

An Ordinary Meeting of Lismore City Council will be held at the Council Chambers on March 10, 2026, 10:00 AM

Attachments Excluded From Agenda

Eber Butron
General Manager

4 March 2026



Attachments

Reports

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Lismore City Council

**Monthly Council
Finance & Investment
Report**

March 2026

Please Note

- The results reported are for the 7 months to 31st January 2026.
- Comparison of actual revenue/expense to budgets requires careful consideration as budgets are not fully phased (over the year). Budget phasing will be improved as part of the Finance uplift in 2026/27.
- At this stage, it is best to focus on the Full Year Budget and the Year-to-Date actual expressed as a percentage of the full year budget.
- Reporting excludes Flood Restoration Program (FRP) unless otherwise stated.
- Budgets have been revised following adoption of the December quarter QBRS by Council.
- Investment report to 31st January is now included in this report (report to 28th February is available on 3rd March).
- As we iterate on this Report, feedback is welcome.



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1. Operating Expenses by Fund
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4. Other Receivables for the enterprise

Investment Performance Report

1. As at 31st January 2026
2. As at 28th February available on 3rd March and included as an appendix

External and Internal Reserves – as at December 2025 QBRS

Capital Works Program

1. Expenditure by program

Grants Pipeline

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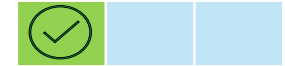
Summary and Key Highlights

Measure	Where we are at		
Operating expenses	✓		
Revenue		⊖	
Rates and Water Recoveries			⊗
Other Receivables		⊖	
Investment performance	✓		
External and Internal Reserves			⊗
Revised Capital Works Program			⊗

Key takeaways for the month

- **Expense management** – expenses are below budget across all the 3 funds. Highlighting that our focus on sustainability is having an impact.
- **Profit and Loss:** On a YTD basis, negative variances in revenue can largely be explained by timing differences in grant income, whilst positive variances in expenses are primarily workforce cost savings from the workplace change as well as some potential Material & Services cost savings.
- **Budget Efficiency:** Progress continues to be made on the remaining full year \$4.8m Budget Efficiency Target (\$3.0m YTD). We expect to realise significantly more of the remaining \$4.8m Budget Efficiency Target in the March QBRs from the second part of the workplace change, which is now near finalisation.
- **Outstanding debts:** Debt recovery of overdue rates is continuing to progress. Following two reminder notices since September 2025, overdue rates are now at demand stage with a significant response expected. Other Receivables decreased to a total of \$7.0m (\$8.5m in prior month reporting), much of the outstanding balance relates to grant funding in FRP, which is being actively managed. Outstanding grant receivables are negatively impacting on Council Reserves.
- **Reserves:** Reserves are being significantly impacted by uncollected grants in FRP and one-off workplace change costs.
- **Capital works:** Significant reforecasting was undertaken as part of the December QBRs. For the 7 months ended January 2026 capital works expenditure was \$66.5m which represents 34% of the revised full year budget. A significant uptick in capital expenditure is required for the remainder of the year to meet the revised capital works program. Risks remain in the delivery of this revised program across the business.

Operating Expenses by Fund



Year to date operating expenses for all three funds are below revised budget.

Operating expenses by	FY Budget \$000	YTD actual to FY budget %	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000	YTD Var. vs prior month \$000
General Fund	93,093	57.0%	54,675	53,045	1,630	n/a*
Sewer Fund	6,142	44.7%	3,604	2,747	857	n/a*
Water Fund	10,784	56.2%	6,265	6,064	201	n/a*
Total operating expenses	110,020	56.2%	64,544	61,856	2,688	

*Following the QBRS for the quarter ended Dec. 2025 & given the adjustments made to the budget, we did not compute the YTD variance vs. prior month as this would not be a like for like comparison. This will be included again in next month's report.

Key takeaways

- Total operating expenses for the General Fund for the year to date (YTD) 31 January 2026 are below revised budget by \$1.6m with positive variances of \$1.5m in workforce costs, and \$0.4m in materials & services costs and a \$0.3m negative variance in other expenses. The General Fund's operating expenses by type are set out in more detail on the next page.
- The operating expenses for both the Sewer and Water Funds are running below budget by \$0.9m and \$0.2m respectively. The favourable variance for the Sewer Fund is primarily in materials and services (\$0.8m) with contributions from materials (\$0.3m), Contractors Other (\$0.3m) and Electricity (\$0.1m). Whether these are differences between phasing of budget vs actual (timing) or permanent differences requires further investigation.

Operating Expenses by expense type – General Fund



Year-to-date total operating expenses for the General Fund are \$1.6m below revised budget and \$2.0m below budget if we remove unbudgeted one-off workplace change costs incurred in January 2026.

Operating expenses	FY Budget \$000	YTD actual to FY budget %	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000	YTD Var. vs prior month \$000
Workforce costs and on-costs	46,832	57.4%	28,385	26,867	1,518	n/a*
Materials and services	42,046	55.6%	23,830	23,390	441	n/a*
Other expenses	4,216	66.1%	2,459	2,788	(329)	n/a*
Total operating expenses	93,093	57.0%	54,675	53,045	1,630	

*Following the QBRS for the quarter ended Dec. 2025 & given the adjustments made to the budget, we did not compute the YTD variance vs. prior month as this would not be a like for like comparison. This will be included again in next month's report.

Key takeaways

- In summary, year to date operating expenses for the General Fund are \$1.6m below revised budget and \$2.0m below revised budget if we remove unbudgeted one-off workplace change costs incurred in January 2026 of \$0.4m (excluding payouts of leave entitlements).
- Workforce costs and on-costs have contributed \$1.9m of this favourable variance due to on-going savings in Salaries, Wages and On-costs from workplace change not yet recognised in the revised budget partly offset by above budget external labour costs and overtime.
- Materials and services (MS) costs are \$0.4m under budget due to:
 - Contractor costs, Operating Lease costs, Legal Services, and Management Fees all have positive variances YTD (\$4.2m). However further work is required to determine whether these are permanent savings (or timing only)
 - The MS budget was reduced because of the requirement for a budget efficiency dividend (\$3.0m YTD).
 - Timing issues associated with recognising the expenditure in the budget vs when they are actually incurred. For example, Insurance premiums (\$0.8m).
 - Actual YTD costs include at least \$0.6m of CCRR funded costs.
- Other expenses are above budget by \$0.3m and the cause is being investigated, \$0.2m of which relates to Levies EPA Landfill.

Total Revenue by Fund



Year to date revenue is below budget mainly due to lower capital grant income which is dependant on projects achieving milestones and lower operating grant income in the General Fund which is a result of timing in budget vs actual recognition.

Revenue from operations, grants and sale of assets, and treasury activities by Fund	FY Budget \$000	YTD actual to FY budget %	YTD Adj. Budget \$000	YTD Actual \$000	YTD Variance \$000	YTD Var. vs prior month \$000
General fund	97,684	75.9%	78,499	74,170	(4,329)	n/a*
Sewer Fund	18,218	89.5%	17,087	16,301	(786)	n/a*
Water fund	18,291	48.5%	8,244	8,864	620	n/a*
Total Revenue from Business as Usual	134,193	74.0%	105,010	99,335	(5,675)	

*Following the QBRs for the quarter ended Dec. 2025 & given the adjustments made to the budget, we did not compute the YTD variance vs. prior month as this would not be a like for like comparison. This will be included again in next month's report.

