

10.3. Quarterly Budget Review - September 2025

AUTHOR	Shirley Chen, Financial Controller Daniel Peacock, Assets and Taxation Accountant
ENDORSED BY	Aigul Utegenova, A/Director Corporate Services
ATTACHMENTS	1. September 2025 QBRs Return [10.3.1 - 5 pages] 2. September 2025 QBRs Return RAO Statement [10.3.2 - 1 page]
CSP LINK	5. Our Civic Leadership 5.1 Lead North Sydney's strategic direction

PURPOSE:

The purpose of this report is to present North Sydney Council's Quarterly Budget Review Statement (QBRs) for the quarter ended *30 June 2025*, in accordance with the requirements of the *Office of Local Government (OLG) Quarterly Budget Review Statement Guidelines (August 2025)* and *Clause 203 of the Local Government (General) Regulation 2021*.

This report provides Council and the community with an update on Council's financial performance and position relative to the adopted 2025-26 Operational Plan and Budget, and to seek council resolution on variations that require on budget revision.

EXECUTIVE SUMMARY:

- **OLG Quarterly Budget Review Statement Guidelines (August 2025).** OLG) has updated its guidelines and introduced a standardised reporting format for the Quarterly Budget Review in the August 2025 issue. This report has been prepared in accordance with the new guideline.
- **Increase in Operating Deficit (before Capital Grants and Contributions):** The deficit increased by \$3.618 million to \$6.397 million.

Council set budget improvement targets of \$6.0 million in the original budget, comprising a \$2.0 million increase in income and \$4.0 million in operating expenditure savings, expected to be achieved through service reviews/reductions and efficiency measures. Following an extensive review and community consultation on potential service reductions, the target savings have been revised to \$3.707 million. This reduction in savings has resulted in a deterioration of the net operating result by \$2.293 million.

In addition, following a review of the original budget for the commercial property portfolio, it was noted that occupancy rates have deteriorated and Council will not be able to achieve the budgeted results. A further reduction of \$0.639 million is therefore proposed to the Other Revenue line to reflect the revised budget expectations.

The reduction in the net result of \$0.5 million reflects a \$1 million decrease in parking station income and a corresponding \$0.5 million increase in parking meter income.

Among other minor adjustments, \$48,000 has been added to the materials and services budget to support the upgrade of the Procure-to-Pay system to a new version, following advice from the provider (Civica) that the current system is being discontinued.

- **Decrease in Operating Surplus (including Capital Grants and Contributions, excluding depreciation):** The result decreased by \$2.839 million, bringing the total to \$39.287 million.
- **Increase in Operating and Capital grants:** Operating and Capital Grants increased by **\$0.916 million** due to new grants Council has received since the adoption of the original budget.
- **Increase in Capital Budget:** The capital budget has increased by \$7.588 million, primarily due to carry-forwards from the prior year for projects that commenced but were not completed, as well as new projects funded by recently secured grants. Several transfers were also made between capital budgets to address critical renewal works.
- **Borrowings:** A \$10 million loan has been approved by TCorp and is scheduled to be drawn down in November 2025 to fund the North Sydney Olympic Pool project, as budgeted. No changes are proposed to this budget item.
- **Cash and Investment and externally restricted funds:** Total cash and investments are budgeted at \$118.727 million. Projected cash balances are \$125.320 million, reflecting higher-than-expected carryover from the previous year. Externally unrestricted funds were originally budgeted at \$37.243 million and are now revised to \$36.844 million. This change reflects one-off income items that improved last year's final results, offset by adjustments included in this Quarterly Budget Review.

RECOMMENDATION:

- 1. THAT** Council adopt the Quarterly Budget Review Statement – September 2025 report in accordance with clause 203 of the Local Government (General) Regulation 2021.
- 2. THAT** Council endorse the budget variations in this report.

Background

Under Clause 203 of the Local Government (General) Regulation 2021, councils must review their financial performance at the end of each quarter and present the results to a Council meeting within two months.

The Office of Local Government (OLG) has updated its guidelines and provided a standardised reporting format in the August 2025 issue. This includes template for the information that the Quarterly Budget Review Statement should include

The review must include:

- a QBRs Financial Overview – providing a one-page snapshot of how Council is performing at the end of the quarter
- Income and Expenses Budget Review Statement
- Capital Budget Review Statement
- Cash and Investments Budget Review Statement
- Summary of Developer Contributions, and
- a report from the Responsible Accounting Officer (RAO) stating whether the RAO believes Council's financial position is satisfactory, and if not, what recommendations should be implemented.

