

# TAMWORTH REGIONAL COUNCIL

Notice is hereby given, in accordance with the provisions of the Local Government Act 1993 that a **Extraordinary Meeting of Tamworth Regional Council** will be held in the **Council Chambers, Lands Building, Nemingha Room, 25-27 Fitzroy Street, Tamworth**, commencing at **6.30pm**.

## EXTRAORDINARY COUNCIL AGENDA

**27 NOVEMBER 2025**

PAUL BENNETT  
GENERAL MANAGER

---

---

## Order of Business

ITEM	SUBJECT	PAGE NO
1	APOLOGIES AND LEAVE OF ABSENCE .....	4
2	COMMUNITY CONSULTATION.....	4
3	DISCLOSURE OF INTEREST .....	4
	OPEN COUNCIL REPORTS	4
4	GOVERNANCE, STRATEGY AND FINANCE.....	4
4.1	NSW COUNTRY RUGBY FUNDING REQUEST .....	4
4.2	TAMWORTH REGIONAL COUNCIL 2024/2025 ANNUAL REPORT .....	7
		<b>1 ANNEXURES ATTACHED</b>
4.3	2025/2026 QUARTERLY BUDGET REVIEW STATEMENTS TO 30 SEPTEMBER 2025 .....	8
		<b>4 ANNEXURES ATTACHED</b>

## Council

Meeting Date: 2<sup>nd</sup> and 4<sup>th</sup> Tuesday of the month commencing at 6:30pm.

Matters determined by Ordinary meetings will include all those non-delegable functions identified in Section 377 of the Local Government Act as follows:

- *“the appointment of a general manager*
- *the making of a rate*
- *a determination under section 549 as to the levying of a rate*
- *the making of a charge*
- *the fixing of a fee*
- *the borrowing of money*
- *the voting of money for expenditure on its works, services or operations*
- *the compulsory acquisition, purchase, sale, exchange or surrender of any land or other property (but not including the sale of items of plant or equipment)*
- *the acceptance of tenders which are required under this Act to be invited by the council*
- *the adoption of an operational plan under section 405*
- *the adoption of a financial statement included in an annual financial report*
- *a decision to classify or reclassify public land under Division 1 of Part 2 of Chapter 6*
- *the fixing of an amount or rate for the carrying out by the council of work on private land*
- *the decision to carry out work on private land for an amount that is less than the amount or rate fixed by the council for the carrying out of any such work*
- *the review of a determination made by the council, and not by a delegate of the council, of an application for approval or an application that may be reviewed under section 82A of the [Environmental Planning and Assessment Act 1979](#)*
- *the power of the council to authorise the use of reasonable force for the purpose of gaining entry to premises under section 194*
- *a decision under section 356 to contribute money or otherwise grant financial assistance to persons*
- *the making of an application, or the giving of a notice, to the Governor or Minister*
- *this power of delegation*
- *any function under this or any other Act that is expressly required to be exercised by resolution of the council.”*

Other matters and functions determined by Ordinary Council Meetings will include:

- *Notices of Motion*
- *Notices of Motion of Rescission*
- *Council Elections, Polls, Constitutional Referendums and Public Hearings/Inquiries*
- *Ministerial Committees and Inquiries*
- *Mayor and Councillors Annual Fees*
- *Payment of Expenses and Provision of Facilities to Mayor and Councillors*
- *Local Government Remuneration Tribunal*
- *Local Government Boundaries*
- *NSW Ombudsman*
- *Administrative Decisions Tribunal*
- *Delegation of Functions by the Minister*
- *Delegation of Functions to General Manager and Principal Committees*
- *Organisation Structure*
- *Code of Conduct*
- *Code of Meeting Practice*
- *Honesty and Disclosure of Interests*
- *Access to Information*
- *Protection of Privacy*
- *Enforcement Functions (statutory breaches/prosecutions/recovery of rates)*
- *Dispute Resolution*
- *Council Land and Property Development*
- *Annual Financial Reports, Auditors Reports, Annual Reports and Statement of the Environment Reports*
- *Performance of the General Manager*
- *Equal Employment Opportunity*
- *Powers of Entry*
- *Liability and Insurance*
- *Membership of Organisations*

**Membership:** All Councillors  
**Quorum:** Five members  
**Chairperson:** The Mayor  
**Deputy Chairperson:** The Deputy Mayor

## Community Consultation Policy

The first 30 minutes of Open Council Meetings is available for members of the Public to address the Council Meeting or submit questions either verbally or in writing, on matters INCLUDED in the Business Paper for the Meeting.

Members of the public will be permitted a maximum of three minutes to address the Council Meeting. An extension of time may be granted if deemed necessary.

Members of the public seeking to represent or speak on behalf of a third party must satisfy the Council or Committee Meeting that he or she has the authority to represent or speak on behalf of the third party.

