

# Executive Summary

The Quarterly Performance Report provides a budget review statement with a revised estimate of income and expenditure for the year. This is a requirement of the Local Government Act 1993 and Local Government (General) Regulation 2021. This Quarterly Performance Report for the period of 1 July 2025 to 31 December 2025 achieves these requirements.

From the General Manager,

Ross Gurney

## Report by Responsible Accounting Officer

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

It is my opinion that the Quarterly Budget Review Statement for Lithgow City Council for the quarter ended 31 December 2025 indicates that Council's projected position at 30 June 2026 will be satisfactory 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 at 30th June 2026 will be satisfactory, is based on the following, and my recommendations for remedial action are:

1. The main impact on the operating result after capital is the reduction of \$5M worth of Natural Disaster Funded works mostly relating to slope restoration with works being deferred. The deferred works reduces the income recognised until the works occur reducing the operating result.
2. Interest earned on investments has been reduced by \$760K as cash available for investment has been lower than forecasted when developing the Original Budget due to the timing of grant funded projects and delays in significant rates payments. This reduction is offset by additional income of \$1.04M for the Roads 2 Recovery Program and an additional \$427K of grant income associated with the Local Roads and Community Infrastructure
3. To align cash inflows with cash outflows to reduce the risk of Council exceeding its internal reserves funds, the following projects have been deferred:
  - \$464K for the Enfield Avenue Intersection Stormwater Project,
  - \$171K for Great Western Highway Stormwater Drainage,
  - \$160K for La Salle Stormwater Drainage,
  - \$150K for the Sport Lighting Infrastructure Project,
  - \$103K for the Wallerawang Cemetery Road Project, and

Should Council's negative unrestricted cash balance resolve, consideration of reinstating these projects will be considered as part of the March Quarterly Review.

The projected year end operating result before capital is \$1.6M surplus (before capital) at 31 December 2025

Vanessa Browning  
Responsible Accounting Officer  
Lithgow City Council

Income and Expenses Budget Review Statement  
**Lithgow City Council**  
 Budget review for the quarter ended 31/12/2025  
 Consolidated Fund

Description	Previous Year	Current Year Original	Approved Changes	Revised	Recommended changes	Projected Year End (PYE)	VARIANCE	ACTUAL YTD	Notes
	Actual	Budget	Review	Budget	for council resolution	Result	ORIGINAL budget v PYE	2025/26	
	2024/25 \$000's	2025/26 \$000's	Q1 \$000's	\$000's	\$000's	2025/26 \$000's	2025/26 \$000's	2025/26 \$000's	
<b>INCOME</b>									
Rates and Annual Charges	40,370	43,417	0	43,417	0	43,417	0	44,062	
User Charges and Fees	8,819	10,250	28	10,278	22	10,300	50	5,072	1
Other Revenue	1,423	1,092	0	1,092	-25	1,067	-25	711	2
Grants and Contributions - Operating	7,039	9,625	359	9,984	1,482	11,466	1,841	3,443	3
Grants and Contributions - Capital	16,901	11,575	323	11,898	-5,025	6,873	-4,702	279	4
Interest and Investment Income	3,779	3,023	0	3,023	-761	2,262	-761	1,247	5
Other Income	580	0	0	0	0	0	0	0	
Net gain from disposal of assets	0	231	0	231	0	231	0	0	
<b>Total Income from continuing operations</b>	<b>78,911</b>	<b>79,213</b>	<b>710</b>	<b>79,923</b>	<b>-4,307</b>	<b>75,616</b>	<b>-3,597</b>	<b>54,814</b>	
<b>EXPENSES</b>									
Employee benefits and on-costs	24,351	25,052	173	25,225	104	25,329	277	13,237	6
Materials & Services	28,274	21,976	248	22,224	482	22,706	730	11,909	7
Borrowing Costs	490	447	0	447	0	447	0	265	
Other Expenses	8,392	1,265	4	1,269	0	1,269	4	699	
Net Loss from Disposal of Assets	6,979	0	0	0	0	0	0		
<b>Total Expenses from continuing operations excluding depreciation, amortisation and impairment of non financial assets</b>	<b>68,486</b>	<b>48,740</b>	<b>425</b>	<b>49,165</b>	<b>586</b>	<b>49,751</b>	<b>1,011</b>	<b>26,110</b>	
<b>Operating Result from continuing operations excluding depreciation, amortisation and impairment of non financial assets</b>	<b>10,425</b>	<b>30,473</b>	<b>285</b>	<b>30,758</b>	<b>-4,893</b>	<b>25,865</b>	<b>-4,608</b>	<b>28,704</b>	
Depreciation, amortisation and impairment of non financial assets	18,512	17,393	0	0	0	17,393	0	10,184	
<b>Operating result from continuing Operations</b>	<b>-8,087</b>	<b>13,080</b>	<b>285</b>	<b>30,758</b>	<b>-4,893</b>	<b>8,472</b>	<b>-4,608</b>	<b>18,520</b>	
<b>Net Operating Result before grants and contributions provided for capital purposes</b>	<b>-24,988</b>	<b>1,505</b>	<b>-38</b>	<b>18,860</b>	<b>132</b>	<b>1,599</b>	<b>94</b>	<b>18,241</b>	

