

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 March 2026 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 30th March 2026 indicates that Council's projected position at 30th 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.

The projected year end operating result before capital is **\$0.5M surplus** (before capital) at 30th September 2025.

The following outlines the main changes to Council's projected financial position at 30 June 2026 since the Original Budget:

1. Capital grants have decreased by \$5M, predominantly due to the deferral of landslip restoration works to be funded under Disaster Recovery Funding Arrangements (DRFA). The deferred works reduce capital grant income and capital expenditure.
2. Operating grants have increased by \$2.4M arising from both higher expenditure than projected relating to grant funded maintenance (as income is recognised when expenditure occurs) and from grant applications that Council has been successful in achieving since the development of the Original Budget.
3. Materials and Services have increase by \$1.8M mostly arising from increased expenditure associated with grant funded activities. Some increases have occurred due to unforeseen events, including the October 2025 water outage, changes due to timing of works and programs, and escalation costs (higher CPI and fuel costs) that have occurred since the development of the Original Budget.
4. A net increase in capital expenditure of \$1.9M arising from the timing of and scope of works, which has been offset by increased grant income recognition, or funded from reserves.

Vanessa Browning
Responsible Accounting Officer
Lithgow City Council

Income and Expenses Budget Review Statement
Lithgow City Council
Budget review for the quarter ended 31/ 03/ 2026
Consolidated Fund

Description	Previous Year	Current Year Original	Approved Changes	Approved Changes	Approved Changes	Revised	Recommended changes	Projected Year End (PYE)	VARIANCE	ACTUAL YTD	Notes
	Actual	Budget	Review	Review	Review	Budget	for council resolution	Result	ORIGINAL budget v PYE		
	2024/ 25 \$000' s	2025/ 26 \$000' s	Q 1 \$000' s	Q 2 \$000' s	Q 3 \$000' s	\$000' s	\$000' s	2025/ 26 \$000' s	2025/ 26 \$000' s	2025/ 26 \$000' s	
INCOME											
Rates and Annual Charges	40,370	43,417		0				43,417	0	43,715	
User Charges and Fees	8,819	10,250	28	22			635	10,935	685	7,939	1
Other Revenue	1,423	1,092	-54	-25			605	1,618	526	1,152	2
Grants and Contributions - Operating	7,039	9,625	413	1,482			458	11,978	2,353	4,886	3
Grants and Contributions - Capital	16,901	11,575	323	-5,025			-337	6,536	-5,039	1,545	4
Interest and Investment Income	3,779	3,023		-761			63	2,325	-698	1,837	5
Other Income	580	0		0				0	0	0	
Net gain from disposal of assets	0	231		0				231	0	0	
Total Income from continuing operations	78,911	79,213	710	-4,307	0	0	1,424	77,040	-2,173	61,074	
EXPENSES											
Employee benefits and on-costs	24,351	25,052	173	104			98	25,427	375	19,328	6
Materials & Services	28,274	21,976	248	482			1,021	23,727	1,751	17,797	7
Borrowing Costs	490	447		0				447	0	278	
Other Expenses	8,392	1,265	4	0			-20	1,249	-16	1,013	
Net Loss from Disposal of Assets	6,979	0		0				0	0		
Total Expenses from continuing operations excluding depreciation, amortisation and impairment of non financial assets	68,486	48,740	425	586	0	0	1,099	50,850	2,110	38,416	
Operating Result from continuing operations excluding depreciation, amortisation and impairment of non financial assets	10,425	30,473	285	-4,893	0	0	325	26,190	-4,283	22,658	
Depreciation, amortisation and impairment of non financial assets	18,512	17,393					1,748	19,141	1,748	15,238	8
Operating result from continuing Operations	-8,087	13,080	285	-4,893	0	0	-1,423	7,049	-6,031	7,420	
Net Operating Result before grants and contributions provided for capital purposes	-24,988	1,505	-38	132	0	0	-1,086	513	-992	5,875	

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/ 03/ 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 Financial Plan
- 2) any impacts of year to date expenditure on recommended changes to budget

