculum learning, creative use of indoor and outdoor Library spaces and programming across a broader age range will provide opportunities to build on the strong community response to *A Symphony of Stories* and encourage more young people across the Hay community to “Catch the reading bug.”



Figures 6, 7, 8: Book Week Activities at Hay Shire Library

HAY MULTI SERVICE OUTLET (HMSO) – AUGUST SERVICE OVERVIEW

HMSO continued to deliver Commonwealth Home Support Programme (CHSP) and community transport services throughout August, supporting older residents and other eligible community members to remain independent, safe and connected. Alongside ongoing service delivery, staff training and service development continued, with a focus on strengthening client documentation, operational processes, service consistency and compliance. HMSO continues to await confirmation of its registration audit date, with preparatory and continuous improvement activities ongoing.

DEX Stage 3 reporting requirements commenced on 11 August 2026, introducing more detailed service-level data requirements across HMSO's DEX reporting for CHSP, Community Transport and Transport for Health. Changes include additional information about how and where services are delivered, volunteer and subcontractor involvement, and service-specific information relevant to social support, respite, meals and transport. Required system changes were completed in collaboration with HMSO's client management software provider, with staff undertaking relevant training to support implementation. The first updated data was entered by 31 August 2026, within the required implementation timeframe.

All required CHSP, Community Transport and Transport for Health reporting obligations were met within the required timeframes, with no SIRS-reportable incidents identified during August. HMSO continues to prioritise regulatory compliance, staff professional development and continuous improvement, drawing on guidance and resources from the Aged Care Quality and Safety Commission and Department of Health, Disability and Ageing, together with sector support and collaborative networks. This work will continue to strengthen service delivery, embed contemporary practice and maintain ongoing audit readiness.

Announcement - Commonwealth Home Support Program Extended to 30 June 2029

On 21 August 2026, the Australian Government Department of Health, Disability and Ageing announced that Commonwealth Home Support Program (CHSP) grant funding will be extended for a further two years, to 30 June 2029. The extension provides significant certainty for older people accessing entry-level aged care and for approximately 1,300 CHSP providers nationally, including local government providers. Almost 40 per cent of CHSP clients live outside major cities, highlighting the particular importance of service continuity in regional, rural and remote communities.

The announcement is particularly significant for HMSO and Council's future service planning. Considerable reform has been occurring across the aged care sector, including commencement of the Aged Care Act 2024 and Support at Home, and HMSO had been planning for different potential future funding and service-delivery models while awaiting confirmation of the longer-term direction for CHSP. These changes had potential implications for funding, client contributions, pricing, administration and the overall sustainability of HMSO's existing service model. The extension now provides a substantially clearer operating horizon and enables Council to undertake three-year operational and service planning through to June 2029 with greater certainty.

For current and future HMSO clients, the most important outcome is continuity of accessible, locally delivered entry-level support. HMSO delivers CHSP-funded services including community transport, individual social support, respite, home maintenance and meals, supporting eligible older people to remain independent and safely living at home and connected with their community. CHSP remains a grant-funded program with client contributions, with Australian Government funding providing the majority of service funding. Providers must apply a client contribution framework that considers a person's capacity to contribute and protects people experiencing financial hardship. This remains an important feature of maintaining equitable and affordable access to entry-level services.

With funding certainty now established to 30 June 2029, planning for HMSO's next three years is underway, with a focus on sustainable service delivery, workforce capacity, community awareness, compliance, service accessibility and responding to identified local need. This provides Council with an important opportunity to strengthen the existing service while maintaining continuity for clients throughout the broader national aged care reform process.

The Australian Government has advised that consultation will continue during 2026 on the long-term future of CHSP and entry-level in-home aged care, including sustainable funding, the role of block funding, fair and equitable client contributions, early intervention and better integration with Support at Home as people's needs change. Importantly, the Government has stated that it believes CHSP should remain a standalone program rather than being rolled into Support at Home. HMSO will continue to monitor these reforms and future funding arrangements to ensure Council remains appropriately prepared for developments beyond June 2029.

The extension represents a significant and positive outcome for Council and the Hay community. It provides greater certainty that HMSO can continue delivering valued, affordable and locally accessible entry-level aged care services while allowing Council to plan strategically for the service's future. In a rural community, continuity of these supports is particularly important in helping older residents remain safely at home, maintain independence and remain connected to their community for longer.

Event for August - My Aged Care and Services Australia Information Seminar

On 11 August 2026, HMSO and Hay Shire Library hosted a free face-to-face My Aged Care and Services Australia Information Seminar. Due to attendance exceeding the capacity of the RSL Meeting Room, the session was relocated to the main Library area to comfortably accommodate participants. Attendees included older residents, family members and carers, current HMSO clients, people not yet registered with My Aged Care, and three HMSO staff members.

The presentation was tailored to the needs and circumstances of the Hay community and rural and remote residents, providing participants with an opportunity to ask questions about their individual circumstances and identify barriers experienced when accessing government and aged care services locally. Information covered My Aged Care eligibility and registration; assessments; referral and service codes; registered supporters and carers; Commonwealth Home Support Programme (CHSP) and Support at Home pathways; available service types; and how to identify and engage appropriate providers. Particular attention was given to explaining the different roles of CHSP and Support at Home and the pathways between assessment, referral and commencement of services.

Participants were encouraged to register with My Aged Care once they reached the relevant eligibility age, even where they did not have an immediate need for support. The importance of planning ahead was discussed, as having registration and assessment processes underway can reduce avoidable delays when a person's circumstances change or support becomes necessary. Participants were advised of options for commencing the My Aged Care process, including online and telephone pathways. Following the seminar, four attendees proceeded to register with My Aged Care, providing a positive and practical outcome from the session.

A significant focus was placed on navigating the increasingly digital service environment, including Services Australia services, myGov and access to the My Aged Care client portal. Practical information was provided about accessing personal information, managing referrals and services online, and obtaining assistance where individuals are unable or lack confidence to use digital systems independently. This was particularly relevant locally, with participants raising concerns about the increasing movement of government services to digital platforms without corresponding access to face-to-face assistance, digital education or, for some residents, the financial capacity to purchase smartphones, tablets or other suitable technology.

The seminar also incorporated information from the Services Australia Financial Information Service (FIS), including aged care costs and contributions, pensions, superannuation, income and assets, residential aged care considerations and avenues for obtaining free financial information and education. The importance of financial awareness and maintaining accurate and current income and asset information with Services Australia was discussed, particularly as financial circumstances can affect pension entitlements and the calculation of aged care fees and contributions, including when entering residential aged care. Participants were encouraged to seek information early so they could understand the potential financial implications of future care decisions and ensure they were receiving their correct entitlements.

Following the formal presentation, HMSO staff and the Community Services Manager provided an informal overview of local HMSO service provision, including available CHSP supports, community transport, accessing services and assistance with navigating My Aged Care referrals and pathways. Attendees were encouraged to regard HMSO as a local first point of contact for aged care enquiries. Staff reinforced that community members do not need to know which service or program they require before making contact; HMSO will assist wherever possible and, where a matter falls outside its service scope, provide information or facilitate connection with an appropriate service rather than simply redirecting the person elsewhere.

The session also provided a valuable opportunity for two-way engagement, with Services Australia representatives receptive to questions and feedback regarding the particular challenges of accessing services in a rural community. Participants identified limited local face-to-face Services Australia assistance and the need to travel for some support as significant concerns, particularly for older residents and people experiencing transport, financial, technological or digital-literacy barriers. Feedback forms collected following the session identified opportunities for continued HMSO service development, including greater promotion of available services; clearer information about community transport; education regarding CHSP and Support at Home; assistance with My Aged Care referrals; and improved service continuity and accessibility, including reducing closures associated with staff absences. HMSO staff and the Community Services Manager acknowledged this feedback and provided contact information to support continued engagement.

The seminar represented a valuable community education and engagement opportunity, improving awareness of aged care and financial pathways while providing direct access to information specifically relevant to rural residents. It also strengthened relationships between Council, HMSO, Hay Shire Library and Services Australia and created opportunities for further collaboration with government agencies to improve local access to information and support.

Following the session, communication commenced with Services Australia Indigenous Service Officer Pat Undy regarding the potential for more regular face-to-face outreach and information sessions from Hay Shire Library, available to all community members. Establishing stronger referral and outreach relationships with external government services is particularly important in a rural setting and supports Council's broader objective of ensuring residents can access clear, practical and locally available assistance despite the continuing shift towards digital service delivery.



Figure 9: Participants at the Services Australia Seminar

CENTRELINK AGENCY – AUGUST SERVICE OVERVIEW

Centrelink Agency services continued throughout August in accordance with Council's agreement with Services Australia, maintaining important local access to government services, information and practical assistance. Service utilisation remained consistent, with common areas of support including myGov and myGov app access, account registration and service linking, income reporting, online enquiries and use of Services Australia digital platforms. Staff also provided general information, referral assistance and hands-on technology support, particularly for customers without reliable access to computers, internet-enabled devices or connectivity at home.

Where appropriate, documents were uploaded and submitted directly through the Agency, supporting timely processing and reducing potential delays associated with customers submitting information independently or by other channels. The Services Australia My Aged Care Information Seminar held on 11 August further strengthened staff knowledge, community awareness and referral pathways, complementing the Agency's day-to-day service.

Positive feedback continued regarding staff knowledge, competency and customer service, with sustained utilisation demonstrating the value of accessible, face-to-face assistance within the Hay community. Services were delivered in accordance with Services Australia contractual and operational requirements, with no incidents identified during the reporting period. The Agency continues to provide an important local connection to government services, combining digital access with knowledgeable, person-centred assistance for community members who may otherwise experience barriers to accessing support.

RELEVANCE TO STRATEGIC COMMUNITY PLAN	Civic Leadership 4.1 Our Council leads by example 4.1.1 Implement and promote best practice governance 4.1.2 Monitor and evaluate Council's strategic planning documents 4.1.3 Be environmentally responsible in decision making 4.1.4 Council will seek to continuously improve 4.3 Our Council is inclusive and sustainable 4.3.1 Enable an engaged workforce with suitable skills, available in the right place at the right time 4.3.2 Build a strong, collaborative, and supportive team culture 4.3.3 Ensure a financially sound Council that is responsible and sustainable
FINANCIAL IMPLICATION	Nil
LEGISLATIVE IMPLICATION	Various
POLICY IMPLICATION	Various as presented
ASSET IMPLICATION	Nil
RISK IMPLICATION	Compliance

RECOMMENDATION

That Council:

- (a) Notes the information provided in the report; and
- (b) Places the draft Closed-Circuit Television (CCTV) Policy, dated September 2026, on public exhibition for a period of minimum twenty-eight days.



Hay Shire Council Policy

Title of Policy	Closed-Circuit Television (CCTV) Policy DRAFT		
This applies to	Anyone in public areas where Council has installed CCTV		
Author	Kirstyn Thronder	Date Approved:	
Position of Author	Executive Manager: Corporate Performance and Community	Authorised by:	Council
Legislation, Australian Standards, Code of Practice.	• Local Government Act 1993 (NSW); • Privacy and Personal Information Protection Act 1998 (NSW); • Privacy and Personal Information Protection Regulation 2019 (NSW); • Government Information (Public Access) Act 2009 (NSW); • State Records Act 1998 (NSW); • Workplace Surveillance Act 2005 (NSW), where applicable; • Surveillance Devices Act 2007 (NSW), where applicable; and • relevant NSW Government and NSW Police guidance concerning CCTV in public places.		
Related Policies/Procedures	• Workplace Surveillance Policy • Recording Devices in Sensitive Places Policy • Privacy Management Plan • Records Management Policy • Government Information (Public Access) Policy/Procedure • Information Security Policy • Complaints Management Policy • Incident Management Procedures		
Attachments			
Aim	The aim of this Policy is to ensure that Hay Shire Council’s CCTV systems are used in a lawful, transparent, responsible and proportionate manner to support public safety, protect Council assets and facilities, deter and investigate unlawful activity, and assist authorised investigations, while protecting individual privacy and ensuring that CCTV footage is accessed, stored, retained and disclosed only for legitimate and approved purposes.		
Version	Details	Date	
1	Original Draft	15/9/26	
Review Date	2030		
Superseded Policies			
The Policy			

1. PURPOSE

The purpose of this Policy is to establish a clear and consistent framework for the use, management, access, storage and disclosure of Closed-Circuit Television (CCTV) systems operated by Hay Shire Council in designated public areas.

Trim Number:		Hay Shire Council Page 1 of 18
Date Printed:	17 September 2026	
File Path:	O:\Bpaper\2026\September\Ordinary\Attachment - CCTV Draft policy.docx	

Council uses CCTV primarily as a security and crime prevention measure to:

- deter vandalism, theft, property damage and other unlawful activity;
- assist in the protection of Council property, facilities and assets;
- assist in the investigation of incidents occurring at Council facilities;
- assist NSW Police and other authorised law enforcement agencies where footage may be relevant to an investigation;
- support the safety and security of members of the public using Council facilities; and
- where applicable, support automated movement detection and security functions associated with Council facilities.

CCTV is not intended to provide continuous active surveillance of members of the public or Council employees.

2. SCOPE

This Policy applies to CCTV systems installed and operated by Hay Shire Council in designated public areas and Council facilities.

At the date of adoption, the CCTV systems covered by this Policy include cameras located at:

2.1 Hay Library

CCTV cameras located externally at the Hay Library to assist with the security of the building, surrounding public area and Council property.

2.2 Waste Transfer Station

CCTV cameras located at the Waste Transfer Station to assist with the protection of Council assets, monitoring of unauthorised access, illegal dumping, vandalism and other incidents occurring at the facility.

2.3 Hay Park – Kiosk/Storage Area and Community Building Area

CCTV cameras located externally around the kiosk/storage area and community building area at Hay Park to assist with the protection of Council facilities and assets and to deter and investigate vandalism, theft and other incidents.

2.4 John Houston Memorial Pool

CCTV cameras at the John Houston Memorial Pool include:

- cameras positioned at the FOB/access entry point and main entry for security and access-related purposes; and
- cameras covering the main pool area which incorporates movement detection functionality as part of the pool's security/AI detection system.

The pool CCTV system is not intended to provide surveillance of patrons for general monitoring purposes.

CCTV cameras are not installed in changerooms, toilets, showers or other areas where people have a heightened expectation of privacy.

Trim Number:		Hay Shire Council Page 2 of 18
Date Printed:	17 September 2026	
File Path:	O:\Bpaper\2026\September\Ordinary\Attachment - CCTV Draft policy.docx	

3. RELATED POLICIES

This Policy is to be read in conjunction with Council's other relevant policies, procedures and plans, including:

- Workplace Surveillance Policy;
- Recording Devices in Sensitive Places Policy;
- Privacy Management Plan;
- Government Information (Public Access) (GIPA) Policy/Procedure;
- Records Management Policy;
- Information Security Policy, where applicable;
- Incident Management procedures; and
- any relevant Work Health and Safety policies and procedures.

3.1 Workplace Surveillance Policy

Council has a separate Workplace Surveillance Policy that applies to workplace surveillance, including surveillance of Council employees at Council workplaces and facilities.

Where CCTV footage covered by this Policy incidentally captures Council employees, the Workplace Surveillance Policy and applicable requirements of the Workplace Surveillance Act 2005 (NSW) must also be considered.

This Policy does not replace or limit Council's Workplace Surveillance Policy (2021).

The Workplace Surveillance Act 2005 contains specific requirements concerning camera surveillance of employees, including requirements relating to visible cameras, signage and the use and disclosure of surveillance records.

3.2 Recording Devices in Sensitive Places Policy

Council has a separate Recording Devices in Sensitive Places Policy governing the use of recording devices in locations where children gather, change rooms, toilets, shower facilities and other sensitive areas.

That Policy takes precedence where a proposed or existing recording device is located in, or is intended to operate in, a sensitive place covered by that Policy.

Under no circumstances is CCTV installed under this Policy to be used to record change rooms, toilets, showers or similar areas.

4. POLICY STATEMENT

Council is committed to using CCTV in a lawful, proportionate, transparent and responsible manner.

Council recognises that CCTV footage may contain personal information about identifiable individuals. CCTV systems will therefore be operated having regard to applicable privacy, information access, records management and surveillance legislation.

Council will ensure that:

Trim Number:		Hay Shire Council Page 4 of 18
Date Printed:	17 September 2026	
File Path:	O:\Bpaper\2026\September\Ordinary\Attachment - CCTV Draft policy.docx	

1. CCTV is used only for legitimate and authorised Council purposes;
2. cameras are positioned to minimise unnecessary intrusion into private areas;
3. private property is not unnecessarily captured within camera views;
4. appropriate signage is displayed at locations where CCTV is operating;
5. access to recorded footage is restricted to authorised persons;
6. footage is securely stored and protected from unauthorised access, alteration, copying or disclosure;
7. footage is only accessed, used or disclosed for an authorised purpose;
8. relevant footage is preserved where it may be required as evidence;
9. footage is provided to NSW Police or another law enforcement agency where lawfully requested or where Council determines disclosure is authorised;
10. CCTV systems are not used for covert surveillance unless specifically authorised in accordance with applicable legislation; and
11. CCTV systems are reviewed periodically to ensure they remain necessary, proportionate and fit for purpose.

5. LEGISLATIVE AND REGULATORY FRAMEWORK

The operation of Council's CCTV systems must have regard to all applicable legislation, regulations and government guidance, including:

- Local Government Act 1993 (NSW);
- Privacy and Personal Information Protection Act 1998 (NSW);
- Privacy and Personal Information Protection Regulation 2019 (NSW);
- Government Information (Public Access) Act 2009 (NSW);
- State Records Act 1998 (NSW);
- Workplace Surveillance Act 2005 (NSW), where applicable;
- Surveillance Devices Act 2007 (NSW), where applicable; and
- relevant NSW Government and NSW Police guidance concerning CCTV in public places.

The Information and Privacy Commission NSW confirms that local councils are permitted to operate CCTV in public places and that specific exemptions apply to councils in relation to certain privacy obligations associated with public-place CCTV. These exemptions do not remove the need for Council to operate its CCTV scheme responsibly and consistently with privacy and information management requirements.

Council will also have regard to the NSW Government Policy Statement and Guidelines for the Establishment and Implementation of Closed Circuit Television (CCTV) in Public Places. NSW Police identifies these guidelines as the basis for consideration of the development, management and operation of public area CCTV schemes.

6. PURPOSES OF CCTV

Council's CCTV systems may be used for the following purposes:

Trim Number:		Hay Shire Council Page 5 of 18
Date Printed:	17 September 2026	
File Path:	O:\Bpaper\2026\September\Ordinary\Attachment - CCTV Draft policy.docx	

6.1 Security and asset protection

CCTV may be used to:

- protect Council buildings, facilities, infrastructure and equipment;
- deter vandalism, theft and property damage;
- identify incidents involving Council property;
- assist with investigations of damage or unauthorised access; and
- support the security of Council facilities.

6.2 Public safety

CCTV may be used to assist Council in identifying incidents that may affect the safety of members of the public at Council facilities.

6.3 Incident investigation

Recorded footage may be reviewed following an incident, including:

- vandalism;
- theft;
- property damage;
- unauthorised access;
- suspected illegal activity;
- safety incidents;
- incidents involving Council property; or
- other matters directly connected with the legitimate purposes of the CCTV system.

6.4 Law enforcement

CCTV footage may be provided to NSW Police or another authorised law enforcement agency where:

- requested or required by law;
- required under a warrant, subpoena or other lawful authority;
- Council reasonably considers that the footage may assist in the investigation of an offence;
- or
- disclosure is otherwise authorised by legislation.

7. CCTV IS NOT ACTIVELY MONITORED

Council's CCTV systems covered by this Policy are not continuously monitored by Council staff or a security control room.

CCTV systems are primarily recording systems.

