

9.1. Quarterly Budget Review 2 - December 2025

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ATTACHMENTS	1. Data return - Dec 2025 - V 5 [9.1.1 - 5 pages] 2. Statement by Responsible Accounting Officer Dec 2025 [9.1.2 - 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 *December 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.
- **Decrease in Operating Deficit (before Capital Grants and Contributions):** The deficit decreased by \$0.80m to \$5.60m.

The reduction in the Deficit primary relates to the following factors:

- \$1.1m higher than budgeted interest income, driven by higher than anticipated interest rates, delays in capital expenditure associated with the North Sydney Olympic Pool project and other capital works. \$0.4m of interest income is restricted, primarily within Development Contributions reserves, meaning it cannot be used for general operations.
- \$0.58m in additional operating grants received, or agreed to be received, by Council during the current financial year.

These improvements are expected to be partially offset by:

- \$1m lower-than-budgeted user charges, particularly from hoarding fees which is offset by \$140k higher than budget of the income received from the New Year ticketing.

- \$68k increase in interest expense associated with the new loan received in November 2025, adjusted to reflect the final interest rate.
 - **Operating results (before Capital Grants and Contributions) excluding Domestic Waste Services:** Domestic Waste Services income is restricted to the provision of Domestic Waste Services only. Any surplus generated at year-end cannot be used to fund other operational or capital purposes.
- To assess Council's underlying operational performance, the Domestic Waste Services surplus is excluded. After excluding Domestic Waste Services from the General Fund, the Operating Deficit (before Capital Grants and Contributions) is \$7.67m.
- **Increase in Operating and Capital grants:** Operating and Capital Grants increased by \$0.45m due to new grants Council has received since the adoption of the original budget.
 - **No material change in Capital Budget:** No material change to the overall capital program, with minor net adjustments of \$0.24m.
 - **Borrowings:** A \$10m loan was drawn down in November 2025 to fund the North Sydney Olympic Pool project, as budgeted.
 - **Cash and Investment and externally restricted funds:** Cash, cash equivalents and investments are forecast at \$125.75m, representing an increase of \$0.43m compared to the September projection. This balance comprises \$88.41m in externally restricted funds, \$29.50m in internally restricted funds, and \$7.84m in unrestricted funds – which does not meet policy targets for liquidity.

RECOMMENDATION:

1. **THAT** Council adopt the Quarterly Budget Review Statement 2 – December 2025 report in accordance with clause 203 of the Local Government (General) Regulation 2021.
2. **THAT** Council endorse the budget adjustments 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 guidelines have been developed to ensure council staff report clearly and consistently to their councillors and communities, and in a manner that provides relevant and easy to read financial information.

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

Report

The *Delivery Program and Operational Plan 2025-2029* contain a series of actions to be taken in response to Council's financial position including a targeted financial repair program, a property review, and new financial modelling.

The financial repair target included a combination of cost reductions, productivity gains, lower service levels, and increased non-rate revenue. The property review considers divestment opportunities to address current financial issues including the North Sydney Olympic Pool and infrastructure backlogs.

All financial repair considerations were informed by comprehensive community engagement that extended beyond the relevant period for this report.

Between August 2025 and December 2025, Council's *North Sydney – Towards a Sustainable Future* community engagement program was undertaken to inform financial strategy and modelling. The results of this engagement concluded:

1. that the community would not like to see service reduction.
2. that Council should not deal with the current and any future financial issues by selling investment properties now, rather than increasing rates or fees.

In response, Council's financial repair target was adjusted at the September 2025 Quarterly Budget Review to reflect Council's decision not to reduce services.

In addition, the special variation application does not provide for new and upgraded infrastructure needs. To provide for this capacity, the property review will continue with a focus on supporting new infrastructure to support projects within the Development Contribution Plan and other emerging needs in response to recent acceleration of housing targets for the Local Government Area. This ensures that the proceeds from any property transactions have long-term benefit.

It should be noted, those public land holdings with the highest community value will require considerable planning and engagement to be undertaken prior to consideration of sale. This will ensure the Council realises maximum community value. They therefore do not represent a short-term opportunity. The special variation application allocates funding for this planning.

In response to continuing uncertainty regarding Council's financial position, liquidity measures, including reduced staffing, continue to be pursued.

