



MINUTES

Combined Finance & Infrastructure Committee

held at

Council Administration Centre
176 - Training Room
180 Mort Street, Lithgow

on

Monday 17 November 2025

at 4:00 PM

ORDER OF BUSINESS

1. Acknowledgement of Country	3
2. Present.....	3
3. Apologies.....	3
4. Confirmation of Minutes	3
5. Declaration of Interest.....	3
6. Staff Reports	3
6.1. 2024/25 Financial Results	3
6.2. Quarterly Review	5
6.3. Proposed Works Program to Address the Condition of Our Local Road Network	5
6.4. Update Honeysuckle Falls Road - Crown Roads Transfer	6
7. General Business	7
8. Meeting Close	8

The Chairperson declared the meeting open at 4:07 pm.

1. Acknowledgement of Country

Lithgow City Council acknowledges Wiradjuri Elders past and present of the Wiradjuri nation - the original custodians of the land on which the Lithgow's communities reside. The Council also extends our respects to our neighbouring nations.

2. Present

Present:

Cr S Ring (Chair)
Cr E Mahony
Cr C Coleman
Cr E Fredericks
Cr D Goodwin
Cr T Evangelidis
Cr R Smith
Shaun Elwood
Owen Mabumbo
Ross Gurney
Vanessa Browning
Jonathon Edgecombe
Jonathon Reid
Sarah Lewis (Minutes)

3. Apologies

Apologies:

Cr M Ticehurst
Cr M Statham
Matthew Trapp

4. Confirmation of Minutes

ACTION

THAT the Committee note the Minutes of the Combined Finance, Infrastructure & Water Committee Meeting held on 22 October 2025 are to be presented to Council to note at the Ordinary Meeting of Council to be held on 1 December 2025.

MOVED: Councillor C Coleman

SECONDED: Councillor R Smith

5. Declaration of Interest

There were no declarations of interest made.

6. Staff Reports

6.1. 2024/25 Financial Results

Director Finance & Governance, Vanessa Browning, provided a summary of the 2024/2025 Financial Results.

Council is reporting a \$25million net operating loss excluding capital grants and contributions, predominately as a result of natural disaster impacts and timing differences of when grant income was received and when it was spent.

Also contributing is the disposal of the written down value of assets renewed, which has no cash impact. Disposals are required to avoid overstating the value of assets and ensuring the depreciation of assets is maintained at appropriate levels.

The result of the 2024/2025 audit was an unmodified audit opinion from the NSW Audit Office, which indicates that there were no material discrepancies found and the statements fairly represent the financial position and performance of Council for that financial year. The Statements were submitted to the Office of Local Government within the legislated due date. The Committee wished to thank the Finance team for all their hard work on getting the statements in on time.

In the previous year there was a big profit reported, this year there is an \$8million deficit when you include capital grants. There were contributing factors to this outcome due to factors for various grants where the income received more than recognised and the \$7.3million of natural disaster (DRFA) claims that were rejected which has had a significant impact on unrestricted cash, which will continue to impact on the current financial year. Unrestricted cash is also being significantly impacted by several large ratepayer not paying rates, which is being addressed by the Administration.

To balance unrestricted cash within the financial statements internal borrowings from the internal reserves were undertaken, with the largest borrowing from the Land and Buildings Reserve. This Reserve was to fund the staff relocation project to reduce the number of buildings needing to be serviced, enhance compliance and provide an improved staff proposition to assist with attraction and retention of staff. This project has been rephased due to the change in funding arising from the internal borrowing. The urgency of internal reserves was reviewed to determine the appropriate priority order for repayment.

The rejection of \$7.2M of DRFA claims has affected the budget moving forward due to reduced cash availability. The Committee discussed advocacy options to mitigate this impact. There are significant issues with the DRFA Guidelines, and the processes involved to assist councils in recovery from natural disasters. A main gap in the funding framework is the exclusion of betterment, which enhances the longevity and the resilience of assets, which would lead to more cost-effective outcomes in the long term. Another issue is the time taken for the application process to obtain funding approvals for restoration of assets, which has significantly impacted communities affected by natural disasters.