Room here to adjust!

Need to increase!

**Notes**  
 Original Budget +/- approved budget changes in previous quarters = REVISED Budget  
 Revised Budget +/- recommended changes this quarter = PROJECTED year results

Income and Expenses Budget Review Statement  
**Lithgow City Council**  
 Budget review for the quarter ended 31/12/2026  
 Consolidated Fund  
 Income and Expense Budget Variation Notes

The quarterly recommended changes listed below to the revised budget include;

- 1) an explanation for the recommended changes and any impact this will have on the Operational Plan, Delivery Program and Long Term
- 2) any impacts of year to date expenditure on recommended changes to budget

<u>Notes</u>	<u>Details</u>
1	Income for ticketed Halloween event, in line with actuals
2	Reduced Visitor Centre merchandise income based on projected trend
3	Approved grant funding for Seniors Week - \$10K Statecover incentive income higher than projected - \$9K Roads to Recovery Income for works completed in 25/26 - \$1M Finalisation of Local Roads & Community Infrastructure grant program - \$427K
4	Adjustment of Disaster Recovery Funding Arrangements works program timing
5	Reforecast of investment income based on lower available cash and lower average interest rates.
6	Employee costs associated with Halloween event delivery, funded by reallocation from contractor costs - \$15K Waste Team Leader position added to assist with adequate supervision, funded by Waste Reserve - \$89K
7	Correction of SRV budget for stormwater maintenance - \$304K Deferral of implementation of labour market and energy transition plans (SRV) - \$30K Increase required for Hassans Walls Plans of Management - \$12K Decrease to fund other Halloween event costs - \$7K Costs for Seniors Week (grant funded) - \$10K Expenditure to deliver program for Statecover Incentive Program - \$69K Increase in Employee Assistance Program to transition to new provider - \$75K (reserve funded) Reduced Visitor Centre merchandise expenditure based on projected trend - \$25K

**Income and Expenses Budget Review Statement**  
**Lithgow City Council**  
**Budget review for the quarter ended 31/12/2025**  
**General Fund**