Original Budget

Operating Income and Expenses

The 2025-26 original budget projected a deficit of \$2.78m before capital grants and contributions, and an operating result from continuing operations of \$10.61m. 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 \$6.0m net result improvement target, comprising a \$1.0m increase in fees and charges income, a \$1.0m increase in other income, a \$1.0m reduction in employee costs, and a \$3.0m reduction in materials and services.

This budget was adjusted through the September Quarterly Budget Review (QBR) process resulting in a forecast deficit of \$6.40m before capital grants and contributions, and an operating result from continuing operations of \$7.80m. Details in relation to this review can be found in report 10.3 contained within the business paper for the Ordinary Council meeting held 17 November 2025.

Capital Expenditures

The original budget allocated \$52.82m for capital works and the replacement of plant and equipment. This was increased within the September QBR to \$60.41m.

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 included the \$6 million budget improvement target.

In the September QBR, the total increased to \$125.32m, comprising \$88.476m in externally restricted, \$29.501m in internally restricted, and \$7.343m in unrestricted funds.

Actual v Budget YTD

The following table provides a comparison between actual and budget for revenue and expenditure. This provides a snapshot in time, with variations not indicative of expected year end performance due to timing of revenue and expenditure rather than overall financial performance.

Income Statement - Net Operating Result	YTD Actuals	YTD Budget	YTD Variance	YTD Variance, %
Rates and Annula Charges	83,763	83,465	298	0.4%
Users fees and charges	17,313	17,486	-173	-1.0%
Other revenue*	5,810	5,717	93	1.6%
Grants and contributions provided for operating purposes	2,196	2,042	154	7.5%
Grants and contributions provided for capital purposes	5,995	5,186	809	15.6%
Interest and investment income	2,351	1,956	395	20.2%
Other income*	2,707	2,898	-191	-6.6%
Revenue From Ordinary Activities	120,135	118,749	1,386	1.2%
Expenses From Continuing Operations	-	-	-	0.0%
Employee benefits and on-costs	25,426	26,731	1,305	4.9%
Materials and services	28,613	28,795	182	0.6%
Borrowing costs	1,216	1,244	28	2.3%
Depreciation and amortisation	13,558	13,650	92	0.7%
Other expenses	2,972	2,976	4	0.1%
Net losses from the disposal of assets	-18	138	156	112.7%
Total Expenses from Continuing Operations	71,767	73,534	1,767	2.4%
Operating Result from continuing operations	48,369	45,215	3,153	7.0%
Net Operating Result before grants and contributions provided for capital purposes	42,373	40,029	2,344	5.9%

Revenue from Ordinary Activities totals \$120.14m, exceeding the YTD budget by \$1.39m (1.2%).

Key drivers include:

- Rates and Annual Charges are marginally above budget by \$0.30m. Council reconciles adjustments due to land valuation objections in the third quarter, which will then inform a proposed variation in the March QBR.
- Grants and Contributions (Non-Capital) are \$0.15m favourable, largely due to timing and additional grant receipts.

- Grants and Contributions for Capital Purposes exceed budget by \$0.81m (15.6%), primarily due to the timing of capital grant recognition.
- Interest income is \$0.40m above budget, driven by higher cash balances and favourable interest rates.
- These favourable variances are partially offset by lower-than-budget user charges and fees (\$0.17m unfavourable) and other income (\$0.19m unfavourable), reflecting softer activity levels and timing impacts.

Total Expenses from Continuing Operations are \$71.77m, which is \$1.77m below budget (2.4%).

Key drivers include:

- Employee benefits and on-costs are \$1.31m below budget. This includes \$0.5m in timing difference for workers compensation and \$0.49m in savings transferred to materials and contracts for positions filled through contract (included in variations below). Council also continues to pursue liquidity measures including holding some positions vacant. Potential savings will be reviewed at the March QBR.
- Materials and services expenditure is \$0.18m below budget, reflecting the timing of procurement and project preparation activities in the first half of the year, with delivery and invoicing expected to occur in the second half.
- Borrowing costs are marginally below budget, consistent with the timing of loan drawdowns.
- Depreciation and amortisation is broadly in line with budget.
- Net losses from the disposal of assets are \$0.16m favourable, primarily due to the timing of the capitalisation of IPPE assets and partial disposals.

Overall, the year-to-date performance is satisfactory and broadly in line with expectations, with lower-than-anticipated hoarding fee income largely offset by higher-than-expected interest income and savings in employee costs.

QBR2 December 2025 forecast and adjustments

The table on the next page summarises the changes proposed to QBR 2 followed by the description of the changes.