The attached QBRs statement is prepared based on the OLG requirements.

Report

Original Budget

Operating Income and Expenses

The 2025-26 original budget projected a deficit of \$2.779 million before capital grants and contributions, and an operating result from continuing operations of \$10.608 million. These results incorporate the productivity and improvement targets set by Council following IPART's rejection of the SRV, which were included in the adopted budget.

The original budget included a \$6.0 million net result improvement target, comprising a \$1.0 million increase in fees and charges income, a \$1.0 million increase in other income, a \$1.0 million reduction in employee costs, and a \$3.0 million reduction in materials and services.

For the purpose of this Quarterly Budget Review, Council has completed a community service level review and developed a detailed Performance and Improvement Plan outlining productivity, cost containment, and revenue initiatives, with this QBRs incorporating the resulting budgetary changes from these reviews.

Capital Expenditures

The original budget allocated \$52.819 million for capital works and the replacement of plant and equipment.

Cash Reserves

Cash, cash equivalents, and investments are budgeted at \$118.727 million, comprising \$81.484 million in externally restricted, \$21.699 million in internally restricted, and \$15.544 million in unrestricted funds. This includes the \$6 million budget improvement target; excluding this target, the unrestricted balance would reduce to \$9.544 million.

This review will reflect the updated cash balances based on the final 2024-25 financial year results.

QBRs September 2025 adjustments

Adjustments to the Review of the productivity targets

Through an extensive review of productivity and improvement initiatives, Council has identified a range of savings that have either been implemented or are currently in progress, with benefits expected to be realised in the 2025-26 financial year. This review assesses the achievability of the \$6 million target and makes the necessary budget adjustments to provide more accurate forecasts.

Following the consultation undertaken by Council regarding service delivery levels and potential service reductions, community feedback indicated limited support for reducing services. As a result, the targeted savings in materials and services have not been achieved. With the proposed adjustments, the current level of service will be maintained.

The following table outlines the adjusted budget for the savings targets identified by Council to be realised.

	(\$'000)				
Income from Continuing Operations	Original Adopted Budget	Target Improvements (Original Budget)	Productivity and Efficiency Adjustments	September QBRs adjustments	Revised Budget
Income from Continuing Operations					
Rates	64,881			-	64,881
Annual Charges	18,584			-	18,584
Users fees and charges	38,323	1,000	719	281	38,041
Other revenue*	10,895	1,000	933	67	10,828
Grants and contributions provided for operations	4,455			-	4,455
Grants and contributions provided for capital	13,387			-	13,387
Interest and investment income	3,912			-	3,912
Other income*	7,571			-	7,571
Total Income from Continuing Operations	162,007	2,000	1,652	348	161,659
Expenses from Continuing Operations					
Employee benefits and on-costs	57,238	1,000	1,000	0	57,238
Materials and services	54,891	3,000	753	2,247	57,138
Borrowing costs	2,488			-	2,488
Depreciation and amortisation	31,518			-	31,518
Other expenses	4,987		268	268	4,719
Net losses from the disposal of assets	277		35	35	242
Total Expenses from Continuing Operations	151,399	4,000	2,055	1,945	153,344
Operating Result from Continuing Operations	10,608	6,000	3,707	2,293	8,315
Net Operating results before capital grants and contributions	2,778	6,000	3,707	2,293	5,072

* The 'Other Income' balance has been reclassified to "Other Revenue" from its presentation in the budget to reflect accurate classification.

Other QBRs Material Adjustments

The following material adjustments are included to the QBRs.

Grants and Contributions Income

In line with previous practice, Council only budgets for grant income that is either confirmed or highly likely to be received. Additional grant income is incorporated through the QBRs once funding is confirmed.

The budget for operational grants has increased by \$0.1 million, along with \$0.814 million in capital grants for traffic improvement works. The corresponding increase in capital expenditure reflects these grants, as the funding is tied to specific performance obligations.