Key takeaways:

- General Fund YTD revenue is \$4.3m behind budget with both capital grants and operating grants being the significant contributors. Please see the following slide for more details.
- The \$0.8m negative variance for the Sewer Fund is due to:
 - \$0.4m of Norco flood related contamination charges reversed in October 2025 as resolved by council.
 - The remainder relates to capital grant timing with income lagging expenditure on projects being funded by the grants.
- The Water Fund continues to have a positive variance YTD which is in line with the prior month.

Total Revenue for General Fund by type

Overall YTD General Fund revenue is below budget due to lower capital grant income which is dependant on projects achieving milestones and operating grant income which is a timing of budget vs actual recognition. User fees & charges and other income are above budget.



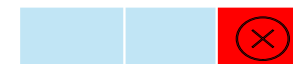
Revenue from operations, grants and sale of assets, and treasury activities	FY Budget \$000	YTD actual to FY budget %	YTD Adj. Budget \$000	YTD Actual \$000	YTD Variance \$000	YTD Var. vs prior month \$000
Operating activities						
Rates and Annual Charges	48,721	100.4%	48,835	48,904	68	n/a*
User charges and fees	18,039	66.8%	11,159	12,055	897	n/a*
Other income	3,354	69.4%	1,957	2,329	373	n/a*
Total revenue from operations	70,114	90.3%	61,951	63,288	1,337	
Grants, Contributions & asset sales						
Grants and Contributions provided for operating purposes	18,751	35.4%	9,802	6,639	(3,162)	n/a*
Grants and Contributions provided for Capital Purposes	7,761	36.2%	6,008	2,809	(3,200)	n/a*
Net gains/(Losses) from disposal of assets	(1,452)	-	(726)	-	726	n/a*
Total revenue from grants, contributions & asset sales	25,059	37.7%	15,084	9,448	(5,636)	
Interest and Investment revenue from Treasury activities	2,510	57.1%	1,464	1,434	(30)	n/a*
Total revenue for the year	97,684	75.9%	78,499	74,170	(4,329)	

Key takeaways:

- **Rates & Annual Charges:** are invoiced annually in July. Revenue is recognised in that month. Most ratepayers opt to pay those rates via quarterly instalments.
- **User charges & fees:** are considerably above budget primarily from Weighbridge waste disposal fees with higher than budgeted volumes.
- **Other income:** YTD above budget driven by wage and salary subsidies, sporting events, parking fines and staff vehicle contributions all being above budget.
- **Operating Grants:** below budget with the primary reason being the difference in the timing of recognising income for CCRR grant for budgeting purposes (FY26) vs. statutory reporting (FY25). Net effect on unrestricted cash is nil.
- **Capital Grants:** generally aligned with, or lags, expenditure on projects being funded by the grants. Most of the shortfall in capital grants against budget is for 2 projects within the Roads & Bridges program (Chelmsford Bridge & Currie Rd to Dunnon Rd SLRIP).
- **Disposal of assets:** there is a favourable variance of \$0.7m for asset disposals as budgeted losses on sales of assets have not yet been realised.
- **Interest & Investment revenue:** is largely in line with budget.

*Following the QBRS for the quarter ended Dec. 2025 & given the adjustments made to the budget, we did not compute the YTD variance vs. prior month as this would not be a like for like comparison. This will be included again in next month's report.

Rates and Water Recoveries



Overdue amounts for Rates and water annual charges total \$9.3m at 13/02/2026, which was a \$0.8m decrease since the prior report. Following two reminder notices since September 2025, overdue rates are now at demand stage and we expect this to generate significant response.

Receivables	Receivable \$000	% Overdue	Overdue \$000	Mvt from prior month \$000
Receivables – rates and annual charges (as at 13/02/2026)	35,670	26.1%	9,308	792
Receivables – water usage charges (as at 06/02/2026)	2,961	64.2%	1,902	234
Total receivables	38,631	29.0%	11,210	

Key takeaways:

Rates and annual charges:

- These are invoiced annually in July each year, and the receivable is taken up at that time. However, they are collected via quarterly instalment notices. The third instalment for the quarter ended 31st January 2026 will become due on the 28th February 2026.
- Following two reminder notices since September 2025, overdue rates are now at demand stage. Letters of Demand have been issued at the beginning of February with a due date of 28 February. Experience suggests the demand stage will generate a significant response and improvement in the overdue balance.
- Movements since the previous monthly report include:
 - The total rates and annual charges receivable balance at 13/02/2026 decreased \$5.2m to \$35.7m since the last report. Of this the overdue amount decreased to \$9.3m an improvement of **\$0.8m**.
 - The balance of prior period rates and annual charges outstanding was \$6.2m (as at 13/02/2026) which is a slight \$0.2m improvement on that previously reported \$6.4m (as at 19/01/26).

Water Usage Charges:

- Receivables decreased \$3.0m since the prior month reporting. Invoices for water usage are issued quarterly after a 4-week meter reading period. Invoices for the last quarter ended 30 November 2025 for usage and 31 December 2025 for the fixed fee were issued on 7th January 2026 with a due date of 28th January 2026 hence the large decrease in receivable balances from the previous month.

Other Receivables (enterprise wide including FRP)

Grant funding receivables continue to make up most of the other receivable balance. The Grant funding receivable balance decreased by \$1.1m since December's reporting and \$9.7m since October's reporting.

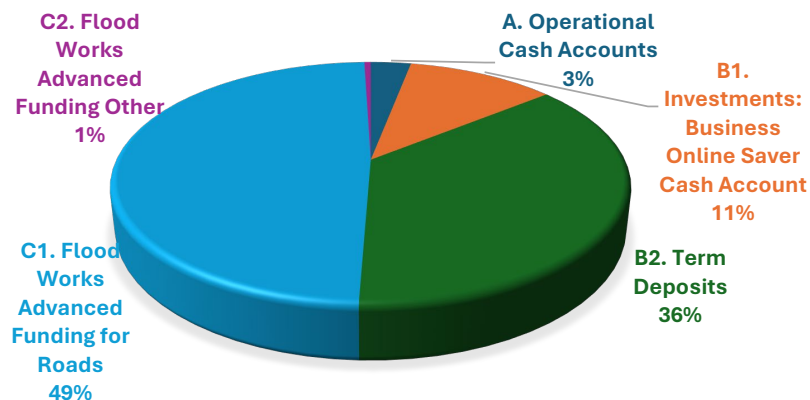


Aged Other Receivables by Category (as at 23/02/2026)	Fund	3+ months \$000	3 months \$000	2 months \$000	1 month \$000	Current \$000	Total \$000
Grant Funding	General	1,657	327	2,404	1,225	337	5,949
Northern Rivers Quarry & Asphalt	General	106	111	155	110	-	482
Lismore Recycling & Recovery Centre	General	48	(17)	47	208	(9)	277
Lismore Memorial Gardens	General	-	30	-	1	11	41
Sewer	Sewer	4	-	-	2	-	6
Water	Water	2	-	-	7	9	19
Other	General	104	41	31	(9)	59	227
Total Other Receivables		1,922	492	2,637	1,544	406	7,001

Key takeaways:

- The total receivable balance at 23/02/2026 has decreased \$1.5m since the prior month reporting (as at 20/01/2025), which primarily relates to Grant Funding receivables. We note that the total receivables balance is \$10.2m lower than that presented in the October reporting (a significant improvement).
- Grant Funding receivables of \$5.9m make up most of the receivable balance. \$1.7m of the Grant Funding receivable has been outstanding for 3 months+ and consists primarily of \$1.5m with NSW Reconstruction Authority (please note this balance is being actively managed through the PMO and the relevant business unit have advised they are close to a resolution).
- Northern Rivers Quarry & Asphalt receivables of \$0.5m are primarily from two customers from the same group of companies that have leased the asphalt production from the quarry (Trico Asphalt and Downer Edi Works).
- The \$0.3m of receivables for Lismore Recycling & Recovery Centre consists of \$0.2m for one primary customer (1-2 months) and \$0.5m Recycling Solutions Australia (3+ months, who have entered a payment plan after being referred to debt recovery).
- Focus on accounts receivable continues to be a priority with reminder notices for overdue amounts being issued, payment plans being entered into and meetings with relevant business units within council to review overdue balances. This is starting to bring results with a significant improvement in outstanding receivables since October 2025.