Council staff will generally access recorded footage only where there is a legitimate reason to do so, including in response to:

- a reported incident;
- suspected vandalism or property damage;

Trim Number:		Hay Shire Council Page 6 of 18
Date Printed:	17 September 2026	
File Path:	O:\Bpaper\2026\September\Ordinary\Attachment - CCTV Draft policy.docx	

- suspected theft;
- a security concern;
- a request from NSW Police;
- a legal or regulatory requirement;
- an information access request; or
- another authorised Council purpose.

The existence of CCTV does not mean that Council is actively monitoring the area or that Council will immediately detect or respond to an incident.

8. JOHN HOUSTON MEMORIAL POOL – MOVEMENT DETECTION

The CCTV system at the John Houston Memorial Pool includes technology capable of automated movement detection as part of the pool's security and AI detection system.

The purpose of this functionality is to assist with the detection of movement or activity within the designated pool area and support the safety and security of the facility.

The movement detection functionality:

- is not intended to identify individuals for general surveillance purposes;
- is not intended to be used for employee performance monitoring;
- does not replace the responsibilities of pool staff, lifeguards or other personnel;
- does not constitute continuous active human monitoring by Council; and
- must not be configured or used to monitor changerooms, toilets, showers or other sensitive areas.

Any future introduction of facial recognition, biometric identification or other materially different AI surveillance functionality must be separately assessed and approved by Council before implementation, including consideration of privacy, legal, ethical, security and community impacts.

9. CAMERA POSITIONING

Council will ensure that CCTV cameras are positioned having regard to the intended purpose of the camera and the privacy of individuals.

Cameras should, wherever reasonably practicable:

- be directed only toward areas necessary for the stated purpose;
- avoid capturing private residences or private property;
- avoid unnecessary capture of adjoining properties;
- not be directed toward windows or other areas where individuals have a reasonable expectation of privacy; and
- not be installed in toilets, changerooms, showers or other sensitive areas.

Where private property is incidentally captured and it is reasonably practicable to adjust the camera position, Council will take reasonable steps to minimise that capture.

Trim Number:		Hay Shire Council Page 7 of 18
Date Printed:	17 September 2026	
File Path:	O:\Bpaper\2026\September\Ordinary\Attachment - CCTV Draft policy.docx	

The IPC specifically advises councils to avoid including private property within CCTV camera views unless it is not reasonably practicable to avoid doing so when filming a public place.

10. SIGNAGE AND TRANSPARENCY

Council will install clear and prominently displayed CCTV signage at each location where CCTV operates.

Signage will be positioned so that people entering or using the relevant area have reasonable notice that CCTV is operating.

Where practicable, signage will identify:

- that CCTV surveillance is in operation;
- the purpose of the surveillance;
- that footage may be recorded;
- who operates the CCTV system; and
- how further information may be obtained.

Council will maintain a public-facing CCTV notice on its website containing general information about its CCTV program and privacy arrangements.

The NSW Government CCTV guidelines emphasise that public area CCTV schemes should be open and accountable and operate with due regard to privacy and civil rights.

11. ACCESS TO CCTV FOOTAGE

Access to CCTV footage will be restricted to authorised Council officers who require access for an approved Council purpose.

Access may be authorised for:

- investigation of an incident;
- security and asset protection;
- responding to a police request;
- responding to a legal requirement;
- processing an authorised information access request;
- records management;
- system administration and maintenance; or
- another legitimate and approved Council function.

Council officers must not access CCTV footage merely out of curiosity or for a purpose unrelated to their duties.

Access to footage should be recorded where practicable, including:

- date and time of access;
- officer accessing the footage;

Trim Number:		Hay Shire Council Page 8 of 18
Date Printed:	17 September 2026	
File Path:	O:\Bpaper\2026\September\Ordinary\Attachment - CCTV Draft policy.docx	

- reason for access;
- relevant camera/location;
- footage viewed or copied; and
- any disclosure made.

12. DISCLOSURE OF CCTV FOOTAGE

CCTV footage will only be disclosed where authorised by legislation or for a legitimate Council purpose.

Footage may be disclosed to:

- NSW Police Force;
- another law enforcement agency;
- a court or tribunal;
- a person or organisation where disclosure is required or authorised by law;
- Council's insurers or legal advisers where necessary for a legitimate Council purpose;
- contractors or service providers where necessary for authorised system management, maintenance or investigation and appropriate confidentiality and security arrangements are in place; or
- an applicant where access is authorised under the Government Information (Public Access) Act 2009 or other applicable legislation.

Council will not routinely provide CCTV footage to members of the public simply because they request it.

Requests for access to CCTV footage will be managed in accordance with Council's information access procedures and applicable legislation.

13. PROVISION OF FOOTAGE TO NSW POLICE

Where NSW Police requests CCTV footage in connection with an incident or investigation, Council may provide relevant footage where the disclosure is authorised by law or otherwise permitted.

Council may also proactively provide footage to NSW Police where Council reasonably considers that the footage may assist in the investigation or prevention of an offence.

Where footage is provided to NSW Police, Council should document:

- the date of the request or disclosure;
- the name and details of the requesting officer, where available;
- the reason for the request;
- the footage provided;
- the method of transfer; and
- the date of transfer.

Where footage is required as evidence, Council will take reasonable steps to preserve the original footage and maintain an appropriate record of its release.

Trim Number:		Hay Shire Council Page 9 of 18
Date Printed:	17 September 2026	
File Path:	O:\Bpaper\2026\September\Ordinary\Attachment - CCTV Draft policy.docx	

14. RETENTION OF CCTV FOOTAGE

CCTV footage will be retained only for as long as required for its legitimate purpose and in accordance with applicable records management requirements.

Routine CCTV footage that does not relate to an incident will be automatically overwritten or securely deleted in accordance with Council's approved retention period and system capabilities.

Council's standard retention period will be 30 days unless a longer period is required.

Footage must be retained beyond the normal retention period where it:

- relates to a reported incident;
- may be required as evidence;
- is the subject of a police request;
- is required for legal proceedings;
- is subject to an information access request;
- is subject to an investigation or complaint; or
- is otherwise required to be retained under Council's records management obligations.

The NSW IPC advises that audiovisual information should be retained for the appropriate period consistent with operational, legal and accountability requirements and applicable State Records retention and disposal authorities.

15. SECURITY OF CCTV FOOTAGE

Council will implement reasonable technical and administrative measures to protect CCTV footage from:

- unauthorised access;
- unauthorised copying;
- alteration;
- disclosure;
- loss;
- theft;
- accidental deletion; or
- other unauthorised use.

Where technically available, CCTV systems should use:

- password-protected access;
- individual user accounts;
- appropriate access permissions;
- secure network connections;
- audit logs;
- secure storage; and

Trim Number:		Hay Shire Council Page 10 of 18
Date Printed:	17 September 2026	
File Path:	O:\Bpaper\2026\September\Ordinary\Attachment - CCTV Draft policy.docx	

- appropriate backup arrangements.

CCTV footage must not be copied to personal devices, personal cloud storage, USB devices or other unauthorised locations.

16. COPYING AND EXPORTING FOOTAGE

Where footage needs to be exported or copied for an authorised purpose, the officer responsible must ensure that:

- only relevant footage is copied where reasonably practicable;
- the original footage is preserved;
- the copy is securely stored;
- the reason for copying is documented;
- access to the copy is restricted; and
- the copy is disposed of securely when no longer required.

Where footage is provided to NSW Police or another external party, Council should use a secure transfer method appropriate to the sensitivity and size of the footage.

17. PRIVACY

Council recognises that CCTV footage may contain personal information where individuals are identifiable.

Council will manage CCTV information consistently with applicable privacy legislation and Council's Privacy Management Plan.

The operation of CCTV will be guided by the principles of:

- necessity;
- proportionality;
- transparency;
- purpose limitation;
- security;
- accountability; and
- respect for reasonable expectations of privacy.

Council will not use CCTV footage for a purpose unrelated to the legitimate purposes outlined in this Policy unless otherwise authorised by law.

18. PROHIBITED USES

CCTV footage must not be used:

- for personal purposes;
- to monitor members of the public without a legitimate Council purpose;

Trim Number:		Hay Shire Council Page 11 of 18
Date Printed:	17 September 2026	
File Path:	O:\Bpaper\2026\September\Ordinary\Attachment - CCTV Draft policy.docx	

- to harass, intimidate or embarrass an individual;
- for unauthorised employee performance monitoring;
- to monitor employees for purposes unrelated to an authorised workplace surveillance purpose;
- to monitor change rooms, toilets, showers or other sensitive areas;
- to conduct covert surveillance without appropriate legal authority;
- for facial recognition or biometric identification unless separately approved and legally assessed; or
- for any other purpose contrary to legislation or Council policy.

19. WORKPLACE SURVEILLANCE

Where CCTV covered by this Policy operates in a location where Council employees work, Council will ensure that the requirements of its Workplace Surveillance Policy and the Workplace Surveillance Act 2005 (NSW) are addressed.

Council's Workplace Surveillance Policy provides the framework for surveillance of Council employees, including requirements concerning notification, signage, use of surveillance information and employee rights.

The existence of this Public Area CCTV Policy does not authorise Council to use public area CCTV as a means of circumventing the requirements of the Workplace Surveillance Policy or the Workplace Surveillance Act 2005.

The NSW workplace surveillance framework imposes specific requirements on camera surveillance of employees, including visible cameras and clearly visible signage.

20. SENSITIVE AREAS

CCTV covered by this Policy must not be installed or operated in:

- toilets;
- changerooms;
- showers;
- bathing facilities;
- areas designated as sensitive places under Council's Recording Devices in Sensitive Places Policy; or
- any other area where surveillance would be inappropriate or unlawful.

Any proposal to install a recording device in a sensitive place must be assessed under Council's Recording Devices in Sensitive Places Policy before installation.

21. AUDIO RECORDING

The CCTV systems covered by this Policy are intended to record visual images only.

Trim Number:		Hay Shire Council Page 12 of 18
Date Printed:	17 September 2026	
File Path:	O:\Bpaper\2026\September\Ordinary\Attachment - CCTV Draft policy.docx	

CCTV systems must not be configured to record or retain audio unless specifically authorised following an assessment of applicable legislation, including the Surveillance Devices Act 2007 (NSW), and approval by an appropriately authorised Council officer.

22. INCIDENTS AND EVIDENCE

Where CCTV footage identifies or may assist with an incident, the relevant footage should be preserved as soon as practicable.

Incidents that may require preservation of footage include:

- vandalism;
- theft;
- property damage;
- unlawful entry;
- suspected criminal activity;
- serious safety incidents;
- incidents at the John Houston Memorial Pool;
- significant disputes or complaints; or
- matters likely to result in legal proceedings.

The relevant Council officer should ensure that footage is not overwritten while the matter remains under investigation.

23. REQUESTS FOR CCTV FOOTAGE BY MEMBERS OF THE PUBLIC

Requests by members of the public for CCTV footage will be assessed in accordance with applicable information access legislation and Council's information access procedures.

A request for CCTV footage does not automatically entitle a person to receive the footage.

Council will consider:

- whether the footage exists;
- whether the applicant is entitled to access;
- whether other people are identifiable in the footage;
- whether third-party privacy considerations apply;
- whether disclosure would prejudice an investigation;
- whether the footage is subject to legal proceedings;
- whether an exemption applies; and
- whether redaction or other measures are reasonably practicable.

Where appropriate, requests will be referred to Council's Governance/Information Access Officer for assessment.

Trim Number:		Hay Shire Council Page 13 of 18
Date Printed:	17 September 2026	
File Path:	O:\Bpaper\2026\September\Ordinary\Attachment - CCTV Draft policy.docx	

24. COMPLAINTS

Any person who has concerns regarding Council's use of CCTV may lodge a complaint with Council.

Complaints may relate to:

- the location or positioning of a camera;
- inadequate signage;
- privacy concerns;
- access to or use of footage;
- disclosure of footage;
- operation of the CCTV system; or
- alleged misuse of CCTV.

Complaints will be managed in accordance with Council's complaints management framework.

Where a complaint raises a privacy issue, Council will also consider the requirements of the Privacy and Personal Information Protection Act 1998 (NSW) and Council's Privacy Management Plan.

The NSW Government CCTV guidelines identify complaints procedures as an important element of an accountable public CCTV scheme.

25. CCTV SYSTEM MANAGEMENT

Council's responsible officer will ensure that CCTV systems are:

- appropriately installed;
- maintained in working order;
- configured for their approved purpose;
- appropriately secured;
- periodically reviewed; and
- removed or decommissioned when no longer required.

Changes to camera locations, camera capabilities or the purposes for which footage is collected should be assessed before implementation to determine whether an amendment to this Policy or other Council policies is required.

26. NEW CCTV INSTALLATIONS

Before a new CCTV camera is installed, Council should consider:

1. the purpose and objective of the camera;
2. the identified security or safety risk;
3. whether CCTV is a proportionate response;
4. the proposed camera location;
5. what areas will be captured;
6. whether private property may be captured;

Trim Number:		Hay Shire Council Page 14 of 18
Date Printed:	17 September 2026	
File Path:	O:\Bpaper\2026\September\Ordinary\Attachment - CCTV Draft policy.docx	

7. privacy implications;
8. whether employees may be captured;
9. whether the Workplace Surveillance Policy applies;
10. whether the Recording Devices in Sensitive Places Policy applies;
11. signage requirements;
12. storage and retention arrangements;
13. access arrangements;
14. cyber and information security requirements;
15. costs and ongoing maintenance;
16. whether consultation is appropriate; and
17. whether NSW Police consultation or advice would be beneficial.

The NSW Police CCTV guidelines emphasise clear objectives, appropriate planning, privacy, accountability, community confidence, police involvement and ongoing evaluation of public CCTV schemes.

27. REVIEW AND AUDIT

Council will periodically review its CCTV systems to determine whether:

- the cameras remain necessary;
- the cameras continue to achieve their intended purpose;
- camera positioning remains appropriate;
- signage remains visible and accurate;
- access controls remain effective;
- footage is being retained in accordance with requirements;
- footage is being accessed only for authorised purposes;
- any complaints have been received;
- any privacy issues have arisen; and
- changes to technology or legislation require changes to the CCTV arrangements.

The review should also consider whether cameras remain operational and whether their continued operation represents a proportionate use of Council resources.

28. RESPONSIBILITIES

General Manager: The General Manager is responsible for ensuring that Council's CCTV program operates within Council's governance framework and applicable legislation.

Responsible Manager/Officer: The responsible officer is responsible for:

- overseeing the operation of Council's CCTV systems;
- ensuring cameras are maintained;
- ensuring appropriate signage is displayed;
- managing authorised access;
- ensuring footage is securely stored;

Trim Number:		Hay Shire Council Page 15 of 18
Date Printed:	17 September 2026	
File Path:	O:\Bpaper\2026\September\Ordinary\Attachment - CCTV Draft policy.docx	

- coordinating requests for footage;
- maintaining appropriate records; and
- coordinating periodic review of CCTV arrangements.

Authorised Officers: Authorised officers must:

- only access footage for legitimate purposes;
- maintain confidentiality;
- comply with this Policy and related Council policies;
- not copy or disclose footage without authorisation; and
- report suspected misuse or unauthorised access.

All Council Employees: Council employees must not access, copy, distribute, disclose or use CCTV footage except where authorised as part of their duties.

29. RECORDS MANAGEMENT

Council will manage CCTV footage and associated records in accordance with its Records Management Policy and applicable State Records requirements.

Records associated with CCTV may include:

- CCTV footage;
- requests for footage;
- access logs;
- disclosure records;
- police requests;
- incident reports;
- complaints;
- system maintenance records; and
- records relating to the installation, configuration and review of CCTV systems.

30. DATA BREACHES AND UNAUTHORISED ACCESS

Any suspected unauthorised access, disclosure, loss, alteration or compromise of CCTV footage must be reported immediately in accordance with Council's information security and data breach procedures.

Council will assess any suspected breach and take appropriate action in accordance with applicable privacy, information security and data breach requirements.

31. POLICY ADMINISTRATION

This Policy will be reviewed at least every four years, or earlier where:

- legislation changes;
- significant changes are made to Council's CCTV systems;

Trim Number:		Hay Shire Council Page 16 of 18
Date Printed:	17 September 2026	
File Path:	O:\Bpaper\2026\September\Ordinary\Attachment - CCTV Draft policy.docx	

- new surveillance technology is introduced;
- a significant privacy or security incident occurs;
- the responsibilities of Council change; or
- the General Manager considers a review necessary.

Trim Number:		Hay Shire Council Page 17 of 18
Date Printed:	17 September 2026	
File Path:	O:\Bpaper\2026\September\Ordinary\Attachment - CCTV Draft policy.docx	

APPENDIX A – CURRENT CCTV LOCATIONS

Location	Camera Purpose	Monitoring	Sensitive Areas Covered
Hay Library – external	Security, vandalism and incident recording	Not continuously monitored	No
Waste Transfer Station	Security, vandalism, illegal dumping and incident recording	Not continuously monitored	No
Hay Park – kiosk/storage area	Security, asset protection and incident recording	Not continuously monitored	No
Hay Park – community building area	Security, asset protection and incident recording	Not continuously monitored	No
John Houston Memorial Pool – FOB entry and main entry	Security and access area recording	Not continuously monitored	No
John Houston Memorial Pool – main pool	Movement detection/security and incident recording	Not continuously monitored by Council staff	No – change rooms/toilets excluded

Trim Number:		Hay Shire Council Page 18 of 19
Date Printed:	17 September 2026	
File Path:	O:\Bpaper\2026\September\Ordinary\Attachment - CCTV Draft policy.docx	

APPENDIX B – CCTV SIGNAGE

Council's standard signage should state substantially:

CCTV SECURITY CAMERAS OPERATE IN THIS AREA

Hay Shire Council operates CCTV cameras at this location for security, safety and the protection of Council property.

Images may be recorded and retained.

Footage may be accessed and disclosed where authorised by law, including to NSW Police for law enforcement purposes.

For further information, contact Hay Shire Council on 02 6990 1100 or mail@hay.nsw.gov.au

Trim Number:		Hay Shire Council Page 19 of 20
Date Printed:	17 September 2026	
File Path:	O:\Bpaper\2026\September\Ordinary\Attachment - CCTV Draft policy.docx	

John Houston Memorial Swimming Pool – AI Pool Monitoring Safety System**LYNXIGHT**

VIDEO MONITORING FOR YOUR SAFETY IN THE WATER

This facility uses the Lynxight System, which uses CCTV cameras and AI technology to detect and alert lifeguards to potential drowning or safety incidents.

The System monitors these areas for swimmer safety as well as for incident reviews and further improvement of the Lynxight System. If you prefer not to be monitored by the System for these safety or other purposes, please avoid the monitored areas.

For more information on privacy aspects of the Lynxight System, including how you may complain about Lynxight's handling of your privacy.

**PLEASE SCAN
LYNXIGHT'S PRIVACY
POLICY QR CODE:**



Trim Number:		Hay Shire Council Page 20 of 20
Date Printed:	17 September 2026	
File Path:	O:\Bpaper\2026\September\Ordinary\Attachment - CCTV Draft policy.docx	

C12 – Finances Report– August 2026

REPORTING OFFICER	General Manager
ATTACHMENTS	- Income and Expenditure Report

INTRODUCTION

This report provides Council with information on the operations of the Corporate Services Department

COMMENTARY**MONTHLY FINANCIAL REPORT**

In accordance with the new Quarterly Budget Review Statement Guidelines a Monthly report must be presented to Council which as a minimum include an income statement for the month, and year to date, a balance sheet, Councils cash position and investment report and highlight material budget variances.

1. Monthly income statement by Function – annexure 1

A consolidated Income and Expenditure Statement by function is attached which included budget to actual year to dates as well as the monthly figures.

2. Cash and Investment Report**STATEMENT OF BANK RECONCILIATION**

I hereby certify that the various funds of Council have been reconciled with the respective Bank Statements as at 31st August 2026 and the Reconciliation Statement has been entered in the Cash Book.

STATEMENT OF CASH BOOK BALANCES

Listed hereunder is the Statement of Cash Book Balances for all funds and accounts for the period ending 31st August 2026.