Grants received from Transport for NSW include:

- \$0.326 million – Yeo Street, Neutral Bay (Cycleway)
- \$0.323 million – West Street, North Sydney (Cycleway)
- \$0.164 million – Sophia Street, Crows Nest (Continuous Footpath)

Parking Station and Parking Meters Income

Parking station income was budgeted based on the previous year's budget figures; however, it has continued to decline, and the current budget target of \$7.305 million is not being achieved. Based on the 2024–25 actual results of \$6.332 million, a reduction of \$1.0 million in parking station income is therefore proposed, with this area to be closely monitored going forward.

The decline in car park station income will be partially offset by a \$0.5 million increase in parking meter income.

Commercial Properties Income

The actual income from commercial properties for the previous financial year did not meet the budgeted level (\$6.085 million actual against a \$6.440 million budget). The original budget for the current financial year of \$6.875 million was built based on the previous year's budget, with assumptions of a slight increase in occupancy rates and annual lease fee increases of 3–4%.

Following a recent review conducted by Council's external property manager, several changes were made to the current leasing portfolio. The review identified a deterioration in the occupancy rate, from 5.64% to 6.9%, due to lower demand, tenant hardship, and operational requirements.

Given that securing new tenants takes time and the initial months are usually offered as an incentive period, Council is proposing a reduction in the income budget of \$0.639 million.

Employee Benefits Expenses

Council continues to utilise contract labour to maintain flexibility, given the Council's current financial position.

An amount of \$0.794 million has been reclassified from Employee Costs to Materials and Services to reflect expenditure on contracted workforce funded from the employee budget.

Other expenses

The Parking Space Levy is a charge set by the NSW Government on off-street parking spaces in specific areas. It is calculated based on the number of spaces and their occupancy rate, with the levy applied to spaces that are available or used for parking during the year.

The purpose of the levy is to manage traffic congestion by encouraging the use of public transport and to provide funding for transport and traffic improvement projects in high-demand urban areas.

The Parking Space Levy budget requires an increase of \$0.262 million, bringing the total to \$0.951 million, to align with the updated estimates. The original budget assumed a lower occupancy rate and a corresponding reduction in the levy; however, a detailed review has confirmed that the levy applies only to the Ward Street Car Park. As this parking station has not been affected by the reduction in overall parking occupancy, the budget must be adjusted to accurately reflect Council's obligations. The actual expenditure in the previous financial year was \$0.853 million.

Capital Budget

Budget carried-forwards from the previous year.

Carry-forward balances represent budget items from the previous financial year that were not spent. In accordance with the Office of Local Government's guidelines and clause 211 of the Local Government (General) Regulation 2005, all expenditure authorisations (budgets) lapse at the end of the Council's financial year. However, this does not apply to authorisations for works that have commenced or are contractually committed before year-end. The total amount of the projects carried over from prior year is estimated to \$6.717 million, including \$2.459 million funded from the internal reserve, the list of projects is presented below

Project	Amount, \$
Computer Hardware renewal	1,103,212.00
North Sydney Olympic Pool upgrade	2,191,113.00
Stanton Library lift upgrade	346,600.00
Miller St 200 Council Chambers & Offices renewals	100,000.00
Nutcote Museum, Building Refurbishment	293,011.00
Crows Nest Public Domain Project	186,250.00
Neutral Bay & Cremorne Master plan	103,537.00
Drainage Construction Works	170,574.00

Project	Amount, \$
Streetscape Works, Young Street Plaza -Neutral Bay	688,868.00
Streetscape Works, Kirribilli & McMahons Point	68,611.00
Traffic Facilities, Grosvenor Lane Left Turn Only	56,000.00
Traffic Facilities, Pedestrian Crossing - Fitzroy Street	60,794.00
Traffic Facilities, Pedestrian Crossing - Rosalind Street	199,917.00
Traffic Facilities, Montpellier Street	72,440.00
Traffic Facilities, Montpellier Street	249,917.00
Various Parks, Fence Construction / Upgrade	32,670.00
Grasmere Reserve, Playground Construction / Upgrade	174,313.00
Quarantine Boat Depot, Upgrade, Materials & Contracts	379,716.00
Waverton Park, Amenities Block Construction	79,275.00
Coal Loader upgrade	160,099.00
TOTAL	6,716,917.00

As previously reported, due to Councils limited renewal budgets, the above carry forward projects may require reprioritisation throughout the year to address more urgent needs.