Investment Balances as at 31 Jan 26

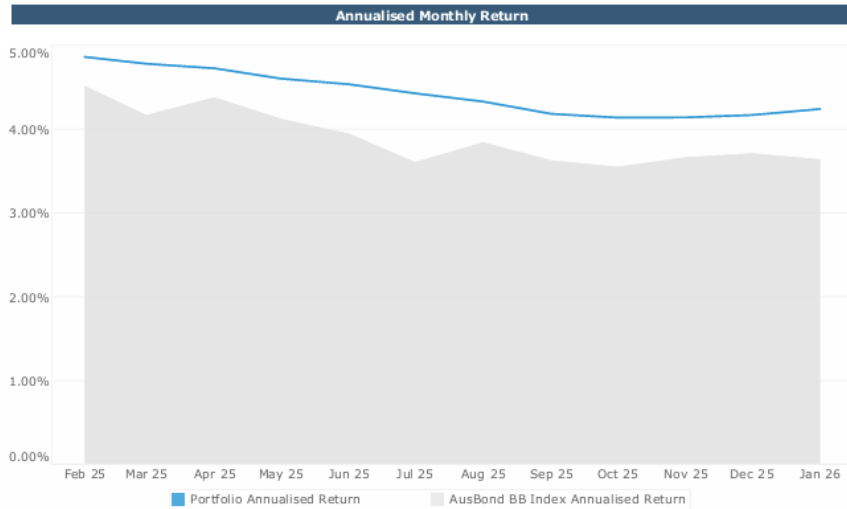


- The total cash & investment balance \$243m (LM:\$244m) decrease of \$1m from the prior month.
- Business Online Saver cash account balance has increased \$11.3m to \$27m.
- Term Deposits balance has decreased \$5m from \$93.5m to \$88.5m.
- Flood works advanced funding balance \$120m, (LM:\$131.4m) a decrease of \$11.4m due to consumption of funds relating to delivery of flood infrastructure work.

Cash and Investment Breakdown	Mth over Mth		
	Jan-26	Dec-25	Change
A1: Operational Cash Accounts	4,620,304	936,500	3,683,804
A2: Restricted Operational Cash Accounts	2,695,625	2,210,723	484,902
A Total Operational Cash Accounts	7,315,929	3,147,223	4,168,706
B1: Investments: Business Online Saver Cash Account	27,060,105	15,753,043	11,307,062
B2: Other Investment including Term Deposits	88,515,086	93,515,061	(4,999,975)
B Total Investments including Term Deposits	115,575,191	109,268,104	6,307,087
C1: Flood Works Advanced Funding for Roads	118,769,245	129,809,983	(11,040,738)
C2: Flood Works Advanced Funding for Buildings	19,978	19,916	62
C3: Flood Works Advanced Funding for Waste	1,149,490	1,527,580	(378,090)
C Total Flood Works Advanced Funding	119,938,713	131,357,479	(11,418,766)
Total Cash, Investments and Advanced Funding	242,829,832	243,772,806	(942,974)

Note: Balances as at 28th February 2026 will be available 3rd March 2026 and included as an appendix

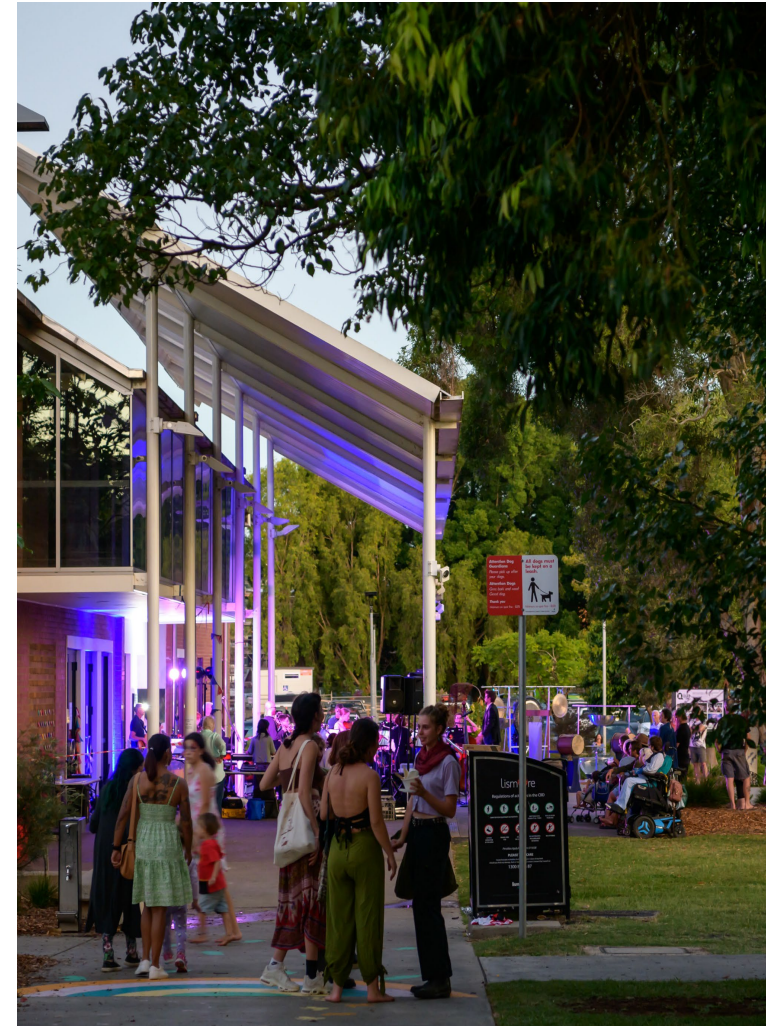
Current Investment Returns – Jan:4.24% (LM:4.17%) (YTD 4.23%)



- ✓ Jan council’s portfolio returned 4.24% (LM:4.17%), being 60bps above the annualised Bank Bill BBI of 3.64%.
- ✓ Financial year to date 4.23% (LM:4.23%) being 57bps above the BBI of 3.66%
- ✓ The portfolio return is comparably conservative when compared to other councils due to the low risk profile of our investments, in other words high cash and term deposit balances and currently no Bond or TCorp investments
- ✓ Analysis has been prepared for council to review risk & return expectations & appetite for volatility

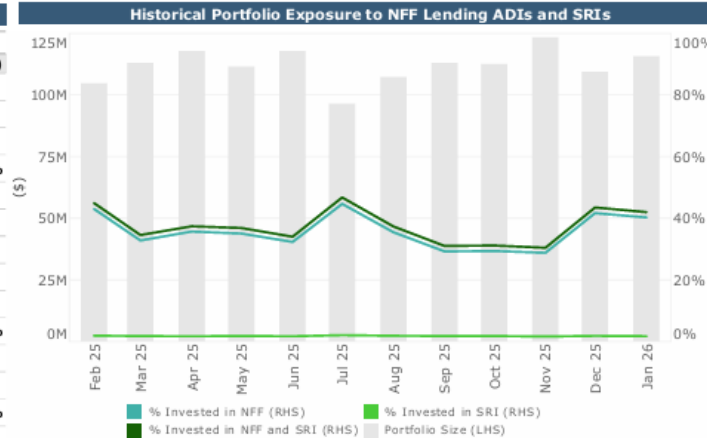
Historical Performance Summary (%pa)			
	Portfolio	Annualised BB Index	Outperformance
Jan 2026	4.24%	3.64%	0.60%
Last 3 months	4.18%	3.67%	0.51%
Last 6 months	4.20%	3.67%	0.53%
Financial Year to Date	4.23%	3.66%	0.57%
Last 12 months	4.43%	3.89%	0.54%