It is to be noted that for many years Council received 100% approval on all claims put in, as did many other Councils. With recent events, a significant increase in the level of scrutiny has been applied, with only 40% on average being approved.

The Committee discussed reviewing the current SRV allocations as a funding mechanism and other options including property reviews, reduction in fee waivers, review of events programs and sponsorships. In terms of the SRV, there can be a variation regarding SRV applications with public consultation and approval from the Minister.

The Finance and Executive Teams will be undertaking an intensive review into every Department's budget as part of a budgetary reset program to look for income opportunities and efficiency savings.

ACTION / RECOMMENDATION

THAT the Committee:

1. Receive the audited Financial Statements for the year ended 30 June 2025.
2. Endorse the funding allocations to internally restricted reserves \$8.8M at 30 June 2025, as outlined in this report, noting the internal borrowing required to address the shortfall in unrestricted cash arising from rejected DRFA claims.
3. Note the requirement to review Council's operations and the Financial Sustainability Plan to address the ongoing structural operating deficit.
4. Requests the Mayor to advocate to the relevant agencies and the Minister to request a review of the rejected DRFA claims.

MOVED: Cr Coleman

SECONDED: Cr Goodwin

CARRIED

6.2. Quarterly Review

The Director Finance & Governance provided an overview of the Quarterly Review.

A question was raised on the \$300k increase in Workers Compensation Claims. The increase was greater than assumed in the development of the Original Budget, due to an increase of psychosocial claims that is prevalent across all industries. These claims are more expensive and take longer to resolve due to the nature of the claims and this is reflected in the premiums.

Social media is having an impact on the psychosocial wellbeing of the staff across Council. Council is reviewing different strategies on how to handle reduce this impact. The interaction on social media also affects Council's ability to attract and retain staff, which increases costs and reduces ability to deliver services.

ACTION / RECOMMENDATION

THAT the Finance Committee note the draft September 2025 Quarterly Budget Review, which will be considered by Council at the 1 December 2025 Council Meeting.

MOVED: Cr E Mahony

SECONDED: Cr R Smith

CARRIED

6.3. Proposed Works Program to Address the Condition of Our Local Road Network

The Committee discussed the proposed works program. Cr Ring stated that he supports the loan funded option in principal but would like further information and for a deep dive into the service reviews.

A question was raised on how soon a decision needs to be made. A longer-term funding plan is being developed. A strategy and approach have been developed, if the Council decides to go with the option of taking out the loan for the works program, it would be staged and reviewed each year, where it can either continue, be increased and pulled back depending on situation at the time of review.

Transport for NSW recently released a Corridor Strategy for NSW that has several mentions of the needs for recurrent grant funding provided by the NSW government not new assets but for the maintenance and renewal of existing assets. This is the first time we have seen something come out like this, showing that there are potentially opportunities coming, meaning that the approach would be reviewed every year to make sure that we are responding to the environment. It could be a combination of borrowing and grant funding.

Need to ensure that we can service the borrowing and it will be a funding of last resort. Continuation of borrowing will be contingent on delivering the program and a governance framework, including audits of the program for quality assurance of the works is also proposed.

The strategy would be reviewed and adapted every year to accommodate roads deteriorating quicker than expected, rates changing, re-prioritising, and availability of alternative funding.

The main objective of the Works Program is to address roads at the optimal intervention point, so that roads in fair condition do not slip into poor or very poor condition. The cost of addressing roads in poorer conditions is significantly higher than a proactive approach.

The Committee discussed that the additional data available will greatly assist understanding the impact of large-scale developments, including renewables. This will inform submissions from Council at EIS stage and inform proposals when negotiations occur for both developer contributions and conditions to be requests as part of development approvals. This also will be a funding source that could reduce the requirement for borrowings currently projected.