QBRs adjustments

\$0.944 million is primarily attributable to new capital projects funded by grants received during the current financial year, and \$0.030 million required to complete the Quarantine Boat Depot project – to be funded from developer contributions.

Critical renewals transfers

During the first quarter, Council transferred several capital balances between projects. These transfers were required to address critical renewal projects that needed to be actioned due to the nature and urgency of the works.

The reallocations included:

- \$0.755 million from the Council Chamber Roof Renewal project redirected to the following critical renewal projects:
 - \$0.025 million – Glass Balustrades, Elizabeth Plaza
 - \$0.300 million – Forsyth Park Community Centre
 - \$0.030 million – Kirribilli Neighborhood Centre Ceiling
 - \$0.400 million– Heritage Bus Shelters
- \$0.099million was transferred from Council’s Kerb and Gutters Program to the Wilson Street Road Reserve Project.

Cash Reserves

Taking into consideration the results from the 2024-25 financial year, cash, cash equivalents, and investments are forecast at \$125.320 million, comprising \$88.476 million in externally restricted, \$29.501 million in internally restricted, and \$7.343 million in unrestricted funds.

The externally unrestricted funds were originally budgeted at \$37.243 million and are now revised to \$36.844 million in this review. This change reflects the higher-than-expected performance in the prior year (\$4.51 million above forecast), offset by the impact of adjustments included in this Quarterly Budget Review.

Overall Financial Position

Despite the decline in the net operating result before grants and contributions, Council has managed to maintain its unrestricted cash position. However, this stability is largely attributable to one-off income items and the carry-over surplus from the previous financial year, indicating that the current result is not reflective of ongoing financial sustainability.

The asset renewal ratio remains significantly below the depreciation level, indicating that assets are not being renewed at the rate required to maintain their service potential.

Consultation requirements

Community engagement is not required.

Financial/Resource Implications

The proposed changes to the budget result in a net operating deficit before Capital Grants and Contributions of \$6.446 million.

Legislation

Clause 203, of the Local Government (General) Regulation 2021, requires that a quarterly budget review be considered by Council, which shows revised estimates for income and expenditure for the year, indicates whether Council's financial position is satisfactory and makes recommendations for remedial action where needed.

QBRS FINANCIAL OVERVIEW											
North Sydney Council											
Budget review for the quarter ended 30/09/25											
DESCRIPTION	Previous Year	Current Year	Approved	Approved	Approved	Revised	Recommended	Projected	VARIANCE	ACTUAL YTD	
	Actual	Budget	Review	Review	Review	Budget	for council	Year End	ORIGINAL		
	2024/25	2025/26	Q 1	Q 2	Q 3		resolution	(PYE)	budget v PYE		
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	2025/26	2025/26		
Net Operating Result before grants and contributions provided for capital purposes	General Fund	1,268	-2,779	0	0	0	0	-3,618	-6,397	-3,618	62,770
	Water Fund	0	0	0	0	0	0	0	0	0	0
	Sewer Fund	0	0	0	0	0	0	0	0	0	0
	Consolidated	1,268	-2,779	0	0	0	0	-3,618	25,086	27,865	62,770
Operating Result from continuing operations (with capital grants and contributions) excluding depreciation, amortisation and impairment of non financial assets	Consolidated	45,588	42,126	0	0	0	0	-2,839	39,287	-2,839	74,055
Borrowings	Total borrowings									0	
Liquidity	External restrictions	102,494	81,484	0	0	0	0	6,992	88,476	6,992	110,087
	Internal Allocations	30,760	21,699	0	0	0	0	7,802	29,501	7,802	32,044
	Unallocated	8,188	15,544	0	0	0	0	-8,201	7,343	-8,201	15,833
	Total Cash, Cash Equivalents and Invest	141,442	118,727	0	0	0	0	6,593	125,320	6,593	157,964
Capital	Capital Funding	40,661	52,819	0	0	0	0	7,588	60,407	7,588	8,010
	Capital Expenditure	40,661	52,819	0	0	0	0	7,588	60,407	7,588	8,010
	Net Capital	0	0	0	0	0	0	0	0	0	0

		Opening	Total Cash	Total	Total	Total	Held as	Cumulative balance of internal
		Balance	Contributions	Interest	Expended	Internal	Restricted	borrowings (to)/from
		As at 1 July	As at this Q	As at this Q	As at this Q	As at this Q	As at this Q	As at this Q
		2025	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Developer Contribution	Total Developer Contributions	52,366	0	566	24	0	57,183	0