Note: Balances as at 28th February 2026 will be available 3rd March 2026 and included as an appendix



Socially Responsible Investment

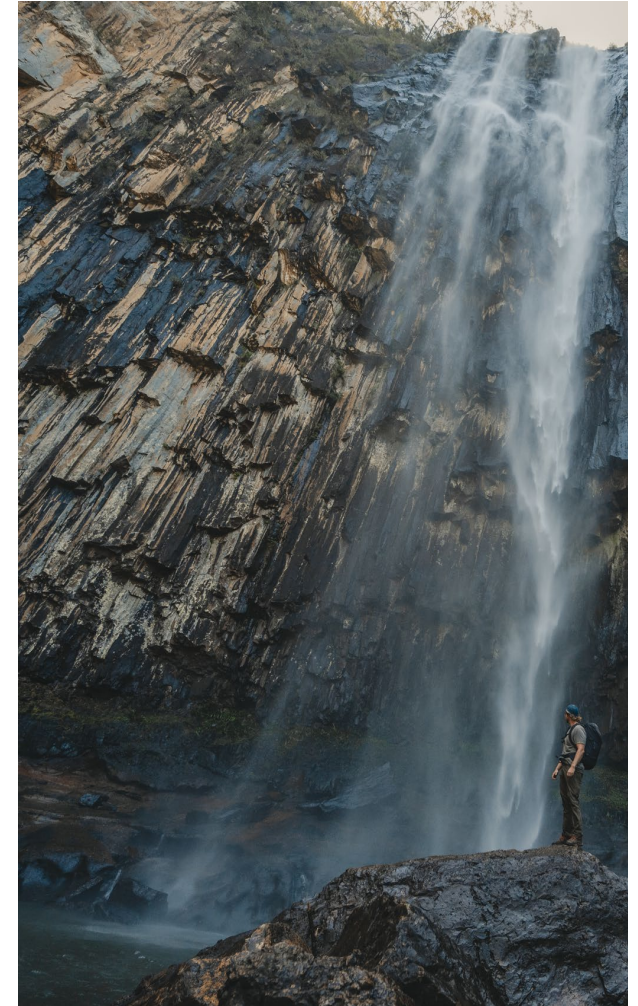
Current Breakdown		
ADI Lending Status *	Current Month (\$)	Previous Month (\$)
Fossil Fuel Lending ADIs		
Commonwealth Bank of Australia	50,060,105	38,753,043
National Australia Bank	17,000,000	23,000,000
	67,060,105 58%	61,753,043 57%
Non Fossil Fuel Lending ADIs		
AMP Bank	15,086	15,061
Bank of Queensland	21,000,000	20,000,000
Summerland Bank	3,500,000	3,500,000
Suncorp Bank	22,000,000	22,000,000
	46,515,086 40%	45,515,061 42%
Socially Responsible Investment		
Westpac Group (Green TD)	2,000,000	2,000,000
	2,000,000 2%	2,000,000 2%
	115,575,191	109,268,103



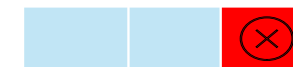
Where the opportunity arises, Council will seek SRI investment opportunities. However, the investment product will be considered in the context of Council’s overall cashflow requirements, investment returns and the security of the investment.

- ✓ In Jan 26 the percentage of the portfolio invested in Socially Responsible Investments (SRI) is stable at 44% (LM:44%), the total value of SRI’s ticked up to \$48.5m (LM:\$47.5m).

Note: Balances as at 28th February 2026 will be available 3rd March 2026 and included as an appendix



Reserves as at 31 December 2025 – Per QBRS



Reserves are reported each quarter with the latest as at 31 December 2025. Our internal reserves position has decreased quarter-on-quarter. The balance of internal reserves have been impacted in all periods by outstanding grant receivables.

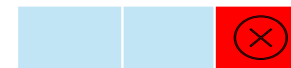
Reserves as at	Dec. 2025 \$000	Sept. 2025 \$000	Jun. 2025 \$000
External Restrictions			
Water Fund	13,434	13,433	13,194
Sewer Fund	49,801	48,688	46,654
Developer contributions – General Fund	10,483	10,436	10,664
Developer contributions – Water Fund	114	101	88
Developer contributions – Sewer Fund	912	800	671
Domestic Waste Management	520	–	284
Stormwater Management	3,388	3,300	3,263
Art Gallery Gift Account	203	202	200
Waste Minimisation	836	938	1,124
Trust Fund / Donations	1,970	1,846	1,843
Specific Purpose Unexpended Grants – General Fund	140,725	171,260	110,877
Total External Restrictions	222,388	251,004	188,861

Reserves as at	Dec. 2025 \$000	Sept. 2025 \$000	Jun. 2025 \$000
Internal Allocations			
Employees Leave Entitlements	70	3,816	3,817
Onsite Sewerage Management	253	274	323
Fleet Replacement	2,746	2,026	2,652
Carry Forward Works	5,491	3,388	3,797
Special Rate Variations	842	978	1,325
Emergencies	–	–	–
Economic Development & Growth	–	–	–
Public Infrastructure	8,223	8,786	9,128
Total Internal Allocations	17,623	19,269	21,042
Total External and Internal Restrictions	240,011	270,273	209,903

Key takeaways:

- Internal reserves have been impacted by outstanding grant receivables since 30 June 2024. The decrease as at 31 December 2025 was \$10.6m which is an improvement on previous quarters but still a concern as a buffer of \$17.6m before using external reserves (insolvency event) is thin. The \$10.6m decrease was applied against the following internal reserves: Carry Forward Works (\$2.0m); Emergencies (\$1.1m); Economic Development & Growth (\$1m); and Public Infrastructure & Building Assets (\$6.5m). To be clear, this means that projects being funded out of Carry Forward Works or Public Infrastructure are limited to the balance of the reserve until such time as they are replenished by receipt of the outstanding receivables.
- The Employees Leave Entitlements reserve decreased by \$3.7m of one-off workplace change costs incurred to 31 December.

