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Report by responsible accounting officer

The following statement is made in accordance with Clause 203(2) of the Local Government (General) Regulations 2021:

31 December 2024

It is my opinion that the Quarterly Budget Review Statement for Kempsey Shire Council for the quarter ended 31/12/24 indicates that Council's projected financial position at 30/6/25 will be unsatisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

My opinion above, that Council's projected financial position as at 30/6/25 will be unsatisfactory has been based on the following factors:

1. General Fund continues to be financially unsustainable given the actual operating deficit year to date and forecast for the year. The partly approved Special Rate Variation (SRV) will help to improve this position going forward.
2. Increases in CPI, Wage growth and continually new and emerging costs (e.g.: Cyber security) means Council's expenditure outstrips revenue in General Fund.
3. Council has implemented a number of Financial Sustainability initiatives over the past 5 years, but those alone cannot close the ever widening deficit gap. A revised Financial Sustainability Program (FSP) has been included in the 2024-25 Long Term Financial Plan which includes 24 initiatives with 46 associated actions that aim to address Council's unsatisfactory financial position. This FSP has been revised taking into account community feedback received throughout the SRV investigation process.

Recommended remedial actions to deal with this unsatisfactory position includes:

- a. Review operating expenditure and income in future quarters and find opportunities to increase income or reduce expenditure.
- b. Minimise carry over/revote works in future years
- c. Implement increased financial accountability expectations for managers.
- d. Implement processes to ensure budgets (Operating and Capital) are set at realistically achievable levels.
- e. Implement initiatives per the revised Financial Sustainability Program included in the 2024-25 Long Term Financial Plan

Additionally, the recently commenced Revenue & Review Taskforce is another initiative focused on addressing this unsatisfactory position. The effective operation of this taskforce will contribute to identifying opportunities for improved revenue and expense outcomes in the general fund.

Furthermore, it should be noted that a separate report seeking Council's confirmation via resolution that the 15% general fund rate increase approved by IPART in 2024 for the 2025-26 financial year will be implemented in full, is being reported to the February 2025 Council meeting. This is critical planning assumption in developing the 2025-26 budget and LTFP and is critical to the long-term financial sustainability of Council's general fund.

Signed:



Date:

3/02/2025

Stephen Mitchell
Responsible accounting officer

Income & expenses budget review statement

Budget review for the quarter ended 31 December 2024

Income & expenses - Council Consolidated

(\$000's)	Original budget 2024/25	Approved Changes					Revised budget 2024/25	Variations for this Dec Qtr	Notes	Projected year end result	Actual YTD figures
		Carry forwards	Other than by QBRs	Sep QBRs	Dec QBRs	Mar QBRs					
Income											
Rates and annual charges	56,208	-	-	90	-	-	56,298	-	-	56,298	27,939
User charges and fees	22,005	-	-	180	-	-	22,185	10	-	22,195	10,171
Interest and investment revenue	5,052	-	-	-	-	-	5,052	300	-	5,352	2,783
Other revenues	2,237	-	-	(56)	-	-	2,182	139	-	2,321	1,851
Grants and contributions - operating	14,021	48	100	1,188	-	-	15,357	1,056	-	16,412	9,022
Grants and contributions - capital	33,347	2,623	-	(3,139)	-	-	32,831	2,885	-	35,716	25,385
Total income from continuing operations	132,870	2,671	100	(1,737)	-	-	133,904	4,389	-	138,293	77,152
Expenses											
Employee benefits and on-costs	34,361	4	-	(244)	-	-	34,121	(325)	-	33,796	16,670
Borrowing costs	2,269	-	-	-	-	-	2,269	-	-	2,269	1,012
Materials and contracts	28,996	664	53	947	-	-	30,661	790	-	31,451	16,263
Depreciation and amortisation	24,172	-	-	-	-	-	24,172	-	-	24,172	12,087
Legal costs	208	-	-	55	-	-	263	-	-	263	316
Consultants	2,498	78	-	263	-	-	2,839	52	-	2,890	837
Other expenses	4,947	-	(53)	(123)	-	-	4,771	-	-	4,771	2,245
Net gains/losses on disposals of assets	-	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	97,452	746	0	898	-	-	99,096	517	-	99,613	49,429
Net operating result from continuing operations	35,418	1,925	100	(2,635)	-	-	34,808	3,873	-	38,681	27,722
Net Operating Result before Capital Items	2,071	(698)	100	504	-	-	1,977	988	-	2,965	2,337

