

Late Items BUSINESS PAPER

Ordinary Council Meeting

To be held on

Thursday, 27 November 2025



Notice is herewith given of an

ORDINARY MEETING

That will be held at the Glen Innes Severn Learning Centre,
William Gardner Conference Room, Grey Street, Glen Innes on:
Thursday, 27 November 2025 at 9:00 AM

ORDER OF BUSINESS

L MATTERS OF AN URGENT NATURE 2

L.1 QUARTERLY BUDGET REVIEW - SEPTEMBER 2025 2

Bernard Smith
General Manager

L MATTERS OF AN URGENT NATURE

REPORT TITLE: L.1 QUARTERLY BUDGET REVIEW - SEPTEMBER 2025

REPORT FROM: Corporate and Community Services

PURPOSE

The purpose of this report is to provide Council with a **Quarterly Budget Review Statement (QBRs)** for the period from 1 July 2025 until 30 September 2025 (**Annexure A**) for its review and adoption.

RECOMMENDATION

That Council notes and adopts the September 2025 Quarterly Budget Review.

REPORT

As a result of the budget review process through QBRs1, overall operating cost reductions of \$5K have been achieved.

The original budget adopted by Council indicated that the Net Operating Deficit at the end of the 2025/2025 Financial Year was expected to be \$4.374M (excluding Capital Grants and Contributions of \$13M). This was based on budgeted total operating revenue of \$37.327M and budgeted total operating expenditure of \$41.702M, with \$13M expected from Capital Grants and Contributions.

The September 2025 Quarterly Budget Review proposes an improvement in the budget position of \$5K, resulting in a projected Net Operating Deficit for the 2025/26 Financial Year of \$4.369M (excluding capital grants and contributions of \$13M).

The major adjustments recommended for the September 2025 quarterly review are as follows, noting that minor items affecting total increases have not been shown separately.

1) Administration – total net increase of \$318K:

- **\$40K for the EDRMS (records management) upgrade**
- **\$157K increase for Civica Authority licence fees and GIS software**
- **\$71K increase for a LEP review**
- **\$50k - service reviews for Finance and Customer Service functions**

2) Environment – total net decrease (favourable) of \$370K

- **Final payment from New England Weeds Authority – allocated proceeds from the sale of NEWA's property.**

3) **Governance** – total increase of \$35K for legal costs and ARIC Review.

Further details of income and expenditure adjustments are included in **Annexure B**.

Management will continue to maintain its focus on cost reductions and efficiency gains to offset the identified increases in expenditure outlined above, through the next QBR process which will commence in January 2026.

Capital project expenditure

Capital project expenditure for the year-to-date 30 September of financial year 2024-25 is \$3.516M.

Cash and Investment Review

The cash and investment review provides the current internal and external restrictions on Council's invested funds.

It should be noted that both internally and externally restricted funds must be acquitted for a particular purpose and therefore are in truth already committed for that purpose. For this reason, the expenditure of these funds is more of a cash flow / working capital issue and will have no effect on the operational surplus or deficit. However, the timing of receipt of income and the expending of this can occur over several financial years. This results in a variance in the operational budget between those years; however, the net effect should still be nil over the financial years in which the grant (or reserve) is acquitted.

This report in combination with the monthly investment report, ensures that Council is complying with the statutory, regulatory and policy requirements.

Further, a declaration as to the preparation of bank reconciliations is also required. Bank reconciliations occur daily with a full reconciliation performed monthly. The full reconciliation for the September 2025 quarter occurred on 9 October 2025.

Unrestricted Cash position

The unrestricted cash position refers to the amount of cash or liquid assets that are not tied to specific purposes, such as grants, reserves, or restricted funds. It represents the funds available for general operations and unanticipated expenses. A negative unrestricted cash position may lead to potential breaches of Local Government legislation, specifically under the *Local Government Act 1993 (NSW)* and its associated regulations.

The unrestricted cash position reported as at 30 September 2025 is positive \$4.926M.

Cashflow forecasted for the end of financial year 2025-26 is projected to be positive \$1.168M.

Capital Budget Review

The Capital Budget Review format allows Council to analyse any additional Capital expenditure to be incurred in the current Financial Year and the extent to which monies have already been expended. Importantly, the report also indicates how Council is to fund the Capital expenditure for the year.

The review process has resulted in no changes to the total Capital Budget. Capital projects which have been capitalised as at 30 June 2025 have now been removed for the purpose of reporting budget and actual YTD spend.

KEY CONSIDERATIONS

Financial/Asset Management

It is important for Council to note that the adoption of this budget review approves the variations identified in the attached report and that the cumulative effect of the budget variations should be considered when reviewing this budget.

The original estimated Operating Deficit for the 2025/2026 Financial Year was \$4.374M excluding Capital Grants and Contributions. After the quarterly budget review adjustments, the estimated Operating Deficit for the 2025/2026 Financial Year is \$4.369M.

Capital projects are reported in detail as per the monthly capital report.

Policy

This budget review statement must be prepared in accordance with the new Integrated Planning and Reporting Framework introduced under the *Local Government (General) Amendment (Planning and Reporting) Regulation 2009*, the *Local Government Act 1993* (as amended) and the *Local Government Amendment (Planning and Reporting) Act 2009*.

Risk

The Quarterly Budget Review aims to mitigate financial risk by providing a more accurate indication of Council's operating and capital budgets.

Consultation

This report has been prepared with input from the Management Executive Team (MANEX) and managers to ensure that there is up-to-date information regarding income and expenditure.

LINK/S TO THE DELIVERY PROGRAM/OPERATIONAL PLAN

This report links to Council's Delivery Program Open and Collaborative Leadership Strategy O1.3.2 Manage public resources (financial and assets) responsibly and efficiently by implementing leading practices, systems and technologies.

CONCLUSION

As a result of the budget review process through QBR51, operating cost reductions of \$5K have been achieved.

ATTACHMENTS

Annexure A	QBR51 Statement
Annexure B	Detailed Budget Changes