Capital Works Expenditure to date



Program	FY Budget* \$m	YTD actual to FY budget %	YTD Actual \$m
FRP	152.9	36.0%	55.0
Water, Waste and Open Spaces	19.5	24.6%	4.8
Roads & Infrastructure	23.0	27.4%	6.3
Other	–	–	0.4
Total	195.4	34.0%	66.5



Key takeaways:

- *A significant re-forecasting of capex for the FY budget was undertaken as part of the December 2025 QBRS adopted by Council and that is reflected above.
- **FRP YTD actual \$55.0m:** The Landslip Restoration Package (LRP), which was the main cause of project delays, now operates across 10 active sites delivering complex geotechnical works. Multiple Roads projects reached completion in January 2026 including Moras Road, Stony Chute Road and Gasworks Pump Station. The Buildings program advanced City Hall toward its completion target. The Airport civil and electrical works commenced under tight delivery windows. There is a significant way to go towards achieving the full year budget and FRP reports they are on track despite wet weather sensitivity. The Buildings program completion March-July 2026 is believed to be achievable. However, the Flood resilient amenities deadline of 30 April 2026 presents material delivery and financial risk if schedule slippage occurs.
- **Water, Waste and Open Spaces YTD actual \$6.3m:** represents \$1.8m Water, \$1.2m Waste, \$0.8m Sewer and \$0.8m Buildings & CBD.
- **Roads & Infrastructure YTD actual \$6.3m:** represents \$4.4m Roads, \$1.4m Fleet, \$0.4m Bridges.
- **There is a significant uptick in capital expenditure required for the last 5 months of the year to meet the full year revised capital works budget.**

Other Finance Matters

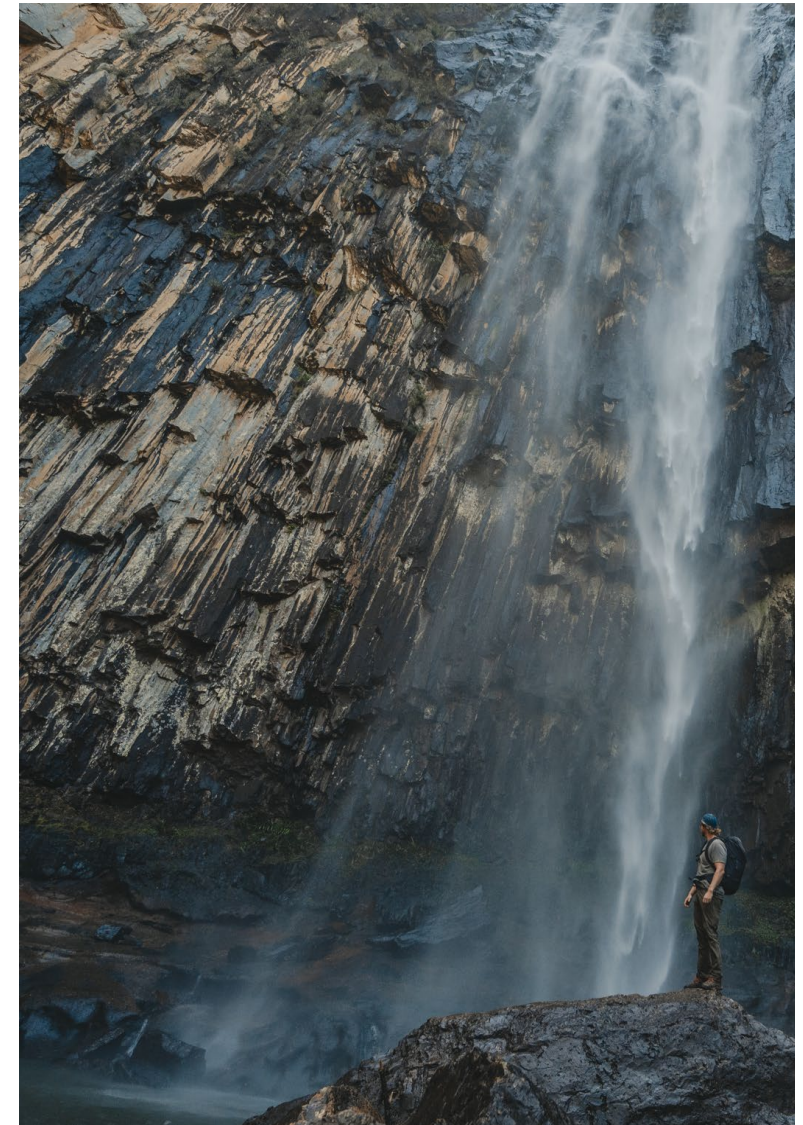
Recovery of Property Arrears

- We have reached commercial agreement with licensee of Council bus shelters to pay outstanding arrears totalling \$57,000. These amounts have been outstanding for number of years (FY23-25)
- This Licensee is also interested in entering into a further License Agreement. These commercial discussions are continuing.

Cancellation Fees and Refunds

- Following a proactive review, we have revised our fees and charges related to cancellations of bookings associated with Council Facilities.
- By way of background, in FY 25, LCC recorded 397 cancellations. These cancellations (and associated refunds) involve significant administration and lost revenue. Lost revenue was approximately \$41,000.
- The revised rates and comparisons with other local Councils are set out below.
- The new fees will commence on 1 July 2026 post revision of the Fees and Charges Policy (revised will be provided to the Council as part of the budgeting process).

	Ballina	Tweed	Byron	Lismore - Proposed
Cancellation +15 days	Full Refund	Full Refund	10% Charged	Full Refund
Cancellation 8-14 days	25%	50%	10%	50%
Cancellation 1-7 days	50%	Nil Refund	Nil Refund	Nil Refund
No Show	Nil Refund	N/A	N/A	Nil Refund; full amount payable.
Late Payment	N/A	N/A	\$30	\$30
Refund Administration Fee	\$31	N/A	N/A	\$31



Grants pipeline (slide 1 of 2)

Grants Submitted – January 2026 - \$47K

Grant	Project/Directorate	Outcome notification	Grant funds	Council co-contribution	Total
Recreational Fishing Trust Fund	Construction All Weather Access Footpath to Fishing Dock Riverside Park / Roads and Infrastructure	June 2026	\$38,725	Nil	\$38,725
NSW Government's Holiday Break Autumn and/or Winter 2026 Program	Various Holiday Programs / The Gallery, Events and The Library	April 2026	\$9,095	Nil	\$9,095

Grants Currently Under Development/Consideration

Grant	Project/Directorate	Submission date	Council co-contribution
The Safer Local Roads and Infrastructure Program (SLRIP) - Tranche 5	Five projects being developed / Roads and Infrastructure	30 April 2026	20%
Disaster Ready Funding (Round Four)	Short-list being developed across the Directorates	To be announced	50%
Community Improvement District (CID) Seed Funding program	Would need to request being added to the Foundation List – currently being considered / Planning & Economy	30 April 2026	Nil
Circulate Market Grants EPT	With Waste Team for consideration	23 March 2026	50% (financial or in-kind)
Electric Vehicle Fleets Incentive: Kick-start funding	With Fleet Manager for consideration	May 2026	50%

Grants pipeline (slide 2 of 2)

Grants Considered/Not Applied

Grant	Reason	Amount Available
Accessibility Australia	No priority project identified	\$150,000
Permit/Plug/Play Program	Not Business Case ready Key staff member on leave	\$500,000
Special Entertainment Precincts (SEPs)	Timing – inadequate to conduct required Community Consultation and Council Resolution in the timeframe	\$200,000
Safer Cities: Her Way 2 – Teir 2	No priority project identified	\$150,000
Environmental Research Grant	No priority project identified	\$350,000
Litter Prevention Grant Program	No priority project identified	\$450,000
Joint Procurement Funded Support	New regional landfill project identified and application commenced but Funder subsequently discontinued the funding due to budget constraints	\$250,000

Grants Received

Grant	Project/Directorate	Amount
Road Safety Program 2023-24 to 2026-27	Coraki Road Wyrallah Ferry Rd Intersection , South Gundurimba - Intersection Upgrade, Road Widening , Shape Correction, Guardrail Installation / Roads Directorate	\$685,000