Description	Amount, \$
Roads to Recovery based on the amount announced by Infrastructure NSW in January 2026	370,607

Grants and contributions provided for capital purposes

Capital grant adjustments include \$25k for the Heritage Centre and Don Bank Museum building refurbishment, partially offset by a reduction of \$150.4k in expected grant funding for the Drainage Program (Gross Pollutant Traps upgrade).

Description	Amount, \$
Heritage Centre & Don Bank Museum Building refurbishment	25,000
Gross Pollutant Traps Upgrade grant	(154,500)

Interest and Investments Income

Interest and investment income is higher than budgeted, reflecting delays in capital works and higher-than-anticipated interest rates. \$0.4m of interest income is restricted, primarily within Development Contributions reserves, meaning it cannot be used for general operations.

Expenses from Continuing Operations

Employee Benefits and oncost

Employee costs have been reduced by \$0.49m due to the reallocation of budget to materials and services, reflecting the continued use of contract labor in response to recruitment timing due to challenges in filling permanent positions and in some instances to provide flexibility in response to financial uncertainty.

Materials and Services

Materials and services expenditure has increased by \$0.47m, which is mostly related to offsetting the reduction in employee costs and reflecting expenditure on the contracted workforce, as well as other minor variances.

Borrowing costs

Borrowing costs have increased by \$68k to reflect the timing of loan drawdown and the impact of higher projected and actual interest rates.

Capital Budget

The total increase of \$0.24m is proposed which includes:

- \$0.27m for capital works to rectify defects at Hume Street, funded through the contractor's bank guarantee. The bank guarantee income was recognised in the previous financial year, with the work to be undertaken in the current year.

- \$25k for grant-funded works at the Heritage Centre and Don Bank Museum.
- \$35k increase allows for up to four additional parking meters.
- \$68k for construction works at Grasmere Reserve Playground, due to higher than budgeted contract costs. This project was funded from the Developer Contributions Reserve.
- \$154.5k reduction in Gross Pollutant Trap network expansion works, as the Urban Rivers grant funding was not confirmed for this financial year.

Cash Reserves

Cash, cash equivalents and investments are forecast at \$125.75m, representing an increase of \$0.43m compared to the September projection. This balance comprises \$88.41m in externally restricted funds, \$29.50m in internally restricted funds, and \$7.84m in unrestricted funds.

Council's Restricted Reserves Policy sets a minimum unrestricted cash balance at the equivalent of one month of operating expenses, plus loan repayments, excluding operating expenses related to domestic waste. Based upon the adopted budget, this equates to \$11.03m. It should be noted that current forecast unrestricted reserve level of \$7.84m does not meet this requirement.

The OLG Data Return provides a limited level of detail for reserve accounts; accordingly, a detailed breakdown of the projected reserve balances is presented below.

Reserve Description	30 June 2026 Projected Balance \$
External reserves	
Other specific purpose contributions	1,997,762
Developer contributions	61,703,487
Specific purpose grants	5,441,393
Unexpended Special Rates	139,461
Domestic waste management	17,617,332
Stormwater management charges	540
Bradfield Park TfNSW Lease Reserve	857,844
Cammeray Park TfNSW Lease Reserve	650,142
Sydney Metro TfNSW Reserves	-
Total External Reserves	88,407,961
Internal reserves	
Project carry-forward balances	-
Income Producing Projects	498,000
I.T. hardware and software	-
Plant and vehicle replacement	2,907,797
Deposits, retentions, and bonds	15,865,497
Employees leave entitlement	7,127,000

Community Housing - Capital Purchases	1,010,000
Community Housing - Major Maintenance	491,000
Financial Assistance Grant	1,284,000
Kirribilli Neighbourhood Centre Reserve	77,250
Crows Nest Centre Reserve	240,505
Total Internal Reserves	29,501,049

Overall Financial Position

The proposed changes to the budget result in a net operating deficit before Capital Grants and Contributions of \$5.60 million. After excluding Domestic Waste Services from the General Fund, the Operating Deficit is \$7.67 million.

Taking into account principle loan repayments of \$2.30m and required interest transfers of \$2.33m to external reserves, this results in a deficit of \$12.3m in available annual infrastructure renewal funding based upon a minimum benchmark of 100% depreciation.

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, nor is funding put aside in reserve for this purpose. This trend will continue to impact intergenerational equity. This reinforces the need for additional and sustainable funding sources to address both operating shortfalls and long-term asset renewal requirements.