Income & expenses budget review statement

Budget review for the quarter ended 31 December 2024

Income & expenses - General Fund

(\$000's)	Original budget 2024/25	Approved Changes					Revised budget 2024/25	Variations for this Dec Qtr	Notes	Projected year end result	Actual YTD figures
		Carry forwards	Other than by QBRs	Sep QBRs	Dec QBRs	Mar QBRs					
Income											
Rates and annual charges	32,895	-	-	90	-	-	32,985	-	-	32,985	16,074
User charges and fees	9,461	-	-	180	-	-	9,641	10	-	9,651	3,684
Interest and investment revenue	2,767	-	-	-	-	-	2,767	300	-	3,067	1,870
Other revenues	2,208	-	-	(56)	-	-	2,152	139	-	2,291	1,836
Grants and contributions - operating	13,607	48	100	1,002	-	-	14,757	1,056	-	15,813	8,824
Grants and contributions - capital	30,718	2,610	-	(3,310)	-	-	30,018	2,310	-	32,328	16,277
Total income from continuing operations	91,656	2,658	100	(2,093)	-	-	92,321	3,815	-	96,135	48,566
Expenses											
Employee benefits and on-costs	26,089	4	-	65	-	-	26,157	(325)	-	25,832	12,888
Borrowing costs	861	-	-	-	-	-	861	-	-	861	369
Materials and contracts	16,504	333	53	1,191	-	-	18,082	221	-	18,303	8,623
Depreciation and amortisation	15,255	-	-	-	-	-	15,255	-	-	15,255	7,628
Legal costs	208	-	-	55	-	-	263	-	-	263	265
Consultants	1,308	78	-	(68)	-	-	1,318	52	-	1,370	567
Other expenses	4,947	-	(53)	(123)	-	-	4,771	-	-	4,771	2,245
Net gains/losses on disposals of assets	-	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	65,172	415	0	1,120	-	-	66,707	(53)	-	66,655	32,585
Net operating result from continuing operations	26,483	2,243	100	(3,213)	-	-	25,613	3,867	-	29,481	15,980
Net Operating Result before Capital Items	(4,235)	(367)	100	97	-	-	(4,405)	1,557	-	(2,848)	(296)

Income & expenses budget review statement

Budget review for the quarter ended 31 December 2024

Income & expenses - Water Fund

(\$000's)	Original budget 2024/25	Approved Changes					Revised budget 2024/25	Variations for this Dec Qtr	Notes	Projected year end result	Actual YTD figures
		Carry forwards	Other than by QBRs	Sep QBRs	Dec QBRs	Mar QBRs					
Income											
Rates and annual charges	6,244	-	-	-	-	-	6,244	-	-	6,244	3,234
User charges and fees	10,526	-	-	-	-	-	10,526	-	-	10,526	5,375
Interest and investment revenue	1,041	-	-	-	-	-	1,041	-	-	1,041	417
Other revenues	24	-	-	-	-	-	24	-	-	24	14
Grants and contributions - operating	227	-	-	78	-	-	305	-	-	305	100
Grants and contributions - capital	1,224	14	-	152	-	-	1,390	-	-	1,390	5,936
Total income from continuing operations	19,285	14	-	231	-	-	19,529	-	-	19,529	15,076
Expenses											
Employee benefits and on-costs	4,225	-	-	(154)	-	-	4,071	-	-	4,071	1,840
Borrowing costs	834	-	-	-	-	-	834	-	-	834	381
Materials and contracts	5,960	57	-	14	-	-	6,031	139	-	6,170	3,584
Depreciation and amortisation	4,476	-	-	-	-	-	4,476	-	-	4,476	2,238
Legal costs	-	-	-	-	-	-	-	-	-	-	21
Consultants	720	-	-	57	-	-	777	-	-	777	96
Other expenses	-	-	-	-	-	-	-	-	-	-	-
Net gains/losses on disposals of assets	-	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	16,214	57	-	(84)	-	-	16,187	139	-	16,326	8,160
Net operating result from continuing operations	3,071	(44)	-	315	-	-	3,342	(139)	-	3,203	6,916
Net Operating Result before Capital Items	1,848	(57)	-	162	-	-	1,952	(139)	-	1,813	980

Income & expenses budget review statement

Budget review for the quarter ended 31 December 2024

Income & expenses - Sewer Fund

(\$000's)	Original budget 2024/25	Approved Changes					Revised budget 2024/25	Variations for this Dec Qtr	Notes	Projected year end result	Actual YTD figures
		Carry forwards	Other than by QBRs	Sep QBRs	Dec QBRs	Mar QBRs					
Income											
Rates and annual charges	17,069	-	-	-	-	-	17,069	-	-	17,069	8,631
User charges and fees	2,018	-	-	-	-	-	2,018	-	-	2,018	1,112
Interest and investment revenue	1,244	-	-	-	-	-	1,244	-	-	1,244	495
Other revenues	6	-	-	-	-	-	6	-	-	6	1
Grants and contributions - operating	187	-	-	107	-	-	294	-	-	294	99
Grants and contributions - capital	1,405	(1)	-	19	-	-	1,423	575	-	1,998	3,173
Total income from continuing operations	21,929	(1)	-	126	-	-	22,054	575	-	22,629	13,510
Expenses											
Employee benefits and on-costs	4,048	-	-	(154)	-	-	3,893	-	-	3,893	1,943
Borrowing costs	575	-	-	-	-	-	575	-	-	575	261
Materials and contracts	6,532	274	-	(258)	-	-	6,549	430	-	6,979	4,056
Depreciation and amortisation	4,441	-	-	-	-	-	4,441	-	-	4,441	2,221
Legal costs	-	-	-	-	-	-	-	-	-	-	30
Consultants	469	-	-	274	-	-	743	-	-	743	174
Other expenses	-	-	-	-	-	-	-	-	-	-	-
Net gains/losses on disposals of assets	-	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	16,065	274	-	(138)	-	-	16,201	430	-	16,632	8,684
Net operating result from continuing operations	5,864	(275)	-	264	-	-	5,853	145	-	5,997	4,826
Net Operating Result before Capital Items	4,458	(274)	-	245	-	-	4,429	(430)	-	3,999	1,653