Fund	May	June	July	August
General	2,267,498.68	5,627,796.17	7,578,876.90	8,132,257.81
Water	2,447,736.12	2,798,991.07	2,689,382.82	2,414,717.07
Sewer	1,353,638.96	1,246,839.93	1,209,195.83	1,503,681.48
Total	6,068,873.76	9,673,627.17	11,477,455.55	12,050,656.36

RESERVES

Council's Reserve funds are listed below: -

	31/08/2026
GENERAL FUND	
Computer Replacement Reserve	31,919.75
Leave Reserve	670,474.44
Aerodrome Reserve	52,274.20
HACC	490,730.11
Financial Assistance Grant	4,043,041.00
Swimming Pool	6,000.00
Carry over Works	567,227.23
Capital Works	1,113,352.58
Land Development Reserve	61,168.49
Waste Services	100,000.00
Youth Services	3,014.29
Levee Bank Reserve	624,931.85
Library reserve	13,927.28
LEP reserve	3,677.22
Plant Reserve	284,147.07
Hay Gaol Museum	93,475.91
Bishops Lodge Museum	98,177.70
Dunera Museum	57,275.51
Long Paddock	7,260.00
Duval Scholarship	20,266.20
Development Contributions Section 7.12	108,331.14
Total General Fund	8,450,671.97
WATER FUND	
Renewals Reserve	1,044,194.08
Total Water Fund	1,044,194.08
SEWER FUND	
Renewals Reserve	223,785.17
Future Requirements Reserve	1,705,132.43
Total Sewer Fund	1,928,917.60
TOTAL RESERVES	11,423,783.65
<i>Funds Invested other than Reserves</i>	
<i>General Working Funds</i>	- 581,921.56
TOTAL FUNDS INVESTED	10,841,862.09

RECORD OF INVESTMENTS

Council's Current Investments are listed below:-

Financial Institution	Date Invested	Date Due	Interest Rate per Annum	No. of Days	Amount of Interest \$	Amount Invested \$
CBA	17-08-2026	16-11-2026	4.98	91	23,143.20	1,863,998.22
CBA	24-08-2026	23-11-2026	4.97	91	36,275.59	2,927,585.03
NAB - 164525911	26-08-2026	24-11-2026	4.93	90	11,019.10	906,461.11
NAB - 171325926	26-08-2026	24-11-2026	4.93	90	4,326.58	355,915.77
NAB - 808501318	30-08-2026	28-11-2026	4.93	90	33,084.21	2,721,598.68
I.M.B. - 48169	13-07-2026	13-10-2026	4.85	92	9,960.28	814,769.38
Bendigo - 2619308	11-06-2026	10-09-2026	4.80	91	4,669.09	390,159.81
Westpac - 146449	13-06-2026	13-09-2026	5.07	92	11,007.65	861,374.09
Total Investments						10,841,862.09

CERTIFICATION

I hereby certify that all investments as of 31st August 2026 have been made in accordance with the Local Government Act 1993, the Local Government Regulations and Council's Investment Policy.

David Webb

General Manager

3. Material Budget Changes

During the month of August, two material Budget Changes have been identified for Council consideration and information:

Water Fund

It is proposed to transfer \$38,000 from reserves to construct structures for Solar and Battery system at the Leonard Street Pump Station.

General Fund

It is proposed to transfer \$14,000 from reserves for fencing at the Maude Cemetery.

INFORMATION SERVICES REPORT

During the month the following activities were recorded

- | | |
|-----------------------|--------|
| 1. Records registered | 895 |
| 2. Website hits | 1,956 |
| 3. Facebook Visits | 1,200 |
| 4. Facebooks Views | 13,000 |
| 5. Cyber incidents | 0 |

RELEVANCE TO STRATEGIC COMMUNITY PLAN	Civic Leadership 4.1 Our Council leads by example 4.1.1 Implement and promote best practice governance 4.1.2 Monitor and evaluate Council's strategic planning documents 4.1.3 Be environmentally responsible in decision making 4.1.4 Council will seek to continuously improve
FINANCIAL IMPLICATION	High Importance
LEGISLATIVE IMPLICATION	Local Government General Regulation 2005 Local Government Act 1993
POLICY IMPLICATION	Investment Policy, Asset Management Policy, Cyber security and Incident response Policy
ASSET IMPLICATION	The level of cash reserves needs to be considered in Councils asset management activities
RISK IMPLICATION	The risk is significant in relation to budget Control, information Management, Cash and Investment Management and service Delivery.

RECOMMENDATION

That Council receives and notes the report provided and approves the Material Budget Variances outlined in the report.

Hay Shire Council
August Monthly Report

Budget Item	August Monthly Actuals	Original Budget	Revised Budget	YTD Actuals
Income	(768,402)	(20,420,578)	(20,420,578)	(7,804,771)
General Manager	(5,035)	(609,000)	(609,000)	(31,139)
Tourism and Events	(5,034)	(59,000)	(59,000)	(9,579)
01910. Events Promotion Revenue	0	(20,000)	(20,000)	0
0110. User Fees & Charges	0	(20,000)	(20,000)	0
0146. Sales - Other General	0	(20,000)	(20,000)	0
01920. Tourism Revenue	(5,034)	(39,000)	(39,000)	(9,579)
0110. User Fees & Charges	(4,974)	(39,000)	(39,000)	(9,479)
0145. Tourism Sales	(4,974)	(39,000)	(39,000)	(9,479)
0130. Other Income	(60)	0	0	(100)
0220. Other Sundry Income	(60)	0	0	(100)
Business and Economic Development	(1)	(550,000)	(550,000)	(21,560)
02170. Economic Development Revenue	(1)	(550,000)	(550,000)	(1)
0115. Grants & Subsidies Recurrent	(1)	(550,000)	(550,000)	(1)
0171. State Grants & Subsidies	(1)	(550,000)	(550,000)	(1)
02171. Youth Programs	0	0	0	(21,559)
0115. Grants & Subsidies Recurrent	0	0	0	(21,559)
0170. Comm'th Grants & Subsidies	0	0	0	(15,201)
0171. State Grants & Subsidies	0	0	0	(6,358)
Corporate Services	(357,969)	(9,404,961)	(9,404,961)	(3,490,977)
Manager Corporate Service Office	(3,288)	(62,500)	(62,500)	(15,041)
01100. Corporate Services Revenue	(3,288)	(62,500)	(62,500)	(15,041)
0110. User Fees & Charges	(738)	(7,500)	(7,500)	(10,534)
0127. Forfeiture of Bonds/Deposits	250	(500)	(500)	(1,000)
0143. Other User Charges (Sundry)	(988)	(7,000)	(7,000)	(9,534)
0125. Reimbursements	(2,430)	(25,000)	(25,000)	(4,050)
0200. Reimbursements Other	(2,430)	(25,000)	(25,000)	(4,050)
0130. Other Income	(120)	(30,000)	(30,000)	(457)
0220. Other Sundry Income	(120)	(30,000)	(30,000)	(457)
Rates	(450)	(3,065,984)	(3,065,984)	(3,019,230)
01110. Rates Revenue	(450)	(3,065,984)	(3,065,984)	(3,019,230)
0100. Rates & Charges	(100)	(2,527,664)	(2,527,664)	(2,508,580)
0010. Rates - Residential	0	(486,763)	(486,763)	(487,189)
0011. Rates - Commercial	0	(306,191)	(306,191)	(306,144)
0012. Rates - Rural	0	(1,744,710)	(1,744,710)	(1,745,027)
0030. Rates Council Pensioner Concession	113	35,000	35,000	33,629
0034. Rates Interest Penalty	(474)	(25,000)	(25,000)	(4,110)
0035. Rates Interest Written Off	261	0	0	261
0101. Base Charge Income	280	(509,320)	(509,320)	(509,600)
0001. Base Charge Income	280	(509,320)	(509,320)	(509,600)
0105. Statutory Fees & Charges	(630)	(10,000)	(10,000)	(1,050)
0060. Rates Search/Certificate Fee	(630)	(10,000)	(10,000)	(1,050)
0115. Grants & Subsidies Recurrent	0	(19,000)	(19,000)	0
0173. Contributions Received Other	0	(19,000)	(19,000)	0
Finance	(293,755)	(5,429,377)	(5,429,377)	(300,848)
01120. Financial Control Revenue	(293,755)	(5,429,377)	(5,429,377)	(300,848)
0115. Grants & Subsidies Recurrent	(293,755)	(5,069,377)	(5,069,377)	(293,755)
0170. Comm'th Grants & Subsidies	(293,755)	(5,069,377)	(5,069,377)	(293,755)
0121. Interest on Direct Investments	0	(360,000)	(360,000)	(7,087)
0190. Interest Received Banks & Other	0	(360,000)	(360,000)	(7,087)
0130. Other Income	0	0	0	(5)
0220. Other Sundry Income	0	0	0	(5)

HAY SHIRE COUNCIL

Budget Item	August Monthly Actuals	Original Budget	Revised Budget	YTD Actuals
Libraries	(23)	(78,000)	(78,000)	(2,327)
01710. Libraries	(23)	(78,000)	(78,000)	(2,327)
0110. User Fees & Charges	(23)	(3,000)	(3,000)	(27)
0130. Library Fees / Fines on overdue books	0	0	0	(2)
0134. Photocopy Charges	(23)	(3,000)	(3,000)	(25)
0115. Grants & Subsidies Recurrent	0	(75,000)	(75,000)	(2,300)
0171. State Grants & Subsidies	0	(75,000)	(75,000)	(2,300)
Children Youth and Family Services	(3,654)	(45,100)	(45,100)	(7,309)
01780. Children and Family Revenue	(3,654)	(45,000)	(45,000)	(7,309)
0115. Grants & Subsidies Recurrent	(3,654)	(45,000)	(45,000)	(7,309)
0170. Comm'th Grants & Subsidies	(3,654)	(45,000)	(45,000)	(7,309)
01800. Other Education Revenue	0	(100)	(100)	0
0125. Reimbursements	0	(100)	(100)	0
0200. Reimbursements Other	0	(100)	(100)	0
Aged and Disability Care Services	(44,395)	(576,000)	(576,000)	(108,914)
01810. Aged & Disabled Revenue	(41,944)	(511,000)	(511,000)	(104,107)
0110. User Fees & Charges	(1,396)	(11,000)	(11,000)	(2,910)
0143. Other User Charges (Sundry)	(1,396)	(11,000)	(11,000)	(2,910)
0115. Grants & Subsidies Recurrent	(40,148)	(480,000)	(480,000)	(100,347)
0170. Comm'th Grants & Subsidies	(40,148)	(480,000)	(480,000)	(100,347)
0125. Reimbursements	(400)	(18,000)	(18,000)	(730)
0200. Reimbursements Other	(400)	(18,000)	(18,000)	(730)
0130. Other Income	0	(2,000)	(2,000)	(120)
0220. Other Sundry Income	0	(2,000)	(2,000)	(120)
01820. Health Related Transport Revenue	(691)	(35,000)	(35,000)	(985)
0110. User Fees & Charges	(220)	(10,000)	(10,000)	(514)
0143. Other User Charges (Sundry)	(220)	(10,000)	(10,000)	(514)
0115. Grants & Subsidies Recurrent	(471)	(25,000)	(25,000)	(471)
0171. State Grants & Subsidies	(471)	(25,000)	(25,000)	(471)
01830. Meals On Wheels Revenue	(1,760)	(30,000)	(30,000)	(3,822)
0110. User Fees & Charges	(1,760)	(30,000)	(30,000)	(3,822)
0143. Other User Charges (Sundry)	(1,760)	(30,000)	(30,000)	(3,822)
Community Transport	(9,002)	(108,000)	(108,000)	(18,343)
01860. Community Transport Revenue	(9,002)	(108,000)	(108,000)	(18,343)
0110. User Fees & Charges	(355)	(5,000)	(5,000)	(1,049)
0143. Other User Charges (Sundry)	(355)	(5,000)	(5,000)	(1,049)
0115. Grants & Subsidies Recurrent	(8,647)	(103,000)	(103,000)	(17,293)
0171. State Grants & Subsidies	(8,647)	(103,000)	(103,000)	(17,293)
Arts and Culture	(3,402)	(40,000)	(40,000)	(18,966)
01880. Theatres & Museums Revenue	0	0	0	(1,968)
0115. Grants & Subsidies Recurrent	0	0	0	(1,968)
0171. State Grants & Subsidies	0	0	0	(1,968)
01881. Bishops Lodge Museum	(314)	(8,000)	(8,000)	(760)
0110. User Fees & Charges	(314)	(8,000)	(8,000)	(760)
0110. Admission Fees	(314)	0	0	(760)
0124. Other Facility Hire	0	(8,000)	(8,000)	0
01882. Hay Gaol Museum	(2,307)	(22,000)	(22,000)	(4,581)
0110. User Fees & Charges	(2,307)	(22,000)	(22,000)	(4,581)
0110. Admission Fees	(2,307)	(22,000)	(22,000)	(4,581)
01883. Dunera Museum	(780)	(10,000)	(10,000)	(1,658)
0110. User Fees & Charges	(780)	(10,000)	(10,000)	(1,658)
0110. Admission Fees	(780)	(10,000)	(10,000)	(1,658)
01890. Other Culture Revenue	0	0	0	(10,000)
0135. Capital Grants Received	0	0	0	(10,000)
0820. Comm'th Grants new or upgraded assets	0	0	0	(10,000)
Engineering	(357,274)	(10,198,617)	(10,198,617)	(4,216,265)
Manager Engineering Office	(1,969)	(55,000)	(55,000)	(4,588)

HAY SHIRE COUNCIL

Budget Item	August Monthly Actuals	Original Budget	Revised Budget	YTD Actuals
01200. Engineering Operations Revenue	(1,969)	(55,000)	(55,000)	(4,588)
0110. User Fees & Charges	(1,849)	(18,000)	(18,000)	(4,388)
0143. Other User Charges (Sundry)	(1,849)	(18,000)	(18,000)	(4,388)
0125. Reimbursements	0	(35,000)	(35,000)	0
0200. Reimbursements Other	0	(35,000)	(35,000)	0
0130. Other Income	(120)	(2,000)	(2,000)	(200)
0220. Other Sundry Income	(120)	(2,000)	(2,000)	(200)
Parks and Reserves	0	(44,945)	(44,945)	0
01220. Noxious Weeds Revenue	0	(44,945)	(44,945)	0
0115. Grants & Subsidies Recurrent	0	(44,945)	(44,945)	0
0171. State Grants & Subsidies	0	(44,945)	(44,945)	0
Sport and Recreation Facilities	(5,158)	(20,000)	(20,000)	(10,010)
01240. Sport Grounds & Recreation Facilities Revenue	(5,158)	(20,000)	(20,000)	(10,010)
0110. User Fees & Charges	(5,158)	(20,000)	(20,000)	(10,010)
0124. Other Facility Hire	(51)	(2,000)	(2,000)	(235)
0143. Other User Charges (Sundry)	(5,107)	(18,000)	(18,000)	(9,775)
Roads Bridges Footpaths	(288,983)	(5,728,840)	(5,728,840)	(1,893,883)
01260. Roads & Bridges Revenue	(288,983)	(4,798,840)	(4,798,840)	(1,893,883)
0110. User Fees & Charges	(200)	0	0	(400)
0143. Other User Charges (Sundry)	(200)	0	0	(400)
0115. Grants & Subsidies Recurrent	(252,419)	(966,508)	(966,508)	(772,545)
0170. Comm'th Grants & Subsidies	(252,419)	(966,508)	(966,508)	(324,187)
0820. Comm'th Grants new or upgraded assets	0	0	0	(448,358)
0135. Capital Grants Received	(36,364)	(3,832,332)	(3,832,332)	(1,120,938)
0820. Comm'th Grants new or upgraded assets	0	(3,832,332)	(3,832,332)	(1,084,574)
0822. Other Grants for new or upgraded assets	(36,364)	0	0	(36,364)
01300. Footpaths & Bike Track Revenue	0	(30,000)	(30,000)	0
0115. Grants & Subsidies Recurrent	0	(30,000)	(30,000)	0
0170. Comm'th Grants & Subsidies	0	(30,000)	(30,000)	0
01340. Regional Roads Revenue	0	(900,000)	(900,000)	0
0115. Grants & Subsidies Recurrent	0	(900,000)	(900,000)	0
0171. State Grants & Subsidies	0	(900,000)	(900,000)	0
Street Lighting	0	(43,000)	(43,000)	0
01390. Street Lighting Revenue	0	(43,000)	(43,000)	0
0115. Grants & Subsidies Recurrent	0	(43,000)	(43,000)	0
0171. State Grants & Subsidies	0	(43,000)	(43,000)	0
Waste Management	(13,319)	(1,042,692)	(1,042,692)	(891,923)
01410. Waste Management Revenue	(13,319)	(1,042,692)	(1,042,692)	(891,923)
0100. Rates & Charges	483	(875,892)	(875,892)	(871,607)
0030. Rates Council Pensioner Concession	199	30,400	30,400	29,696
0034. Rates Interest Penalty	(221)	(9,000)	(9,000)	(1,644)
0035. Rates Interest Written Off	6	0	0	6
0040. Domestic Waste Annual Charge	500	(693,656)	(693,656)	(695,768)
0041. Non Domestic Waste Annual Charge	0	(159,488)	(159,488)	(159,656)
0045. Tip Access Charge	0	(44,148)	(44,148)	(44,240)
0110. User Fees & Charges	(13,802)	(150,000)	(150,000)	(20,316)
0143. Other User Charges (Sundry)	(13,802)	(150,000)	(150,000)	(20,316)
0115. Grants & Subsidies Recurrent	0	(16,800)	(16,800)	0
0173. Contributions Received Other	0	(16,800)	(16,800)	0
Water	(7,731)	(1,537,600)	(1,537,600)	(172,206)
21000. Water Revenue Fund 2	(7,731)	(1,537,600)	(1,537,600)	(172,206)
0100. Rates & Charges	0	(881,000)	(881,000)	(1)
0030. Rates Council Pensioner Concession	0	20,000	20,000	0
0034. Rates Interest Penalty	0	0	0	(1)
0042. Water Supply Annual Charge	0	(901,000)	(901,000)	0
0110. User Fees & Charges	(2,483)	(615,000)	(615,000)	49,705
0034. Rates Interest Penalty	(2,333)	(30,000)	(30,000)	(4,861)