Members of the public wishing to address Council Meetings are requested to contact Council either by telephone, in person or online prior to 4:30pm the day prior to the Meeting to address the Council Meeting. Persons not registered to speak will not be able to address Council at the Meeting.

Council will only permit three speakers in support and three speakers in opposition to a recommendation contained in the Business Paper. If there are more than three speakers, Council's Governance division will contact all registered speakers to determine who will address Council. In relation to a Development Application, the applicant will be reserved a position to speak.

Members of the public will not be permitted to raise matters or provide information which involves:

- personnel matters concerning particular individuals (other than Councillors);
- personal hardship of any resident or ratepayer;
- information that would, if disclosed confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business;
- Commercial information of a confidential nature that would, if disclosed:
  - prejudice the commercial position of the person who supplied it, or
  - confer a commercial advantage on a competitor of the Council; or
  - reveal a trade secret;
- information that would, if disclosed prejudice the maintenance of law;
- matters affecting the security of the Council, Councillors, Council staff or Council property;
- advice concerning litigation or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege;
- information concerning the nature and location of a place or an item of Aboriginal significance on community land;
- alleged contraventions of any Code of Conduct requirements applicable under Section 440; or
- on balance, be contrary to the public interest.

Members of the public will not be permitted to use Community Consultation to abuse, vilify, insult, threaten, intimidate or harass Councillors, Council staff or other members of the public. Conduct of this nature will be deemed to be an act of disorder and the person engaging in such behaviour will be ruled out of the order and may be expelled.

### Disclosure of Political Donations or Gifts

If you have made a relevant planning application to Council which is listed for determination on the Council Business Paper you must disclose any political donation or gift made to any councillor or employee of the Council within the period commencing two years before the application is made and ending when the application is determined (Section 147(4) Environmental Planning and Assessment Act 1979).

If you have made a relevant public submission to Council in relation to a relevant planning application which is listed for determination on the Council Business Paper you must disclose any political donation or gifts made to any councillor or employee of the Council by you as the person making the submission or any associate within the period commencing two years before the submission is made and ending when the application is determined (Section 147(5) Environmental Planning and Assessment Act 1979).

## AGENDA

### **1 APOLOGIES AND LEAVE OF ABSENCE**

### **2 COMMUNITY CONSULTATION**

### **3 DISCLOSURE OF INTEREST**

Pecuniary Interest

Non Pecuniary Conflict of Interest

Political Donations

### **OPEN COUNCIL REPORTS**

### **4 GOVERNANCE, STRATEGY AND FINANCE**

#### **4.1 NSW COUNTRY RUGBY FUNDING REQUEST**

**DIRECTORATE:** REGIONAL SERVICES

**AUTHOR:** Samuel Eriksson, Sports and Recreation Strategy Officer

#### **RECOMMENDATION**

*That in relation to the report “NSW Country Rugby Funding Request”, Council approves the request committing \$35,000 per year for a three-year agreement, beginning in 2026, to host the Senior Country Championships in Tamworth.*

#### **SUMMARY**

NSW Rugby Union has requested sponsorship from Tamworth Regional Council to support the hosting of the NSW Senior Country Championships in Tamworth in 2026, 2027 and 2028.

#### **COMMENTARY**

NSW Rugby Union, through NSW Country Rugby Union, delivers the annual NSW Senior Country Championships – a three-day “Country Week” carnival that brings together 20 representative men’s, women’s and colts teams from all nine NSW Country zones to contest the Caldwell Cup, Thomson Cup, Rowlands Colts Cup and Richardson Shield. The Championships provide regional players with a critical pathway from zone representation into NSW Country Cockatoos, Corellas and Colts squads and on to national competitions such as the Buildcorp Australian Rugby Shield.

The proposed “Country Week” program around the Championships extends beyond the senior country fixtures, with a suite of community-focused events designed to maximise local benefit. NSW Country Rugby Union intends to deliver a **Country Zone Team Skill Development Day and inter-zone trial matches**, evening **coach education and sports trainer education sessions**, **junior inter-zone trial games**, and a **NSW Country Rugby Union U18 boys open selection trial** in the lead-up to the main tournament. In addition, a **primary school engagement event** is proposed to introduce local children to rugby in a safe and welcoming format, while a **participants’ team dinner** provides an opportunity for visiting teams, local volunteers and community representatives to connect socially.

A financial partnership would position Tamworth as the official host city of the NSW Senior Country Championships, and bring with it strong destination branding across event naming, signage, media and streaming.

Hosting a major event in a regional city delivers significant economic benefits and stimulates overnight visitation both immediately and in the long term. During the event, the influx of attendees – including participants, officials, and spectators – drives demand for local accommodation, dining, and retail, providing an immediate boost to businesses and injecting revenue into the regional economy. Local service providers and vendors also benefit from increased activity, supporting job creation and economic growth.