Description	Previous Year	Current Year Original	Approved Changes	Revised	Recommended changes	Projected Year End (PYE)	VARIANCE	ACTUAL YTD
	Actual	Budget	Review	Budget	for council resolution	Result	ORIGINAL budget v PYE	
	2024/25 \$000's	2025/26 \$000's	Q 1 \$000's	\$000's	\$000's	2025/26 \$000's	2025/26 \$000's	2025/26 \$000's
<b>INCOME</b>								
Rates and Annual Charges	28,063	30,554	0	30,554	0	30,554	0	31,131
User Charges and Fees	3,520	3,509	28	3,537	21	3,558	49	2,600
Other Revenue	1,395	1,081	0	1,081	-25	1,056	-25	706
Grants and Contributions - Operating	6,857	9,625	309	9,934	1,482	11,416	1,791	3,373
Grants and Contributions - Capital	16,801	11,574	323	11,897	-5,024	6,873	-4,701	196
Interest and Investment Income	3,688	2,928	0	2,928	-761	2,167	-761	1,211
Other Income	580	0	0	0	0	0	0	0
Net gain from disposal of assets	0	231	0	231	0	231	0	0
<b>Total Income from continuing operations</b>	<b>60,904</b>	<b>59,502</b>	<b>660</b>	<b>60,162</b>	<b>-4,307</b>	<b>55,855</b>	<b>-3,647</b>	<b>39,217</b>
<b>EXPENSES</b>								
Employee benefits and on-costs	20,064	20,465	153	20,618	104	20,722	257	10,833
Materials & Services	18,796	13,221	136	13,357	481	13,838	617	7,477
Borrowing Costs	147	128	0	128	0	128	0	134
Other Expenses	8,326	1,265	4	1,269	0	1,269	4	699
Net Loss from Disposal of Assets	6,234	0	0	0	0	0	0	0
<b>Total Expenses from continuing operations excluding depreciation, amortisation and impairment of non financial assets</b>	<b>53,567</b>	<b>35,079</b>	<b>293</b>	<b>35,372</b>	<b>585</b>	<b>35,957</b>	<b>878</b>	<b>19,143</b>
<b>Operating Result from continuing operations excluding depreciation, amortisation and impairment of non financial assets</b>	<b>7,337</b>	<b>24,423</b>	<b>367</b>	<b>24,790</b>	<b>-4,892</b>	<b>19,898</b>	<b>-4,525</b>	<b>20,074</b>
Depreciation, amortisation and impairment of non financial assets	13,447	12,419	0	12,419		12,419	0	7,523
<b>Operating result from continuing Operations</b>	<b>-6,110</b>	<b>12,004</b>	<b>367</b>	<b>12,371</b>	<b>-4,892</b>	<b>7,479</b>	<b>-4,525</b>	<b>12,551</b>
<b>Net Operating Result before grants and contributions provided for capital purposes</b>	<b>-22,911</b>	<b>430</b>	<b>44</b>	<b>474</b>	<b>132</b>	<b>606</b>	<b>176</b>	<b>12,355</b>

**Income and Expenses Budget Review Statement**  
**Lithgow City Council**  
**Budget review for the quarter ended 31/12/2025**  
**Water Fund**

Description	Previous Year	Current Year Original	Approved Changes	Revised	Recommended changes	Projected Year End (PYE)	VARIANCE	ACTUAL YTD
	Actual	Budget	Review	Budget	for council resolution	Result	ORIGINAL budget v PYE	
	2024/25	2025/26	Q 1			2025/26	2025/26	2025/26
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>INCOME</b>								
Access Charges	3,585	3,844	0	3,844	0	3,844	0	3,992
User Charges	5,112	6,572	0	6,572	0	6,572	0	2,374
Fees	32	20	0	20	0	20	0	15
Grants & Contributions - Operating	93	0	50	50	0	50	50	69
Interest and Investment Income	51	57	0	57	0	57	0	21
Other Income	28	11	0	11	0	11	0	5
Net gain from disposal of assets	5	0	0	0	0	0	0	0
<b>Total Income from continuing operations</b>	<b>8,906</b>	<b>10,504</b>	<b>50</b>	<b>10,554</b>	<b>0</b>	<b>10,554</b>	<b>50</b>	<b>6,476</b>
<b>EXPENSES</b>								
Employee benefits and on-costs	1,914	2,106	8	2,114	0	2,114	8	1,238
Materials & Services	2,709	2,691	112	2,803	0	2,803	112	1,593
Borrowing Costs	18	5	0	5	0	5	0	2
Water purchase charges	2,035	2,700	0	2,700	0	2,700	0	1,177
Calculated taxation equivalents	0	0	0	0	0	0	0	0
Debt guarantee fee	0	0	0	0	0	0	0	0
Other Expenses	22	0	0	0	0	0	0	0
Net Loss from Disposal of Assets	0	0	0	0	0	0	0	0
<b>Total Expenses from continuing operations excluding depreciation, amortisation and impairment of non financial assets</b>	<b>6,698</b>	<b>7,502</b>	<b>120</b>	<b>7,622</b>	<b>0</b>	<b>7,622</b>	<b>120</b>	<b>4,010</b>
<b>Operating Result from continuing operations excluding depreciation, amortisation and impairment of non financial assets</b>	<b>2,208</b>	<b>3,002</b>	<b>-70</b>	<b>2,932</b>	<b>0</b>	<b>2,932</b>	<b>-70</b>	<b>2,466</b>
Depreciation, amortisation and impairment of non financial assets	2,361	2,417	0	2,417	0	2,417	0	1,307
<b>Surplus / (Deficit) from continuing operations before capital amounts</b>	<b>-153</b>	<b>585</b>	<b>-70</b>	<b>515</b>	<b>0</b>	<b>515</b>	<b>-70</b>	<b>1,159</b>
Grants and Contributions - Capital				0	0	0	0	0
<b>Surplus / (Deficit) from continuing operations after capital amounts</b>	<b>-153</b>	<b>585</b>	<b>-70</b>	<b>515</b>	<b>0</b>	<b>515</b>	<b>-70</b>	<b>1,159</b>

