

6.1.1 PATHWAY TO SUSTAINABILITY

FILE NO: 16.00197

RECOMMENDATION:

That Council:

- a) Note the report on the Pathway to Sustainability; and
 - b) Approve the net variations of \$2,086,300 (favourable) to the 2024/2025 Budget as detailed in this report.
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REPORT:

Council has considered a number of reports on the development and progress of Council's Pathway to Sustainability, with the most recent report being presented to the 20 November 2024 meeting.

Following the outcome of the previous year-end audit, Council implemented a process of regular monitoring and modelling of the unrestricted cash position of Council's General Fund. Through the refinement of the modelling, a connection was made, which identified that the General Fund was currently reporting a negative unrestricted cash position. Councillors were notified of this position, as soon as it was discovered. In addition to the Councillors, the Office of Local Government, the Audit Office of NSW and the members of Council's Audit Risk and Improvement Committee have also been notified of this position.

This report has been prepared to address the negative unrestricted cash position of Council's General Fund, as disclosed at Council's 19 March 2025 meeting.

At this meeting, Council disclosed that the General Fund had a negative unrestricted cash position of \$6.9 million. It was also disclosed that if Council chose not to address this matter, and if no land sales occurred, it is projected that the negative unrestricted cash position for the General Fund would be \$13.3 million by 30 June 2025.

This situation has arisen due to the lower than anticipated land sales from Council's Windradyne land release. At the time of the March report, Council had sold, and settled, seven lots. Since then, Council has exchanged contracts for the sale of 16 lots, seven of which are listed to settle before 30 June 2025. Council has also exchanged contracts for the sale of two industrial lots which are anticipated to settle before 30 June 2025.

To remedy this situation, Council has commenced the implementation of a number of strategies with the focus on returning Council's unrestricted cash position back to positive by the end of the financial year.

These strategies include:

- (i) A comprehensive review of all projects/programs/initiatives that have not yet commenced, to determine if that project etc can be deferred to a later year;
- (ii) A comprehensive review of all projects/programs/initiatives that have commenced, but are not yet completed, to ascertain the viability of pausing further works until a later year; and

- (iii) A pause on all non-essential, non-critical recruitment.

As detailed in Table 1, work on the implementation of these strategies have identified improvements to Council's year-end unrestricted cash position of \$9,663,300.

In addition to the above, Council has commenced discussions with our banking provider to explore the opportunity of increasing the limit of Council's overdraft facility, which is presently, \$650,000.

As noted earlier in this report, Council has recently exchanged contracts for the sale of 16 lots from the Windradyne land release. Seven of these lots are listed to settle by 30 June 2025, providing approximately \$2.1 million in sale proceeds. The remaining nine lots will settle next financial year, providing a further \$3 million in sale proceeds. Council has also recently exchanged contracts for the sale of two industrial lots, which are anticipated to settle by 30 June 2025, providing \$2.5 million in sale proceeds.

The following table (Table 1) details the variations proposed, for Council's consideration.

Table 1: Proposed Budget Variations

Item	Description	Budget Variation		Impact on Cash Position	
<u>Engineering Services</u>					
1	Reduction in AC Reconstruction Program	(100,000)	F	(100,000)	F
2	Reduction in Footpath Renewals Program	(100,000)	F	(100,000)	F
3	Reduction in Major Pavement Rehabilitations	(100,000)	F	(100,000)	F
4	Deferral of Hereford Street Rehabilitation	(100,000)	F	(100,000)	F
5	Reduction in Rural Roads Sealed - Minor Improvements	(134,044)	F	(134,044)	F
6	Reduction in Rural Roads Sealed - Minor Improvements (Capital)	(250,000)	F	(250,000)	F
7	Deferral of Wambool Road Reconstruction	(350,000)	F	(350,000)	F
8	Reduction in Bridge Maintenance	(10,112)	F	(10,112)	F
9	Deferral of Street Lighting Under-Awning Replacement Project	(100,000)	F	(50,000)	F
10	Deferral of Street Lighting Under-Awning Replacement Project (funding)	50,000	U		
11	Deferral of Sofala Vegetation Management Program (Flood Mitigation)	(31,519)	F	(31,519)	F
12	Deferral of Works Depot Vehicle Replacement (net of sale proceeds)	(27,000)	F	(27,000)	F
13	Deferral of Works Depot Vehicle Replacement (net of sale proceeds funding)	27,000	U		
<u>Corporate Services & Finance</u>					
14	Reduction in Civic Functions and Ceremonies	(25,000)	F	(25,000)	F
15	Reduction in Sister City Projects - Cirencester	(5,125)	F	(5,125)	F
16	Deferral Chamber AV Works	(100,000)	F	(100,000)	F
17	Deferral Chamber AV Works (funding)	100,000	U		
18	Savings in Copyright Fees	(10,500)	F	(10,500)	F
19	Deferral of Child Safe Audit	(36,000)	F	(36,000)	F
20	Savings in Panorama Punish Contribution	(2,050)	F	(2,050)	F
21	Savings in Christmas Lights & Decorations	(35,900)	F	(35,900)	F