The reduced income from user charges and fees due to market changes, and increased interest income due to interest rate changes and capital project delays further highlight the financial sensitivities within adopted budgets.

Importantly, Council's productivity and improvement efforts remain on track to deliver forecast savings as a result of the continued focus and effort from staff from across Council.

Under the mandated Quarterly Budget Review Statement Guidelines, Councillors are required to consider the QBRS presented to it, resolve to note the QBRS and adopt appropriate action to correct an unsatisfactory position identified in the QBRS.

During the reporting period, Council has undertaken community engagement and financial modelling to assess Council's financial performance and sustainability. Based upon expected levels of service and infrastructure obligations, the financial position based upon expected service levels is unsustainable without a special rate variation.

In response, Council has submitted a further application to IPART to address its underlying financial sustainability, including persistent operating deficits, poor systems, ongoing asset renewal deficits and growing infrastructure concerns.

Should the special variation application be unsuccessful, Council will have to consider a substantial reduction of services and continued asset deterioration.

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 \$5.60m. After excluding Domestic Waste Services from the General Fund, the Operating Deficit is \$7.67m.

Council continues to operate with reduced or temporary contract staff in a number of areas due to financial uncertainty. This reduction in resourcing increases organisational, compliance and delivery risks.

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.

The Quarterly Budget Review Statement Guidelines have been issued under section 203 (3) of the Local Government (General) regulations 2021. This means that it is mandatory that all NSW Councils comply with the Guidelines.

QBRS FINANCIAL OVERVIEW											
North Sydney Council											
Budget review for the quarter ended 31/12/25											
DESCRIPTION	Previous Year	Current Year	Approved	Approved	Approved	Revised	Recommended	Projected	VARIANCE	ACTUAL	
	Actual	Budget	Changes	Changes	Changes	Budget	changes	Year End (PYE)	ORIGINAL	YTD	
	2024/25	2025/26	Review	Review	Review		for council	Result	budget v PYE	2025/26	
	\$000's	\$000's	Q 1	Q 2	Q 3	\$000's	resolution	2025/26	2025/26	2025/26	
			\$000's	\$000's	\$000's		\$000's	\$000's	\$000's	\$000's	
Net Operating Result before grants and contributions provided for capital purposes	General Fund	1,268	-2,778	-3,618	0	0	-6,396	800	-5,596	-2,818	42,373
	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	-2,778	-3,618	0	0	-6,396	800	-5,596	-2,818	42,373
Operating Result from continuing operations (with capital grants and contributions) excluding depreciation, amortisation and impairment of non financial assets	Consolidated										
		45,588	42,127	-2,839	0	0	39,288	671	39,959	-2,168	61,926
Borrowings	Total borrowings	50,578	56,406	0			56,406	0	56,406	0	58,708
Liquidity	External restrictions	102,494	81,484	6,992	0	0	88,476	-68	88,408	6,924	111,401
	Internal Allocations	30,760	21,699	7,802	0	0	29,501	0	29,501	7,802	30,783
	Unallocated	8,188	15,544	-8,201	0	0	7,343	498	7,841	-7,703	20,730
	Total Cash, Cash Equivalents and Investments	141,442	118,727	6,593	0	0	125,320	430	125,750	7,023	162,914
Capital	Capital Funding	40,661	52,819	7,588	0	0	60,407	241	60,648	7,829	18,949
	Capital Expenditure	40,661	52,819	7,588	0	0	60,407	241	60,648	7,829	18,949
	Net Capital	0	0	0	0	0	0	0	0	0	0

	Opening Balance	Total Cash Contributions Received	Total Interest Earned	Total Expended	Total Internal Borrowings (to)/from	Held as Restricted Asset	Cumulative balance of internal borrowings (to)/from
	As at 1 July 2025	As at this Q	As at this Q	As at this Q	As at this Q	As at this Q	As at this Q
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Developer Contribution	Total Developer Contributions	52,366	5,762	1,140	235	0	59,033