Income & expenses budget review statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details
	Please refer to the Quarterly Report cover paper for detail on the budget variations

Capital budget review statement

Budget review for the quarter ended 31 December 2024

Capital budget - Council Consolidated

(\$000's)	Original budget 2024/25	Approved changes					Revised budget 2024/25	Variations for this Dec Qtr	Notes	Projected year end result	Actual YTD figures
		Carry forwards	Other than by QBRs	Sep QBRs	Dec QBRs	Mar QBRs					
Capital expenditure											
New assets											
- Plant & equipment	-	-	-	-	-	-	-	-	-	-	-
- Land & buildings	1,170	48	-	75	-	-	1,293	(620)	-	673	180
- Other	6,137	1,812	200	1,391	-	-	9,541	(76)	-	9,465	2,909
- Water assets	1,076	180	-	69	-	-	1,326	(34)	-	1,292	196
- Sewer assets	25	187	-	-	-	-	212	-	-	212	150
Renewal assets (replacement)											
- Plant & equipment	3,497	-	-	-	-	-	3,497	2,231	-	5,727	2,712
- Land & buildings	1,189	(56)	-	80	-	-	1,213	(319)	-	894	182
- Roads, bridges, footpaths	24,036	2,188	2	2,570	-	-	28,796	(1,391)	-	27,405	6,559
- Other	23,705	2,122	(25)	(7,279)	-	-	18,523	2,107	-	20,630	4,500
- Water assets	5,605	557	-	113	-	-	6,274	41	-	6,316	3,453
- Sewer assets	7,285	1,153	-	120	-	-	8,558	2,196	-	10,754	2,912
Loan repayments (principal)	4,359	-	-	-	-	-	4,359	-	-	4,359	2,149
Total capital expenditure	78,084	8,191	177	(2,861)	-	-	83,591	4,135	-	87,726	25,903
Capital funding											
Rates & other untied funding	6,613	2,270	52	466	-	-	9,401	302	-	9,703	5,865
Other grants & contributions	2,660	-	-	186	-	-	2,846	-	-	2,846	-
Capital grants & contributions	32,345	2,692	38	(3,743)	-	-	31,332	2,901	-	34,233	9,946
Reserves:											
- External restrictions/reserves	16,765	2,966	2	365	-	-	20,097	1,298	-	21,396	9,577
- Internal restrictions/reserves	1,075	263	84	(134)	-	-	1,288	(484)	-	804	-
New loans	18,000	-	-	-	-	-	18,000	-	-	18,000	-
Receipts from sale of assets	-	-	-	-	-	-	-	-	-	-	-
- Plant & equipment	627	-	-	-	-	-	627	118	-	744	514
- Land & buildings											
- Office equipment											
- Other structures											
Total capital funding	78,084	8,191	177	(2,861)	-	-	83,591	4,135		87,726	25,903
Net capital funding - surplus/(deficit)	-	-	-	-	-	-	-	-		-	-