Investment Strategy and Policy
Discussion slides

LCC Finance

Mar 2026

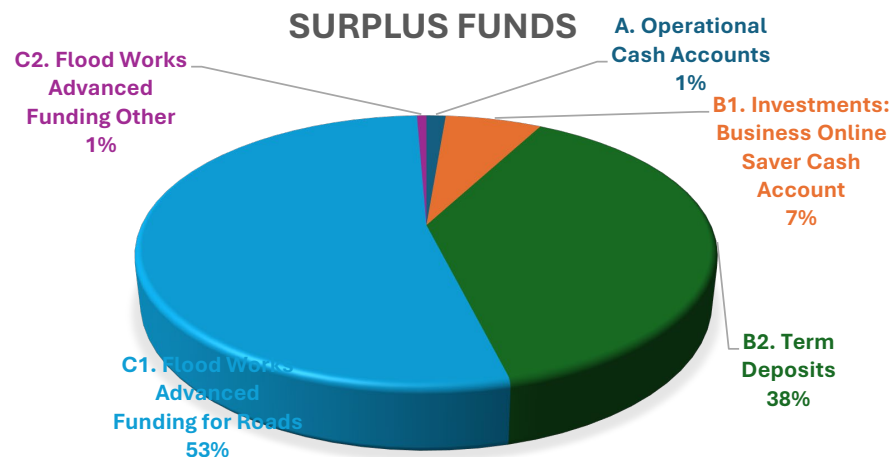


Background and context

- Management has undertaken a review of the Councils Investment Strategy with external Investment Advisors (Prudential Investment Services). **Their advice is attached.**
- The Review identified investment options which could improve the risk adjusted returns on Councils investment portfolio (valued at circa \$113m).
- In addition, it is proposed that Council consider investing a portion of the FRP forward funded amounts into term deposits
- Purpose of this presentation is to inform Council of the findings of the review and potential alternative investment options and associated investment risk appetite.



Current Investments – Dec 25: \$244m

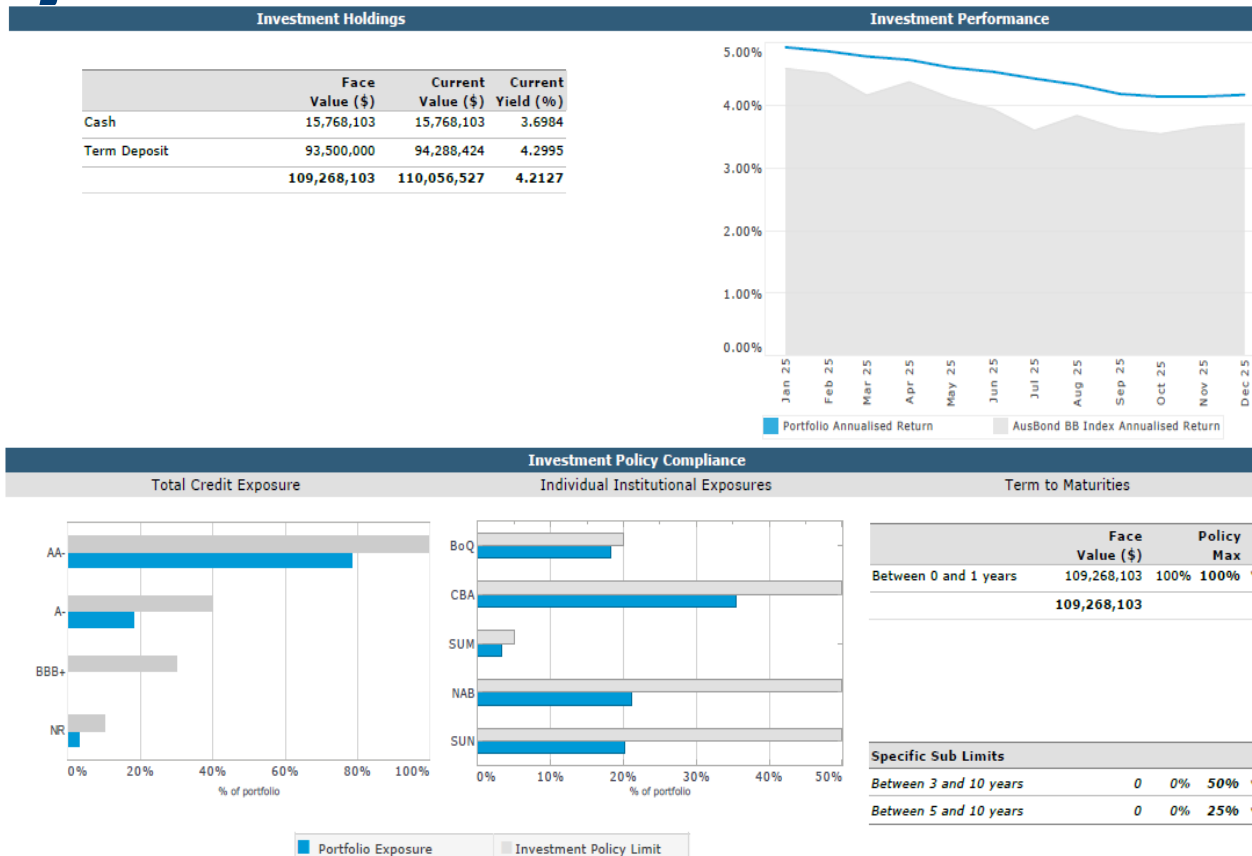


Surplus Funds	Dec
A. Operational Cash Accounts	3,147
B1. Investments: Business Online Saver Cash Account	15,753
B2. Term Deposits	93,515
C1. Flood Works Advanced Funding for Roads	129,810
C2. Flood Works Advanced Funding Other	1,547
Total	243,773

Relevant portfolio	Dollar size (million \$)
Council Investment Portfolio	\$113m*
FRP Portfolio	\$131m
Total	\$244m

*includes \$110m investment portfolio + \$3m general account (operating account) held CBA

Current Council Investment Portfolio, Returns and Objectives



- Portfolio invested is approximately \$110m and is generating 4.2% pa on average, with AusBond Bank Bill Index as the investment benchmark.
- Current Dollar investment return = \$4.62m annually
- Investment portfolio composition includes both Internally and Externally Restricted Reserves.
- Internally Restricted Reserves are approximately \$32 (when fully funded)
- Further details in Appendix 1

Current Investment Policy

(updated following February 2026 Council meeting)

- Investment policy objectives
 - Investments are expected to achieve a *market average rate of return* in line with Risk Management Guidelines
 - Preservation of capital is the principal objective of the investment portfolio.
 - Investments are to be placed in a manner that seeks to ensure security and safeguarding the investment portfolio.
 - This includes managing credit and interest rate risk within identified thresholds and parameters.
 - Investment capital must be allocated cognizant of sufficient liquidity (funding needs to ensure cash outflow can be met as required)
- Risk Management Guidelines – 3 key aspects
 - Investment risk (liquidity, market, credit risk),
 - Diversification benefits (many asset classes etc)
 - Preservation of capital – prevent losses in the investment value
- The current policy objectives are being achieved.
- **The current Investment Policy provides for much broader asset allocation ranges than is being implemented.**

Current Investment Strategy

1. When benchmarked against other NSW Councils, LCC Investment Portfolio has one of the lowest investment returns.
2. There is inadequate diversification across sub-asset classes (2 out of potential 6)
3. Most NSW Councils are invested in more than 2 asset classes (in comparison to LCC)