Beyond the event itself, the heightened visibility of the region often attracts future visitors. Exposure through national broadcasting, media coverage and marketing efforts puts the city on the map as a destination for tourism. Positive experiences by attendees generate word-of-mouth recommendations and repeat visitation.

### ECONOMIC IMPACT

Based on the partnership offer from NSW Rugby Union, a single occurrence of a typical high-profile event is estimated to generate the economic impacts shown in Table 1 below.

Visitor Metrics provided by Rugby Union NSW:

- total participant and official attendance estimated at 1,300;
- approximately 1,905 travelling partners i.e. family, supporters; and
- 120 local players.

The economic profile, including event summary impact, utilised by Council regarding events is sourced via profile.id NEIR. NSW Country Rugby Union has advised it has utilised source data from Destination NSW.

The event is projected to generate in excess of \$840,000 in economic impact across a three-day period. This includes spending on accommodation, hospitality, retail, and visitor services.

Table 1. Total estimated impact

Total Estimated Impact			
	Output (\$)	Value-added (\$)	Local Jobs (annual jobs)
Direct impact	486,989	211,228	3
Industrial impact	225,189	99,748	0.8
Consumption impact	136,505	69,847	0.7
<b>Total impact on Tamworth Regional Council economy</b>	<b>848,683</b>	<b>380,823</b>	<b>5</b>
<b>Source - the above calculation was done using the Event Impact Calculator of economy.id</b>			
<b>Assumptions</b>			

1. The event falls under the category of 'sports and recreation' activities (in economy.id's categorisation)
2. Total visitors (over the 3 days of the event) will be 2,660 and 120 will be day visitors
3. The number of visitors will spread across evenly cross the 3 days (886 total visitors per day)
4. 4.5% of the visitors will be locals - whose attendance will be spread evenly across the 3 days (40 per day) - full calculation given below
5. 95.5% of the visitors will be regional - whose attendance will be spread evenly across the 3 days (846 per day) - full calculation given below
6. Spending per regional visitor will be \$201 - the value of spending per night during an overnight trip in December 2024 for New England North West as per TRA data
7. Spending per local will be equivalent to \$148 - the average amount of spending during day trips (in December 2024) in Australia on takeaways and restaurant meals, shopping/gifts/souvenirs, entertainment and petrol (as per TRA data)
8. It was assumed that the addition of the economic impact by spending from locals and regional visitors separately, will provide the total economic impact

The proposal provided aligns with Council's event objectives relating to economic benefit, community engagement, and regional sporting hub profile.

**(a) Policy Implications**

Nil

**(b) Financial Implications**

The Mayor and General Manager met with NSW Rugby Union and Representatives from Wests Entertainment Group. NSW Rugby advised they were keen to bring the event to Tamworth for 3 years, however they would require a sponsorship of \$65,000 per year to make that happen.

It is proposed that Council support the event for an amount of \$35,000 (cash and in-kind) for each of the 3 years. The Wests Entertainment Group indicated (at the above mentioned meeting) that they would also consider a co-contribution to support the event coming to Tamworth. This is to be considered formally at the next Wests Entertainment Group Board Meeting.

Council's Finance Division have suggested that, if supported by Council, the \$35,000 could be funded from current cash in the 2025/2026 financial year and added to Council's budget for 2026/2027 and 2027/2028. It is noted that this will have a negative impact on Council's bottom line.

Council's Finance team has also suggested that a review of Council's contributions to sporting events over the last three financial years be undertaken and a budget be set for such contributions annually each year.

**(c) Legal Implications**

Nil

**(d) Community Consultation**

Nil

**(e) Delivery Program Objective/Strategy**

Focus Area 3 – Prosperity and Innovation

Focus Area 8 – A Strong and Vibrant Identity

---

**4.2 TAMWORTH REGIONAL COUNCIL 2024/2025 ANNUAL REPORT**

**DIRECTORATE: OFFICE OF THE GENERAL MANAGER**

**AUTHOR: Katie Alchin, Manager Strategy & Performance**

**1 ANNEXURES ATTACHED**

**RECOMMENDATION**

*That in relation to the report “Tamworth Regional Council 2024/2025 Annual Report”, Council receive and note the 2024/2025 Annual Report.*

**SUMMARY**

Section 428 of the Local Government Act 1993, requires Council to prepare an Annual Report in accordance with the Integrated Planning and Reporting Guidelines, within five months of the end of the financial year. The report must outline Council’s achievements in implementing the Delivery Program and the effectiveness of the principal activities undertaken. The Annual Report must also include the audited financial statements and the Internal Audit and Risk Management Attestation Statement.

**COMMENTARY**

The Annual Report is one of the key accountability mechanisms between Council and the Community and is presented in a way that is appropriate for the Community.