Capital budget review statement

Budget review for the quarter ended 31 December 2024

Capital budget - General Fund

(\$000's)	Original budget 2024/25	Approved changes					Revised budget 2024/25	Variations for this Dec Qtr	Notes	Projected year end result	Actual YTD figures
		Carry forwards	Other than by QBRs	Sep QBRs	Dec QBRs	Mar QBRs					
Capital expenditure											
New assets											
- Plant & equipment											
- Land & buildings	1,170	48	-	75	-	-	1,293	(620)	-	673	180
- Other	6,137	1,812	200	1,391	-	-	9,541	(76)	-	9,465	2,909
Renewal assets (replacement)											
- Plant & equipment	3,497	-	-	-	-	-	3,497	2,231	-	5,727	2,712
- Land & buildings	1,189	(56)	-	80	-	-	1,213	(319)	-	894	182
- Roads, bridges, footpaths	24,036	2,188	2	2,570	-	-	28,796	(1,391)	-	27,405	6,559
- Other	23,705	2,122	(25)	(7,279)	-	-	18,523	2,107	-	20,630	4,500
Loan repayments (principal)	1,081	-	-	-	-	-	1,081	-	-	1,081	535
Total capital expenditure	60,816	6,114	177	(3,163)	-	-	63,943	1,933	-	65,876	17,577
Capital funding											
Rates & other untied funding	6,613	2,270	52	466	-	-	9,401	302	-	9,703	5,865
Other grants & contributions	2,660	-	-	186	-	-	2,846	-	-	2,846	-
Capital grants & contributions	31,029	2,679	38	(3,845)	-	-	29,901	2,326	-	32,227	8,847
Reserves:											
- External restrictions/reserves	5,812	902	2	164	-	-	6,881	(329)	-	6,551	2,351
- Internal restrictions/reserves	1,075	263	84	(134)	-	-	1,288	(484)	-	804	-
New loans	13,000	-	-	-	-	-	13,000	-	-	13,000	-
Receipts from sale of assets	-	-	-	-	-	-	-	-	-	-	-
- Plant & equipment	627	-	-	-	-	-	627	118	-	744	514
- Land & buildings							-		-	-	
- Office equipment							-		-	-	
- Other structures											
Total capital funding	60,816	6,114	177	(3,163)	-	-	63,943	1,933	-	65,876	17,577
Net capital funding - surplus/(deficit)	-	-	-	-	-	-	-	-		-	-

Capital budget review statement

Budget review for the quarter ended 31 December 2024

Capital budget - Water Fund

(\$000's)	Original budget 2024/25	Approved changes					Revised budget 2024/25	Variations for this Dec Qtr	Notes	Projected year end result	Actual YTD figures
		Carry forwards	Other than by QBRs	Sep QBRs	Dec QBRs	Mar QBRs					
Capital expenditure											
New assets											
- Water assets	1,076	180	-	69	-	-	1,326	(34)	-	1,292	196
Renewal assets (replacement)											
- Water assets	5,605	557	-	113	-	-	6,274	41	-	6,316	3,453
Loan repayments (principal)	1,848	-	-	-	-	-	1,848	-	-	1,848	910
Total capital expenditure	8,529	737	-	182	-	-	9,448	7	-	9,455	4,559
Capital funding											
Rates & other untied funding											
Other grants & contributions											
Capital grants & contributions	424	14	-	102	-	-	539	-	-	539	358
Reserves:											
- External restrictions/reserves	3,106	723	-	80	-	-	3,909	7	-	3,916	4,202
- Internal restrictions/reserves											
New loans	5,000	-	-	-	-	-	5,000	-	-	5,000	-
Total capital funding	8,529	737	-	182	-	-	9,448	7	-	9,455	4,559
Net capital funding - surplus/(deficit)	-	-	-	-	-	-	-	-		-	-

Capital budget review statement

Budget review for the quarter ended 31 December 2024

Capital budget - Sewer Fund

(\$000's)	Original budget 2024/25	Approved changes					Revised budget 2024/25	Variations for this Dec Qtr	Notes	Projected year end result	Actual YTD figures
		Carry forwards	Other than by QBRs	Sep QBRs	Dec QBRs	Mar QBRs					
Capital expenditure											
New assets											
- Sewer assets	25	187	-	-	-	-	212	-	-	212	150
Renewal assets (replacement)											
- Sewer assets	7,285	1,153	-	120	-	-	8,558	2,196	-	10,754	2,912
Loan repayments (principal)	1,430	-	-	-	-	-	1,430	-	-	1,430	703
Total capital expenditure	8,739	1,340	-	120	-	-	10,199	2,196	-	12,395	3,766
Capital funding											
Rates & other untied funding							-			-	
Other grants & contributions											
Capital grants & contributions	893	(1)	-	-	-	-	892	575	-	1,467	741
Reserves:											
- External restrictions/reserves	7,847	1,341	-	120	-	-	9,308	1,621	-	10,928	3,025
- Internal restrictions/reserves											
New loans							-			-	
Total capital funding	8,739	1,340	-	120	-	-	10,199	2,196	-	12,395	3,766
Net capital funding - surplus/(deficit)	-	-	-	-	-	-	-	-		-	-

Capital budget review statement
Recommended changes to revised budget

Budget variations being recommended include the following material items:

Notes	Details
	Please refer to the Quarterly Report cover paper for detail on the budget variations