Budget review for the quarter ended 30/09/2025										
General Fund										
Description	Previous Year Actual 2024/25 \$000's	Current Year Original Budget 2025/26 \$000's	Approved Changes Review Q 1 \$000's	Approved Changes Review Q 2 \$000's	Approved Changes Review Q 3 \$000's	Revised Budget \$000's	Recommended changes for council resolution \$000's	Projected Year End (PYE) Result 2025/26 \$000's	VARIANCE ORIGINAL budget v PYE 2025/26 \$000's	ACTUAL YTD 2025/26 \$000's
INCOME										
Rates and Annual Charges	79,820	83,465					0	83,465	0	83,332
User Charges and Fees	30,734	38,323					-781	37,542	-781	10,212
Other Revenue	13,967	10,895					18	10,913	18	2,889
Grants and Contributions - Operating	4,869	4,455					101	4,556	101	1,134
Grants and Contributions - Capital	13,909	13,387					814	14,201	814	4,355
Interest and Investment Income	5,759	3,912					0	3,912	0	1,537
Other Income	5,522	7,571					-639	6,932	-639	1,527
Net gain from disposal of assets	0	0					0	0	0	0
Total Income from continuing operations	154,580	162,008	0	0	0	0	-486	161,522	-486	104,985
EXPENSES										
Employee benefits and on-costs	48,080	57,238					-794	56,444	-794	13,376
Materials & Services	52,555	54,891					3,153	58,044	3,153	15,292
Borrowing Costs	2,365	2,488					0	2,488	0	580
Other Expenses	5,109	4,987					-6	4,981	-6	1,708
Net Loss from Disposal of Assets	883	277					0	277	0	-27
Total Expenses from continuing operations excluding depreciation, amortisation and impairment of non financial assets	108,992	119,882	0	0	0	0	2,353	122,235	2,353	30,930
Operating Result from continuing operations excluding depreciation, amortisation and impairment of non financial assets	45,588	42,126	0	0	0	0	-2,839	39,287	-2,839	74,055
Depreciation, amortisation and impairment of non financial assets	30,411	31,518					-35	31,483	-35	6,930
Operating result from continuing Operations	15,177	10,608	0	0	0	0	-2,804	7,804	-2,804	67,125
Net Operating Result before grants and contributions provided for capital purposes	1,268	-2,779	0	0	0	0	-3,618	-6,397	-3,618	62,770

Capital Budget Review Statement										
North Sydney Council										
Budget review for the quarter ended 30/09/2025										
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
CAPITAL FUNDING										
Rates & other untied funding	13,881	14,156					0	14,156	0	1,694
Capital Grants & Contributions	2,852	2,542					0	2,542	0	630
Reserves - External Restrictions	10,040	36,121					5,115	41,236	5,115	5,654
Reserves - Internally Allocated	5,710						2,473	2,473	2,473	32
New Loans	8,178						0	0	0	0
Proceeds from sale of assets							0	0	0	0
Other - specify							0	0	0	0
Total Capital Funding	40,661	52,819	0	0	0	0	7,588	60,407	7,588	8,010
CAPITAL EXPENDITURE										
WIP	20,081						0	0	0	0
New Assets	3,318	37,623					5,306	42,929	5,306	6,284
Asset Renewal	17,262	15,196					2,282	17,478	2,282	1,726
Other - specify							0	0	0	0
Total Capital Expenditure	40,661	52,819	0	0	0	0	7,588	60,407	7,588	8,010
Net Capital Funding - Surplus /(Deficit)	0	0	0	0	0	0	0	0	0	0

