

GOVERNANCE AGENDA ADDENDUM

GOVERNANCE COMMITTEE MEETING

15 October 2025

BOOK 2

**LEVEL 11, 50 SCOTT STREET,
LIVERPOOL NSW 2170**

**LIVERPOOL
CITY
COUNCIL**



ADDENDUM ITEMS

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Budget Committee

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ITEM 02

Finance Report - September 2025

Strategic Objective	Visionary, Leading, Responsible Ensure Council is accountable and financially sustainable through the strategic management of assets and resources
File Ref	334543.2025
Report By	Vishwa Nadan - Chief Financial Officer
Approved By	Farooq Portelli - Director Corporate Services

EXECUTIVE SUMMARY

This report provides an update on Council's 2025-26 budget performance for the first quarter to 30 September 2025 and highlights some of the key financial risks being faced. Based on the estimated budget impact of these risks, the net cost of services for FY 2025-26 is potentially projected at a \$14.2 million deficit.

A further more detailed analysis of the September Q1 Budget Review is underway, and a comprehensive report will be provided to Council at its next meeting.

Council held \$450.8 million in cash and cash investments on 30 September 2025 which included \$14.5 million in unrestricted reserves.

Total rates outstanding on 30 September 2025 was \$139.1 million, of which \$9.6 million related to previous years. The balance of \$129.4 million relates to current year, which will become collectable in quarterly installments.

RECOMMENDATION

That the Governance Committee:

1. Receives and notes the report.

REPORT

2025-26 Budget Performance

Below is summary of 2025-26 approved budget. Based on the risks identified below and their potential budget impacts, the net cost of services is potentially projected to be a deficit of \$14.2 million.

	Original Budget	Potential Adjustments	Projected Result
Total Income	\$462.4m	(\$9.9m)	\$452.5m
Less: Capital Grants & Contributions	(\$177.4m)	-	(\$177.4m)
Operating Income	\$285.0m	(\$9.9m)	\$275.1m
Operating expenditure	\$284.2m	\$5.1m	\$289.3m
Net Cost of Service before capital grants & contributions surplus/ (deficit)	\$0.8m	(\$15.0m)	(\$14.2m)

Risks

The following items have been identified as budget risks for FY2025-26. The Governance Committee will be regularly updated on these matters.

Risk	Budget Impact	Cash Impact	Mitigation Strategy	Risk Rating
1. Accounting for Software upgrades	-\$4.3m	-	Budget includes \$3.8m allocation for software upgrades. A further \$1m unspent budget from FY2024/25 will be carried over to FY2025/26. Based on guidelines issued by the Department of Finance, procurement of cloud-based software-as-a-service, a significant portion of capital expenditure will have to be accounted for as operating expenses.	High

2. FAG Operating Grant – advance payment for 2026-27	-\$4.8m	-\$4.8m	Budget assumes 85% advance payment. NSW Grants Commission has indicated that they will review overall methodology it uses to allocate grants and advised NSW Councils not to rely on any advance payment in June 2026.	High
3. 35 Scott Street Office make-good expenses	-\$0.8m	-\$0.8m	Tenancy contract requires Council to carry out make-good works on expiry. Investigations underway on confirmation of costing and will be negotiated with the landlord.	High
4. Canterbury Bankstown Council – Settlement on Voyager Point Pedestrian Bridge maintenance	-\$5.1m	-\$5.1m	Council's initial expected to take full ownership of the bridge with a compensation payment has lapsed. Asset management and management plan will now be drafted and agreed by both Councils to share the costs.	High

Cash Reserves

At 30 September 2025, Council held \$450.8 million in cash and cash investments, comprising:

- \$ 401.8 million externally restricted reserves
- \$ 34.5 million internally restricted reserves
- \$14.5 million unrestricted reserves

Outstanding Rates

Total rates outstanding on 30 September 2025 were \$139.1 million, of which \$9.6 million related to previous years. The balance of \$129.4 million relates to current year, which will become collectable in quarterly installments.

ATTACHMENTS

Nil