



## **Ordinary Meeting of Council**

### **LATE REPORTS**

**Thursday 28 November 2024**

**4.00pm**

**Yass High School**

**Grampian Street, Yass**

**PRAYER:**

**All Stand:**

**Mayor:**

*Let us be still and remember the presence of God. As we commence our meeting let us together pray for guidance and help.*

**All say together:**

*Almighty God, we ask your blessing upon this Council.*

*Direct and prosper our deliberations to the true welfare of Australia and the people of Yass Valley Amen.*

**FUTURE MEETINGS**

**December 2024**

**Thursday 19th**

**4.00pm**

**Ordinary Meeting of Council**

# Ordinary Meeting of Council

## LATE AGENDA

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**6. Reports to Council**

6.1 2024/25 FIRST QUARTERLY BUDGET REVIEW STATEMENTS .....4

Julie Costa

**ACTING CHIEF EXECUTIVE OFFICER**

## 6.1 2024/25 FIRST QUARTERLY BUDGET REVIEW STATEMENTS

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### SUMMARY

This report represents the 2024/25 First Quarterly Budget Review Statements (QBRs) for the period 1 July to 30 September 2024. This review demonstrates Council's projected year end **Net Operating Result before Capital Items** remains negative and is predicted to be \$(4.8M), an increase in deficit of \$123k compared to the original budget. Actuals as at 30 September 2024 show a surplus of \$14.8M due to rate and annual charges income happening in July but expenses evenly spread across the year.

### RECOMMENDATION

*That:*

1. *The 2024/25 First Quarterly Budget Review Statements and approve adjustments, as detailed in the report be adopted.*
  2. *In accordance with the Local Government (General) Regulation (NSW) Clause 203 (2)(a), Council's financial position at 30 September 2024 be noted as being satisfactory, having regard to revised projected estimates of income and expenditure, and the original budgeted income and expenditure. Type recommendation here. If only one recommendation, delete the number.*
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### FINANCIAL IMPLICATIONS

The details of Council's projected year end operating result and adjustment to capital expenditure for 2024/25 financial year are contained within the report below.

### POLICY & LEGISLATION

- *Local Government Act 1993*
- *Local Government General Regulation 2005*
- *Office of Local Government 2010 QBRs Guidelines.*

### REPORT

This Quarterly Budget Review Statements (QBRs) presents a summary of Council's financial position as at 30 September 2024 for the 2024/25 financial year.

Council is now forecasting a deficit in the **Net Operating Result before Capital Items** of \$(4.8M) for the 2024/25 Financial Year budget. At 30 September the actuals are sitting at \$14.8M mainly due to timing of income and expenditure.

Capital expenditure is decreasing from \$56.8M to \$55.1M, mainly due to postponement of Water and Sewer capital projects.

The QBRs appear as **Attachment A** and has been produced in accordance with the guidelines and standards issued by the NSW Office of Local Government.

### Recommended Changes to Revised Consolidated Income and Expenses Budget

- Note 1
  - Increase of \$416k in Rate and Annual Charges due to new subdivisions.
- Note 2
  - Increase of \$58k to account for the Bango Wind Farm Community Enhancement Fund Income, which is fully offset by adjustment in the expenses.
- Note 3
  - A decrease of \$700k was made to remove a water project that was incorrectly included in the budget. This water project had \$700k income and \$700k expenses, which have also been

removed. This correction has no impact on the bottom line. Additionally, there is an increase of \$183k due to the review of the Financial Assistance Grant advance payment forecast, an increase of \$84k to account for the Community Enhancement Fund Income, which is fully offset by an increase in expenses, and a reduction of \$84k in Regional Roads Grant income.

- Note 4
  - An increase of \$3.395M due to development contribution for new subdivisions for Water and Sewer and increase in Regional Roads grant income.
- Note 5
  - Increase of \$53k to adjust Long Service Leave Provision and higher duties allowances.
- Note 6
  - A decrease of \$700k was made to remove the expenses for a water project that was incorrectly included in the budget, as mentioned above in item 3. This reduction was partially offset by an increase in Water expenses (152k in contractors and \$250k for new smart meters that was moved from capital expenditure to operating expenditure).
- Note 7
  - An increase of \$280k in depreciation expenses to adjust to actual depreciation from 2023-24.

### **Recommended Changes to Consolidated Capital Budget**

- Note 1
  - 29k reallocated from operating expenses to capital expenses for project NCP35002 - Old Gas Works EPA monitoring as per VMP & 2 extra wells.
- Note 2
  - \$606k reduction due to the delay of project 5022030 - Yass STP Augmentation (Capital) to 25-26.
- Note 3
  - \$100k increase in Regional Roads capex program, which is fully offset by an increase in capital grant income.
- Note 4
  - \$250k decrease due to reallocation for project 5027032 - Smart Water Meter from capital to operating expenses, and \$760k reduction due to the delay of 5027033 - Morton Low Level Reservoir Repair.
- Note 5
  - \$200k reduction due to the delay of project 5022029 - Laidlaw Street SPS - decommissioning to 25-26.

### **Consultancy and Legal Expenses**

Below is a breakdown of the consultancy and legal expenses for the period 1 July to 30 September 2023:

- Consultants
  - Genium Civil: Project Management
  - Hunter H2O Hold: Interim Water Quality Objective Assessment
  - NSW Public Works Advisory: 3D surveying and mapping of the Yass Dam
  - ACEAM Pty Ltd: Asset revaluation
- Legal
  - Building & Environmental Services: Building Certifier Services

- Bradley Allen: Planning legal assistance with environmental proceedings and legal advice for other matters
- Sparke Helmore: legal advice
- Custom Commercial Services: debt collection legal fees

Council is asked to adopt the 2024/25 First Quarterly Budget Review Statements and approve the adjustments detailed in this report.

### **STRATEGIC DIRECTION**

CSP Theme	Our Civic Leadership
CSP Strategy Objective	CL2: Council is a financially sustainable organisation that can meet community needs
Strategies	CL2.1 - Manage resources in a responsible manner that supports the ongoing viability of Council
Delivery Program Action	Abide by Accounting Standards and Office of Local Government accounts regulations

**ATTACHMENTS:** A. 2024/25 First Quarterly Budget Review Statements