ACTION / RECOMMENDATION

THAT the Committee:

1. Notes the work completed to inform the Sealed Road Renewal Program as the preferred long-term approach to improving the condition, safety, and sustainability of Lithgow's road network.
2. Recommends Council endorse Option A – Accelerated Road Renewal Program with the inclusion of an additional \$20 million in funding required to support an increase in Council's planned capital sealed road renewal program over the next six years.
3. Recommends the Administration put in place a governance framework, such as the engagement of an external project auditor or quality assurance expert to independently check the status of project delivery.
4. Recommends Council approve the publication of the draft Road Renewal Program to internal stakeholders, Councillors, and the community.
5. Recommends Council acknowledge the current funding gap and directs that the gap be reflected in the upcoming Transport Asset Management Plan (TAMP) and Long-Term Financial Plan (LTFP).
6. Recommends Council commit to ongoing advocacy for alternative funding sources including grants, own-source revenue, and borrowings through the budget process to progressively address the gap.

MOVED: Cr C Coleman

SECONDED: Cr D Goodwin

CARRIED

6.4. Update Honeysuckle Falls Road - Crown Roads Transfer

The Committee discussed the transfer of the Crown Road to Council.

Conversations have occurred with the owners of the property about the road.

Suggested option is to designate the road as unformed and unmaintained. A set of revised policies that state Council will only commit to forming and maintaining newly transferred roads where access is provided to 5 or more properties. This is for Council to set a precedent as potentially more transfers of roads could occur in the future.

ACTION / RECOMMENDATION

THAT the Committee:

1. Recommends that Council choose to designate the road as unformed and unmaintained and require any upgrades to be at the cost of the landowners. This maintains the status quo.
2. Recommends that Council update its relevant policies to apply the same criteria as other regional Councils, in that a road will only be formed and maintained where it provides access to 5 or more properties.

MOVED: Cr T Evangelidis

SECONDED: Cr S Ring

CARRIED

7. General Business

The chair called for any General Business.

Old Section of the Great Western Highway (GWH), Hartley

The Director I&PD raised that Council is going to be transferred a 2.5km section of the old part of the GWH in Hartley, next to the new GWH section.

Council is currently in discussions with Transport for NSW on the negotiation of costs.

It has been estimated that the yearly cost of depreciation and maintenance is \$80K. This figure was provided to Transport for NSW and they have rejected the offer. Revisions were made on the figure, with a review of the indefinite lifespan and that the pavement was for a highway not just a local road, this then gave a halved amount per year (approx. \$40,000) if we kept up with the reseal. Transport for NSW then came back with an offer to Council which is \$120,000 upfront one-off payment, which would leave Council out of pocket forever after 3 years. This is a classic example of cost-shifting from other levels of government, which is a major contributor to the financial sustainability challenges experienced by councils across NSW.

The Committee discussed advocacy and suggested that 5 years of costs would be more appropriate. The argument is to be like the block grant system so that there is a precedent of transferring roads to council and offering a yearly contribution under the block grant, which we get \$500,000 a year.

Infrastructure around sporting fields

It was requested that at the Infrastructure Committee Meeting that the infrastructure around sporting fields be added as a standing item moving forward. This is to discuss strategies on developing the areas around sporting fields (i.e. parking facilities).

Proposal from the LEEP team

The proposal would enable continuing the Adaptive Skills Hub and the STEAM program for primary school kids on a smaller scale. Council has applied for a grant, but there is no firm date for release of the approval decisions. This proposal would continue the program with one FTE that is partly funded by the Department of Education and to ask Council for \$50,000 this financial year and \$50,000 next financial year.

Due to timelines, a report will be going to the December 1st Council Meeting.

Discussions were held on ensuring sufficient information was included in the report to make an informed decision and the need to continue the program to support economic transition and where the responsibility for the education provision for the critical thinking and adaptive skills should lie.

ACTION / RECOMMENDATION

THAT the Committee note the General Business raised at the meeting.

8. Meeting Close

There being no further business the Chairperson declared the meeting closed at 5:52 pm.