<u>Notes</u>	<u>Details</u>
1	\$650K increase to income based on waste collected at the Lithgow Waste Facility
2	\$350K in insurance claim income \$60K increase in income for debt collection fees offset by debt collection fees \$50K Increase in maternity income received to pay salaries
3	\$405K increased income for ongoing maintenance work on Donkey Steps \$117K grant income for Assessment of Regional FOGO Processing in Lithgow \$90K increase in grant income for Wild Foods Festival \$88K reduction in grant income, for Adaptive Skills Hub, as recognised in prior year
4	\$123K grant income for Red Hill Bridge Replacement project \$83K increased income for received Sewer Developer Contributions \$511K reduction in Natural Disaster Income in line with projected works
5	\$50K increase to forecasted investment income due to payment of disaster claims and increasing interest rates
6	\$170K increase to water operation salaries based on works completed \$76K increase to October Water Outage Wages in line with expenditure incurred \$200K reduction to sewer operation salaries based on works completed
7	\$365K for ongoing maintenance of Donkey Steps \$264K for Dam Safety Compliance Checks \$117K for Assessment of Regional FOGO Processing in Lithgow (grant funded) \$75K increased expenditure for Wild Food Festival (grant funded) \$50K increase to October Water Outage Budget in line with expenditure incurred.
8	\$1.7M increase in Depreciation Expense due to impact of revaluations

Income and Expenses Budget Review Statement

Lithgow City Council

Budget review for the quarter ended 31/03/2026

General Fund

Description	Previous Year	Current Year Original	Approved Changes	Approved Changes	Approved Changes	Revised	Recommended changes	Projected Year End (PYE)	VARIANCE	ACTUAL YTD
	Actual	Budget	Review	Review	Review	Budget	for council resolution	Result	ORIGINAL budget v PYE	
	2024/25 \$000's	2025/26 \$000's	Q 1 \$000's	Q 2 \$000's	Q 3 \$000's	\$000's	\$000's	2025/26 \$000's	2025/26 \$000's	2025/26 \$000's
INCOME										
Rates and Annual Charges	28,063	30,554		0				30,554	0	30,679
User Charges and Fees	3,520	3,509	28	21			660	4,169	660	3,870
Other Revenue	1,395	1,081	-54	-25			597	1,678	597	1,142
Grants and Contributions - Operating	6,857	9,625	363	1,482			439	10,064	439	4,817
Grants and Contributions - Capital	16,801	11,574	323	-5,024			-420	11,154	-420	1,462
Interest and Investment Income	3,688	2,928		-761			70	2,998	70	1,774
Other Income	580	0		0				0	0	0
Net gain from disposal of assets	0	231		0				231	0	0
Total Income from continuing operations	60,904	59,502	660	-4,307	0	0	1,346	60,848	1,346	43,744
EXPENSES										
Employee benefits and on-costs	20,064	20,465	153	104			52	20,517	52	15,789
Materials & Services	18,796	13,221	136	481			707	13,928	707	11,134
Borrowing Costs	147	128		0				128	0	61
Other Expenses	8,326	1,265	4	0			-20	1,245	-20	1,013
Net Loss from Disposal of Assets	6,234	0		0				0	0	
Total Expenses from continuing operations excluding depreciation, amortisation and impairment of non financial assets	53,567	35,079	293	585	0	0	739	35,818	739	27,997
Operating Result from continuing operations excluding depreciation, amortisation and impairment of non financial assets	7,337	24,423	367	-4,892	0	0	607	25,030	607	15,747
Depreciation, amortisation and impairment of non financial assets	13,447	12,419					1,645	14,064	1,645	11,275
Operating result from continuing Operations	-6,110	12,004	367	-4,892	0	0	-1,038	10,966	-1,038	4,472
Net Operating Result before grants and contributions provided for capital purposes	-22,911	430	44	132	0	0	-618	-188	-618	3,010