Sample NSW Councils	Cash	Fixed Rate Bonds	Floating Rate Notes	Term Deposits	NSW TCorp Medium Term Growth Fund	NSW TCorp Long Term Growth Fund	1yr Return to Nov 2025	3yr Return to Nov 2025
Portfolios with Growth Asset Managed Funds								
NSW Council 1	6%	1%	21%	49%	15%	8%	5.80%	5.58%
NSW Council 5	6%	5%	27%	36%	0%	25%	6.28%	5.28%
NSW Council 2	10%	0%	25%	57%	0%	7%	5.09%	5.07%
NSW Council 4	10%	2%	18%	65%	5%	0%	5.03%	4.83%
NSW Council 11	14%	0%	2%	73%	11%	0%	4.84%	4.78%
NSW Council 3	22%	0%	12%	58%	8%	0%	4.95%	4.74%
NSW Council 13	1%	0%	3%	88%	8%	0%	4.93%	4.72%
Portfolios with TDs / FRNs / Bonds no Growth Assets								
NSW Council 9	4%	3%	58%	35%	0%	0%	4.92%	5.01%
NSW Council 7	3%	2%	45%	50%	0%	0%	4.97%	4.81%
NSW Council 8	37%	4%	26%	33%	0%	0%	4.63%	4.81%
Portfolios with Cash and Term Deposits only								
NSW Council 6	13%	0%	0%	87%	0%	0%	4.77%	4.72%
NSW Council 14	18%	0%	0%	82%	0%	0%	4.65%	4.71%
NSW Council 12	19%	0%	0%	81%	0%	0%	4.68%	4.69%
Lismore City Council	24%	0%	0%	76%	0%	0%	4.55%	4.52%

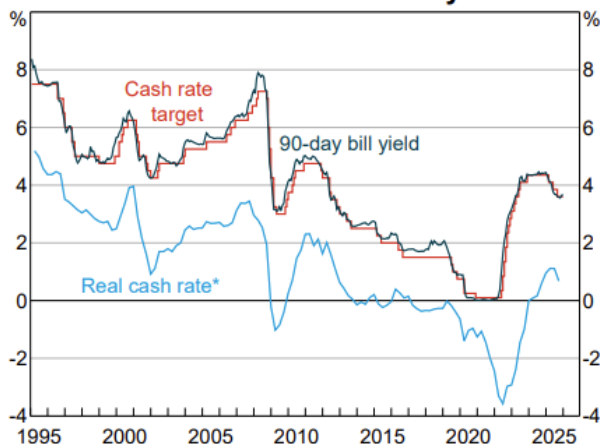
Regulatory Framework – 2011 Ministerial Order

- Council has limited investment options to increase investment return. Council investments are highly regulated by OLG Act and Ministerial Order (following GFC). Mostly “fixed interest” securities.
- Eligible investments categories.
 - securities issued by Cth, State or Territory
 - Interest bearing deposits/bonds issued by an ADI (excluding subordinated debt obligations)
 - Bills of exchange guaranteed by an ADI
 - Deposits with NSW TCorp and/or investments in TCorp managed funds
- Non-permissible investments eg shares, digital assets, non-bank corporate bonds
- SPV investments require OLG approval
- Growth assets can only be accessed by TCorp managed funds

Future investment returns on Councils current investment portfolio are highly dependent on future interest rates...which are expected to be remain lower in the long term

- Generally, the higher the prevailing/forecast interest rates the higher the return (and vice versa). RBA cash rate has varied

Australian Cash Rate and 90-day Bill Yield

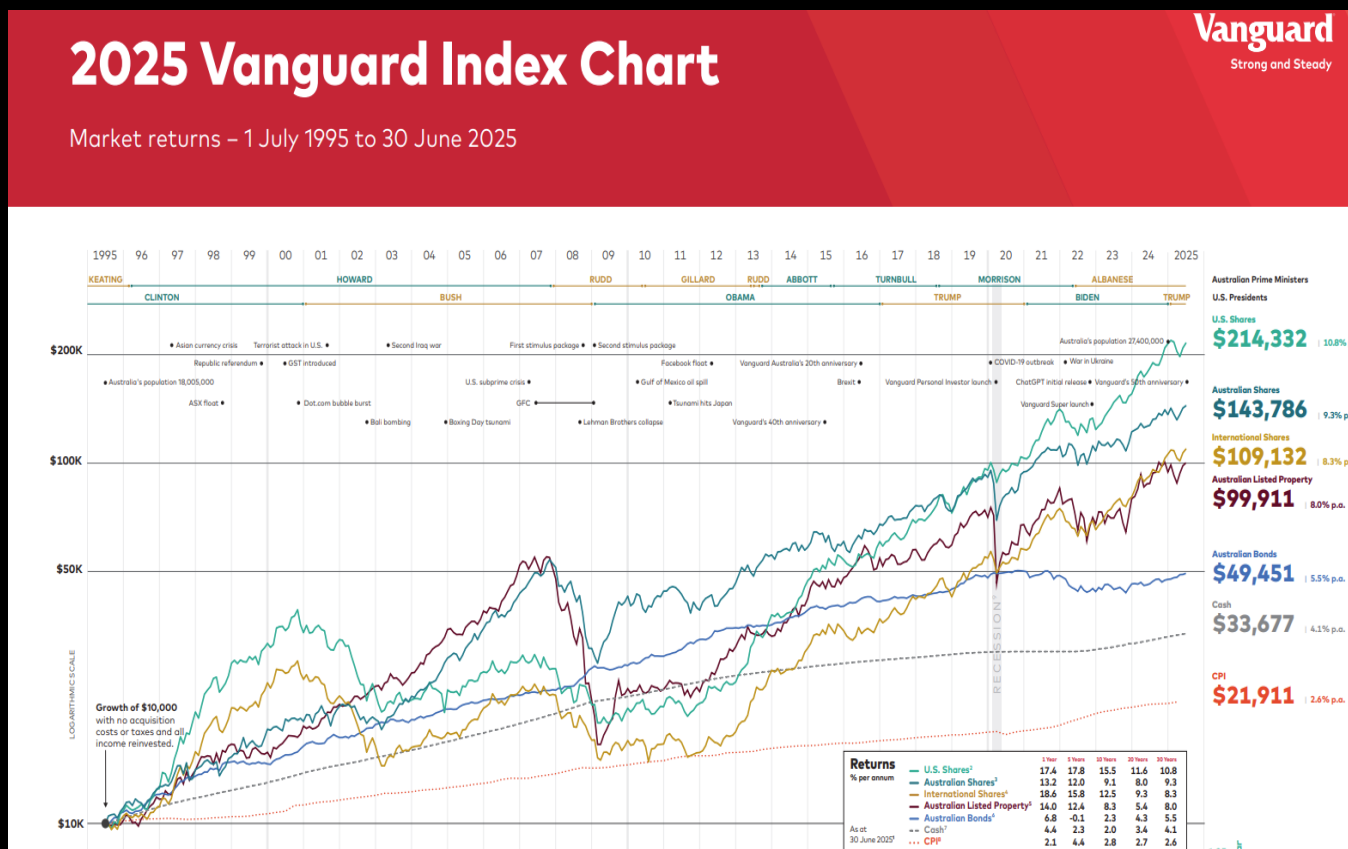


* Calculated using average of year-ended weighted median inflation and year-ended trimmed mean inflation.
Sources: ABS; AFMA; ASX; RBA.