HAY SHIRE COUNCIL

Budget Item	August Monthly Actuals	Original Budget	Revised Budget	YTD Actuals
0102. Water Supply Services User Charge	0	(575,000)	(575,000)	54,916
0143. Other User Charges (Sundry)	(150)	(10,000)	(10,000)	(350)
0115. Grants & Subsidies Recurrent	0	(11,600)	(11,600)	(204,462)
0171. State Grants & Subsidies	0	0	0	(204,462)
0173. Contributions Received Other	0	(11,600)	(11,600)	0
0120. Interest & Investment Income	0	(30,000)	(30,000)	(752)
0190. Interest Received Banks & Other	0	(30,000)	(30,000)	(752)
0130. Other Income	(5,248)	0	0	(5,248)
0220. Other Sundry Income	(5,248)	0	0	(5,248)
0135. Capital Grants Received	0	0	0	(11,448)
0820. Comm'th Grants new or upgraded assets	0	0	0	(11,448)
Sewer	(1,841)	(1,323,440)	(1,323,440)	(1,188,166)
31000. Sewerage Services Revenue Fund 3	(1,841)	(1,323,440)	(1,323,440)	(1,188,166)
0100. Rates & Charges	(225)	(1,185,340)	(1,185,340)	(1,172,951)
0030. Rates Council Pensioner Concession	109	22,700	22,700	22,389
0034. Rates Interest Penalty	(335)	(16,000)	(16,000)	(2,400)
0035. Rates Interest Written Off	0	0	0	0
0043. Sewer Annual Charge	0	(1,192,040)	(1,192,040)	(1,192,940)
0110. User Fees & Charges	(1,020)	(17,000)	(17,000)	(1,474)
0034. Rates Interest Penalty	(74)	0	0	(132)
0103. Sewer Service User Charge	0	(10,000)	(10,000)	0
0143. Other User Charges (Sundry)	(946)	(7,000)	(7,000)	(1,342)
0115. Grants & Subsidies Recurrent	0	(11,100)	(11,100)	0
0173. Contributions Received Other	0	(11,100)	(11,100)	0
0120. Interest & Investment Income	0	(70,000)	(70,000)	(1,697)
0190. Interest Received Banks & Other	0	(70,000)	(70,000)	(1,697)
0130. Other Income	(596)	(40,000)	(40,000)	(596)
0220. Other Sundry Income	(596)	(40,000)	(40,000)	(596)
0135. Capital Grants Received	0	0	0	(11,448)
0820. Comm'th Grants new or upgraded assets	0	0	0	(11,448)
Aerodrome	0	(15,000)	(15,000)	0
01510. Aerodrome Revenue	0	(15,000)	(15,000)	0
0110. User Fees & Charges	0	(15,000)	(15,000)	0
0138. Rental / Lease Properties Income	0	(15,000)	(15,000)	0
Cemeteries	(6,737)	(80,000)	(80,000)	(21,139)
01530. Cemetery Revenue	(6,737)	(80,000)	(80,000)	(21,139)
0110. User Fees & Charges	(6,575)	(80,000)	(80,000)	(20,167)
0014. ESPL Levy	0	0	0	(564)
0119. Cemetery/crematoria fees	(3,595)	(50,000)	(50,000)	(15,477)
0143. Other User Charges (Sundry)	(2,979)	(30,000)	(30,000)	(4,126)
0125. Reimbursements	(162)	0	0	(972)
0200. Reimbursements Other	(162)	0	0	(972)
Plant Operations	(1,186)	(11,000)	(11,000)	(1,555)
01540. Plant & Workshop Operating Revenue	(1,186)	(11,000)	(11,000)	(1,555)
0110. User Fees & Charges	(1,186)	(11,000)	(11,000)	(1,555)
0143. Other User Charges (Sundry)	(1,186)	(11,000)	(11,000)	(1,555)
Private Works	(30,351)	(140,000)	(140,000)	(32,796)
01600. Private Works Revenue	(30,351)	(140,000)	(140,000)	(32,796)
0110. User Fees & Charges	(30,351)	(140,000)	(140,000)	(32,796)
0143. Other User Charges (Sundry)	(30,351)	(140,000)	(140,000)	(32,796)
Recreation Sport Leisure	0	(2,100)	(2,100)	0
01720. Swimming Pool(s) Revenue	0	(2,100)	(2,100)	0
0110. User Fees & Charges	0	(2,100)	(2,100)	0
0120. Lease/Rent Fees Received	0	(2,100)	(2,100)	0
Fire Prevention and Emergency Services	0	(155,000)	(155,000)	0
02070. Fire Control Revenue	0	(155,000)	(155,000)	0
0115. Grants & Subsidies Recurrent	0	(155,000)	(155,000)	0

HAY SHIRE COUNCIL

Budget Item	August Monthly Actuals	Original Budget	Revised Budget	YTD Actuals
0171. State Grants & Subsidies	0	(155,000)	(155,000)	0
Development and Environmental Services	(48,124)	(208,000)	(208,000)	(66,391)
Buildings and Property	(1,201)	(88,000)	(88,000)	(10,664)
01490. Buildings Revenue	(1,201)	(88,000)	(88,000)	(10,664)
0105. Statutory Fees & Charges	0	(3,000)	(3,000)	0
0091. Other Statutory Charges (Sundry)	0	(3,000)	(3,000)	0
0110. User Fees & Charges	(1,201)	(85,000)	(85,000)	(10,664)
0124. Other Facility Hire	0	(41,000)	(41,000)	(8,784)
0138. Rental / Lease Properties Income	(1,201)	(43,000)	(43,000)	(1,880)
0143. Other User Charges (Sundry)	0	(1,000)	(1,000)	0
Planning	(45,582)	(82,000)	(82,000)	(52,276)
02010. Town Planning Office Revenue	(45,582)	(82,000)	(82,000)	(52,276)
0105. Statutory Fees & Charges	(33,070)	(72,000)	(72,000)	(39,120)
0060. Rates Search/Certificate Fee	(426)	(7,000)	(7,000)	(923)
0061. Development Act Fees	(31,875)	(65,000)	(65,000)	(36,878)
0062. Town Planning Fees	(765)	0	0	(1,310)
0091. Other Statutory Charges (Sundry)	(5)	0	0	(10)
0110. User Fees & Charges	(43)	0	0	(84)
0143. Other User Charges (Sundry)	(43)	0	0	(84)
0125. Reimbursements	(12,469)	(10,000)	(10,000)	(13,072)
0200. Reimbursements Other	(12,469)	(10,000)	(10,000)	(13,072)
Building	(657)	(19,000)	(19,000)	(2,116)
01740. Halls & Community Centres Revenue	(500)	(4,000)	(4,000)	(1,093)
0110. User Fees & Charges	(500)	(4,000)	(4,000)	(1,093)
0125. Hall Hire	(500)	(4,000)	(4,000)	(1,093)
02020. Building Control Office Revenue	(157)	(15,000)	(15,000)	(1,023)
0105. Statutory Fees & Charges	(157)	(15,000)	(15,000)	(1,023)
0061. Development Act Fees	(117)	(15,000)	(15,000)	(613)
0063. Lodgement Fees	(40)	0	0	(160)
0091. Other Statutory Charges (Sundry)	0	0	0	(250)
Regulatory Services	(285)	(14,000)	(14,000)	(285)
02030. Parking & Other Ranger Services Revenue	(165)	(10,000)	(10,000)	(165)
0105. Statutory Fees & Charges	(165)	(9,000)	(9,000)	(165)
0077. Other Infringements Fines & Penalties	(165)	(2,000)	(2,000)	(165)
0083. Other Registration Fees	0	(7,000)	(7,000)	0
0110. User Fees & Charges	0	(1,000)	(1,000)	0
0143. Other User Charges (Sundry)	0	(1,000)	(1,000)	0
02050. Other Law & Order Revenue	(120)	(4,000)	(4,000)	(120)
0110. User Fees & Charges	(120)	(4,000)	(4,000)	(120)
0143. Other User Charges (Sundry)	(120)	(4,000)	(4,000)	(120)
Public Health	(400)	(5,000)	(5,000)	(1,050)
02100. Health Administration & Inspection Revenue	(400)	(5,000)	(5,000)	(1,050)
0105. Statutory Fees & Charges	(400)	(5,000)	(5,000)	(1,050)
0086. Licences & Permits	(300)	0	0	(550)
0091. Other Statutory Charges (Sundry)	(100)	(5,000)	(5,000)	(500)
Expenditure	1,959,600	26,645,952	26,645,952	2,805,249
General Manager	227,312	2,759,674	2,759,674	399,260
General Manager's Office	62,467	586,700	586,700	115,663
03000. General Manager's Office	62,467	586,700	586,700	115,663
0300. Employee Costs	56,679	437,000	437,000	71,107
0300. Salaries	56,679	437,000	437,000	71,107
0310. Staff Training	0	30,700	30,700	1,884
0644. Course Seminar & Conference Registratio	0	18,000	18,000	1,884
0646. Travel Accommodation	0	12,700	12,700	0
0350. Office Administration Expenditure	0	1,000	1,000	0
0603. Other Sundry Expenses	0	1,000	1,000	0
0360. Professional Services	4,511	76,000	76,000	22,511

HAY SHIRE COUNCIL

Budget Item	August Monthly Actuals	Original Budget	Revised Budget	YTD Actuals
0405. Consultants Other	4,511	54,000	54,000	22,511
0503. Subscriptions Reference Materials	0	22,000	22,000	0
0370. Subscriptions and Memberships	0	27,000	27,000	18,000
0503. Subscriptions Reference Materials	0	27,000	27,000	18,000
0970. Plant Hire (Internal)	1,277	15,000	15,000	2,161
0970. Plant Hire - Internal Usage	1,277	15,000	15,000	2,161
Elected Members	12,351	195,820	195,820	26,497
03020. Elected Members Expenses	12,351	195,820	195,820	26,497
0310. Staff Training	0	5,000	5,000	0
0644. Course Seminar & Conference Registratio	0	2,000	2,000	0
0646. Travel Accommodation	0	3,000	3,000	0
0330. Mayor & Elected Member Expenses	9,077	153,820	153,820	21,991
0603. Other Sundry Expenses	0	5,000	5,000	0
0618. Elected Members Allowances	7,280	97,440	97,440	15,829
0644. Course Seminar & Conference Registratio	0	10,900	10,900	2,568
0646. Travel Accommodation	0	16,400	16,400	0
0695. Mayoral Allowance	1,797	24,080	24,080	3,594
0340. Civic Functions & Ceremonies	2,820	24,000	24,000	4,052
0603. Other Sundry Expenses	2,820	24,000	24,000	4,052
0405. Grants / Donations Paid	455	13,000	13,000	455
0622. Donations Paid	0	13,000	13,000	0
0623. Sponsorships Paid	455	0	0	455
Governance	48,907	518,000	518,000	99,421
03050. Other Governance	48,907	518,000	518,000	99,421
0300. Employee Costs	48,081	395,000	395,000	69,487
0300. Salaries	46,879	395,000	395,000	67,870
0311. Other Employee Allowances	1,202	0	0	1,617
0310. Staff Training	826	15,000	15,000	826
0644. Course Seminar & Conference Registratio	636	9,500	9,500	636
0646. Travel Accommodation	190	5,500	5,500	190
0350. Office Administration Expenditure	0	1,000	1,000	0
0601. Advertising Press	0	1,000	1,000	0
0360. Professional Services	0	41,000	41,000	0
0405. Consultants Other	0	11,000	11,000	0
0420. Internal Audit	0	30,000	30,000	0
0370. Subscriptions and Memberships	0	66,000	66,000	29,107
0503. Subscriptions Reference Materials	0	66,000	66,000	29,107
Tourism and Events	43,391	499,595	499,595	63,183
03900. Area Promotion	3,557	89,000	89,000	9,490
0350. Office Administration Expenditure	0	16,000	16,000	0
0500. Stationery & Office Consumables	0	1,000	1,000	0
0602. Advertising Other	0	15,000	15,000	0
0396. Merchandise	3,557	43,000	43,000	9,490
0530. Goods For Sale	3,557	39,000	39,000	9,490
0603. Other Sundry Expenses	0	4,000	4,000	0
0405. Grants / Donations Paid	0	30,000	30,000	0
0623. Sponsorships Paid	0	30,000	30,000	0
03910. Events Staging & Promotion	332	138,500	138,500	2,730
0350. Office Administration Expenditure	0	1,000	1,000	0
0500. Stationery & Office Consumables	0	1,000	1,000	0
0460. Community Programs & Events	332	137,500	137,500	2,730
0300. Salaries	0	10,000	10,000	0
0401. Contractors	0	80,000	80,000	0
0410. Other External Services	0	0	0	2,398
0501. Printing & Photocopying Costs	332	0	0	332
0506. Materials Purchased	0	15,000	15,000	0
0602. Advertising Other	0	15,000	15,000	0

HAY SHIRE COUNCIL

Budget Item	August Monthly Actuals	Original Budget	Revised Budget	YTD Actuals
0603. Other Sundry Expenses	0	15,000	15,000	0
0970. Plant Hire - Internal Usage	0	2,500	2,500	0
03920. Tourism Operations	39,502	272,095	272,095	50,963
0300. Employee Costs	29,206	213,000	213,000	39,884
0300. Salaries	29,206	213,000	213,000	39,884
0310. Staff Training	892	9,095	9,095	892
0644. Course Seminar & Conference Registratio	892	5,995	5,995	892
0646. Travel Accommodation	0	3,100	3,100	0
0350. Office Administration Expenditure	405	10,000	10,000	889
0410. Other External Services	82	0	0	164
0500. Stationery & Office Consumables	253	4,000	4,000	410
0600. Postage	22	1,000	1,000	22
0603. Other Sundry Expenses	48	1,000	1,000	90
0640. Telephone Charges	0	4,000	4,000	204
0370. Subscriptions and Memberships	9,000	33,000	33,000	9,000
0503. Subscriptions Reference Materials	9,000	33,000	33,000	9,000
0375. Office Equipment & Furniture	0	1,000	1,000	135
0527. Furniture & Equip under \$xxxx - Expensed	0	1,000	1,000	0
0603. Other Sundry Expenses	0	0	0	135
0460. Community Programs & Events	0	5,000	5,000	164
0603. Other Sundry Expenses	0	5,000	5,000	0
0640. Telephone Charges	0	0	0	164
0970. Plant Hire (Internal)	0	1,000	1,000	0
0970. Plant Hire - Internal Usage	0	1,000	1,000	0
Business and Economic Development	60,196	959,559	959,559	94,495
04160. Commercial Undertakings Operations	0	14,000	14,000	0
0415. Utilities	0	14,000	14,000	0
0518. Water Charges	0	14,000	14,000	0
04170. Economic Development	18,267	188,860	188,860	21,206
0300. Employee Costs	8,817	113,000	113,000	11,756
0300. Salaries	8,462	113,000	113,000	11,282
0311. Other Employee Allowances	355	0	0	474
0310. Staff Training	0	5,360	5,360	0
0644. Course Seminar & Conference Registratio	0	2,260	2,260	0
0646. Travel Accommodation	0	3,100	3,100	0
0350. Office Administration Expenditure	0	2,000	2,000	0
0603. Other Sundry Expenses	0	2,000	2,000	0
0360. Professional Services	0	25,000	25,000	0
0401. Contractors	0	25,000	25,000	0
0370. Subscriptions and Memberships	9,450	13,500	13,500	9,450
0503. Subscriptions Reference Materials	9,450	13,500	13,500	9,450
0460. Community Programs & Events	0	30,000	30,000	0
0401. Contractors	0	30,000	30,000	0
04171. Economic Development Programs	29,903	574,699	574,699	42,015
0300. Employee Costs	0	524,699	524,699	0
0300. Salaries	0	524,699	524,699	0
0360. Professional Services	0	50,000	50,000	0
0401. Contractors	0	50,000	50,000	0
0460. Community Programs & Events	29,903	0	0	42,015
0300. Salaries	0	0	0	1,486
0301. Wages	29,015	0	0	39,226
0311. Other Employee Allowances	888	0	0	1,303
04172. Youth Programs	12,025	182,000	182,000	31,274
0300. Employee Costs	10,199	87,000	87,000	15,700
0300. Salaries	3,275	87,000	87,000	8,776
0301. Wages	6,924	0	0	6,924
0310. Staff Training	0	1,000	1,000	0

HAY SHIRE COUNCIL

Budget Item	August Monthly Actuals	Original Budget	Revised Budget	YTD Actuals
0646. Travel Accommodation	0	1,000	1,000	0
0350. Office Administration Expenditure	0	2,000	2,000	0
0603. Other Sundry Expenses	0	2,000	2,000	0
0360. Professional Services	0	38,000	38,000	0
0401. Contractors	0	38,000	38,000	0
0370. Subscriptions and Memberships	0	2,000	2,000	0
0603. Other Sundry Expenses	0	2,000	2,000	0
0460. Community Programs & Events	1,826	52,000	52,000	15,574
0410. Other External Services	1,673	52,000	52,000	13,497
0506. Materials Purchased	153	0	0	153
0620. Food & Catering Costs	0	0	0	808
0646. Travel Accommodation	0	0	0	1,115
Corporate Services	515,189	2,527,617	2,527,617	750,974
Manager Corporate Service Office	154,565	427,910	427,910	216,060
03100. Corporate Services Management	154,565	427,910	427,910	216,060
0300. Employee Costs	132,451	1,040,000	1,040,000	180,939
0300. Salaries	131,206	1,040,000	1,040,000	179,143
0311. Other Employee Allowances	1,244	0	0	1,797
0310. Staff Training	1,996	17,910	17,910	1,996
0644. Course Seminar & Conference Registratio	1,996	12,910	12,910	1,996
0646. Travel Accommodation	0	5,000	5,000	0
0350. Office Administration Expenditure	4,344	95,000	95,000	16,284
0500. Stationery & Office Consumables	715	25,000	25,000	5,686
0600. Postage	2,728	16,000	16,000	3,437
0601. Advertising Press	68	25,000	25,000	336
0603. Other Sundry Expenses	229	6,000	6,000	2,737
0640. Telephone Charges	545	21,000	21,000	3,739
0642. Internet & Other Communication Charges	60	2,000	2,000	349
0360. Professional Services	4,050	131,000	131,000	4,050
0402. Accounting Services	0	68,000	68,000	0
0405. Consultants Other	4,050	10,000	10,000	4,050
0409. Valuation Expenses	0	53,000	53,000	0
0365. Legal & Debt Recovery Costs	9,602	10,000	10,000	10,642
0403. Solicitors Fees	9,602	10,000	10,000	10,642
0375. Office Equipment & Furniture	2,065	2,000	2,000	2,093
0527. Furniture & Equip under \$xxxx - Expensed	2,065	2,000	2,000	2,093
0680. Depreciation	0	39,000	39,000	0
0740. Depreciation Expense	0	39,000	39,000	0
0970. Plant Hire (Internal)	57	0	0	57
0970. Plant Hire - Internal Usage	57	0	0	57
0980. Overheads / Internal Recharges	0	(907,000)	(907,000)	0
0980. Overheads Allocated	0	(907,000)	(907,000)	0
Finance	199,033	397,207	397,207	200,886
03120. Financial Control Operations	199,033	233,000	233,000	200,886
0380. Bank Charges	976	21,000	21,000	2,830
0614. Merchant Fees	976	21,000	21,000	2,830
0410. Insurance	198,056	212,000	212,000	198,056
0632. General Asset Insurance	56,536	62,000	62,000	56,536
0633. Public Liability Insurance	141,520	150,000	150,000	141,520
0450. Sundry Expenses	1	0	0	1
0691. Cashiers Rounding Adjustments	1	0	0	1
03121. Loan Repayments	0	164,207	164,207	0
0945. Loan Repayments	0	164,207	164,207	0
0701. Interest Payment on Other Loans	0	18,430	18,430	0
0945. Principal Repayments	0	145,777	145,777	0
Information Technology	12,909	495,500	495,500	108,408
03140. IT Services	12,909	495,500	495,500	108,408

HAY SHIRE COUNCIL

Budget Item	August Monthly Actuals	Original Budget	Revised Budget	YTD Actuals
0350. Office Administration Expenditure	600	0	0	0
0401. Contractors	600	0	0	0
0355. Computer / IT Costs	12,309	495,500	495,500	108,408
0401. Contractors	2,974	365,000	365,000	36,376
0506. Materials Purchased	8,957	35,000	35,000	8,957
0638. Software Licenses	378	95,500	95,500	63,076
Libraries	47,973	355,800	355,800	68,625
03710. Libraries	47,973	355,800	355,800	68,625
0300. Employee Costs	29,644	205,000	205,000	46,713
0300. Salaries	29,644	205,000	205,000	46,713
0310. Staff Training	212	4,400	4,400	212
0644. Course Seminar & Conference Registratio	212	3,100	3,100	212
0646. Travel Accommodation	0	1,300	1,300	0
0350. Office Administration Expenditure	211	10,000	10,000	830
0500. Stationery & Office Consumables	211	6,000	6,000	468
0527. Furniture & Equip under \$xxxx - Expensed	0	1,000	1,000	0
0640. Telephone Charges	0	3,000	3,000	362
0360. Professional Services	0	37,000	37,000	0
0405. Consultants Other	0	37,000	37,000	0
0370. Subscriptions and Memberships	0	2,000	2,000	695
0503. Subscriptions Reference Materials	0	2,000	2,000	695
0375. Office Equipment & Furniture	0	9,500	9,500	0
0527. Furniture & Equip under \$xxxx - Expensed	0	9,500	9,500	0
0390. Library Resources	0	23,000	23,000	0
0510. Book Purchases	0	23,000	23,000	0
0410. Insurance	14,985	15,500	15,500	14,985
0632. General Asset Insurance	14,985	15,500	15,500	14,985
0415. Utilities	553	5,100	5,100	1,010
0518. Water Charges	0	600	600	0
0520. Electricity	553	4,500	4,500	1,010
0420. Security	0	1,000	1,000	165
0419. Security Building Surveillance	0	1,000	1,000	165
0425. Cleaning Costs	889	15,000	15,000	889
0401. Contractors	889	15,000	15,000	889
0450. Sundry Expenses	89	3,000	3,000	148
0506. Materials Purchased	89	3,000	3,000	148
0460. Community Programs & Events	0	7,000	7,000	324
0603. Other Sundry Expenses	0	7,000	7,000	324
0510. Grounds Maintenance	336	8,000	8,000	1,104
0300. Salaries	224	7,000	7,000	792
0311. Other Employee Allowances	4	0	0	13
0970. Plant Hire - Internal Usage	107	1,000	1,000	299
0530. Building Maintenance	924	10,000	10,000	1,291
0301. Wages	759	0	0	1,027
0311. Other Employee Allowances	7	0	0	10
0401. Contractors	97	10,000	10,000	194
0970. Plant Hire - Internal Usage	60	0	0	60
0970. Plant Hire (Internal)	131	300	300	259
0970. Plant Hire - Internal Usage	131	300	300	259
Children Youth and Family Services	3,524	41,000	41,000	4,793
03780. Children and Family Services	3,524	41,000	41,000	4,793
0300. Employee Costs	3,524	37,000	37,000	4,793
0300. Salaries	3,524	37,000	37,000	4,793
0350. Office Administration Expenditure	0	4,000	4,000	0
0603. Other Sundry Expenses	0	4,000	4,000	0
Aged and Disability Care Services	44,810	569,000	569,000	84,866
03810. Aged & Disabled	42,970	541,000	541,000	82,627