The 2024/2025 Annual Report has been prepared under Section 428 (3) of the Local Government Act 1993, and in accordance with the guidelines under Section 406.

The report is presented in three sections:

- Section 1: Outline of achievements in implementing the 2023-2025 Our Delivery Plan for the 2024/2025 financial year;
- Section 2: Statutory Information which includes legislated requirements reporting under the NSW Local Government Act (1993); and
- Section 3: Audited 2024/25 Financial Statements and Internal Audit and Risk Management Annual Attestation.

The 2024/2025 Annual Report is **ATTACHED**, refer **ANNEXURE 1**.

The 2024/2025 Annual Report will be uploaded to Council’s website after the Ordinary Meeting held 27 November 2025, and the Office of Local Government will be electronically notified providing the URL link.

**(a) Policy Implications**

Nil

**(b) Financial Implications**

Nil



**(c) Legal Implications**

Council's 2024/2025 Annual Report meets the requirements of the reporting provisions under the Local Government Act 1993 and Local Government (General) Regulation 2021.

**(d) Community Consultation**

Community consultation or public exhibition is not required for Annual Reporting.

**(e) Delivery Program Objective/Strategy**

Focus Area 9 – Open and Collaborative Leadership

---

**4.3 2025/2026 QUARTERLY BUDGET REVIEW STATEMENTS TO 30 SEPTEMBER 2025**

**DIRECTORATE:** OFFICE OF THE GENERAL MANAGER  
**AUTHOR:** Sherrill Young, Manager - Financial Services  
Michael Gould, Management Accountant

**Reference:** Item 9.5 to Ordinary Council 30 June 2025 - Minute No 147/25

**4 ANNEXURES ATTACHED**

**RECOMMENDATION**

*That in relation to the report “2025/2026 Quarterly Budget Review Statements to 30 September 2025”, Council:*

- receive and note the report and related ANNEXURES including the change to the Statement format as required by the Office of Local Government.*
  - Note that the recommended changes for the first quarter of this financial year have reduced the Internal Reserve projection from \$8,752,000 as outlined in the original budget down to \$6,802,000 (rounded). This movement is shown in the Cash and Investments Budget Review Statement Annexure 1 page 15 – under the Internal Allocations heading.*
  - Note that whilst it is unlikely Internal Reserves will decline to the projected level forecast as at 30 June 2026, Council needs to be aware that low internal reserves increase the risk of Council inadvertently using cash classified as externally restricted. Use of externally restricted funds for any purpose other than the reason for which they were received would result in a breach of the Local Government Act.*
  - Note that both internal and unrestricted cash act as a buffer to prevent the use of externally restricted. This report advises that Council's current cash levels be increased to \$8.5M which will act as an additional buffer.*
  - Note that depleting cash reserves if not addressed will hinder Council's ability to borrow for future capital works as well as day to day operations. Council needs to prioritise major projects ready for budget preparations in the new calendar year so that multiple financial scenarios can be investigated to determine financial feasibility for inclusion in the next suite of Integrated Planning and Reporting documents.*
  - Undertake a review of General Fund land and building assets to identify opportunities to activate and maximise utilisation of these assets with a view to*
-

*taking advantage of commercial opportunities that will improve Council's discretionary investment holdings.*

- *Resolve that any improvements to Councils Internal Reserves resulting from divestment, redevelopment and/or leasing of General Fund assets are to be utilised in the first instance to reduce General Fund internal loans currently in place with the Pilot Training Facility and the Tamworth Global Gateway Park or alternatively used to reduce future borrowings.*
- *Endorse the use of Current Cash surplus of \$2,721,758 from the 2024/2025 financial year in order to reduce General Fund internal loans as follows:*

**Recommended Allocation**

Funds to Pilot Training Facility Reserve	\$1,636,807
Westdale Land Reserve	\$1,084,951
<b>Total Allocation</b>	<b>\$2,721,758</b>

- *approve the revotes carried forward to 2025/2026 as per ATTACHED refer ANNEXURE 2.*
- *receive and note the incomplete works from 2024/2025 carried forward to 2025/2026 as per ATTACHED refer ANNEXURE 3*

**SUMMARY**

The purpose of this report is to present to Council the Quarterly Budget Review Statements for Tamworth Regional Council for the period ended 30 September 2025, in accordance with Clause 203 of the *Local Government (General) Regulation 2021*. Note that the Office of Local Government has mandated a change to the format of the Quarterly Budget Review Statements commencing the first quarter of the current financial year. Readers of this report and related ANNEXURES are advised to refer to page 3 of the Quarterly Budget Review Statements for guidance on reading the financial overview.

A financial summary has been provided for the Tamworth Global Gateway Park **ATTACHED** as at 30 September 2025, refer **ANNEXURE 4**.