Income and Expenses Budget Review Statement										
North Sydney Council										
Budget review for the quarter ended 31/12/2025										
General Fund										
Description	Previous Year	Current Year	Approved	Approved	Approved	Revised	Recommended	Projected	VARIANCE	ACTUAL
	Actual	Original	Changes	Changes	Changes	Budget	changes	Year End (PYE)	ORIGINAL	YTD
	2024/25	2025/26	Review	Review	Review	\$000's	for council	Result	budget v PYE	2025/26
	\$000's	\$000's	Q 1	Q 2	Q 3		resolution	2025/26	2025/26	2025/26
			\$000's	\$000's	\$000's		\$000's	\$000's	\$000's	\$000's
INCOME										
Rates and Annual Charges	79,820	83,465	0			83,465	0	83,465	0	83,763
User Charges and Fees	30,734	38,323	-781			37,542	-840	36,702	-1,621	17,313
Other Revenue	13,967	10,895	18			10,913	0	10,913	18	5,810
Grants and Contributions - Operating	4,869	4,455	101			4,556	577	5,134	679	2,196
Grants and Contributions - Capital	13,909	13,387	814			14,201	-130	14,072	685	5,995
Interest and Investment Income	5,759	3,912	0			3,912	1,096	5,008	1,096	2,351
Other Income	5,522	7,571	-639			6,932	0	6,932	-639	2,707
Net gain from disposal of assets	0	0	0			0	0	0	0	0
Total Income from continuing operations	154,580	162,008	-486	0	0	161,522	704	162,225	217	120,135
EXPENSES										
Employee benefits and on-costs	48,080	57,238	-794			56,444	-489	55,955	-1,283	25,426
Materials & Services	52,555	54,891	3,153			58,044	467	58,510	3,619	28,613
Borrowing Costs	2,365	2,488	0			2,488	68	2,556	68	1,216
Other Expenses	5,109	4,987	-6			4,981	-13	4,968	-19	2,972
Net Loss from Disposal of Assets	883	277	0			277	0	277	0	-18
Total Expenses from continuing operations excluding depreciation, amortisation and impairment of non financial assets	108,992	119,881	2,353	0	0	122,234	33	122,266	2,385	58,209
Operating Result from continuing operations excluding depreciation, amortisation and impairment of non financial assets	45,588	42,127	-2,839	0	0	39,288	671	39,959	-2,168	61,926
Depreciation, amortisation and impairment of non financial assets	30,411	31,518	-35			31,483	0	31,483	-35	13,558
Operating result from continuing Operations	15,177	10,609	-2,804	0	0	7,805	671	8,476	-2,133	48,369
Net Operating Result before grants and contributions provided for capital purposes	1,268	-2,778	-3,618	0	0	-6,396	800	-5,596	-2,818	42,373