HAY SHIRE COUNCIL

Budget Item	August Monthly Actuals	Original Budget	Revised Budget	YTD Actuals
0300. Employee Costs	30,979	200,000	200,000	47,758
0300. Salaries	10,474	90,000	90,000	15,942
0301. Wages	19,808	110,000	110,000	30,502
0311. Other Employee Allowances	697	0	0	1,314
0310. Staff Training	0	7,550	7,550	0
0300. Salaries	0	6,050	6,050	0
0646. Travel Accommodation	0	1,500	1,500	0
0350. Office Administration Expenditure	300	80,000	80,000	16,434
0401. Contractors	0	40,000	40,000	0
0503. Subscriptions Reference Materials	0	0	0	14,849
0603. Other Sundry Expenses	300	40,000	40,000	1,167
0640. Telephone Charges	0	0	0	417
0375. Office Equipment & Furniture	595	20,000	20,000	620
0401. Contractors	0	1,000	1,000	0
0500. Stationery & Office Consumables	29	0	0	29
0506. Materials Purchased	566	10,000	10,000	591
0603. Other Sundry Expenses	0	9,000	9,000	0
0400. Volunteer Support	555	21,000	21,000	885
0603. Other Sundry Expenses	555	21,000	21,000	885
0460. Community Programs & Events	10,541	212,450	212,450	16,931
0401. Contractors	2,007	60,000	60,000	4,094
0410. Other External Services	0	10,000	10,000	0
0506. Materials Purchased	0	21,000	21,000	0
0603. Other Sundry Expenses	8,284	120,000	120,000	12,587
0620. Food & Catering Costs	250	0	0	250
0640. Telephone Charges	0	1,450	1,450	0
03820. Health Related Transport	1,839	28,000	28,000	2,239
0400. Volunteer Support	358	10,000	10,000	757
0603. Other Sundry Expenses	358	10,000	10,000	757
0460. Community Programs & Events	1,482	10,000	10,000	1,482
0603. Other Sundry Expenses	1,482	10,000	10,000	1,482
0680. Depreciation	0	8,000	8,000	0
0740. Depreciation Expense	0	8,000	8,000	0
Community Transport	12,381	108,000	108,000	24,205
03860. Community Transport	12,381	108,000	108,000	24,205
0300. Employee Costs	3,458	37,000	37,000	5,225
0300. Salaries	3,458	37,000	37,000	5,225
0310. Staff Training	892	4,500	4,500	892
0644. Course Seminar & Conference Registratio	892	2,500	2,500	892
0646. Travel Accommodation	0	2,000	2,000	0
0350. Office Administration Expenditure	149	5,000	5,000	4,873
0500. Stationery & Office Consumables	33	0	0	33
0503. Subscriptions Reference Materials	0	0	0	4,365
0506. Materials Purchased	23	0	0	48
0603. Other Sundry Expenses	94	5,000	5,000	240
0640. Telephone Charges	0	0	0	187
0375. Office Equipment & Furniture	0	6,000	6,000	0
0506. Materials Purchased	0	2,000	2,000	0
0527. Furniture & Equip under \$xxxx - Expensed	0	4,000	4,000	0
0400. Volunteer Support	340	2,500	2,500	1,020
0603. Other Sundry Expenses	340	2,500	2,500	1,020
0460. Community Programs & Events	7,542	53,000	53,000	12,195
0401. Contractors	3,118	53,000	53,000	6,547
0410. Other External Services	3,155	0	0	3,947
0603. Other Sundry Expenses	1,269	0	0	1,701
Arts and Culture	39,994	133,200	133,200	43,130
03880. Theatres & Museums	36,994	128,200	128,200	40,130

HAY SHIRE COUNCIL

Budget Item	August Monthly Actuals	Original Budget	Revised Budget	YTD Actuals
0410. Insurance	24,544	25,000	25,000	24,544
0632. General Asset Insurance	24,544	25,000	25,000	24,544
0415. Utilities	7,116	20,200	20,200	5,486
0410. Other External Services	45	0	0	197
0518. Water Charges	0	7,000	7,000	0
0520. Electricity	2,836	9,000	9,000	1,054
0521. Internal Rates	4,235	4,200	4,200	4,235
0425. Cleaning Costs	416	3,500	3,500	416
0401. Contractors	416	3,500	3,500	416
0460. Community Programs & Events	900	0	0	850
0410. Other External Services	900	0	0	850
0510. Grounds Maintenance	3,780	55,500	55,500	7,936
0301. Wages	1,555	30,000	30,000	3,674
0311. Other Employee Allowances	18	0	0	41
0401. Contractors	0	18,000	18,000	0
0410. Other External Services	1,600	0	0	3,200
0506. Materials Purchased	0	1,500	1,500	0
0970. Plant Hire - Internal Usage	608	6,000	6,000	1,021
0530. Building Maintenance	238	17,000	17,000	898
0301. Wages	71	5,000	5,000	220
0311. Other Employee Allowances	1	0	0	2
0401. Contractors	0	10,000	10,000	0
0410. Other External Services	152	0	0	624
0970. Plant Hire - Internal Usage	15	2,000	2,000	53
0680. Depreciation	0	7,000	7,000	0
0740. Depreciation Expense	0	7,000	7,000	0
03890. Other Culture	3,000	5,000	5,000	3,000
0460. Community Programs & Events	3,000	5,000	5,000	3,000
0603. Other Sundry Expenses	3,000	5,000	5,000	3,000
Engineering	1,000,718	19,357,566	19,357,566	1,389,951
Manager Engineering Office	95,756	659,460	659,460	148,793
03200. Engineering Operations Management	95,756	659,460	659,460	148,793
0300. Employee Costs	88,941	599,000	599,000	126,450
0300. Salaries	88,249	599,000	599,000	125,712
0311. Other Employee Allowances	77	0	0	122
0970. Plant Hire - Internal Usage	615	0	0	615
0310. Staff Training	2,062	20,960	20,960	2,062
0300. Salaries	703	0	0	703
0644. Course Seminar & Conference Registratio	1,359	13,910	13,910	1,359
0646. Travel Accommodation	0	7,050	7,050	0
0350. Office Administration Expenditure	860	9,000	9,000	1,755
0500. Stationery & Office Consumables	560	7,000	7,000	1,455
0603. Other Sundry Expenses	300	2,000	2,000	300
0370. Subscriptions and Memberships	0	10,000	10,000	10,624
0503. Subscriptions Reference Materials	0	10,000	10,000	10,624
0375. Office Equipment & Furniture	0	500	500	0
0500. Stationery & Office Consumables	0	500	500	0
0970. Plant Hire (Internal)	3,893	20,000	20,000	7,902
0970. Plant Hire - Internal Usage	3,893	20,000	20,000	7,902
Parks and Reserves	53,721	898,000	898,000	71,340
03220. Noxious Weeds Expenditure	2,328	130,000	130,000	3,241
0519. Pest Plant Control	2,328	130,000	130,000	3,241
0301. Wages	2,215	70,000	70,000	2,215
0311. Other Employee Allowances	18	0	0	18
0506. Materials Purchased	0	17,000	17,000	524
0640. Telephone Charges	0	0	0	227
0646. Travel Accommodation	0	5,000	5,000	161

HAY SHIRE COUNCIL

Budget Item	August Monthly Actuals	Original Budget	Revised Budget	YTD Actuals
0970. Plant Hire - Internal Usage	96	38,000	38,000	96
03230. Parks Reserves & Horticulture	51,393	728,000	728,000	68,100
0415. Utilities	4,693	71,500	71,500	858
0518. Water Charges	0	40,000	40,000	0
0520. Electricity	4,693	30,000	30,000	754
0640. Telephone Charges	0	1,500	1,500	104
0510. Grounds Maintenance	23,795	297,000	297,000	41,419
0301. Wages	16,419	187,110	187,110	28,474
0302. Overtime	468	0	0	468
0311. Other Employee Allowances	186	0	0	335
0401. Contractors	0	14,850	14,850	0
0412. Freight Delivery	55	0	0	94
0505. Cleaning Supplies	0	0	0	140
0506. Materials Purchased	2,371	35,640	35,640	4,707
0507. Inventory Issued From Store	0	14,850	14,850	0
0572. Miscellaneous	62	0	0	62
0970. Plant Hire - Internal Usage	4,234	44,550	44,550	7,138
0512. Irrigation System Maintenance	642	25,000	25,000	642
0301. Wages	528	10,000	10,000	528
0311. Other Employee Allowances	5	0	0	5
0401. Contractors	0	8,750	8,750	0
0506. Materials Purchased	0	3,750	3,750	0
0507. Inventory Issued From Store	0	750	750	0
0970. Plant Hire - Internal Usage	109	1,750	1,750	109
0513. Playground Maintenance	362	6,500	6,500	1,813
0301. Wages	262	3,250	3,250	1,476
0311. Other Employee Allowances	3	0	0	17
0506. Materials Purchased	0	2,925	2,925	0
0507. Inventory Issued From Store	0	130	130	0
0572. Miscellaneous	0	195	195	0
0970. Plant Hire - Internal Usage	98	0	0	321
0515. Tree Maintenance/Management	501	20,000	20,000	930
0301. Wages	307	14,000	14,000	586
0311. Other Employee Allowances	3	0	0	6
0401. Contractors	0	4,000	4,000	0
0970. Plant Hire - Internal Usage	190	2,000	2,000	338
0530. Building Maintenance	21,400	58,000	58,000	22,436
0301. Wages	796	12,760	12,760	1,341
0302. Overtime	75	0	0	75
0311. Other Employee Allowances	12	0	0	17
0401. Contractors	236	34,800	34,800	602
0506. Materials Purchased	0	8,700	8,700	0
0632. General Asset Insurance	20,141	0	0	20,141
0970. Plant Hire - Internal Usage	141	1,740	1,740	261
0680. Depreciation	0	250,000	250,000	0
0740. Depreciation Expense	0	250,000	250,000	0
07230. Parks Reserves & Horticulture Capital Work	0	40,000	40,000	0
0712. Other Improvements to Land Capital Work	0	40,000	40,000	0
0401. Contractors	0	40,000	40,000	0
Sport and Recreation Facilities	987	47,000	47,000	3,570
03240. Sport Grounds & Recreation Facilities	987	47,000	47,000	3,570
0510. Grounds Maintenance	663	47,000	47,000	3,246
0301. Wages	551	6,000	6,000	2,180
0311. Other Employee Allowances	12	0	0	25
0401. Contractors	0	3,000	3,000	0
0506. Materials Purchased	0	5,000	5,000	0
0603. Other Sundry Expenses	0	30,000	30,000	0

HAY SHIRE COUNCIL

Budget Item	August Monthly Actuals	Original Budget	Revised Budget	YTD Actuals
0970. Plant Hire - Internal Usage	100	3,000	3,000	1,041
0530. Building Maintenance	324	0	0	324
0301. Wages	266	0	0	266
0311. Other Employee Allowances	2	0	0	2
0970. Plant Hire - Internal Usage	56	0	0	56
Roads Bridges Footpaths	266,815	10,005,516	10,005,516	411,345
03260. Roads & Bridges Maintenance	0	46,126	46,126	307
0550. Road Signs Maintenance	0	46,126	46,126	307
0301. Wages	0	25,369	25,369	0
0506. Materials Purchased	0	16,144	16,144	0
0507. Inventory Issued From Store	0	1,384	1,384	0
0640. Telephone Charges	0	0	0	307
0970. Plant Hire - Internal Usage	0	3,229	3,229	0
03280. Bridges Maintenance	0	70,000	70,000	0
0680. Depreciation	0	70,000	70,000	0
0740. Depreciation Expense	0	70,000	70,000	0
03300. Footpaths & Bike Track Maintenance	16,808	170,000	170,000	16,969
0560. Footpath Maintenance	16,808	30,000	30,000	16,969
0301. Wages	2,726	11,400	11,400	2,825
0311. Other Employee Allowances	18	0	0	19
0401. Contractors	12,668	12,000	12,000	12,668
0506. Materials Purchased	0	3,000	3,000	0
0507. Inventory Issued From Store	0	600	600	0
0970. Plant Hire - Internal Usage	1,396	3,000	3,000	1,457
0680. Depreciation	0	140,000	140,000	0
0740. Depreciation Expense	0	140,000	140,000	0
03310. Kerb & Gutter Maintenance	2,051	20,000	20,000	5,203
0546. Kerb & Gutter Maintenance	2,051	20,000	20,000	5,203
0301. Wages	1,566	6,000	6,000	3,986
0311. Other Employee Allowances	17	0	0	48
0401. Contractors	0	7,000	7,000	0
0506. Materials Purchased	0	4,000	4,000	0
0970. Plant Hire - Internal Usage	467	3,000	3,000	1,169
03320. Road Furniture Maintenance	676	21,000	21,000	745
0547. Road Furniture Maintenance	676	9,000	9,000	745
0301. Wages	536	2,700	2,700	536
0311. Other Employee Allowances	5	0	0	5
0401. Contractors	0	5,400	5,400	0
0506. Materials Purchased	0	0	0	69
0507. Inventory Issued From Store	0	270	270	0
0970. Plant Hire - Internal Usage	135	630	630	135
0680. Depreciation	0	12,000	12,000	0
0740. Depreciation Expense	0	12,000	12,000	0
03330. Urban Streets Maintenance	25,224	578,000	578,000	45,215
0515. Tree Maintenance/Management	1,570	65,000	65,000	1,793
0301. Wages	1,310	26,000	26,000	1,465
0311. Other Employee Allowances	14	0	0	16
0401. Contractors	0	26,000	26,000	0
0506. Materials Purchased	0	3,250	3,250	0
0507. Inventory Issued From Store	0	1,300	1,300	0
0970. Plant Hire - Internal Usage	246	8,450	8,450	312
0540. Road Maintenance	23,654	123,000	123,000	43,422
0301. Wages	12,551	49,200	49,200	19,766
0302. Overtime	56	0	0	56
0311. Other Employee Allowances	159	0	0	395
0401. Contractors	0	18,450	18,450	6,090
0506. Materials Purchased	0	36,900	36,900	0

HAY SHIRE COUNCIL

Budget Item	August Monthly Actuals	Original Budget	Revised Budget	YTD Actuals
0507. Inventory Issued From Store	0	6,150	6,150	0
0521. Internal Rates	3,391	0	0	3,391
0970. Plant Hire - Internal Usage	7,497	12,300	12,300	13,724
0680. Depreciation	0	390,000	390,000	0
0740. Depreciation Expense	0	390,000	390,000	0
03340. Regional Roads Maintenance	2,830	1,190,000	1,190,000	31,019
0540. Road Maintenance	2,830	550,000	550,000	31,019
0301. Wages	614	105,000	105,000	2,904
0302. Overtime	0	0	0	48
0311. Other Employee Allowances	6	0	0	36
0401. Contractors	0	325,000	325,000	0
0506. Materials Purchased	977	15,000	15,000	977
0507. Inventory Issued From Store	0	66,000	66,000	0
0970. Plant Hire - Internal Usage	1,233	39,000	39,000	27,054
0680. Depreciation	0	640,000	640,000	0
0740. Depreciation Expense	0	640,000	640,000	0
03350. Sealed Rural Roads	9,960	890,974	890,974	11,957
0540. Road Maintenance	9,960	120,974	120,974	11,957
0301. Wages	2,741	36,292	36,292	3,671
0302. Overtime	821	0	0	870
0311. Other Employee Allowances	39	0	0	49
0401. Contractors	0	6,049	6,049	0
0506. Materials Purchased	0	24,195	24,195	0
0507. Inventory Issued From Store	0	36,292	36,292	0
0970. Plant Hire - Internal Usage	6,359	18,146	18,146	7,368
0680. Depreciation	0	770,000	770,000	0
0740. Depreciation Expense	0	770,000	770,000	0
03360. Unsealed Rural Roads Maintenance	153,743	856,000	856,000	200,029
0540. Road Maintenance	153,743	856,000	856,000	200,029
0301. Wages	32,665	380,000	380,000	40,901
0302. Overtime	7,844	30,000	30,000	8,338
0311. Other Employee Allowances	1,698	0	0	1,907
0401. Contractors	900	50,000	50,000	1,548
0506. Materials Purchased	0	50,000	50,000	0
0507. Inventory Issued From Store	0	40,000	40,000	0
0970. Plant Hire - Internal Usage	110,636	306,000	306,000	147,335
07300. Footpaths & Bike Track Capital Works	0	30,000	30,000	0
0761. Bike Track Capital Works	0	30,000	30,000	0
0301. Wages	0	3,000	3,000	0
0401. Contractors	0	21,600	21,600	0
0506. Materials Purchased	0	3,000	3,000	0
0507. Inventory Issued From Store	0	900	900	0
0970. Plant Hire - Internal Usage	0	1,500	1,500	0
07320. Road Furniture Capital Works	0	17,000	17,000	0
0749. Road Furniture Capital Works	0	17,000	17,000	0
0300. Salaries	0	3,740	3,740	0
0506. Materials Purchased	0	11,900	11,900	0
0507. Inventory Issued From Store	0	340	340	0
0970. Plant Hire - Internal Usage	0	1,020	1,020	0
07330. Urban Streets Capital Works	0	247,748	247,748	0
0740. Road Capital Works	0	247,748	247,748	0
0301. Wages	0	60,000	60,000	0
0401. Contractors	0	52,748	52,748	0
0506. Materials Purchased	0	70,000	70,000	0
0507. Inventory Issued From Store	0	25,000	25,000	0
0970. Plant Hire - Internal Usage	0	40,000	40,000	0
07340. Regional Roads Capital Works	0	360,000	360,000	0