Cash & investments budget review statement

Budget review for the quarter ended 31 December 2024

Cash & investments - Council Consolidated

(\$000's)	Original budget 2024/25	Approved changes					Revised budget 2024/25	Variations for this Dec Qtr	Notes	Projected year end result	Actual YTD figures
		Carry forwards	Other than by QBRs	Sep QBRs	Dec QBRs	Mar QBRs					
Externally restricted⁽¹⁾											
Developer Contributions	28,758	-	1,432	(113)	-	-	30,077	-		30,077	30,017
Unexpended Grants	6,032	-	5,963	-	-	-	11,996	-		11,996	32,654
Domestic Waste Management	472	-	2,183	(1,626)	-	-	1,028	222		1,250	42
On-site sewerage management reserve	789	-	(32)	(41)	-	-	715	(84)		632	683
Holiday Parks Reserve	7,237	-	18	(87)	-	-	7,168	570		7,738	7,607
Environmental Levy	752	(21)	786	30	-	-	1,546	478		2,025	2,793
Contributions - ancillary works	38	-	-	-	-	-	38	-		38	38
Stormwater management	38	-	320	(300)	-	-	58	(58)		(0)	47
Deposits, retentions and bonds	2,295	-	13	-	-	-	2,308	-		2,308	2,295
Water - Other	12,594	-	2,133	(648)	-	-	14,078	(373)		13,705	11,036
Sewer - Other	17,706	-	1,522	(1,471)	-	-	17,757	(2,278)		15,479	20,280
Total externally restricted	76,710	(21)	14,338	(4,257)	-	-	86,769	(1,522)		85,246	107,493
(1) Funds that must be spent for a specific purpose											
Cash, cash equivalents and investments not subject to external restrictions*	31,641	-	(7,518)	-	-	-	24,123	448		24,571	1,923
Total Cash & investments	108,351	(21)	6,820	(4,257)	-	-	110,892	(1,074)		109,818	109,416

*Cash not subject to external restrictions includes Fleet reserve and Working Capital reserve

Cash & investments budget review statement

Budget review for the quarter ended 31 December 2024

Cash & investments - General Fund

(\$000's)	Original budget 2024/25	Approved changes					Revised budget 2024/25	Variations for this Dec Qtr	Notes	Projected year end result	Actual YTD figures
		Carry forwards	Other than by QBRS	Sep QBRS	Dec QBRS	Mar QBRS					
Externally restricted ⁽¹⁾											
Developer Contributions	9,573	-	101	(113)	-	-	9,560	-		9,560	10,126
Unexpended Grants	440	-	5,965	-	-	-	6,406	-		6,406	20,501
Domestic Waste Management	472	-	2,183	(1,626)	-	-	1,028	222		1,250	42
On-site sewerage management reserve	789	-	(32)	(41)	-	-	715	(84)		632	683
Holiday Parks Reserve	7,237	-	18	(87)	-	-	7,168	570		7,738	7,607
Environmental Levy	752	(21)	786	30	-	-	1,546	478		2,025	2,793
Contributions - ancillary works	38	-	-	-	-	-	38	-		38	38
Stormwater management	38	-	320	(300)	-	-	58	(58)		(0)	47
Deposits, retentions and bonds	2,295	-	13	-	-	-	2,308	-		2,308	2,295
Total externally restricted	21,633	(21)	9,354	(2,139)	-	-	28,827	1,129		29,956	44,133
(1) Funds that must be spent for a specific purpose											
Cash, cash equivalents and investments not subject to external restrictions*	31,641	-	(7,518)	-	-	-	24,123	448		24,571	1,923
Total Cash & investments	53,274	(21)	1,836	(2,139)	-	-	52,950	1,577		54,527	46,057

*Cash not subject to external restrictions includes Fleet reserve and Working Capital reserve

Cash & investments budget review statement

Budget review for the quarter ended 31 December 2024

Cash & investments - Water Fund

(\$000's)	Original budget 2024/25	Approved changes					Revised budget 2024/25	Variations for this Dec Qtr	Notes	Projected year end result	Actual YTD figures
		Carry forwards	Other than by QBRS	Sep QBRS	Dec QBRS	Mar QBRS					
Externally restricted ⁽¹⁾											
Developer Contributions	11,853	-	422	-	-	-	12,276	-		12,276	11,756
Unexpended Grants	4,032	-	318	-	-	-	4,350	-		4,350	9,371
Water Augmentation Reserve	12,594	-	2,133	(648)	-	-	14,078	(373)		13,705	11,036
Total externally restricted	28,479	-	2,873	(648)	-	-	30,704	(373)		30,331	32,162
(1) Funds that must be spent for a specific purpose											
Unrestricted (ie. available after the above Restrictions)	-	-	-	-	-	-	-	-		-	-
Total Cash & investments	28,479	-	2,873	(648)	-	-	30,704	(373)		30,331	32,162

Cash & investments budget review statement

Budget review for the quarter ended 31 December 2024

Cash & investments - Sewer Fund

(\$000's)	Original budget 2024/25	Approved changes					Revised budget 2024/25	Variations for this Dec Qtr	Notes	Projected year end result	Actual YTD figures
		Carry forwards	Other than by QBRs	Sep QBRs	Dec QBRs	Mar QBRs					
Externally restricted ⁽¹⁾											
Developer Contributions	7,332	-	909	-	-	-	8,241	-		8,241	8,135
Unexpended Grants	1,560	-	(320)	-	-	-	1,240	-		1,240	2,782
Sewerage Augmentation Reserve	17,706	-	1,522	(1,471)	-	-	17,757	(2,278)		15,479	20,280
Total externally restricted	26,598	-	2,111	(1,471)	-	-	27,238	(2,278)		24,960	31,197
Unrestricted (ie. available after the above Restrictions)	-	-	-	-	-	-	-	-		-	-
Total Cash & investments	26,598	-	2,111	(1,471)	-	-	27,238	(2,278)		24,960	31,197

(1) Funds that must be spent for a specific purpose

Cash & investments budget review statement

Comment on cash & investments position

Not applicable

Investments

Investments have been invested in accordance with Council's Investment Policy.