**Income and Expenses Budget Review Statement**  
**Lithgow City Council**  
**Budget review for the quarter ended 31/12/2025**  
**Sewer Fund**

Description	Previous Year	Current Year Original	Approved Changes	Revised	Recommended changes	Projected Year End (PYE)	VARIANCE	ACTUAL YTD
	Actual	Budget	Review	Budget	for council resolution	Result	ORIGINAL budget v PYE	
	2024/25 \$000's	2025/26 \$000's	Q 1 \$000's	\$000's	\$000's	2025/26 \$000's	2025/26 \$000's	2025/26 \$000's
<b>INCOME</b>								
Access charges	8,722	9,018	0	9,018	0	9,018	0	8,939
User charges	55	50	0	50	0	50	0	27
Liquid trade-waste charges	100	100	0	100	0	100	0	56
Fees	0	0	0	0	0	0	0	0
Grants and contributions - Operating	89	0	0	0	0	0	0	83
Interest and Investment Income	40	38	0	38	0	38	0	16
Other Income	0	0	0	0	0	0	0	0
Net gain from disposal of assets	0	0	0	0	0	0	0	0
<b>Total Income from continuing operations</b>	<b>9,006</b>	<b>9,206</b>	<b>0</b>	<b>9,206</b>	<b>0</b>	<b>9,206</b>	<b>0</b>	<b>9,121</b>
<b>EXPENSES</b>								
Employee benefits and on-costs	2,373	2,480	12	2,492	0	2,492	12	1,167
Materials & Services	4,734	3,364	0	3,364	0	3,364	0	1,662
Borrowing Costs	325	314	0	314	0	314	0	128
Calculated taxation equivalents	0	0	0	0	0	0	0	0
Debt Guarantee fee	0	0	0	0	0	0	0	0
Other Expenses	44	0	0	0	0	0	0	0
Net Loss from Disposal of Assets	750	0	0	0	0	0	0	0
<b>Total Expenses from continuing operations excluding depreciation, amortisation and impairment of non financial assets</b>	<b>8,226</b>	<b>6,158</b>	<b>12</b>	<b>6,170</b>	<b>0</b>	<b>6,170</b>	<b>12</b>	<b>2,957</b>
<b>Operating Result from continuing operations excluding depreciation, amortisation and impairment of non financial assets</b>	<b>780</b>	<b>3,048</b>	<b>-12</b>	<b>3,036</b>	<b>0</b>	<b>3,036</b>	<b>-12</b>	<b>6,164</b>
Depreciation, amortisation and impairment of non financial assets	2,704	2,557	0	2,557	0	2,557	0	1,356
<b>Surplus / (Deficit) from continuing operations before capital amounts</b>	<b>-1,924</b>	<b>491</b>	<b>-12</b>	<b>479</b>	<b>0</b>	<b>479</b>	<b>-12</b>	<b>4,808</b>
Grants and Contributions - Capital	100		0	0	0	0	0	0
<b>Surplus /(Deficit) from continuing operations after capital amounts</b>	<b>-1,824</b>	<b>491</b>	<b>-12</b>	<b>479</b>	<b>0</b>	<b>479</b>	<b>-12</b>	<b>4,808</b>