Cash and Investments Budget Review Statement										
North Sydney Council										
Budget review for the quarter ended 30/09/2025										
Description	Previous Year Actual 2024/25 \$000's	Current Year Original Budget 2025/26 \$000's	Approved Changes Review Q 1 \$000's	Approved Changes Review Q 2 \$000's	Approved Changes Review Q 3 \$000's	Revised Budget \$000's	Recommended changes for council resolution Q1 \$000's	Projected Year End (PYE) Result 2025/26 \$000's	VARIANCE ORIGINAL budget v PYE 2025/26 \$000's	ACTUAL YTD 2025/26 \$000's
Total Cash, Cash Equivalents & Investments	141,442	118,727					6,593	125,320	6,593	157,964
EXTERNALLY RESTRICTED										
Water Fund	0						0	0	0	0
Sewer Fund	0						0	0	0	0
Developer contributions - General	52,366	57,801					3,971	61,772	3,971	56,630
Developer contributions - Water	0						0	0	0	0
Developer contributions - Sewer	0						0	0	0	0
Transport for NSW Contributions	0	1,896					102	1,998	102	0
Domestic waste management	15,544	17,261					356	17,617	356	20,914
Stormwater management	84	0					0	0	0	353
NSOP project loans (for FY2025) and Specific grants and and special levies	34,500	4,526					2,563	7,089	2,563	32,190
Total Externally Restricted	102,494	81,484	0	0	0	0	6,992	88,476	6,992	110,087
Cash, cash equivalents & investments not subject to external restrictions	38,948	37,243	0	0	0	0	-399	36,844	-399	47,877
INTERNAL ALLOCATIONS										
Employee leave entitlements	7,127	7,127					0	7,127	0	7,127
Deposits, retentions and bonds	14,969	13,137					2,728	15,865	2,728	16,378
Project carry-forward balances	2,459						-14	-14	-14	1,262
Bradfield and Cammeray park reserves	6,205	1,435					5,088	6,523	5,088	7,277
Total Internally Allocated	30,760	21,699	0	0	0	0	7,802	29,501	7,802	32,044
Unallocated	8,188	15,544	0	0	0	0	-8,201	7,343	-8,201	15,833

Developer Contributions Summary																					
North Sydney Council																					
Budget review for the quarter ended 30/09/2025																					
Purpose	Opening Balance	Developer Contributions Received									Interest Earned	Interest Earned	Interest Earned	Amounts Expended	Amounts Expended	Amounts Expended	Internal Borrowings (to)/from	Internal Borrowings (to)/from	Internal Borrowings (to)/from	Held as Restricted Asset	Cumulative balance of internal borrowings (to)/from
		Cash	Cash	Cash	Non-Cash Land	Non-Cash Land	Non-Cash Land	Non-Cash Other	Non-Cash Other	Non-Cash Other											
		Q1	Q2	Q3	Q1	Q2	Q3	Q1	Q2	Q3											
	As at 1 July 2025 \$000's	Q1 \$000's	Q2 \$000's	Q3 \$000's	Q1 \$000's	Q2 \$000's	Q3 \$000's	Q1 \$000's	Q2 \$000's	Q3 \$000's	Q1 \$000's	Q2 \$000's	Q3 \$000's	Q1 \$000's	Q2 \$000's	Q3 \$000's	Q1 \$000's	Q2 \$000's	Q3 \$000's	As at this Q \$000's	As at this Q \$000's
Drainage	0																			0	
Roads	0																			0	
Traffic facilities	0																			0	
Parking	0																			0	
Open space	12,423	879									133			24						13,411	
Community facilities	4,866	174									50									5,090	
Other	15,097	528									156									15,781	
Total S7.11 Under plans	32,386	1,581	0	0	0	0	0	0	0	0	339	0	0	24	0	0	0	0	0	34,282	0
S7.11 Not under plans	0																			0	
S7.12 Levies	8,697	696									94									9,487	
S7.4 Planning agreements	11,283	1,998									133									13,414	
S64 Contributions	0																			0	
Other	0																			0	
Total Developer Contributio	52,366	4,275	0	0	0	0	0	0	0	0	566	0	0	24	0	0	0	0	0	57,183	

Statement by Responsible Accounting Officer

(Clause 203(2) of the Local Government (General) Regulation 2021)

The following statement is made in accordance with Clause 203(2) of the Local Government (General) Regulation 2021.

It is my opinion that the Quarterly Budget Review Statement for North Sydney **Council** for the quarter ended 30 September 2025 indicates that Council's projected financial 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.

While Council is maintaining the minimum level of unrestricted reserves required to support its liquidity position, the asset renewal ratio remains low. The current liquidity has been achieved largely through reduced spending on asset renewals, exposing Council to increased financial and infrastructure risk in the longer term.

Remedial Action:

To address this risk, Council needs to identify and secure additional sources of income to ensure adequate funding for future asset renewal programs.

Name: Aigul Utegenova
Date **6/11/2025**