Cash

The Cash at Bank figure included in the Cash & Investment Statement totals \$109,416,242

This Cash at Bank amount has been reconciled to Council's physical Bank Statements.
The date of completion of this bank reconciliation is 30/09/24

Reconciliation status

The YTD cash & investment figure reconciles to the actual balances held as follows: \$ 000's

Cash at bank (as per bank statements)		10,306,497
Investments on hand		99,106,885
less: unrepresented cheques	(Timing Difference)	-
add: undeposited funds	(Timing Difference)	2,861

Reconciled cash at bank & investments	<hr/> 109,416,242 <hr/>
Balance as per QBRs review statement:	<hr/> 109,416,242 <hr/>
Difference:	-

Key performance indicators budget review statement - Industry KPI's (OLG)

3%

Budget review for the quarter ended 31 December 2024

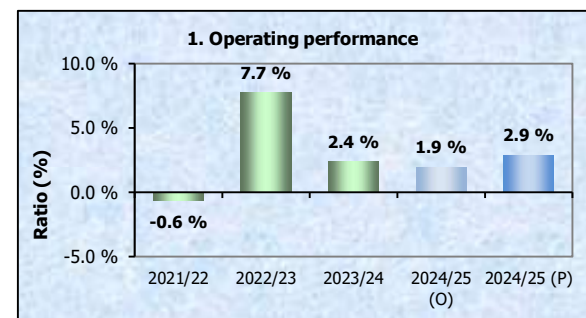
(\$000's)	Current projection		Original budget 24/25	Actuals prior periods	
	Amounts	Indicator		23/24	22/23
	24/25	24/25			

NSW local government industry key performance indicators (OLG):

1. Operating performance

Operating revenue (excl. capital) - operating expenses	2,964,803	2.9 %	1.9 %	2.4 %	7.7 %
Operating revenue (excl. capital grants & contributions)	102,577,320				

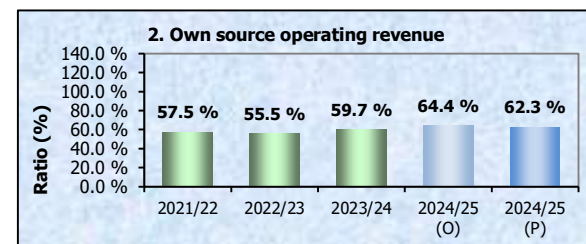
This ratio measures Council's achievement of containing operating expenditure within operating revenue.



2. Own source operating revenue

Operating revenue (excl. ALL grants & contributions)	86,165,271	62.3 %	64.4 %	59.7 %	55.5 %
Total Operating revenue (incl. capital grants & cont)	138,293,290				

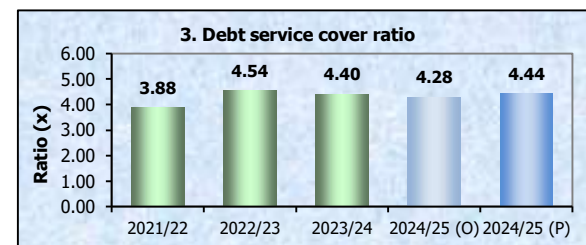
This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants & contributions.



3. Debt service cover ratio

Operating result before interest & dep. exp (EBITDA)	29,406,241	4.44	4.28	4.40	4.54
Principal repayments + borrowing interest costs	6,628,438				

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



Key performance indicators budget review statement - Industry KPI's (OLG)

3%

Budget review for the quarter ended 31 December 2024

(\$000's)	Current projection		Original budget 24/25	Actuals prior periods	
	Amounts	Indicator		23/24	22/23
	24/25	24/25			
4. Building and infrastructure renewals ratio					
Asset renewals (building, infrastructure & other structures)	71,726,013	296.7 %	270.2 %	62.4 %	40.6 %
Depreciation, amortisation & impairment	24,172,106				