Capital Budget Review Statement North Sydney Council										
Budget review for the quarter ended 31/12/2025										
Description	Previous Year	Current Year Original	Approved Changes	Approved Changes	Approved Changes	Revised	Recommended changes for council resolution	Projected Year End (PYE)	VARIANCE	ACTUAL YTD
	Actual 2024/25 \$000's	Budget 2025/26 \$000's	Review Q 1 \$000's	Review Q 2 \$000's	Review Q 3 \$000's	Budget \$000's	\$000's	Result 2025/26 \$000's	ORIGINAL budget v PYE 2025/26 \$000's	2025/26 \$000's
CAPITAL FUNDING										
Rates & other untied funding	13,881	14,156	0			14,156	302	14,458	302	3,103
Capital Grants & Contributions	2,852	2,542	0			2,542	0	2,542	0	1,111
Reserves - External Restrictions	10,040	36,121	5,115			41,236	-61	41,175	5,054	14,654
Reserves - Internally Allocated	5,710	0	2,473			2,473	0	2,473	2,473	81
New Loans	8,178	0	0			0	0	0	0	0
Proceeds from sale of assets	0	0	0			0	0	0	0	0
Other	0	0	0			0	0	0	0	0
Total Capital Funding	40,661	52,819	7,588	0	0	60,407	241	60,648	7,829	18,949
CAPITAL EXPENDITURE										
WIP	20,081	0	0			0	0	0	0	0
New Assets	3,318	37,623	5,306			42,929	-86	42,843	5,220	15,765
Asset Renewal	17,262	15,196	2,282			17,478	327	17,805	2,609	3,184
Other	0	0	0			0	0	0	0	0
Total Capital Expenditure	40,661	52,819	7,588	0	0	60,407	241	60,648	7,829	18,949
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 31/12/2025										
Description	Previous Year	Current Year Original	Approved Changes	Approved Changes	Approved Changes	Revised	Recommended changes for council resolution	Projected Year End (PYE)	VARIANCE	ACTUAL YTD
	Actual 2024/25 \$000's	Budget 2025/26 \$000's	Review Q 1 \$000's	Review Q 2 \$000's	Review Q 3 \$000's	Budget \$000's	\$000's	Result 2025/26 \$000's	ORIGINAL budget v PYE 2025/26 \$000's	2025/26 \$000's
Total Cash, Cash Equivalents & Investments	141,442	118,727	6,593			125,320	430	125,750	7,023	162,914
EXTERNALLY RESTRICTED										
Water Fund	0	0	0			0	0	0	0	0
Sewer Fund	0	0	0			0	0	0	0	0
Developer contributions - <i>General</i>	52,366	57,801	3,971			61,772	-68	61,703	3,902	58,863
Developer contributions - <i>Water</i>	0	0	0			0	0	0	0	0
Developer contributions - <i>Sewer</i>	0	0	0			0	0	0	0	0
Transport for NSW Contributions	0	1,896	102			1,998	0	1,998	102	1,508
Domestic waste management	15,544	17,261	356			17,617	0	17,617	356	19,584
Stormwater management	84	0	0			0	0	0	0	166
Other	34,500	4,526	2,563			7,089	0	7,089	2,563	31,280
Total Externally Restricted	102,494	81,484	6,992	0	0	88,476	-68	88,408	6,924	111,401
Cash, cash equivalents & investments not subject to external restrictions	38,948	37,243	-399	0	0	36,844	498	37,343	100	51,513
INTERNAL ALLOCATIONS										
Employee entitlements	7,127	7,127	0			7,127	0	7,127	0	7,127
Deposits, retentions and bonds	14,969	13,137	2,728			15,865	0	15,865	2,728	16,465
Project carry-forward balances	2,459	0	-14			-14	14	0	0	497
Plant and vehicle replacement	2,922	0	2,922			2,922	-14	2,908	2,908	2,071
Financial Assistance Grant	1,284	0	1,284			1,284	0	1,284	1,284	1,284
Community Housing - Capital Purchases	1,010	0	1,010			1,010	0	1,010	1,010	1,010
Other	989	1,435	-128			1,307	0	1,307	-128	2,329
Total Internally Allocated	30,760	21,699	7,802	0	0	29,501	0	29,501	7,802	30,783
Unallocated	8,188	15,544	-8,201	0	0	7,343	498	7,841	-7,703	20,730

Developer Contributions Summary												
North Sydney Council												
Budget review for the quarter ended 31/12/2025												
Purpose	Opening Balance As at 1 July 2025 \$000's	Developer Contributions Received			Interest Earned Q1 \$000's	Interest Earned Q2 \$000's	Interest Earned Q3 \$000's	Monetary Amounts Expended Q1 \$000's	Monetary Amounts Expended Q2 \$000's	Monetary Amounts Expended Q3 \$000's	Held as Restricted Asset As at this Q \$000's	Cumulative balance of internal borrowings (to)/from As at this Q \$000's
		Cash Q1 \$000's	Cash Q2 \$000's	Cash Q3 \$000's								
Drainage											0	
Roads											0	
Traffic facilities		1									1	
Parking											0	
Open space	12,423	1,354	70		266	269		24	211		14,147	
Community facilities	4,866	175	9		61	62					5,173	
Other	15,097	51	3		13	13					15,177	
Total S7.11 Under plans	32,386	1,581	82	0	340	344	0	24	211	0	34,498	0
S7.11 Not under plans											0	
S7.12 Levies	8,697	696	923		93	95					10,504	
S7.4 Planning agreements	11,283	1,998	482		133	135					14,031	
S64 Contributions											0	
Other											0	
Total Developer Contributions	52,366	4,275	1,487	0	566	574	0	24	211	0	59,033	0

Note: Compared to the September 2025 QBRS, amounts have been reclassified within the Developer Contributions Plan, resulting in movements between line items.

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 31 December 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.

The operating deficit improved this quarter, primarily due to higher interest income and additional operating grants. However, these favourable movements were partially offset by user charges falling below budget expectations. Performance for the period to date remains favourable, largely attributable to timing differences. Notwithstanding this result, the underlying operating deficit and the ongoing asset renewal backlog continue to raise concerns regarding long-term financial sustainability.

Remedial Action:

Council has applied to IPART for sustainable funding to address persistent deficits and the asset renewal backlog. Management continues to pursue liquidity measures, including holding staff vacancies and utilizing contract labour for flexibility.

Name: Aigul Utegenova

Date: **11/2/2026**