Income and Expenses Budget Review Statement

Lithgow City Council

Budget review for the quarter ended **31/03/2026**

Water Fund

Description	Previous Year	Current Year Original	Approved Changes	Approved Changes	Approved Changes	Revised	Recommended changes	Projected Year End (PYE)	VARIANCE	ACTUAL YTD
	Actual	Budget	Review	Review	Review	Budget	for council resolution	Result	ORIGINAL budget v PYE	
	2024/25 \$000's	2025/26 \$000's	Q 1 \$000's	Q 2 \$000's	Q 3 \$000's	\$000's	\$000's	2025/26 \$000's	2025/26 \$000's	2025/26 \$000's
INCOME										
Access Charges	3,585	3,844						3,844	0	3,984
User Charges	5,112	6,572						6,572	0	3,911
Fees	32	20						20	0	43
Grants & Contributions - Operating	93		50				19	19	19	69
Interest and Investment Income	51	57					-7	50	-7	35
Other Income	28	11					8	19	8	9
Net gain from disposal of assets	5	0						0	0	
Total Income from continuing operations	8,906	10,504	50	0	0	0	20	10,524	20	8,051
EXPENSES										
Employee benefits and on-costs	1,914	2,106	8				246	2,352	246	1,820
Materials & Services	2,709	2,691	112				314	3,005	314	2,525
Borrowing Costs	18	5						5	0	4
Water purchase charges	2,035	2,700						2,700	0	1,756
Calculated taxation equivalents	0	0						0	0	
Debt guarantee fee	0	0						0	0	
Other Expenses	22	0						0	0	
Net Loss from Disposal of Assets	0	0						0	0	
Total Expenses from continuing operations excluding depreciation, amortisation and impairment of non financial assets	6,698	7,502	120	0	0	0	560	8,062	560	6,105
Operating Result from continuing operations excluding depreciation, amortisation and impairment of non financial assets	2,208	3,002	-70	0	0	0	-540	2,462	-540	1,946
Depreciation, amortisation and impairment of non financial assets	2,361	2,417					-22	2,395	-22	1,946
Surplus / (Deficit) from continuing operations before capital amounts	-153	585	-70	0	0	0	-518	67	-518	0
Grants and Contributions - Capital								0	0	
Surplus / (Deficit) from continuing operations after capital amounts	-153	585	-70	0	0	0	-518	67	-518	0

Income and Expenses Budget Review Statement

Lithgow City Council

Budget review for the quarter ended **31/03/2026**

Sewer Fund

Description	Previous Year	Current Year	Approved	Approved	Approved	Revised	Recommended	Projected	VARIANCE	ACTUAL
	Actual	Budget	Changes	Changes	Changes	Budget	changes	Year End		YTD
	2024/25 \$000's	2025/26 \$000's	Review Q 1 \$000's	Review Q 2 \$000's	Review Q 3 \$000's		for council resolution \$000's	(PYE) Result 2025/26 \$000's	ORIGINAL budget v PYE 2025/26 \$000's	2025/26 \$000's
INCOME										
Access charges	8,722	9,018						9,018	0	9,051
User charges	55	50						50	0	45
Liquid trade-waste charges	100	100					-25	75	-25	70
Fees								0	0	0
Grants and contributions - Operating	89	0						0	0	0
Interest and Investment Income	40	38						38	0	27
Other Income	0	0						0	0	0
Net gain from disposal of assets	0	0						0	0	0
Total Income from continuing operations	9,006	9,206	0	0	0	0	-25	9,181	-25	9,193
EXPENSES										
Employee benefits and on-costs	2,373	2,480	12				-200	2,280	-200	1,719
Materials & Services	4,734	3,364						3,364	0	2,381
Borrowing Costs	325	314						314	0	214
Calculated taxation equivalents	0	0						0	0	0
Debt Guarantee fee	0	0						0	0	0
Other Expenses	44	0						0	0	0
Net Loss from Disposal of Assets	750	0						0	0	0
Total Expenses from continuing operations excluding depreciation, amortisation and impairment of non financial assets	8,226	6,158	12	0	0	0	-200	5,958	-200	4,314
Operating Result from continuing operations excluding depreciation, amortisation and impairment of non financial assets	780	3,048	-12	0	0	0	175	3,223	175	4,879
Depreciation, amortisation and impairment of non financial assets	2,704	2,557					126	2,683	126	2,017
Surplus / (Deficit) from continuing operations before capital amounts	-1,924	491	-12	0	0	0	49	540	49	2,862
Grants and Contributions - Capital	100						83	83	83	83
Surplus / (Deficit) from continuing operations after capital amounts	-1,824	491	-12	0	0	0	132	623	132	2,945

Capital Budget Review Statement

Lithgow City Council

Budget review for the quarter ended 31/03/2026

Description	Previous Year	Current Year	Approved	Approved	Approved	Revised	Recommended	Projected	VARIANCE	ACTUAL	Notes
	Actual	Original	Changes	Changes	Changes	Budget	changes	Year End	ORIG	YTD	
	2024/25	2025/26	Review	Review	Review	Budget	for council	(PYE)	NAL	2025/26	
	\$000's	\$000's	Q 1	Q 2	Q 3	\$000's	resolution	Result	budget v PYE	\$000's	
CAPI TAL FUNDI NG											
Rates & other untied funding	13,050	12,779	3,453	294			187	16,713	3,934	4,731	
Capital Grants & Contributions	16,901	11,575	323	-5,026				6,872	-4,703	1,107	
Reserves - External Restrictions	2,609	7,484	1,579	121			1,075	10,259	2,775	10,813	
Reserves - Internally Allocated	644	4,014	321	-260			-204	3,871	-143	3,829	
New Loans	2,148							0	0		
Proceeds from sale of assets								0	0		
<i>Other - specify</i>								0	0		
Total Capital Funding	35,352	35,852	5,676	-4,871	0	0	1,058	37,715	1,863	20,480	
CAPI TAL EXPENDI TURE											
WIP	12,097							0	0		
New Assets	4,910	3,472	5,376	-169			2,422	11,101	7,629	7,724	1
Asset Renewal	18,345	32,380	300	-4,702			-1,364	26,614	-5,766	12,756	2
<i>Other - specify</i>								0	0		
Total Capital Expenditure	35,352	35,852	5,676	-4,871	0	0	1,058	37,715	1,863	20,480	
Net Capital Funding - Surplus/(Deficit)	0	0	0	0	0	0	0	0	0	0	