**COMMENTARY**

The Quarterly Budget Review Statements **ATTACHED**, refer **ANNEXURE 1**, provides a summary of budget movements for the first quarter of the 2025/2026 financial year. **ANNEXURE 1** provides actual year to date figures as at 30 September 2025, to allow comparison to the projected year end result. The most significant contributor to variations from the original budget adopted in June 2025, are the carry overs which are detailed in **ANNEXURE 2** and **3**.

Carry overs are made up of revotes and incomplete works. An incomplete works is primarily work that was started in the previous financial year(s) and more than 50% finished or the works were tied to external funding (grants/developer contributions/loans). A revote on the other hand is work that was started in the previous financial year(s) but the work was less than 50% complete and funded by Council internal reserves or council current cash. The term carryover refers to the budget process of combining incomplete works and revotes into one title for inclusion in the following years budget, in this case 2025/2026.

Budget variances that require Council approval have been submitted to Council either by a specific Council report or through the monthly Budget Variance report.

The following tables provide a summary and commentary of the budget variations for the quarter and the projected year end results for the General, Water and Sewer funds. In reading those tables, please note the following:

- details of operating expenses and income are shown in the attached statements.
- capital income includes grants and contributions received specifically for new capital works *and are excluded* from the operating result before capital provided in the following tables.
- cash adjustments convert the Operating Results which are accrual based to cash results. The accrual based Operating Results can contain non-cash income and expenditure. They also exclude non-operating cash-based transactions like financing and investment activities. The Cash Results will clarify the cash flow movements to and from their relevant funds. Cash adjustments are arrived at by reversing non-cash accruals contained in operating expenses such as depreciation and leave entitlements and the addition of non-operating cash receipts and payments such as those associated with loans, deferred debtors and property sales; and
- capital expenses include the acquisition, upgrade or renewal of assets.

Note information between tables and annexures may differ due to elimination of internal transactions between funds.

## General Fund

### • Summary of Budget Forecast and Cash Movements Table

The first section of the following table shows the forecasted Operating Result and the total Cash Result. The second part of the table shows how the total Cash Result is funded.

Description	Original Budget	Incomplete Works	September Qtr Adj	Projected Result
Operating Income	139,819,989	2,466,862	5,539,027	147,825,878
Less: Operating Expenses	136,242,409	4,531,768	7,350,067	148,124,244
Operating Result before Capital: Surplus/(Deficit)	3,577,580	(2,064,906)	(1,811,040)	(298,366)
Plus: Capital Income	36,195,569	4,510,186	(14,875,481)	25,830,274
<b>Operating Result Surplus/(Deficit)</b>	<b>39,773,149</b>	<b>2,445,280</b>	<b>(16,686,521)</b>	<b>25,531,908</b>
The adjustments below are required to determine the Total Cash Result				
Plus: Depreciation/Leave	34,887,423	0	(2,023)	34,885,400

Description	Original Budget	Incomplete Works	September Qtr Adj	Projected Result
Accruals				
Plus: Loans raised to fund Capital Expenditure	54,305,208	0	(3,567,997)	50,737,211
Plus: Proposed Land Sales Income/(Expenses)	5,766,644	0	0	5,766,644
Less: Leave Paid on Termination	900,000	0	0	900,000
Less: Loan Principal Repayments	8,658,971	0	581,198	9,240,169
Less: Capital Expenses	129,875,154	14,214,408	(24,272,174)	119,817,388
<b>Total Cash Result: Increase/(Decrease)</b>	<b>(4,701,701)</b>	<b>(11,769,128)</b>	<b>3,434,435</b>	<b>(13,036,394)</b>
The rows below show how the Total Cash Result is funded.				
Current Cash Increase/(Decrease)	357,788	0	(764,163)	(406,375)
Unexpended Grants Increase/(Decrease)	(3,185,521)	(3,148,786)	4,061,683	(2,272,624)
Reserves: Increase/(Decrease)	(3,914,978)	(8,197,832)	266,611	(11,846,199)
Developer Contributions: Increase/(Decrease)	2,104,339	(71,467)	(129,696)	1,903,176
Unexpended Loans: Increase/(Decrease)	(63,329)	(351,043)	0	(414,372)
<b>Total Cash Result Funding: Increase/(Decrease)</b>	<b>(4,701,701)</b>	<b>(11,769,128)</b>	<b>3,434,435</b>	<b>(13,036,394)</b>

- Key Financial Results

Unrestricted cash is a measure of Council's solvency showing the level of funds available to meet any contingency. The optimum balance is based on estimated cash flow requirements

for operating and capital works. The projected current cash balance of \$8.5M as at 30 June 2025, exceeds the current cash minimum balance.

