



# Ordinary Meeting of Council

## SUPPLEMENTARY

## AGENDA

28 August 2024

**Braidwood Community Centre**  
**Park Lane, Braidwood**

**Presentations for items listed on the Agenda can be made in writing, via Zoom or in person. A live stream of the meeting can be viewed at: <http://webcast.qprc.nsw.gov.au/>**

#### **Statement of Ethical Obligations**

The Mayor and Councillors are reminded that they remain bound by the Oath/Affirmation of Office made at the start of the council term to undertake their civic duties in the best interests of the people of Queanbeyan-Palerang Regional Council and to faithfully and impartially carry out the functions, powers, authorities and discretions vested in them under the *Local Government Act 1993* or any other Act, to the best of their skill and judgement.

The Mayor and Councillors are also reminded of the requirement for disclosure of conflicts of interest in relation to items listed for consideration on the Agenda or which are considered at this meeting in accordance with the Code of Conduct and Code of Meeting Practice.

On-site Inspections - Nil

**SUPPLEMENTARY REPORTS**

9.7 2023-24 4th Quarter Budget Review Statement and Budget Revotes .....2

**LIST OF ATTACHMENTS**

**Open Attachments**

Item 9.7 2023-24 4th Quarter Budget Review Statement and Budget Revotes  
*Attachment 1 Quarter Budget Review Report (Under Separate Cover)*

**Closed Attachments**

*Nil*

**9.7 2023-24 4th Quarter Budget Review Statement and Budget Revotes (Author: Monaghan/Sligar)**

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**File Reference:** 43.7.2-23

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**Recommendation**

**That Council:**

- 1. Receive and note the June 2024 Quarterly Budget Review Statement.**
  - 2. Note the carry forward of the 2023-24 unspent budgets for Capital and Operational works detailed in the June Quarterly Budget Review Statement into the 2024-25 budget.**
  - 3. Adopt the 2023-24 unspent budgets for Capital works that had not commenced yet into the 2024-25 budget.**
  - 4. Note the Cash and Investments position as at June 2024.**
  - 5. Adopt the proposed Internal Reserves balances as at June 2024.**
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**Summary**

The draft estimated net operating result (before capital grants and contributions) for the year to 30 June 2024 is a surplus of \$7.0m (original budget was a deficit of \$3.4m). The revised estimated net operating result (before capital grants and contributions) in the General Fund is \$8.7m deficit (original budget deficit \$6.9m).

The overall consolidated financial position includes the General, Water and Sewer Fund. Whilst the consolidated result is positive, in reality, the General Fund deficit has been disguised by the good results of the Water and Sewer Funds.

**Background**

The June Quarterly Budget Review is a final budget review for the financial year. It's purpose is to present a summary of Council's performance against budget. This review is not Council's audited financial statement, however provides some early analysis on the unaudited results.

These results may be subject to change throughout the audit process.

**Report**

Council's detailed capital budget statement is reported from page 12 in the attached statement. The total capital budget for 2023-24 was \$70.1M as at the end of March 2024. The actual expenditure against forecast budget by year end was \$42.6m (61%). The project budgets were funded from grants, contributions, water and sewer reserves, general revenue and new loans.

The list of incomplete capital projects on page 28 have \$22.9m remaining unexpended budget by June 2024 and are recommended to be carried over or revoted into the current financial year.

## 9.7 2023-24 4th Quarter Budget Review Statement and Budget Revotes (Author: Monaghan/Sligar) (Continued)

<b>Carry Over Works</b>	<b>\$,000</b>
Carry over unexpended grant works	5,773
Carry over unexpended loan funded works	952
Carry over unexpended developer contribution works	538
Carry over unexpended general revenue project budgets	1,516
Carry over unexpended water fund projects	2,425
Carry over unexpended sewer fund projects	997
Carry over works to be funded from grant income	8,388
	<b>20,589</b>

Of the total amount, \$19.0m are externally funded through grants and developer contributions, received or receivable and \$1.5m is internally funded through rates and annual charges and the works have substantially commenced.