HAY SHIRE COUNCIL

Budget Item	August Monthly Actuals	Original Budget	Revised Budget	YTD Actuals
0740. Road Capital Works	0	360,000	360,000	0
0300. Salaries	0	18,000	18,000	0
0401. Contractors	0	313,200	313,200	0
0506. Materials Purchased	0	18,000	18,000	0
0507. Inventory Issued From Store	0	3,600	3,600	0
0970. Plant Hire - Internal Usage	0	7,200	7,200	0
07350. Sealed Rural Roads Capital Works	55,523	5,101,090	5,101,090	99,899
0740. Road Capital Works	55,523	5,101,090	5,101,090	99,899
0301. Wages	18,851	240,664	240,664	18,851
0302. Overtime	3,175	0	0	3,175
0311. Other Employee Allowances	193	0	0	193
0401. Contractors	4,900	3,875,098	3,875,098	38,409
0506. Materials Purchased	0	495,109	495,109	9,930
0507. Inventory Issued From Store	0	247,555	247,555	0
0970. Plant Hire - Internal Usage	28,404	242,664	242,664	29,341
07360. Unsealed Rural Roads Capital Works	0	407,578	407,578	0
0740. Road Capital Works	0	407,578	407,578	0
0301. Wages	0	122,273	122,273	0
0401. Contractors	0	76,758	76,758	0
0506. Materials Purchased	0	93,031	93,031	0
0507. Inventory Issued From Store	0	8,152	8,152	0
0970. Plant Hire - Internal Usage	0	107,364	107,364	0
Street Lighting	5,236	100,000	100,000	5,236
03390. Street Lighting Operations	5,236	100,000	100,000	5,236
0415. Utilities	5,236	100,000	100,000	5,236
0520. Electricity	5,236	100,000	100,000	5,236
Stormwater Drainage	43,620	360,000	360,000	70,373
03400. Stormwater Drainage Maintenance	15,440	310,000	310,000	42,193
0570. Stormwater Drainage Maintenance	15,440	60,000	60,000	42,193
0301. Wages	5,855	15,000	15,000	10,063
0302. Overtime	606	0	0	606
0311. Other Employee Allowances	65	0	0	102
0401. Contractors	0	39,000	39,000	19,266
0506. Materials Purchased	0	0	0	503
0521. Internal Rates	2,585	0	0	2,585
0970. Plant Hire - Internal Usage	6,329	6,000	6,000	9,068
0680. Depreciation	0	250,000	250,000	0
0740. Depreciation Expense	0	250,000	250,000	0
07400. Stormwater Drainage Capital Works	28,180	50,000	50,000	28,180
0770. Stormwater Drainage Capital Works	0	50,000	50,000	0
0301. Wages	0	15,000	15,000	0
0401. Contractors	0	5,000	5,000	0
0506. Materials Purchased	0	25,000	25,000	0
0970. Plant Hire - Internal Usage	0	5,000	5,000	0
0771. Levee Capital Works	28,180	0	0	28,180
0401. Contractors	28,180	0	0	28,180
Waste Management	97,868	1,132,000	1,132,000	155,758
03420. Domestic Refuse Collection	21,629	150,000	150,000	32,116
0622. Kerb Side Collections	21,629	150,000	150,000	32,116
0301. Wages	11,218	75,000	75,000	15,504
0302. Overtime	262	0	0	262
0311. Other Employee Allowances	294	0	0	387
0506. Materials Purchased	0	5,000	5,000	0
0970. Plant Hire - Internal Usage	9,855	70,000	70,000	15,963
03430. Waste Disposal Site Operations	76,239	965,000	965,000	123,641
0623. Waste Site Maintenance	29,082	580,000	580,000	44,446
0301. Wages	14,512	300,000	300,000	20,345

HAY SHIRE COUNCIL

Budget Item	August Monthly Actuals	Original Budget	Revised Budget	YTD Actuals
0302. Overtime	60	10,000	10,000	60
0311. Other Employee Allowances	265	0	0	365
0401. Contractors	675	10,000	10,000	5,485
0410. Other External Services	0	130,000	130,000	0
0506. Materials Purchased	0	30,000	30,000	1,019
0520. Electricity	0	0	0	143
0521. Internal Rates	1,095	0	0	1,095
0524. Parts	0	0	0	427
0614. Merchant Fees	51	0	0	112
0632. General Asset Insurance	3,781	0	0	3,781
0640. Telephone Charges	0	0	0	378
0970. Plant Hire - Internal Usage	8,643	100,000	100,000	11,237
0624. Recycling Operations	47,157	200,000	200,000	79,195
0301. Wages	44,506	170,000	170,000	70,688
0302. Overtime	0	2,000	2,000	0
0311. Other Employee Allowances	1,212	1,000	1,000	1,834
0401. Contractors	953	10,000	10,000	953
0412. Freight Delivery	95	0	0	95
0506. Materials Purchased	391	2,000	2,000	391
0508. Protective Clothing & Accessories	0	0	0	562
0520. Electricity	0	0	0	214
0970. Plant Hire - Internal Usage	0	15,000	15,000	4,457
0680. Depreciation	0	185,000	185,000	0
0740. Depreciation Expense	0	185,000	185,000	0
07430. Waste Disposal Site Capital Works	0	17,000	17,000	0
0820. Waste Disposal Capital Works	0	17,000	17,000	0
0301. Wages	0	5,000	5,000	0
0401. Contractors	0	12,000	12,000	0
Sanitation	23,620	192,000	192,000	41,223
03450. Public Amenities Maintenance	22,970	170,000	170,000	36,685
0425. Cleaning Costs	22,970	170,000	170,000	36,685
0301. Wages	12,880	100,000	100,000	19,332
0302. Overtime	2,673	20,000	20,000	3,891
0311. Other Employee Allowances	369	0	0	540
0401. Contractors	800	10,000	10,000	1,800
0505. Cleaning Supplies	0	25,000	25,000	0
0506. Materials Purchased	3,195	0	0	6,474
0970. Plant Hire - Internal Usage	3,053	15,000	15,000	4,648
03460. Other Sanitation Expenditure	650	22,000	22,000	4,538
0500. General Maintenance	650	22,000	22,000	4,538
0301. Wages	0	2,000	2,000	0
0401. Contractors	0	10,000	10,000	3,620
0506. Materials Purchased	312	8,000	8,000	580
0521. Internal Rates	338	0	0	338
0603. Other Sundry Expenses	0	2,000	2,000	0
Water	346,493	1,915,490	1,915,490	395,080
23000. Water Infrastructure Operations Fund 2	69,551	1,045,490	1,045,490	67,549
0310. Staff Training	424	28,590	28,590	424
0301. Wages	0	8,145	8,145	0
0644. Course Seminar & Conference Registratio	424	8,145	8,145	424
0646. Travel Accommodation	0	12,300	12,300	0
0350. Office Administration Expenditure	53,481	55,000	55,000	53,481
0632. General Asset Insurance	53,481	55,000	55,000	53,481
0370. Subscriptions and Memberships	0	1,000	1,000	0
0401. Contractors	0	1,000	1,000	0
0415. Utilities	15,646	168,900	168,900	13,644
0506. Materials Purchased	0	10,000	10,000	1,848

HAY SHIRE COUNCIL

Budget Item	August Monthly Actuals	Original Budget	Revised Budget	YTD Actuals
0518. Water Charges	124	38,000	38,000	124
0520. Electricity	8,718	110,000	110,000	4,742
0521. Internal Rates	6,805	6,900	6,900	6,805
0640. Telephone Charges	0	4,000	4,000	125
0680. Depreciation	0	425,000	425,000	0
0740. Depreciation Expense	0	425,000	425,000	0
0980. Overheads / Internal Recharges	0	367,000	367,000	0
0980. Overheads Allocated	0	367,000	367,000	0
23100. Water Infrastructure Asset Maintenance Fun	54,942	500,000	500,000	81,621
0581. Water Mains Maintenance	25,811	150,000	150,000	30,527
0301. Wages	11,482	75,000	75,000	13,551
0302. Overtime	3,125	0	0	3,125
0311. Other Employee Allowances	225	0	0	259
0401. Contractors	3,730	22,500	22,500	3,730
0506. Materials Purchased	48	22,500	22,500	1,989
0508. Protective Clothing & Accessories	0	0	0	85
0573. Maintenance	0	15,000	15,000	0
0603. Other Sundry Expenses	27	0	0	27
0604. Audit Services Financial Reports	27	0	0	27
0970. Plant Hire - Internal Usage	7,147	15,000	15,000	7,734
0582. Water Meter Maintenance	3,127	40,000	40,000	5,117
0301. Wages	2,615	24,000	24,000	3,828
0311. Other Employee Allowances	16	0	0	32
0401. Contractors	0	4,000	4,000	0
0506. Materials Purchased	0	8,000	8,000	452
0970. Plant Hire - Internal Usage	495	4,000	4,000	804
0583. Filtration Plant Maintenance	23,551	200,000	200,000	40,510
0301. Wages	11,167	100,000	100,000	15,833
0302. Overtime	6,040	0	0	9,430
0311. Other Employee Allowances	305	0	0	404
0401. Contractors	2,851	36,000	36,000	11,053
0506. Materials Purchased	0	0	0	27
0573. Maintenance	0	54,000	54,000	0
0970. Plant Hire - Internal Usage	3,187	10,000	10,000	3,762
0584. Reservoir Maintenance	1,599	40,000	40,000	3,821
0301. Wages	301	9,200	9,200	592
0302. Overtime	62	0	0	62
0311. Other Employee Allowances	4	0	0	10
0401. Contractors	1,023	26,800	26,800	2,925
0506. Materials Purchased	0	3,200	3,200	0
0970. Plant Hire - Internal Usage	210	800	800	233
0590. Pump Station Maintenance	855	70,000	70,000	1,645
0301. Wages	416	35,700	35,700	754
0302. Overtime	199	0	0	227
0311. Other Employee Allowances	12	0	0	38
0401. Contractors	150	24,500	24,500	450
0506. Materials Purchased	0	6,300	6,300	0
0970. Plant Hire - Internal Usage	79	3,500	3,500	176
27000. Water Infrastructure Capital Works Fund 2	222,000	370,000	370,000	245,911
0781. Water Mains Capital Works	0	85,000	85,000	0
0401. Contractors	0	85,000	85,000	0
0782. Water Meter Capital Works	0	40,000	40,000	0
0410. Other External Services	0	40,000	40,000	0
0783. Filtration Plant Capital Works	222,000	110,000	110,000	241,211
0401. Contractors	222,000	110,000	110,000	241,211
0790. Pump Station Capital Works	0	135,000	135,000	4,700
0401. Contractors	0	135,000	135,000	4,700

HAY SHIRE COUNCIL

Budget Item	August Monthly Actuals	Original Budget	Revised Budget	YTD Actuals
Sewer	92,308	1,644,376	1,644,376	127,860
33000. Sewerage Services Operations Fund 3	78,817	1,038,876	1,038,876	94,724
0310. Staff Training	1,500	3,900	3,900	1,500
0644. Course Seminar & Conference Registratio	1,500	2,800	2,800	1,500
0646. Travel Accommodation	0	1,100	1,100	0
0350. Office Administration Expenditure	46,815	47,000	47,000	46,815
0632. General Asset Insurance	46,815	47,000	47,000	46,815
0365. Legal & Debt Recovery Costs	23,089	0	0	33,732
0403. Solicitors Fees	23,089	0	0	33,732
0415. Utilities	7,413	80,200	80,200	12,677
0518. Water Charges	0	3,000	3,000	0
0520. Electricity	794	55,000	55,000	4,282
0521. Internal Rates	6,619	7,200	7,200	6,619
0604. Audit Services Financial Reports	0	0	0	741
0640. Telephone Charges	0	15,000	15,000	1,035
0680. Depreciation	0	450,000	450,000	0
0740. Depreciation Expense	0	450,000	450,000	0
0945. Loan Repayments	0	147,776	147,776	0
0701. Interest Payment on Other Loans	0	10,487	10,487	0
0945. Principal Repayments	0	137,289	137,289	0
0980. Overheads / Internal Recharges	0	310,000	310,000	0
0980. Overheads Allocated	0	310,000	310,000	0
33100. Sewerage Services Asset Maintenance Fund	13,490	312,500	312,500	33,136
0590. Pump Station Maintenance	4,488	60,500	60,500	8,220
0301. Wages	2,672	33,275	33,275	4,404
0302. Overtime	715	0	0	1,250
0311. Other Employee Allowances	82	0	0	110
0401. Contractors	690	18,150	18,150	1,599
0506. Materials Purchased	0	6,050	6,050	0
0970. Plant Hire - Internal Usage	329	3,025	3,025	858
0591. Fixed Plant & Equipment Maintenance	4,355	130,000	130,000	6,184
0301. Wages	2,582	78,000	78,000	3,555
0302. Overtime	146	0	0	252
0311. Other Employee Allowances	1,391	0	0	1,976
0401. Contractors	0	26,000	26,000	0
0506. Materials Purchased	0	19,500	19,500	0
0970. Plant Hire - Internal Usage	236	6,500	6,500	401
0601. Sewer Mains Maintenance	4,647	122,000	122,000	18,731
0301. Wages	2,338	46,750	46,750	8,069
0302. Overtime	849	0	0	1,496
0311. Other Employee Allowances	530	0	0	806
0401. Contractors	0	62,500	62,500	510
0506. Materials Purchased	108	5,100	5,100	2,683
0507. Inventory Issued From Store	0	3,400	3,400	0
0508. Protective Clothing & Accessories	0	0	0	187
0970. Plant Hire - Internal Usage	822	4,250	4,250	4,979
37000. Sewerage Services Infrastructure Capital Works	0	293,000	293,000	0
0790. Pump Station Capital Works	0	33,000	33,000	0
0401. Contractors	0	33,000	33,000	0
0801. Sewer Mains Capital Works	0	260,000	260,000	0
0401. Contractors	0	260,000	260,000	0
Car Parks	0	15,500	15,500	0
03500. Parking Facilities	0	15,500	15,500	0
0680. Depreciation	0	15,500	15,500	0
0740. Depreciation Expense	0	15,500	15,500	0
Aerodrome	17,566	237,674	237,674	20,877
03510. Aerodrome Operations	17,566	187,674	187,674	20,877

HAY SHIRE COUNCIL

Budget Item	August Monthly Actuals	Original Budget	Revised Budget	YTD Actuals
0350. Office Administration Expenditure	0	700	700	81
0640. Telephone Charges	0	700	700	81
0410. Insurance	2,288	3,400	3,400	2,288
0632. General Asset Insurance	2,288	3,400	3,400	2,288
0415. Utilities	2,761	15,350	15,350	3,247
0518. Water Charges	0	6,000	6,000	0
0520. Electricity	0	6,000	6,000	486
0521. Internal Rates	2,761	3,350	3,350	2,761
0510. Grounds Maintenance	1,827	22,300	22,300	2,199
0301. Wages	1,210	15,610	15,610	1,488
0311. Other Employee Allowances	14	0	0	17
0401. Contractors	0	2,007	2,007	0
0506. Materials Purchased	0	223	223	0
0970. Plant Hire - Internal Usage	603	4,460	4,460	693
0530. Building Maintenance	2,270	12,924	12,924	2,270
0301. Wages	0	1,163	1,163	0
0401. Contractors	2,270	11,503	11,503	2,270
0506. Materials Purchased	0	129	129	0
0970. Plant Hire - Internal Usage	0	129	129	0
0610. Airstrip Apron & Marker Maintenance	8,421	28,000	28,000	10,793
0301. Wages	3,722	8,400	8,400	4,076
0302. Overtime	275	0	0	275
0311. Other Employee Allowances	32	0	0	35
0401. Contractors	3,500	6,160	6,160	5,440
0506. Materials Purchased	0	10,080	10,080	0
0970. Plant Hire - Internal Usage	893	3,360	3,360	968
0680. Depreciation	0	105,000	105,000	0
0740. Depreciation Expense	0	105,000	105,000	0
07510. Aerodrome Capital Works	0	50,000	50,000	0
0810. Airstrip Apron & Marker Capital Works	0	50,000	50,000	0
0401. Contractors	0	50,000	50,000	0
Quarry Operations	5,738	20,000	20,000	8,188
03520. Quarries & Pits Operations	5,738	20,000	20,000	8,188
0640. Quarry Operations	5,738	10,000	10,000	8,188
0300. Salaries	0	1,500	1,500	0
0301. Wages	0	1,000	1,000	887
0311. Other Employee Allowances	0	0	0	9
0401. Contractors	3,465	4,900	4,900	4,015
0521. Internal Rates	2,273	2,600	2,600	2,273
0970. Plant Hire - Internal Usage	0	0	0	1,005
0680. Depreciation	0	10,000	10,000	0
0740. Depreciation Expense	0	10,000	10,000	0
Cemeteries	15,060	144,700	144,700	22,786
03530. Cemetery Operations	13,807	125,500	125,500	21,533
0410. Insurance	264	0	0	264
0632. General Asset Insurance	264	0	0	264
0514. Memorial Monument & Plaque Maintenan	564	20,000	20,000	1,861
0506. Materials Purchased	564	20,000	20,000	1,861
0630. Cemetery Maintenance	12,979	85,000	85,000	19,408
0301. Wages	8,947	55,250	55,250	12,591
0302. Overtime	206	0	0	807
0311. Other Employee Allowances	120	0	0	174
0401. Contractors	0	11,050	11,050	0
0506. Materials Purchased	0	1,700	1,700	101
0520. Electricity	0	0	0	273
0970. Plant Hire - Internal Usage	3,706	17,000	17,000	5,462
0680. Depreciation	0	20,500	20,500	0

HAY SHIRE COUNCIL

Budget Item	August Monthly Actuals	Original Budget	Revised Budget	YTD Actuals
0740. Depreciation Expense	0	20,500	20,500	0
07530. Cemetery Capital Works	1,253	19,200	19,200	1,253
0712. Other Improvements to Land Capital Work	1,253	19,200	19,200	1,253
0301. Wages	0	15,360	15,360	0
0401. Contractors	1,253	3,840	3,840	1,253
Plant Operations	(130,206)	565,000	565,000	(216,392)
03550. Plant Operating Expenses	94,704	1,369,000	1,369,000	122,649
0505. Plant Operating Expenditure	94,704	769,000	769,000	122,649
0301. Wages	12,450	140,000	140,000	18,501
0401. Contractors	515	20,000	20,000	2,595
0410. Other External Services	76,962	0	0	76,962
0412. Freight Delivery	0	0	0	35
0506. Materials Purchased	252	15,000	15,000	2,114
0507. Inventory Issued From Store	0	300,000	300,000	10,740
0524. Parts	0	70,000	70,000	2,122
0570. Tyres/Tubes	0	35,000	35,000	1,703
0571. Oils/Grease	0	5,000	5,000	144
0572. Miscellaneous	907	15,000	15,000	1,191
0573. Maintenance	0	18,000	18,000	0
0603. Other Sundry Expenses	930	5,000	5,000	930
0631. Motor Vehicle Registration Fees	0	48,000	48,000	0
0635. Motor Vehicle Insurance	0	80,000	80,000	0
0970. Plant Hire - Internal Usage	2,688	18,000	18,000	5,613
0680. Depreciation	0	600,000	600,000	0
0740. Depreciation Expense	0	600,000	600,000	0
03560. Plant Recovery of Operating Costs	(224,911)	(1,369,000)	(1,369,000)	(339,042)
0975. Plant Hire Recovery (Internal)	(224,911)	(1,369,000)	(1,369,000)	(339,042)
0975. Plant Hire Recovered	(224,911)	(1,369,000)	(1,369,000)	(339,042)
07540. Plant Purchases	0	565,000	565,000	0
0705. Plant Purchases	0	565,000	565,000	0
0555. Plant Purchases	0	565,000	565,000	0
Depot Operations	(25,194)	155,350	155,350	21,172
03570. Works Depot Operations	9,448	155,350	155,350	17,426
0415. Utilities	2,614	15,350	15,350	4,748
0518. Water Charges	0	2,000	2,000	0
0520. Electricity	0	5,500	5,500	1,812
0521. Internal Rates	2,614	2,850	2,850	2,614
0640. Telephone Charges	0	5,000	5,000	322
0450. Sundry Expenses	0	20,000	20,000	100
0508. Protective Clothing & Accessories	0	20,000	20,000	100
0501. Tools Replacement/Repairs	0	13,000	13,000	0
0401. Contractors	0	3,000	3,000	0
0525. Tools/Equipment Expensed (under \$xxxx)	0	10,000	10,000	0
0530. Building Maintenance	964	22,000	22,000	1,698
0301. Wages	0	1,000	1,000	0
0401. Contractors	700	10,000	10,000	700
0412. Freight Delivery	0	0	0	55
0501. Printing & Photocopying Costs	0	0	0	61
0506. Materials Purchased	0	3,000	3,000	296
0507. Inventory Issued From Store	0	1,000	1,000	189
0508. Protective Clothing & Accessories	0	0	0	133
0572. Miscellaneous	264	6,000	6,000	264
0970. Plant Hire - Internal Usage	0	1,000	1,000	0
0591. Fixed Plant & Equipment Maintenance	5,870	85,000	85,000	10,879
0301. Wages	3,694	22,000	22,000	5,265
0311. Other Employee Allowances	97	0	0	143
0401. Contractors	0	23,000	23,000	118