It is the intention to increase the minimum balance for unrestricted cash from 1 July 2025. With so many of Council's projects being grant funded it is necessary to ensure that there is a sufficient cash buffer to ensure cash from other Council funds (water and wastewater) is not inadvertently being used for day-to-day operations whilst Council is waiting for grant funds for General Fund projects to be paid to Council. The capacity to increase this minimum balance will be reviewed as part of end of financial year processes.

	<b>Opening Balance 1/7/2025</b>	<b>Less: Projected Result</b>	<b>Projected Balance 30/6/2026</b>	<b>Minimum Balance</b>
Current Cash	11,221,758	406,375	10,815,383	8,500,000

### Allocation of Surplus Current Cash

With the increasing of the current cash minimum balance to \$8,500,000 there is still a surplus over the minimum recommended balance of \$2,721,758 (\$11,221,758 – \$8,500,000).

It is suggested that these funds be utilised to pay down internal loans within General Fund as follows:

#### Amount by which Current Cash exceeds minimum Balance

Current Cash 30/6/2025	\$11,221,758
<b>Less</b> minimum balance	\$8,500,000
<b>Excess current cash</b>	\$2,721,758

#### Recommended Allocation

Funds to Pilot Training Facility Reserve	\$1,636,807
Westdale Land Reserve	\$1,084,951
<b>Total Allocation</b>	<b>\$2,721,758</b>

The allocation of these funds will reduce the internal loan balances as follows:

<b>Loan</b>	<b>Balance 30/06/2025</b>	<b>Less Proposed Payment</b>	<b>Balance</b>
Westdale Land Reserve General Fund Loan	11,697,279	(1,084,951)	10,612,328
Pilot Training Facility Accumulated Losses Loan	7,251,435	(1,636,807)	5,614,628

• Recurrent Results Table

	Operating Cash Result Surplus/(Deficit)	Less: Dep'n and Leave Accruals	Net Recurrent Result Surplus/(Deficit)	Loan Principal Repayments
General Activities	27,747,049	26,565,385	1,181,664	9,115,478
Fleet Operations	5,314,238	3,854,488	1,459,750	0
Airport Operations	1,636,064	2,177,551	(541,487)	208,584
Waste Services	4,476,668	2,825,828	1,650,840	0
International Flight Training Facility	(213,427)	2,148	(215,575)	422,326

The Recurrent Result is a measure of Council's financial sustainability. It shows the capacity of recurrent operating revenues to meet commitments for recurrent operations, loan repayments and existing asset renewals (as measured by annual depreciation). The above table shows that only fleet and waste operations are able to meet estimated asset renewal costs which are recorded as depreciation.

The table breaks the General Fund down into the main activities that are expected to be self-funding, providing a clear picture of the general activities that must be funded by general purpose revenues.

There is no depreciation or leave accruals for the Pilot Training Facility as the facility for now does not have any full-time employees assigned to it, whilst depreciation is zero as the facility is classified as an investment property. Instead of being depreciated, investment properties are valued each financial year and the value adjusted accordingly to meet accounting standard requirements.

**Financial Services Manager's comment in relation to the financial position of the Council's General Fund**

As per the commentary in the March quarterly budget review, Council is once again reminded that the Special Variation rate revenue increase is not a magic panacea that will ensure the financial stability of Council's General Fund for years to come.

Council should be alert but not alarmed at the position of its General Fund finances. The financial position of General Fund is still sound but at its current cash levels and forecast operating results, it will not be able to undertake all of the projects that are scheduled without sound prioritisation and untapped funding from monetising asset holdings. These projects include but are not limited to:

- The Organic Recycling Facility
- Replacement or Renewal of Ray Walsh House

- The Tamworth Global Gateway Park and future development

Council also needs to be mindful of the financial situation of its Airport, though it is positive to see the increasing occupancy of the International Flight Training Tamworth facility and the injection of five million of State grant funds.

A financial buffer needs to be incorporated into Council's budget to allow for the unknown operating results of any new ventures. Whilst business case studies and capital expenditure reviews attempt to forecast operating results for new ventures such as the Organic Recycling Facility and the Aquatic Centre, they are only estimates; actual impacts on Council's operating results will not be known with any accuracy until the facilities have been opened for at least two years. Council needs to ensure that it has a sufficient financial buffer to deal with any operational budget variations.

A review of Council's General Fund asset holdings for maximum benefit should assist going forward if benefits are realised and diverted to reducing General Fund loans and not utilised to reduce operational losses. This review would include recommendations for divestment, (re)development and leasing to take advantage of commercial opportunities. Estimates for this need to be available for inclusion in future budgets.

It is always important to remember that sufficient financial capacity is needed not only to build new infrastructure is one thing but there needs to be sufficient financial capacity to maintain and operate new community infrastructure.