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

5. Infrastructure backlog ratio

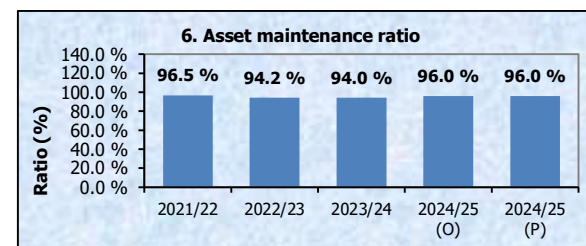
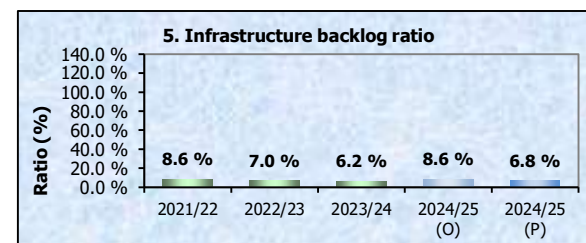
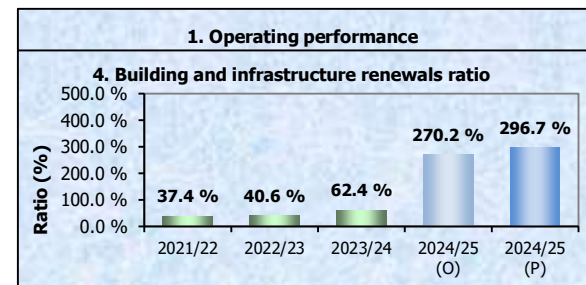
Estimated cost to bring assets to a satisfactory condition	80,687,665	6.8 %	8.6 %	6.2 %	7.0 %
Total value of infrastructure, building, other structures & depreciable land improvement assets	1,179,419,727				

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

6. Asset maintenance ratio

Actual asset maintenance	0.96	96.0 %	96.0 %	94.0 %	94.2 %
Required asset maintenance	1				

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



General Fund - Key performance indicators budget review statement - Industry KPI's (OLG)

Budget review for the quarter ended 31 December 2024

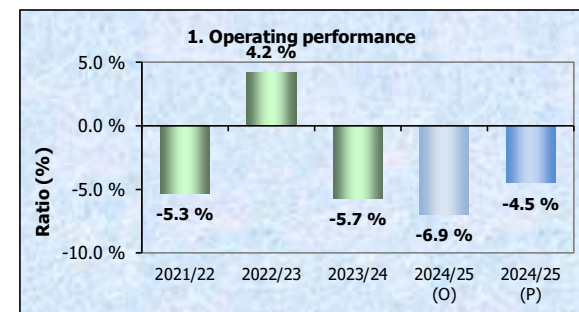
(\$000's)	Current projection		Original budget 24/25	Actuals prior periods	
	Amounts	Indicator		23/24	22/23
	24/25	24/25			

NSW local government industry key performance indicators (OLG):

1. Operating performance

Operating revenue (excl. capital) - operating expenses	-2,847,520	-4.5 %	-6.9 %	-5.7 %	4.2 %
Operating revenue (excl. capital grants & contributions)	63,807,011				

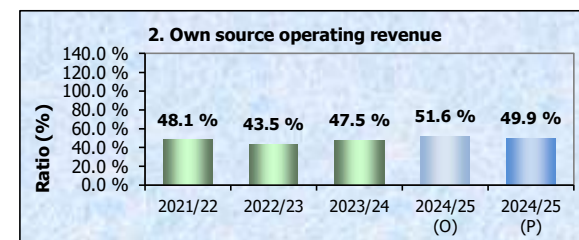
This ratio measures Council's achievement of containing operating expenditure within operating revenue.



2. Own source operating revenue

Operating revenue (excl. ALL grants & contributions)	47,994,145	49.9 %	51.6 %	47.5 %	43.5 %
Total Operating revenue (incl. capital grants & cont)	96,135,155				

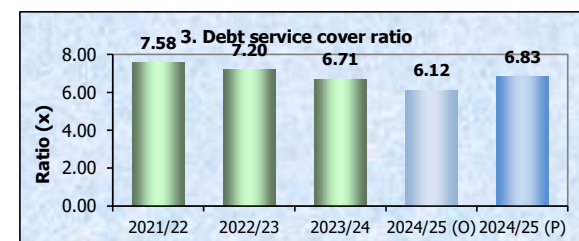
This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants & contributions.



3. Debt service cover ratio

Operating result before interest & dep. exp (EBITDA)	13,268,659	6.83	6.12	6.71	7.20
Principal repayments + borrowing interest costs	1,942,352				

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

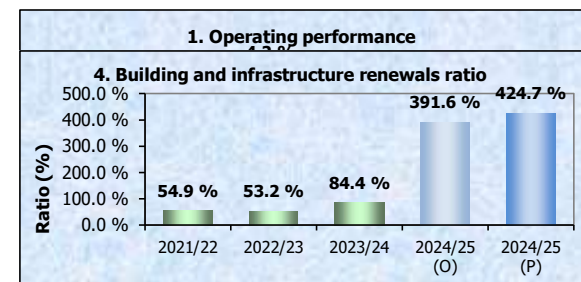


General Fund - Key performance indicators budget review statement - Industry KPI's (OLG)

Budget review for the quarter ended 31 December 2024

(\$000's)	Current projection		Original budget 24/25	Actuals prior periods	
	Amounts	Indicator		23/24	22/23
	24/25	24/25			
4. Building and infrastructure renewals ratio					
Asset renewals (building, infrastructure & other structures)	64,794,462	424.7 %	391.6 %	84.4 %	53.2 %
Depreciation, amortisation & impairment	15,255,255				

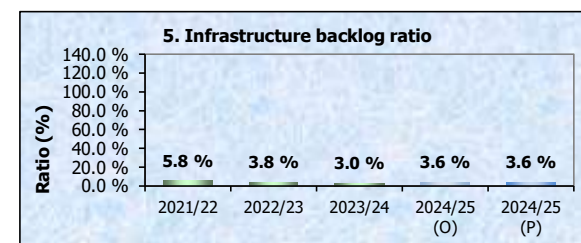
To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.