HAY SHIRE COUNCIL

Budget Item	August Monthly Actuals	Original Budget	Revised Budget	YTD Actuals
0506. Materials Purchased	920	15,000	15,000	3,657
0572. Miscellaneous	37	15,000	15,000	37
0970. Plant Hire - Internal Usage	1,121	10,000	10,000	1,659
03580. Works / Labour Overheads	194,171	1,850,890	1,850,890	330,820
0300. Employee Costs	172,687	1,762,000	1,762,000	308,731
0301. Wages	2,252	0	0	2,252
0311. Other Employee Allowances	918	7,000	7,000	1,116
0315. Fringe Benefit Taxes	0	20,000	20,000	0
0321. Public Holidays	0	90,000	90,000	0
0322. Annual Leave	26,012	350,000	350,000	50,366
0323. Sick Leave	31,127	200,000	200,000	43,479
0324. Long Service Leave	10,393	150,000	150,000	19,215
0326. Other Leave Expenses	16,153	80,000	80,000	16,566
0330. Superannuation - Council Contribution	78,122	640,000	640,000	130,515
0340. Other Employee Costs	7,365	35,000	35,000	12,343
0341. Medicals	345	5,000	5,000	345
0345. Workers Compensation Insurance	0	180,000	180,000	30,975
0506. Materials Purchased	0	0	0	166
0508. Protective Clothing & Accessories	0	5,000	5,000	1,394
0310. Staff Training	21,484	88,890	88,890	22,088
0300. Salaries	7,922	10,000	10,000	8,519
0301. Wages	529	10,000	10,000	529
0311. Other Employee Allowances	114	0	0	121
0644. Course Seminar & Conference Registratio	12,138	54,990	54,990	12,138
0646. Travel Accommodation	0	13,900	13,900	0
0970. Plant Hire - Internal Usage	781	0	0	781
03590. Works / Labour Overhead Recovery	(228,812)	(1,850,890)	(1,850,890)	(327,073)
0986. Oncosts Recovered	(228,812)	(1,850,890)	(1,850,890)	(327,073)
0986. Oncosts Recovered	(228,812)	(1,850,890)	(1,850,890)	(327,073)
Private Works	36,515	130,000	130,000	39,064
03600. Private Works	36,515	130,000	130,000	39,064
0695. Private Works	36,515	130,000	130,000	39,064
0301. Wages	0	20,000	20,000	0
0311. Other Employee Allowances	18	25,000	25,000	18
0345. Workers Compensation Insurance	1,194	0	0	1,194
0401. Contractors	0	50,000	50,000	0
0506. Materials Purchased	0	5,000	5,000	27
0507. Inventory Issued From Store	0	10,000	10,000	0
0520. Electricity	3,386	20,000	20,000	5,909
0521. Internal Rates	4,979	0	0	4,979
0623. Sponsorships Paid	1,568	0	0	1,568
0632. General Asset Insurance	25,369	0	0	25,369
Recreation Sport Leisure	47,831	567,000	567,000	51,384
03720. Swimming Pool(s) Operations	47,831	567,000	567,000	51,384
0410. Insurance	34,048	25,000	25,000	34,048
0632. General Asset Insurance	34,048	25,000	25,000	34,048
0415. Utilities	369	42,000	42,000	359
0518. Water Charges	0	25,000	25,000	0
0520. Electricity	369	15,000	15,000	60
0640. Telephone Charges	0	2,000	2,000	298
0510. Grounds Maintenance	41	0	0	41
0506. Materials Purchased	41	0	0	41
0535. Swimming Pool Maintenance	13,372	340,000	340,000	16,936
0301. Wages	8,710	160,000	160,000	10,831
0302. Overtime	1,209	30,000	30,000	1,748
0311. Other Employee Allowances	154	0	0	214
0401. Contractors	1,260	20,000	20,000	1,377

HAY SHIRE COUNCIL

Budget Item	August Monthly Actuals	Original Budget	Revised Budget	YTD Actuals
0506. Materials Purchased	0	100,000	100,000	140
0507. Inventory Issued From Store	0	7,500	7,500	0
0572. Miscellaneous	0	12,500	12,500	0
0970. Plant Hire - Internal Usage	2,040	10,000	10,000	2,626
0680. Depreciation	0	160,000	160,000	0
0740. Depreciation Expense	0	160,000	160,000	0
Fire Prevention and Emergency Services	6,985	568,500	568,500	12,294
04070. Fire Control Expenses	6,937	552,000	552,000	9,684
0350. Office Administration Expenditure	0	12,500	12,500	179
0603. Other Sundry Expenses	0	11,000	11,000	0
0640. Telephone Charges	0	1,500	1,500	179
0400. Volunteer Support	0	2,000	2,000	0
0651. Volunteer Reimbursement of Expenses	0	2,000	2,000	0
0410. Insurance	5,466	5,500	5,500	5,466
0632. General Asset Insurance	5,466	5,500	5,500	5,466
0415. Utilities	0	297,000	297,000	617
0520. Electricity	0	2,000	2,000	617
0625. Emergency Services Levy	0	295,000	295,000	0
0510. Grounds Maintenance	0	40,000	40,000	0
0401. Contractors	0	40,000	40,000	0
0530. Building Maintenance	0	10,000	10,000	389
0401. Contractors	0	10,000	10,000	389
0591. Fixed Plant & Equipment Maintenance	1,471	85,000	85,000	3,032
0401. Contractors	300	69,000	69,000	1,861
0506. Materials Purchased	0	6,000	6,000	0
0522. Fuel	1,171	10,000	10,000	1,171
0680. Depreciation	0	100,000	100,000	0
0740. Depreciation Expense	0	100,000	100,000	0
04080. State Emergency Service Expenses	48	16,500	16,500	2,610
0350. Office Administration Expenditure	48	7,000	7,000	2,610
0603. Other Sundry Expenses	0	6,000	6,000	2,428
0640. Telephone Charges	0	1,000	1,000	134
0642. Internet & Other Communication Charges	48	0	0	48
0415. Utilities	0	9,500	9,500	0
0625. Emergency Services Levy	0	9,500	9,500	0
Development and Environmental Services	216,381	2,001,095	2,001,095	265,065
Buildings and Property	105,371	1,240,000	1,240,000	119,785
03490. Buildings Maintenance & Operations	105,371	1,070,000	1,070,000	119,785
0410. Insurance	51,430	52,000	52,000	51,430
0632. General Asset Insurance	51,430	52,000	52,000	51,430
0415. Utilities	42,179	116,000	116,000	53,576
0518. Water Charges	0	10,000	10,000	0
0520. Electricity	1,823	28,000	28,000	3,180
0521. Internal Rates	40,356	53,000	53,000	40,356
0603. Other Sundry Expenses	0	20,000	20,000	9,589
0640. Telephone Charges	0	5,000	5,000	451
0425. Cleaning Costs	2,856	100,000	100,000	2,856
0401. Contractors	2,856	100,000	100,000	2,856
0510. Grounds Maintenance	2,399	35,000	35,000	3,146
0301. Wages	1,759	28,000	28,000	2,192
0311. Other Employee Allowances	18	0	0	24
0401. Contractors	0	2,000	2,000	0
0970. Plant Hire - Internal Usage	622	5,000	5,000	930
0530. Building Maintenance	6,225	167,000	167,000	8,496
0301. Wages	2,112	73,000	73,000	2,680
0311. Other Employee Allowances	34	0	0	40
0401. Contractors	3,427	75,000	75,000	4,303

HAY SHIRE COUNCIL

Budget Item	August Monthly Actuals	Original Budget	Revised Budget	YTD Actuals
0506. Materials Purchased	209	5,000	5,000	772
0507. Inventory Issued From Store	0	7,000	7,000	0
0970. Plant Hire - Internal Usage	443	7,000	7,000	701
0591. Fixed Plant & Equipment Maintenance	281	0	0	281
0506. Materials Purchased	281	0	0	281
0680. Depreciation	0	600,000	600,000	0
0740. Depreciation Expense	0	600,000	600,000	0
07490. Buildings Capital Works	0	170,000	170,000	0
0730. Building Capital Works	0	170,000	170,000	0
0401. Contractors	0	170,000	170,000	0
Planning	48,242	395,530	395,530	68,757
04010. Town Planning Office	48,242	395,530	395,530	68,757
0300. Employee Costs	44,704	328,000	328,000	61,213
0300. Salaries	44,704	328,000	328,000	61,213
0310. Staff Training	988	25,530	25,530	988
0644. Course Seminar & Conference Registratio	988	19,530	19,530	988
0646. Travel Accommodation	0	6,000	6,000	0
0350. Office Administration Expenditure	392	32,000	32,000	392
0503. Subscriptions Reference Materials	0	30,000	30,000	0
0601. Advertising Press	0	1,000	1,000	0
0603. Other Sundry Expenses	392	1,000	1,000	392
0360. Professional Services	1,251	0	0	4,786
0401. Contractors	1,251	0	0	1,251
0405. Consultants Other	0	0	0	5
0408. Planning Consultant Fees	0	0	0	3,530
0970. Plant Hire (Internal)	907	10,000	10,000	1,379
0970. Plant Hire - Internal Usage	907	10,000	10,000	1,379
Building	40,904	161,500	161,500	47,088
03740. Halls & Community Centres	34,025	75,500	75,500	37,423
0410. Insurance	18,630	19,000	19,000	18,630
0632. General Asset Insurance	18,630	19,000	19,000	18,630
0415. Utilities	5,203	17,500	17,500	7,293
0520. Electricity	1,197	14,000	14,000	3,287
0521. Internal Rates	4,006	3,500	3,500	4,006
0425. Cleaning Costs	832	15,000	15,000	832
0401. Contractors	832	15,000	15,000	832
0510. Grounds Maintenance	157	2,000	2,000	235
0301. Wages	125	2,000	2,000	188
0311. Other Employee Allowances	1	0	0	2
0970. Plant Hire - Internal Usage	30	0	0	45
0530. Building Maintenance	9,203	22,000	22,000	10,434
0301. Wages	190	10,000	10,000	723
0311. Other Employee Allowances	2	0	0	6
0401. Contractors	8,967	11,000	11,000	9,160
0506. Materials Purchased	0	0	0	285
0970. Plant Hire - Internal Usage	45	1,000	1,000	259
04020. Building Control Office	6,879	86,000	86,000	9,665
0300. Employee Costs	5,678	76,000	76,000	8,036
0300. Salaries	5,607	76,000	76,000	7,956
0311. Other Employee Allowances	18	0	0	28
0970. Plant Hire - Internal Usage	53	0	0	53
0399. Agency Fees	822	8,000	8,000	822
0603. Other Sundry Expenses	822	8,000	8,000	822
0970. Plant Hire (Internal)	379	2,000	2,000	807
0970. Plant Hire - Internal Usage	379	2,000	2,000	807
Regulatory Services	19,073	194,065	194,065	26,643
04030. Parking & Other Ranger Services	19,073	193,065	193,065	26,333

HAY SHIRE COUNCIL

Budget Item	August Monthly Actuals	Original Budget	Revised Budget	YTD Actuals
0300. Employee Costs	16,523	148,600	148,600	23,544
0300. Salaries	16,454	148,600	148,600	23,437
0311. Other Employee Allowances	69	0	0	107
0310. Staff Training	212	4,465	4,465	313
0644. Course Seminar & Conference Registratio	212	2,365	2,365	212
0646. Travel Accommodation	0	2,100	2,100	0
0649. Meal Reimbursements	0	0	0	101
0350. Office Administration Expenditure	0	0	0	138
0640. Telephone Charges	0	0	0	138
0351. Animal Control	694	10,000	10,000	694
0401. Contractors	0	2,000	2,000	0
0506. Materials Purchased	0	6,000	6,000	0
0521. Internal Rates	694	0	0	694
0603. Other Sundry Expenses	0	2,000	2,000	0
0970. Plant Hire (Internal)	1,644	30,000	30,000	1,644
0970. Plant Hire - Internal Usage	1,644	30,000	30,000	1,644
04050. Other Law & Order Expenditure	0	1,000	1,000	310
0352. Abandoned Vehicles	0	1,000	1,000	310
0401. Contractors	0	1,000	1,000	310
Public Health	2,792	10,000	10,000	2,792
04100. Health Administration & Inspection	2,792	10,000	10,000	2,792
0300. Employee Costs	2,375	9,500	9,500	2,375
0300. Salaries	2,362	9,000	9,000	2,362
0311. Other Employee Allowances	14	0	0	14
0970. Plant Hire - Internal Usage	0	500	500	0
0350. Office Administration Expenditure	0	500	500	0
0603. Other Sundry Expenses	0	500	500	0
0970. Plant Hire (Internal)	416	0	0	416
0970. Plant Hire - Internal Usage	416	0	0	416
Grand Total	1,191,198	6,225,374	6,225,374	(4,999,522)

C13 – Planning and Compliance Report

REPORTING OFFICER	Executive Manager– Planning and Compliance
ATTACHMENTS	Nil

DEVELOPMENT ASSESSMENT

Development Applications – 13th August 2026 to 9th September 2026

The following applications were lodged, approved, or are in process for the above period:

- DA 2024-63 - Ramps Ridge Pty Ltd & R.N Harris & S.P Harris - Stock and domestic pipeline to provide secure water access to farm from Ravensworth to Murrumbidgee River – Withdrawn
- DA 2026-31 Zane Gash – 364 Macauley St, Hay – Shed – Approved
- DA 2026-34 Hay Senior Citizens Association – 258 Coke St & 348-352 Murray St, Hay – Demolition of existing buildings and construction of single storey residential care facility and related landscaping – In process
- DA 2026-35 Zane Gash – 238 Bourke St, Hay – Subdivision into two lots - Approved

STRATEGIC PLANNING

Staff has commenced with two Planning Proposals, one for the Resource Recovery Eco Park around the Hay Waste Facility and one for the Aerodrome. More details will follow.

BUILDING AND PUBLIC HEALTH

Building and Public Health

Building Asset Inspections:

- Monthly high-risk inspections as usual.
- General building assets being inspected for ongoing maintenance
- Some concerns regarding Hay Park Grandstand structure being assessed
- Preparation for Hay Show
- All public high usage sites are inspected prior to/after weekends
- Security Audits begun on high usage assets

Public Health Inspections:

- Ongoing inspections.
- Begun Food Inspections for Balranald Shire
- Annual Health Authority Report for Hay Shire submitted successfully.
- Participated in Environmental Health Seminar for updates on relevant issues

Aerodrome:

- CASA request updating of ERSA information continuing

- Manual validation inspection reserved for November
- OLS Survey completed, directives given and actioned shortly
- Liaising with RMS Staff to assist runway lines works i.e.- 'Turn Pad Lines' and 'Taxi Way Hold Lines'
- Participated in AVCRM workshop for updates on the monitoring system
- Upgrading of extra access - Contractor appointed

Swimming Pool Precinct:

- Pool – Elm Aquatics-visit 21st on September
 - Heat pumps are not performing as desired
 - Water balancing has begun
 - Addressing rest of contract defects
- Splash Park – Open to the public; Maintenance underway/Photocell requires replacement
- Pool Attendants - Advertising and on-boarding of staff in progress
- Cleaning and preparation has begun for opening 3rd of Oct
- Microbial testing has begun

Other:

- Monthly playground inspections ongoing as per requirements
- Maude Hall, flooring issues still being monitored
- Hay Park – Investigating upgrade of surveillance equipment-ongoing
- Cemetery Columbarium – In construction phase
- Childcare Centre requires structural maintenance - Contractor appointed
- Demolition of old park shed in the Depot - Contractor appointed

RANGER ACTIVITIES

Pound activities

- 5 dog/s have been placed in the pound having been picked up by the Ranger, surrendered by their owners or dumped at the pound.
- 0 Dog/s returned to their owners, after fees paid.
- 0 dogs in pound released into the re-homing program.
- 5 dogs Currently impounded waiting for Rescue.

Callouts attended for: Stray animals, Illegal Camping, Stock, Barking Dogs, Air Ambulance, Police assistance

Abandoned Vehicles: 1

Issued Orders:

Orders: 2

Nuisance dog order/s: 0

Dangerous dog order/s: 0

Menacing dog order/s: 0

Non-Compliance Orders: 0

Fines: 0

Caution Letters: 2

Others:

0 dog destroyed over the month as dangerous.
 0 injured dog humanely euthanised.
 0 cats destroyed deemed to be feral animals.
 0 cats currently impounded due to be destroyed no owner identified unable to rehome.
 0 cat picked up.
 2 cats Surrendered.
 0 cats rehomed.
 10 domesticated cats currently in care with foster carers waiting for rescue.
 0 cats dumped in cage.
 0 Sick/injured cat euthanised.

RELEVANCE TO STRATEGIC COMMUNITY PLAN	Civic Leadership 4.2 Our community is supported by a strong and resilient Council that is responsive to its needs 4.2.1 Provide an advocacy role on behalf of the community 4.2.2 Inform and empower community input into decision making 4.2.3 Our community has access to Council information, services and facilities
FINANCIAL IMPLICATION	N/A
LEGISLATIVE IMPLICATION	Environmental Planning & Assessment Act 1979 Hay Local Environmental Plan 2011 Companion Animals Act 1998 (NSW) and Companion Animals Regulation 2018 (NSW) Impounding Act 1993 (NSW) and Impounding Regulation 2017 (NSW) Prevention of Cruelty to Animals Act 1979 (NSW) (POCTA) and associated Regulations Local Government Act 1993 (NSW) Biosecurity Act 2015 (NSW) and associated Regulations Public Spaces (Unattended Property) Act 2021 (NSW)
POLICY IMPLICATION	Compliance with relevant policies and legislation
ASSET IMPLICATION	N/A
RISK IMPLICATION	Potentially high risk of litigation

RECOMMENDATION

That Council notes the information provided in the report.

C14 - Major Projects Update

REPORTING OFFICER	General Manager
ATTACHMENTS	- Nil

INTRODUCTION

Council has been successful in attracting a variety of funding over the last several years.

COMMENTARY

Find below a summary of the projects, and actions currently being undertaken.

STRONGER COUNTRY COMMUNITY – ROUND 2 PROJECTS

Project	Progress
Hay Park Female & Officials Amenities	• Complete.
Lachlan Street Civic Space Project (Witcombe Place)	• Complete.
Booligal Community Project – New toilet block and installation of Public Art	• Complete.
Maude Community Projects - New toilet block, Re-stumping and re-roofing of hall and installation of Public Art	• Complete.
Upgrade and extension to the Hay Park number 1 oval canteen	• Complete.

STRONGER COUNTRY COMMUNITY – ROUND 3 PROJECTS – COMPLETION BY END OF 2022

Water Play	• Complete.
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DROUGHT PROJECTS ROUND 1 – ALL PROJECTS EXTENDED TO JULY 2021

Dunera Museum	• Complete.
Hay Gaol	• Complete.
Recalibrate Hay	• Complete.
Water Tower Art	• Complete.
War Memorial Hall Upgrades	• Complete.

DROUGHT PROJECTS ROUND 2 –ALL PROJECTS EXTENDED TILL JULY 2021

Pocock Park	• Complete.
No 3 and 4 Oval Toilets	• Complete.
VIC Expansion	• Complete.
Bike Paths	• Complete.
Gaol Toilets Refurbishment	• Complete.
Shire Entrance Signs	• Complete.
Recalibrate Hay Phase 2	• Complete
Adverse Event Plan	• Complete.
Showgrounds	• Complete.