Notes

Original Budget +/- approved budget changes in previous quarters = REVISSED 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/ 03/ 2026

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 Financial Plan
- 2) any impacts of year to date expenditure on recommended changes to budget

<u>Notes</u>	<u>Details</u>
1	\$2.5M budget added for Wolgan Road (DRFA funded) \$147K budget reduction for Rydal Toilet block. \$80K budget added for Depot Traffic Management Plan \$75K budget added for James O'Donnell Drive footpath \$50K budget added for Clarence to Wang Pipeline \$191K budget reduction for New Sewerage Pumping Station for South Bowenfels Development area
2	\$911K budget added for Main Street Footpath \$500K budget added for Sewerage Treatment Plant - Capital Works Program \$332K budget added for LCC - Lowther Siding Rd, Lowther \$297K budget added for LCC - Magpie Hollow Road \$197K budget added for LCC - Fields Road, Hartley Valley \$184K budget added for Nat Dis Portland Sunny Corner Road \$92K budget added for Long Swamp culvert replacement \$82K budget added for Security Upgrade \$73K budget added for LCC - Glen Davis Road, Capertee \$54K budget reduction for Red Hill Bridge \$68K budget reduction for WAT - Watermains - Capital Works Program \$76K budget reduction for LCC - Hampton Rd Rydal, Hampton \$110K budget reduction for Sir Thomas Mitchell Drive - Land Slip \$122K budget reduction for WAT - Reservoirs - Capital Works Program \$130K budget reduction for GWH Stormwater Drainage Upgrade \$137K budget reduction for LaSalle Stormwater Drainage Upgrade \$150K budget reduction for WWW - Water and wastewater infrastructure mapping \$150K budget reduction for Major Lighting Upgrade \$207K budget reduction for WAT - Dams Works Program \$286K budget reduction for LCC - Blackheath Creek Road \$332K budget reduction for Nat Dis - Blackheath Creek Road \$429K budget reduction for LCC - Range Rd, Meadow Flat \$479K budget reduction for LCC - Portland Sunny Corner Rd, Meadow Flat \$496K budget reduction for Nat Dis - Glen Davis \$589K budget reduction for LCC - Hartley Vale Road, Hartley Valley \$605K budget reduction for Nat Dis - Sodwalls Road \$739K budget reduction for LCC - Sodwalls Rd, Sodwalls

Contracts Budget Review Statement
Lithgow City Council
Budget review for the quarter ended 30/03/2026

Contractor	Contract Detail and Purpose	Contract Value (GST Inc)	Date	Minute #	Length of Contract	Budgeted Y/N
Gracey's Earthmoving & Excavations P/L	Road Patching and Sealing - Portland Sunny Corner Road	\$801,726	28-Jan-26	26-13	Works completed	Y
Shepherd Services P/L	Variation for structured coordination of DRFA Program	\$476,176	28-Jan-26	26-14	until 30 Jun 28	Y
Gracey & Son Earthmoving	Pavement Rehabilitation and Sealing - Lowther Siding Road	\$1,281,457	28-Jun-26	26-17	Works completed	Y
GHD	Variation for Strategic Design Alignment Options - Wolgan Road	\$645,242	28-Jun-26	26-24	Works completed	Y
Gracey's Earthmoving & Excavations P/L	Pavement Rehabilitation and Sealing - Browns Gap Raod	\$1,905,269	23-Feb-26	26-37	Works completed	Y
STM Trucks and Machinery	Lease of ASV Skidsteer and Attachments	\$138,380	23-Mar-26	26-59	until 1 Oct 26	Y

Consultancy and Legal Expense Review Statement
Lithgow City Council
Budget review for the quarter ended 31/03/2026

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	\$	880,618.37	Y
Legal Fees	\$	118,943.28	Y