## Capital Budget Review Statement

### Lithgow City Council

#### Budget review for the quarter ended 31/12/2025

Description	Previous Year	Current Year Original	Approved Changes	Revised	Recommended changes	Projected Year End (PYE)	VARIANCE	ACTUAL YTD	Notes
	Actual	Budget	Review	Budget	for council resolution	Result	ORIGINAL budget v PYE		
	2024/25 \$000's	2025/26 \$000's	Q 1 \$000's	\$000's	\$000's	2025/26 \$000's	2025/26 \$000's	2025/26 \$000's	
<b>CAPITAL FUNDING</b>									
Rates & other untied funding	1,787	12,779	3,453	16,232	294	16,526	3,747	3,417	
Capital Grants & Contributions	16,901	11,575	323	11,898	-5,026	6,872	-4,703	63	
Reserves	21,943	11,498	1,900	13,398	-139	13,259	1,761	11,798	
New Loans	1,700	0	0	0	0	0	0		
Proceeds from sale of assets	-6,979	0	0	0	0	0	0		
<b>Total Capital Funding</b>	<b>35,352</b>	<b>35,852</b>	<b>5,676</b>	<b>41,528</b>	<b>-4,871</b>	<b>36,657</b>	<b>805</b>	<b>15,278</b>	
<b>CAPITAL EXPENDITURE</b>									
WIP	12,097	0	0	0	0	0	0	0	
New Assets	4,910	3,472	5,376	8,848	-169	8,679	5,207	6,224	1
Asset Renewal	18,345	32,380	300	32,680	-4,702	27,978	-4,402	9,054	2
<b>Total Capital Expenditure</b>	<b>35,352</b>	<b>35,852</b>	<b>5,676</b>	<b>41,528</b>	<b>-4,871</b>	<b>36,657</b>	<b>805</b>	<b>15,278</b>	
<b>Net Capital Funding - Surplus /(Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**Notes**

Original Budget +/- approved budget changes in previous quarters = REVISED Budget

Revised Budget +/- recommended changes this quarter = PROJECTED year results

Where the **Total Capital Funding** and the **Total Capital Expenditure** values do not match an explanation is to be provided.

Carry over funding from previous year should be identified and any proposed carry forwards into next financial year are to be explained.

## Capital Budget Review Statement

### Lithgow City Council

#### Budget review for the quarter ended 31/12/2025

The quarterly recommended changes listed below to the revised budget include;

- 1) an explanation for the recommended changes and any impact this will have on the Operational Plan, Delivery Program and Long Term
- 2) any impacts of year to date expenditure on recommended changes to budget

<u>Notes</u>	<u>Details</u>
<b>1</b>	Deferral of works at Queen Elizabeth Park to manage cash - \$46K Deferral of Heritage and Interpretative Signage Program to manage cash - \$10K Deferral of internal road construction at Wallerawang Cemetery to manage cash - \$103K Reduction in Christmas decorations in line with actuals - \$10K
<b>2</b>	Increase in Red Hill Bridge Replacement in line with actuals - \$54K Deferral of Sports Lighting Upgrades to manage cash - \$150K Adjustment of Disaster Recovery Funded Arrangements works program - \$4.1M Preliminaries associated with Civic Precinct Redesign (reserve funded) - \$44K Deferral of Enfield Avenue Intersection Stormwater Upgrade to manage cash - \$464K Deferral of Great Western Highway Drainage Upgrade to manage cash - \$171K Deferral of La Salle Stormwater Drainage Upgrade to manage cash - \$160K Reduction in software transition in line with delivery expectations - \$89K Pearsons Lookout Signage - \$10K

Contracts Budget Review Statement  
Lithgow City Council  
Budget review for the quarter ended 31/12/2025

Contract or	Contract Detail and Purpose	Contract Value (GST Inc)	Date	Munite #	Length of Contract	Budgeted Y/N
There were no contracts awarded by Council resolution during the quarter.						

**Consultancy and Legal Expense Review Statement**  
**Lithgow City Council**  
**Budget review for the quarter ended 30/09/2025**

Note: 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.

Expense	YTD Expenditure	Budgeted Y/ N
Consultancies	\$ 250,057.74	Y
Legal Fees	\$ 28,553.00	Y