5. Infrastructure backlog ratio

Estimated cost to bring assets to a satisfactory condition	30,687,665	3.6 %	3.6 %	3.0 %	3.8 %
Total value of infrastructure, building, other structures & depreciable land improvement assets	851,734,814				

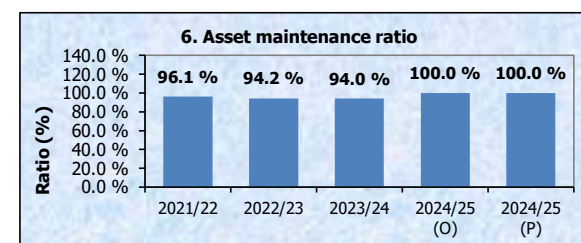
This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.



6. Asset maintenance ratio

Actual asset maintenance	1	100.0 %	100.0 %	94.0 %	94.2 %
Required asset maintenance	1				

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



Contracts budget review statement

Budget review for the quarter ended 31 December 2024

Part A - Contracts listing - contracts entered into during the quarter

Contractor	Contract detail & purpose	Contract value '\$	Start date	End date	Budgeted (Y/N)	Notes
ENV Services Pty Ltd	Leachate Irrigation System	\$ 655,351	29/11/24	28/02/25	N	
Davis Earthmoving and Quarrying Pty Ltd	Provision of Concrete, Brick & Tile Crushing Tender	Schedule of rates	05/12/24	30/06/26	Y	
Onesteel Recycling Pty Limited T/As Matthews Metal Management/Infrabuild Recycling	Collection Sorting & Removal of Ferrous & Non Ferrous Scrap Metal, Refrigerator Degassing & ULABs	Schedule of rates	05/12/24	30/06/26	Y	
Davis Earthmoving & Quarrying	Provision of Wood Waste & Green Waste Mulching Services	Schedule of rates	05/12/24	30/06/26	Y	
Aquatec Fluid Systems	Bulk Order of Pressure Sewer Units	\$ 216,799	21/10/24		Y	
Electrical Design and Construction Pty Ltd	Crescent Head STP Electrical Upgrade - New Switch room	\$ 198,000	25/11/24	28/02/25	Y	
RPQ Spray Seal Pty Ltd	Spray Seal Services	\$ 2,000,000	14/10/24	14/10/26	Y	
Alliance Construction Group Pty Ltd	Cell 3 Stability Buttress Construction. Emergency works to mitigate risks associated with slope instability of Cells 2 and 3 at the Kempsey Waste Management Centre (WMC)	\$ 1,549,180	28/10/24	28/01/25	Y	
Clover Pipelines Pty Ltd	Supply of Pipes. The supply of 450mm ductile line pipe main for install at the Frank Archibald to Greenhill reservoir job site	\$ 321,472	31/10/24	30/11/24	Y	
Colas New South Wales Pty Ltd	Asphalt Services	\$ 4,000,000	14/10/24	14/10/26	Y	
Stabilised Pavements Of Australia Pty. Limited	Pavement Stabilising Services	\$ 3,000,000	14/10/24	14/10/26	Y	
Mid North Coast Contractors Pty Ltd	Lower Macleay Valley Landslip Remediation. Remediation works to six landslip sites	\$ 1,655,130	04/11/24	24/03/25	Y	
PCA Ground Engineering	Riverside Park Foreshore Stabilisation. Supply and installation of approximately 449m of sheet pile wall, inclusive of a CHS pile and tie rod anchor system, capping beams, stairway accesses, stormwater outlet incorporation, backfill and site restoration.	\$ 4,816,177	29/11/24	22/08/25	Y	

Notes:

1. Minimum reporting level is 1% of estimated income from continuing operations of Council or \$50,000 - whatever is the lesser.
2. Contracts listed are those entered into during the quarter being reported and exclude contractors on Council's Preferred Supplier list.
3. Contracts for employment are not required to be included.

Consultancy & legal expenses budget review statement

Consultancy & legal expenses overview

Expense	YTD expenditure (actual dollars)	Budgeted (Y/N)
Consultancies	837,256	Y
Legal Fees	315,674	Y

Definition of a consultant:

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high level specialist or professional advice to assist decision making by management. Generally it is the advisory nature of the work that differentiates a consultant from other contractors.

Comments

Expenditure included in the above YTD figure but not budgeted includes:

Details