#### Special Variation Update for 2025/26 as at September Quarter

	Projected per SV Application *	2025/26 Budget
Additional Rates Income 2025/26	\$12,289,037	\$12,289,037
Plus Unspent Roads Allocation - Previous Financial year		\$570,954
<b>To be expended on:</b>		
Voluntary Pensioner Rebate	\$443,200	\$443,200 <sup>1</sup>
Roads Maintenance	\$4,000,000	\$4,570,954
Asset Funding Gap	\$3,292,000	\$3,292,000
Road Capital Works	\$4,500,000	\$4,500,000
Capital Funding Gap	\$53,837	\$53,837
Unallocated Funds	\$0	\$0

\* Refer Table B2 IPART Tamworth Regional Council Special Variation Application 2024-25 Final Report May 2024

<sup>1</sup> current estimate is that voluntary rebate will cost \$448,367 difference to be funded from current cash.

#### Water Fund

- Summary of Budget Forecast and Cash Movements Table

The first section of the following table shows the forecasted operating result and the total cash



result. The second part of the table shows how the total cash result is funded.

<b>Budget Results</b>	<b>Original Budget</b>	<b>Incomplete Works</b>	<b>September Qtr Adj</b>	<b>Projected Result</b>
Operating Income	27,350,268	0	0	27,350,268
Less: Operating Expenses	28,963,568	1,304,233	176,152	30,443,953
Operating Result before Capital: Surplus/(Deficit)	(1,613,300)	(1,304,233)	(176,152)	(3,093,685)
Plus: Capital Income	4,702,500	200,000	(200,000)	4,702,500
<b>Operating Result: (Surplus)/Deficit</b>	<b>3,089,200</b>	<b>(1,104,233)</b>	<b>(376,152)</b>	<b>1,608,815</b>
The adjustments below are required to determine the Total Cash Result				
Plus: Depreciation/Leave Accruals	7,667,835	0	0	7,667,835
Plus: Loans raised to fund Capital Expenditure	0	0	0	0
Plus: Proposed Land Sales Income/(Expenses)	0	0	0	0
Less: Leave Paid on Termination	0	0	0	0
Less: Loan Principal Repayments	1,840,654	0	138,635	1,979,289
Less: Capital Expenses	6,480,000	2,247,560	300,000	9,027,560
<b>Total Cash Result: Increase/(Decrease)</b>	<b>2,436,381</b>	<b>(3,351,793)</b>	<b>(814,787)</b>	<b>(1,730,199)</b>
The rows below show how the Total Cash Result is funded.				
Current Cash: Increase/(Decrease)	316,045	(14,020)	(144,787)	157,238
Unexpended Grants: Increase/(Decrease)	0	(81,694)	0	(81,694)
Reserves:	(1,485,598)	(2,496,901)	(670,000)	(4,652,499)



Budget Results	Original Budget	Incomplete Works	September Qtr Adj	Projected Result
Increase/(Decrease)				
Developer Contributions: Increase/(Decrease)	3,605,934	(759,178)	0	2,846,756
Unexpended Loans: Increase/(Decrease)	0	0	0	0
<b>Total Cash Result Funding: Increase/(Decrease)</b>	<b>2,436,381</b>	<b>(3,351,793)</b>	<b>(814,787)</b>	<b>(1,730,199)</b>

- Key Financial Results

	Opening Balance 1/7/2025	Plus: Projected Result	Projected Balance 30/6/2026	Minimum Balance
Current Cash	2,005,978	157,238	2,163,216	2,000,000

Unrestricted cash is a measure of Council's solvency showing the level of funds available to meet any contingency. The optimum balance is based on estimated cash flow requirements for operating and capital works. The projected balance for 30 June 2025, at the end of the third quarter has improved due to increased water consumption.

- Recurrent Results Table

	Operating Cash Result Surplus(Deficit)	Less Dep'n and Leave Accruals	Net Recurrent Result Surplus/(Deficit)	Loan principal repayments
Recurrent Result	6,892,997	7,667,835	(774,838)	1,979,289

The Recurrent Result is a measure of Council's financial sustainability. It shows the capacity of recurrent operating revenues to meet commitments for recurrent operations, loan repayments and existing asset renewals. It relies on depreciation being a reasonable measure of asset renewal requirements.

A deficit represents the amount of essential asset renewal work that cannot be funded as a result of operating commitments exceeding revenue capacity. The above table shows that the Water Fund is generating sufficient cash income to cover loan principal repayments but not sufficient to cover non-cash expenses such as depreciation,

**Financial Services Manager's comment in relation to the financial position of the Council's Water Fund**

Whilst the above tables shows that the Water Fund is not generating sufficient funds to cover depreciation it is well-placed moving forward. The results for the year ending 30 June 2025, saw income from water sales finish strongly exceeding budget by \$2.4M this has resulted in an increase in water funds. Developer contributions which are held as externally restricted cash are forecast to be sitting in excess of \$20 million at year end, these funds are only able to be used for works on water infrastructure and help ensure sufficient reserves for future capital works. Whilst all of this is positive it is important that Council's Water Fund maintains sufficient reserves to fund operations during periods of extended drought.