Carry forward budgets are used where works have comments or contracts are in place and the balance of the budget is required to be maintained in the next financial year so that work is not interrupted.

<b>Budgets to be revoted</b>	<b>\$,000</b>
Revote of unexpended grant works	1,215
Revote of unexpended general revenue project budget	77
Revote of grant income for projects not yet started	1,026
	<b>2,318</b>

Revoted budgets are those projects that did not commence during the year and require a resolution of Council in order to reinstate the budgets in a new financial year.

An additional unexpended budget amount of \$2.3m has not yet been substantially commenced and these project budgets are recommended for revoting into the new financial year.

### **Risk/Policy/Legislation Considerations**

Unspent budgets can be carried over to the next financial year budget pursuant to subclause 211 (3) of the Local Government (General) Regulation 2005:

*All such approvals and votes lapse at the end of council's financial year. However, this subclause does not apply to approvals and votes relating to:*

- (a) Work carried out or started, or contracted to be carried out, for the council, or*
- (b) Any service provided, or contracted to be provided, for the council, or*
- (c) Goods or materials provided, or contracted to be provided, for the council, or*
- (d) Facilities provided or started, or contracted to be provided, for the council.*

A *revote* is defined as an approved project which has not commenced or been contracted to commence in the 2023-24 financial year, whereas a *carryover* is an approved project which has commenced or contracts have been signed to commence, but will not be completed by 30 June 2024.

**9.7 2023-24 4th Quarter Budget Review Statement and Budget Revotes (Author: Monaghan/Sligar) (Continued)**

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**Financial, Budget and Resource Implications**

The total cash and investments balance increased by \$39.0m over the financial year. The majority of this increase in cash is related to funds received for restricted purposes such as, grants, developer contributions and income for Water, Sewer and Waste funds.

Internal cash reserve balances have been reconciled to year end in accordance with Council resolutions and policy decisions. The figures have been prepared based on the assumption that Council approves all of the carry forward and revote budgets. Council has the option to transfer money in or out of internal reserves, however must always have regard for the long-term cumulative effects of its decisions.

The balance of Council's unrestricted on 30 June was \$3.0m, compared with the original budget of \$859k. The CFO has previously highlighted the risks of carrying such a low level of unrestricted cash to support such a large organisation and Council and the community have taken corrective action to ensure that it will collect sufficient revenue to continue to provide its current level of services.

The unrestricted cash balance has been achieved by not allocating all of the Financial Assistance Grant received in advance into a reserve. Through the third quarter budget review, the CFO advised then that there would be a need to not restrict all of these funds to ensure council had sufficient unrestricted cash to support the 2024/25 budget.

The impact of the delay to the settlement of the sale of properties on Rutledge Street meant the forecast cash position was at risk. The proposed course of action was to review the balances held in the internal reserves to ensure there was unrestricted cash and then increase the internal reserve balances when the cash from the sale of properties has been received.

The proposed reserve balances are shown in the attached report at page 32.

**Links to QPRC/Regional Strategic Plans**

Council commits to the delivery of the full suite of projects adopted in its annual Operational Plan, however also seeks to be responsive to changing community needs. During the course of any year new projects, grants or disasters emerge that may alter priorities and divert resources; and major capital projects have inherent timing risks. Council aims to complete at least 80% of its projects in the financial year they are budgeted and reduce carry forward budgets to a maximum of 20% of the capital budget.

**Conclusion**

All the recommended carry forward project budgets were resolved in the 2023/24 Operational Plan and within the Quarterly Budget Review Statements. Projects listed in the report are currently in progress and have funding sources identified. This recommendation rolls over the budgets to the 23/24 Financial Year allowing projects to continue.

**Attachments**

Attachment 1      Quarter Budget Review Report (*Under Separate Cover*)