22	Savings in New Years Even Contribution	(7,000)	F	(7,000)	F
23	Removal of Proclamation Day	(5,000)	F	(5,000)	F
24	Reduction in Provision for Civic Centre Reserve	(110,000)	F	(110,000)	F
25	Savings in Local Emergency Management Administration Expenses	(10,000)	F	(10,000)	F
26	Savings in ad hoc Property Valuations	(10,506)	F	(10,506)	F
27	Savings in Commercial Properties Ground Maintenance	(50,000)	F	(50,000)	F
28	Sale proceeds - 159 Eglinton Road	(230,000)	F	(230,000)	F
29	Savings in Professional Services for Post Office Building Leases	(68,866)	F	(68,866)	F
30	Deferral of Future Land Acquisition - Land Development	(2,500,000)	F	(2,500,000)	F
31	Deferral of Future Land Acquisition - Land Development (funding)	2,500,000	U		
32	Deferral of Sunny Bright Stage 2 Construction	(4,950,000)	F	(4,950,000)	F
33	Deferral of Sunny Bright Stage 2 Construction (funding)	4,950,000	U		
<u>Community & Cultural Services</u>					
34	Deferral of Social Plan Implementation	(10,404)	F	(10,404)	F
35	Reduction in Aboriginal Commitment Strategy Initiatives	(6,500)	F	(6,500)	F
36	Reduction in Disability Inclusion Action Plan Implementation	(8,404)	F	(8,404)	F
37	Reduction in Implementation of Positive Ageing Strategy	(10,303)	F	(10,303)	F
38	Reduction in Implementation of Community Safety Plan	(8,125)	F	(8,125)	F
39	Deferral of Aboriginal Community Development - Project Costs	(25,000)	F	(25,000)	F
40	Reduction in Youth Services - Project Costs	(1,000)	F	(1,000)	F
41	Reduction in Youth Services - Youth Initiative Programs	(9,800)	F	(9,800)	F
42	Reduction in BVIC Trading Expenses	(20,000)	F	(20,000)	F
43	Reduction in Tourism Website Expenses	(5,000)	F	(5,000)	F
44	Reduction in Investment in Self-Guided App Based Tour	(10,400)	F	(10,400)	F
45	Reduction in Art Gallery Training	(3,000)	F	(3,000)	F
<u>Environmental Planning & Building Services</u>					
46	Reduction in Environmental Education Programs	(5,000)	F	(5,000)	F
47	Reduction in Revolving Energy Fund Projects	(25,000)	F	(25,000)	F
48	Reduction in Pest Bird Management	(5,000)	F	(5,000)	F
49	Deferral of Roadside Vegetation Assessment and Management	(10,000)	F	(10,000)	F
50	Reduction in Revolving Energy Fund Transfers	(91,742)	F	(91,742)	F
		(2,086,300)		(9,663,300)	

FINANCIAL IMPLICATIONS:

Should Council resolve in accordance with the recommendations of this report, a favourable adjustment of \$2,086,300 will be made to Council's budget.

BATHURST COMMUNITY STRATEGIC PLAN – OBJECTIVES AND STRATEGIES:

Objective 6: Community leadership and collaboration.

Strategy 6.6 Manage our money and our assets to be sustainable now and into the future.

COMMUNITY ENGAGEMENT:

01 **Inform** - to provide the public with balanced and objective information to help them understand the problem, alternatives, opportunities and/or solutions.

ATTACHMENTS:

Nil