## Sewer Fund

### • Summary of Budget Forecast and Cash Movements Table

The first section of the following table shows the forecasted operating result and the total cash result. The second part of the table shows how the total cash result is funded.

Budget Results	Original Budget	Incomplete Works	September Qtr Adj	Projected Result
Operating Income	30,028,069	0	73,830	30,101,899
Less: Operating Expenses	20,775,421	195,770	220,413	21,191,604
Operating Result before Capital: Surplus/(Deficit)	9,252,648	(195,770)	(146,583)	8,910,295
Plus: Capital Income	1,003,000	0		1,003,000
<b>Operating Result: (Surplus)/Deficit</b>	<b>10,255,648</b>	<b>(195,770)</b>	<b>(146,583)</b>	<b>9,913,295</b>
The adjustments below are required to determine the Total Cash Result				
Plus: Depreciation/Leave Accruals	6,688,147	0	0	6,688,147
Plus: Loans raised to fund Capital Expenditure	(3,260,208)	0	0	(3,260,208)
Plus: Proposed Land Sales Income/(Expenses)	0	0	0	0
Less: Leave Paid on Termination	0	0	0	0
Less: Loan Principal Repayments	(629,747)	0	(581,198)	(1,210,945)
Less: Capital Expenses	11,051,427	4,952,589	(4,165,000)	11,839,016
<b>Total Cash Result:</b>	<b>3,261,907</b>	<b>(5,148,359)</b>	<b>4,599,615</b>	<b>2,713,163</b>

Budget Results	Original Budget	Incomplete Works	September Qtr Adj	Projected Result
<b>Increase/(Decrease)</b>				
The rows below show how the Total Cash Result is funded.				
Current Cash: Increase/(Decrease)	369,267	0	73,830	443,097
Unexpended Grants: Increase/(Decrease)	0	(1,000)	0	(1,000)
Reserves: Increase/(Decrease)	1,403,417	(3,843,183)	4,525,785	2,086,019
Developer Contributions: Increase/(Decrease)	1,789,223	(1,143,756)	0	645,467
Unexpended Loans: Increase/(Decrease)	(300,000)	(160,420)	0	(460,420)
<b>Total Cash Result Funding: Increase/(Decrease)</b>	<b>3,261,907</b>	<b>(5,148,359)</b>	<b>4,599,615</b>	<b>2,713,163</b>

- Key Financial Results

	Opening Balance 1/7/2025	Plus Projected Result	Projected Balance 30/6/2026	Minimum Balance
Current Cash	2,083,651	443,097	2,526,748	2,000,000

Unrestricted cash is a measure of Council's solvency showing the level of funds available to meet any contingency. The optimum balance is based on estimated cash flow requirements for operating and capital works. The projected balance at 30/6/2025 at the end of the first quarter exceeds the minimum balance.

- Recurrent Results

	Operating Cash Result Surplus/(Deficit)	Less and Dep'n Accruals Leave	Net Recurrent Result Surplus/(Deficit)	Loan principal repayments
Recurrent Result	16,892,129	6,888,147	10,203,982	3,385,305

The Recurrent Result is a measure of Council's financial sustainability. It shows the capacity of recurrent operating revenues to meet commitments for recurrent operations, loan repayments and existing asset renewals. It relies on depreciation being a reasonable measure of asset renewal requirements.

**Financial Services Manager's comment in relation to the financial position of the Council's Sewer Fund**

Council's Sewer Fund continues to be well placed to meet its asset renewal requirements. Council's sewer fund currently has unknowns with regard to future asset renewal and upgrade works in relation to the best wastewater treatment augmentation option for Tamworth. A major treatment augmentation is expected to also be required for Kootingal. Estimates for these works are currently being undertaken and should be included in the next round of Integrated Planning & Reporting which includes budget information over multiple years.

**(a) Policy Implications**

Nil

**(b) Financial Implications**

The body and **ATTACHED**, refer **ANNEXURE 1**, of this report provide details of the projected financial results for the 2025/2026 Budget. The variances recorded for the different funds will have implications for the Long-Term Financial Plan and the 2025/2026 budget. It is important for Council to be mindful, while assessing new projects, of their impact on declining internal cash reserves. It is therefore important that Council has a clear strategy to ensure there is financial capacity to achieve community priorities.

**(c) Legal Implications**

Nil

**(d) Community Consultation**

Nil

**(e) Delivery Program Objective/Strategy**

Focus Area 9 – Open and Collaborative Leadership

---