SHOWGROUNDS STIMULUS FUNDING ROUNDS 1 AND 2 – AND CROWN LANDS GRANT

Phase 1	• Complete.
Phase 2c	• Complete
Phase 3	• Complete

STATUS OF OTHER PROJECTS

Federal Government's 'Local Roads & Community Infrastructure Funding' Phase 1	• Complete
Federal Government's 'Local Roads & Community Infrastructure Funding' Phase 2	• Complete
COAG19(2) Funding	• Complete.
Regional Aerodrome funding (Round 1)	• Complete
NSW Boating Now Round 3	• Complete.
Heavy Vehicle Access Program	• Complete.
Maude Bridge	• Complete.
Community Resilience Grant	• Complete.
Integrated Water Cycle Management Plan (IWCM)	• Complete.
Developer Servicing Plan (DSP)	• Complete.
Scoping Study – Water Treatment Plant	• Complete.

RFS Shed - Booligal	• Complete.
Streetlighting Upgrade	• Complete.
Flood Risk Management Grant	• Complete.
Lachlan Street Civic Space Project (Witcombe Place) – Phase 2	• Complete.
Fixing Country Roads & Fixing Local Roads	• FLR R1 – complete. • FLR R2 - complete. • FLR R3 – complete.
Bridge Renewal Program (Round 5)	• Complete
Fixing Country Bridges Program	• Complete
NSW Heritage Grants 2021-23	• Complete.
NSW Heritage Grants 2025-27	• Council has been successful in its application for funding for the next two years. Funding agreement signed. • Next visit by the heritage advisor is scheduled for mid-2026.
Murray Darling Basin Economic Development Program – Round 3	• Complete.
NSW Regional Sports Facility Fund (Round 1)	• Complete.
Regional Airports Program (Round 2)	• Complete.
Stronger Country Communities Fund - Round 4	• Complete.
2021-22 Crown Reserves Improvement Fund	• Complete.
Local Roads and Community Infrastructure – Phase 3	• Complete.
NSW EPA – FOGO Infrastructure and Collection Grants	• Complete
NSW EPA – Remanufacture NSW Grant Round 2	• Complete
Open Spaces Program – Places to Play	• Complete.
Recreational Fishing and Camping Program	• Complete.
Murray Street Entrance Park	• Complete.
Swimming Pool Refurbishment	• Complete.

Growing Regions Program – Round 2	• Complete.
Bridges Renewal Program (Round 6)	• Complete.
Fixing Local Roads Potholes Program – Rounds 1 and 2.	• The NSW Government released a \$50M & \$500M programs for funding to repair potholes in each LGA. • Round 1 application successful - \$323,242.97– Complete. • Round 2 application successful - \$1.716M. Heavy – Complete. • Council received a further \$2.4M under the Regional Roads emergency Relief Program. This one has been held over until 24-25 year and Council has three years to spend the monies. Works moved to 25/26 and 26/27 years.
Strategic Business Case Fund	• Complete.
Fixing Local Roads – R4	• Complete.
Stronger Country Communities Fund – R5	• Complete.
Regional Housing Strategic Planning Fund	• Complete
Fixing Country Roads Program	• Complete.
Saluting Their Service Commemorative Grants Program	• Complete
Integrated Water Cycle Management Plan (IWCM)	• Completed.
Heavy Vehicle Safety & Productivity Program	• Cobb Highway intersection into aerodrome - \$1.4M, with 80% (\$1.120M) from HVSP and 20% (\$0.28M) from Council. Application successful. • Start up meeting held with the funding body. • Fully executed funding agreement received and start up meeting held. • Initial design sent to TfNSW for comment/approval. Initial comments received; design being finalised. TfNSW concurrence has been received for the final design. 'For Construction' drawings now finalised and REF completed. Fencing have been completed and watermain protection works have also been completed. • Finalising WAD with TfNSW. Some redesign work required, plus start up documentation for TfNSW. This is still ongoing. Works are expected to commence on site late September 2026 and be completed in December 2026. • Tenders have been awarded.

	• Survey set out completed.
Local Government Recovery Grant	• Completed.
Heavy Vehicle Safety & Productivity Program	• The mix of funding able to be 80% BRP and 20% Council, as there is no planned next round of Fixing Country Roads at this stage. • HVRA application for truck stop in Hay - \$3.389M, with grant funding request of \$2.711M. • Grant successful and funding agreement signed. • Part 5 Environmental Assessment (REF) has been completed. • Design finalised 'For Construction'. Received s138 Approval from TfNSW. Fencing works completed, and services protection completed. • Plan of Management (POM) has been updated and adopted by Council. • The main construction works have commenced and are progressing well. Entrance works and drainage completed. Works have recommenced, with earthworks now completed and gravel placement in progress. • Tenders have been awarded.
Local Roads Community Infrastructure (LRCI) – Phase 4	• Complete.
Crown Reserves Improvement Fund (CRIF) 23-24	• Complete.
Boating Now – Asset Maintenance Program	• Complete.
Community Energy Upgrades Fund Program (CEUF) – Round 2	A targeted, competitive grant program that provides co-funding for energy upgrades at existing local government facilities. An application was submitted in Round 2 to reapply for the same project and to also include solar/battery for the Leonard Street pump station as our largest energy use site. Application submitted – total project of \$154,000 with funding 50/50. • Council has been successful with this grant. Funding agreement executed. • Quotes sourced and scope of works finalised. • Additional funding allocated to project at QBR to increase scope. • Funding body has approved increased scope of works and orders placed with suppliers. Works are anticipated to commence on site in the coming months.

	• In order to have sufficient roof space for the solar panels at the Leonard Street Pump Station, it is proposed to install a large picnic shelter in Toby Brown Park, and convert this park to a low maintenance by removing the lawn and placing mulch with native plants.
Saluting Their Service – War Memorials Grant	• Application submitted for interpretative displays and memorial works at the Showground, as per draft Master Plan. • Total project cost \$20,000, with \$10,000 received in grant funding. • Council was successful with grant application. Executed finding agreement. • Planning phase with Heritage Advisor now completed and moved to off-site manufacturing.
Floodplain Management Program 2025/26	• Staff are working on application as reported to the March meeting for: - North and South Hay Levee Upgrade Feasibility Study - The total cost is \$160K (ex GST) which requires a Council contribution of \$22,857; and - Hay and Maude Flood Warning System Review - The total cost is \$110K (ex GST) which requires a Council contribution of \$15,714. Applications close 28th May 2025. Application has been submitted. Council successful with grant application for the - North and South Hay Levee Upgrade Feasibility Study. Funding agreement signed. Quotations sourced and consultant awarded. Community consultation session was held Wednesday 22nd July 2026 and the Floodplain Risk Management Committee (FRMC) meeting 23rd July 2026. Consultant met with a number of property owners. Next steps include calculation of levee height, survey and geotechnical assessment. Survey works were undertaken week 24th August 2026. The next FRMC meeting has been scheduled for 4th November 2026. • Works expected to be completed late 2027.

OTHER FUNDING APPLIED FOR AND PENDING

Crown Reserves Improvement Fund (CRIF) - 2026-27 Round	• To financially support projects that will have a high community impact. • Minimum grant is \$50,000 to maximum \$1M • Staff recommend an applicable to renew the existing facilities at Lions Park, as these are outdated and no longer fit for purpose. Estimated cost is \$250,000 with a suggested council co-contribution of \$32,000. • Application has been submitted. Application for 25-26 round was unsuccessful. • Staff re-submitted the application in the 26-27 CRIF funding round.
2026-27 Floodplain Management Program	• The next round of the Floodplain Management Program is open. Staff are in discussions with the Department to submit the following application: 1. Detailed design for the Maude Flood Levee 2. Booligal Flood Study and FRMS&P • Funding is at 6:1 ratio • Both projects are estimate to cost \$180,000 each, meaning Council's contribution is approximately \$25,715 per project • Applications submitted.
Sustainable Communities Program – Business & Industry Round	• The \$50 million NSW Sustainable Communities Program Business and Industry Round will invest in projects that improve business and industry sustainability, retain and create jobs and provide lasting economic growth for local communities. • This round is focused on real and positive outcomes by delivering opportunities that encourage business and industry growth, support workforce participation and enable economic development in NSW Basin communities exposed and vulnerable to the impacts of the Australian Government's Voluntary Water Purchase Program for the 450 GL. The objective of the Program is to support businesses, industry and jobs now and into the future in exposed and vulnerable NSW southern Basin communities. This includes opportunities that: • Sustain and strengthen local businesses, including retaining jobs and creating new employment opportunities and improving workforce participation

	• Increase local economic activity through innovation, skills development, productivity improvements, business growth, job creation, asset activation and local business opportunities • Support existing businesses and industry to value-add or diversify their product offerings • Enable the development of new and emerging industries and associated businesses and employment opportunities. • Projects must commence within 6 months of the commencement date of the funding deed and be completed by 31 May 2029. Business productivity and enhancement that supports job creation and/or retention • Expansion of existing or development of new facilities that contribute to an increase in capability and productivity • Introduction of new technologies, innovations, plant and equipment, systems and processes to improve business growth • Purchase and integration of more advanced technologies that will enhance the business's deliverables and competitiveness • Value-add of local product, including initiatives such as a processing and packing facility • Industry specific program to improve business capability and sustainability • Stage 2 of the Hay Resource Recovery & Eco Park, being the expansion of the MRF facility to include secondary and tertiary waste processing and recovery, tyre crumbing, undercover storage and weighbridge would be a suitable project. This would enable Council to take advantage of the opportunity of the renewable energy transition projects and circular economy initiatives. • Project cost is estimated at \$3.6M • 25% co-contribution is required (\$900,000), which could be funded from the SW REZ CEBF, Planning Agreements, renewable energy developers as part of waste agreements and the NSW Government. • The project would fall within the current limits of the waste facility EPL threshold limits. • A development application will be required for the proposed sheds and storage areas. A DA has been submitted and will come to Council for approval as per our Policy. DA approved. • An application has been commenced, with updated quotes and letters of support obtained. • Application submitted.
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Other projects that are in the project formulation phase or that staff are looking for funding include:

Project	Shovel Ready	Estimated Cost	Comment
Lions Park upgrade	Yes	\$750,000	Create interactive and high visitor experience, tying into Hay's history
Halse Park upgrade	No	\$50,000	Low priority
Dal Wright Park	Yes	\$100,000	- The concept of redevelopment of the park was a result of the Murrumbidgee River Master Plan, where the redevelopment of the park was included as a "Arboretum / botanical garden which showcases local vegetation communities and associations. Includes plant identification and interpretive signage, public art and installations, gathering spaces and connections to existing path networks." - The proposed park reflects the natural areas in the LGA, with suitable artworks, seating and viewing platforms.
Gaol frontage and surrounds – landscaping and heritage walking trail	Yes	\$252,000	Includes gravel footpaths, landscaping, irrigation, signage, disabled access, another exhibition shed.
Refurbishment of Hay Grandstand	Yes	\$80,000	Received Heritage Advice, will need to go on quote to get estimate
Refurbishment of Hay Park Water Tower	No	\$200,000	Received Heritage Advice, will need to go on quote to get estimate
Lachlan Street Upgrade	Yes	\$4M	Upgrade of Lachlan Streetscape as determined in the Lachlan Street Masterplan.
Marking of un-marked graves at Hay Cemetery.	No	\$450,000	The Marking of the un-marked graves, including Servicemen at the Hay Cemetery.
Community Building	No	\$4.2M	The community building is in need of a facelift. As part of the Youth Funding, the building upgrade is currently being designed and consulted.
Museums	Yes	Unlimited	The museums will need continued expenditure to keep up with required maintenance and renewal.
Hay War Memorial Hall	Yes	\$200,000 (phase 3&4) \$150,000 (phase 5)	Phases 3&4 of the refurbishment of the Hall including supper room, storage areas and stage area. Phase 5 – stage area including sound, lighting & curtains.

Refurbishment of RSL/CWA Room – Kay Hull Centre	No	\$500,000	Design plans endorsed by Council. DA approval obtained. Project is shovel ready.
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RELEVANCE TO STRATEGIC COMMUNITY PLAN	Social 1.2 Recreational, Civic Spaces, and Infrastructure that meet community needs 1.2.1 Enhance public recreation areas and facilities 1.2.2 Placemaking with purpose 1.2.3 Deliver infrastructure that are responsive to the community's needs 1.2.4 Create a safe, inclusive, and resilient community where all members feel secure, supported, and empowered to thrive 1.5 Our community is inclusive and sustainable 1.5.1 Residents of all abilities and cultures have access to public facilities 1.5.5 Facilitate access public spaces for cultural and community events 1.5.6 Support cultural programs and initiatives, including First Nations Environmental 2.3 Celebrate and Promote our unique natural environment 2.2.2 Support local community groups, first nations groups, and other agencies working with the natural environment 2.4 Enhance the built environment 2.4.1 Maintain and beautify urban areas. 2.4.2 Support and promote public art initiatives 2.4.3 Provision of sustainable infrastructure that is adaptive to changing needs, suitability, betterment and funding levels. 2.5 Our community is inclusive and sustainable 2.5.1 People of all abilities have access to natural environments, cycleways and passive areas. 2.5.2 Support cultural environmental initiatives 2.5.3 Advocate for water security and practices 2.5.4 Develop and implement a sustainable waste management strategy 2.5.5 Facilitate and support sustainable practices across our community Economic 3.2 Our community values its history and tourism 3.2.4 Showcase our open space, recreation and cultural facilities Civic Leadership 4.2 Our community is supported by a strong and resilient Council that is responsive to its needs 4.2.2 Inform and empower community input into decision making 4.2.3 Our community has access to Council information, services and facilities
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FINANCIAL IMPLICATION	Minimal. Some grant programs require co-contribution, which would be funded through current budget or other grant funded programs.
LEGISLATIVE IMPLICATION	Nil
POLICY IMPLICATION	Nil
ASSET IMPLICATION	Any new assets must be operated and maintained by Council into the future.
RISK IMPLICATION	Minimal.

RECOMMENDATION

That Council notes the information provided in the report and the actions being undertaken.

C15 – Operations Monthly Update Report

REPORTING OFFICER	Executive Manager Engineering & Operations
ATTACHMENTS	- Nil

INTRODUCTION

This report is an operations progress update.

COMMENTARY

This report outlines the operational activities of the Engineering and Operations sector over the last reporting period.

Roads

- Heavy Vehicle Rest Area earthworks.
- Pothole patching.
- Stormwater pipe and pit cleaning.
- Maintenance grading Sandy Point access roads
- Urban street cleaning.



HVRA importing fill material





Concrete removal from subgrade at HVRA



First delivery of select material at HVRA



Sandy Point maintenance grading access roads

Upcoming Roadworks

- HVRA earthworks

Plant Purchases

- Ordered new Garbage Truck
- Ordered new zero turn lawn mower

Plant Disposal

- Nil

Major Plant repairs/breakdowns

- Large Garbage Truck

Depot

- BAU

Aerodrome

- Weekly inspections.
- Grounds maintenance.

Parks and Gardens

- Regular mowing and whipper snipping of all parks, cemetery, and aerodrome.
- Tree maintenance and removals
- Lachlan Street tidy up
- Roundabout maintenance
- Sports field maintenance
- Garden bed maintenance.
- Irrigation maintenance
- Booligal and Maude vegetation maintenance



Pool

- Grounds maintenance.
- Monitoring pool chemicals
- Investigation of the outside irrigation issues – ongoing

Cemetery

- Maintenance of the Lawn and traditional cemeteries.
- Grave digging lawn and general cemetery.
- Irrigation repairs

Waste

- Normal operating duties at Hay Waster Transfer Station.
- Separation of the recycleables for bailing
- Baging soil enhancer
- Transfer of waste from Waste Transfer Station site to tip site.
- Pressing cardboard and plastic.
- FOGO processing
- Drum Muster





Town Construction

- Town Streets pothole maintenance.
- Paver repairs in Moppett Street
- Local sealed road pothole repairs
- Assisting the Water and Sewer Department.
- Tip maintenance.
- Grave digging.
- Slashing for hazard reduction.



Concrete replacement after NBN works



Fence repairs after sewer repairs

Utilities

- Various water meter replacements.
- Replace the water treatment plant filter media
- Water meter reading
- Water Treatment Plant daily operations and maintenance.
- Sewer Treatment Plant daily operations and maintenance.

- Various water leak repairs.
- Stormwater pit maintenance.
- Various fire hydrant replacements.
- Fire hydrant flushing.
- Sewer Main Repairs



Drilling secondary water supply for water quality testing



Water main repairs in Cadell Street



Filter media replacement at the water treatment plant



Water leak repairs at Sandy Point

new water connections in Brewery Street

Weeds

- Weed spraying urban areas, cemetery, and Hay roundabout.

Staff Training

- Nil

RELEVANCE TO STRATEGIC COMMUNITY PLAN	Social 1.2 Recreational, Civic Spaces, and Infrastructure that meet community needs 1.2.1 Enhance public recreation areas and facilities 1.2.2 Placemaking with purpose 1.2.3 Deliver infrastructure that are responsive to the community's needs 1.5 Our community is inclusive and sustainable 1.5.5 Facilitate access public spaces for cultural and community events Environmental 2.1 Council is resilient and adaptive 2.1.1 Council considers climate change resilience in our services, and the maintenance and management of our buildings, public spaces and infrastructure. 2.1.2 Foster sustainable energy solutions and practices to reduce Council's footprint. 2.4 Enhance the built environment 2.4.1 Maintain and beautify urban areas. 2.4.3 Provision of sustainable infrastructure that is adaptive to changing needs, suitability, betterment and funding levels. 2.5 Our community is inclusive and sustainable 2.5.1 People of all abilities have access to natural environments, cycleways and passive areas. 2.5.4 Develop and implement a sustainable waste management strategy Economic 3.2 Our community values its history and tourism 3.2.4 Showcase our open space, recreation and cultural facilities Civic Leadership 4.1 Our Council leads by example 4.1.1 Implement and promote best practice governance 4.1.2 Monitor and evaluate Council's strategic planning documents 4.1.3 Be environmentally responsible in decision making 4.1.4 Council will seek to continuously improve
FINANCIAL IMPLICATION	Works undertaken in accordance with adopted Operational Plan.
LEGISLATIVE IMPLICATION	Nil
POLICY IMPLICATION	Nil

ASSET IMPLICATION	Assets are maintained and replaced as they fall due.
RISK IMPLICATION	Minimal

RECOMMENDATION

That Council notes the information provided in the report.

CLOSED COMMITTEE NOTIFICATION

**HAY SHIRE COUNCIL
ORDINARY MEETING OF COUNCIL
22ND SEPTEMBER 2026**

List of items entitled to be dealt with in a Closed Meeting

Section 10A of the Local Government Act 1993 provides that all matters shall be discussed in open other than matters that relate to the following: -

- (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 the person with whom the council is conducting, or proposing 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) matter affecting the security of the council, councillors, council staff or property;
- (g) advice concerning litigation, or advice that otherwise would be privileged from production in legal proceedings on the ground of legal professional privilege, and
- (h) information concerning the nature and location of a place or item of Aboriginal significance on community land.

Council or a council committee may close part of a meeting only for such portion of the debate on an item as is necessary to preserve confidentiality, privilege or security. The resolution closing the meeting must specify:

- the provision of section 10A (2) of the Act under which part of the meeting is being closed,
- the matter to be discussed during the closed part of the meeting, and
- the reasons why it is being closed, including an explanation of the way in which discussion of the matter in an open meeting would be, on balance, contrary to public interest.

Section 11

In accordance with Section 11(2)(a)(b) of the Local Government Act 1993, access to the correspondence and reports relating to the items considered during the course of the Closed Session will be withheld.

Reason for Confidentiality:

IC.1 Reseals 2026-27

IC.2 Refuelling Facility Proposal at Hay Aerodrome

IC.3 Proposal for Provision of Internal Audit Services

- (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;

Further that in accordance with Section 10D it is considered that if the matter were discussed in an open Council meeting, it would disclose information of a personal nature of an employee of Council.