Bank	Aus. client	Rating	Long/Short	30Days	60Days	90Days	120Days	150Days	180Days	210Days	240Days	270Days	300Days	330Days	365Days
ANZ	✓	AA-/A1+		3.72	3.96	4.22	4.24	4.29	4.32	4.35	4.39	4.43	4.46	4.49	4.52
CBA	✓	AA-/A1+		3.82	4.10	4.22	4.28	4.33	4.37	4.41	4.44	4.48	4.51	4.53	4.56
NAB (With <\$50m in Total NAB TDs)	✓	AA-/A1+		3.40	3.90	4.15	4.25	4.35	4.45	4.45	4.50	4.55	4.55	4.60	4.60
NAB (With >\$50m in Total NAB TDs)	✓	AA-/A1+		3.40	3.85	4.15	4.20	4.30	4.40	4.45	4.45	4.50	4.50	4.55	4.55
Suncorp (non-fossil fuel bank) ROLLOVERS ONLY	✓	AA-/A1+		0.00	0.00	4.18	4.30	4.43	4.55	4.55	4.55	4.02	4.00	4.52	4.55
Westpac Commercial (WA and Commercial Clients Only)	✗	AA-/A1+		1.20	1.40	4.33	4.38	4.43	4.49	4.54	4.59	4.64	4.69	4.73	4.78
Westpac (Green/Social)	✓	AA-/A1+							4.40	4.42	4.47	4.50	4.52	4.53	4.50 (q)
Westpac Treasury	✓	AA-/A1+		3.25	3.35	4.22	4.29	4.35	4.45	4.47	4.52	4.55	4.57	4.58	4.55 (q)
Macquarie (<\$2m Individual TD)	✗	A+/A1		2.10	2.10	4.15	4.15	4.15	4.35	4.35	4.35	4.35	4.35	4.35	3.83
Macquarie (\$2m - \$5m Individual TD)	✗	A+/A1		2.10	2.10	3.95	3.95	3.95	4.10	4.10	4.10	4.10	4.10	4.10	4.13
ING Bank Aus	✓	A/A1		3.62	3.73	3.95	4.06	4.19	4.32	4.36	4.45	4.47	4.51	4.56	4.60
Rabobank Aus	✗	A/A1						4.58	4.58	4.58	4.61	4.61	4.61	4.65	4.65
Bank of Queensland (non-fossil fuel bank)	✓	A-/A2		3.50	3.70	4.00	4.10	4.25	4.40			4.35		4.30	
Bendigo Bank (non-fossil fuel bank)	✓	A-/A2		3.50	3.80	4.10	4.25	4.35	4.45			4.40		4.40	
AMP Bank (non-fossil fuel bank) - MAX \$20m in Total AMP TDs	✗	BBB+/A2		0.10	0.20	4.10	3.80	3.90	4.30	3.95	3.75	4.35	3.75	3.75	4.40
AMP *(Above rate + Prudential 0.15% rebate to Client)	✗	BBB+/A2		0.25	0.35	4.25	3.95	4.05	4.45	4.10	3.90	4.50	3.90	3.90	4.55
Heritage People First Bank	✓	BBB+/A2		3.85	4.00	4.10	4.05	4.00	3.95	3.95	3.90	3.90	3.85	3.80	3.80

- Current RBA cash rate – 3.85% in February 26.
 - Future interest rates are uncertain. IMF Forecast –Australian 5 year cash rate will be around 3-4%
- # In general, TD rates have increased 20-30 basis points as a result of the rate hike

Other investment asset classes have historically produced better investment returns. See below 30 year history of investment returns across asset classes. Growth assets can be accessed via TCorp Managed Funds



3 key observations

- Growth assets have outperformed materially in the long terms
- Growth assets can experience volatility on short term basis
- Cash and fixed interest assets are lowest returning asset classes

Some alternative investment options to consider.

Indicative returns

Option 1 – Maintain status quo	Option 2 – Add Australian bonds (example 30% allocation)	Option 3 – Add Australian bank bonds + TCorp Managed Funds (35%)																																																																																								
<p>Current Investment Mix - Option 1 ~4.32% return</p> <table border="1"> <thead> <tr> <th>Asset Class</th> <th>% of Portfolio</th> <th>\$ (M)</th> <th>Return (%)</th> </tr> </thead> <tbody> <tr> <td>Cash at Call</td> <td>17%</td> <td>19</td> <td>3.70%</td> </tr> <tr> <td>TD's</td> <td>83%</td> <td>94</td> <td>4.44%</td> </tr> <tr> <td>FRN</td> <td>0%</td> <td>0</td> <td>n/a</td> </tr> <tr> <td>T-Corp</td> <td>0%</td> <td>0</td> <td>n/a</td> </tr> <tr> <td>Total</td> <td></td> <td>112</td> <td></td> </tr> <tr> <td></td> <td>100%</td> <td></td> <td></td> </tr> </tbody> </table>	Asset Class	% of Portfolio	\$ (M)	Return (%)	Cash at Call	17%	19	3.70%	TD's	83%	94	4.44%	FRN	0%	0	n/a	T-Corp	0%	0	n/a	Total		112			100%			<p>Option 2, add bonds, ~4.84% return</p> <table border="1"> <thead> <tr> <th>Asset Class</th> <th>% of Portfolio</th> <th>\$ (M)</th> <th>Return (%)</th> </tr> </thead> <tbody> <tr> <td>Cash at Call</td> <td>15%</td> <td>17</td> <td>3.70%</td> </tr> <tr> <td>TD's</td> <td>50%</td> <td>56</td> <td>4.44%</td> </tr> <tr> <td>FRN</td> <td>45%</td> <td>50</td> <td>4.59%</td> </tr> <tr> <td>T-Corp</td> <td>0%</td> <td>0</td> <td>n/a</td> </tr> <tr> <td>Total</td> <td></td> <td>112</td> <td></td> </tr> <tr> <td></td> <td>110%</td> <td></td> <td></td> </tr> </tbody> </table>	Asset Class	% of Portfolio	\$ (M)	Return (%)	Cash at Call	15%	17	3.70%	TD's	50%	56	4.44%	FRN	45%	50	4.59%	T-Corp	0%	0	n/a	Total		112			110%			<p>Option 3, add bonds & T-corp, ~ 5.09% return</p> <table border="1"> <thead> <tr> <th>Asset Class</th> <th>% of Portfolio</th> <th>\$ (M)</th> <th>Return (%)</th> </tr> </thead> <tbody> <tr> <td>Cash at Call</td> <td>15%</td> <td>17</td> <td>3.70%</td> </tr> <tr> <td>TD's</td> <td>20%</td> <td>22</td> <td>4.44%</td> </tr> <tr> <td>FRN</td> <td>30%</td> <td>34</td> <td>4.59%</td> </tr> <tr> <td>T-Corp - MTGF</td> <td>10%</td> <td>11</td> <td>5.40%</td> </tr> <tr> <td>T-Corp - LTTGF</td> <td>25%</td> <td>28</td> <td>6.90%</td> </tr> <tr> <td>Total</td> <td></td> <td>112</td> <td></td> </tr> <tr> <td></td> <td>100%</td> <td></td> <td></td> </tr> </tbody> </table>	Asset Class	% of Portfolio	\$ (M)	Return (%)	Cash at Call	15%	17	3.70%	TD's	20%	22	4.44%	FRN	30%	34	4.59%	T-Corp - MTGF	10%	11	5.40%	T-Corp - LTTGF	25%	28	6.90%	Total		112			100%		
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<p>Portfolio return – 4.32%, \$4.85m return p.a on \$112m current funds</p>	<p>Portfolio return – 4.84%, \$5.42m return p.a on \$112m current funds (\$570k pa & 52bps uplift)</p>	<p>Portfolio return – 5.09%, \$5.70m return p.a on \$112m current funds (\$840k pa & 77bps uplift)</p>																																																																																								
<p>Very low risk of capital loss Relatively lower returns</p>	<p>Highly rated bonds only (but some capital loss risk if forced bond sales in rising interest rate market) Marginally higher returns</p>	<p>Growth assets normally produce higher returns over the longer term but can be volatile in the shorter term.</p>																																																																																								

Pro's/Cons on Alternative Investment Options

OPTION 1 – MAINTAIN STATUS QUO

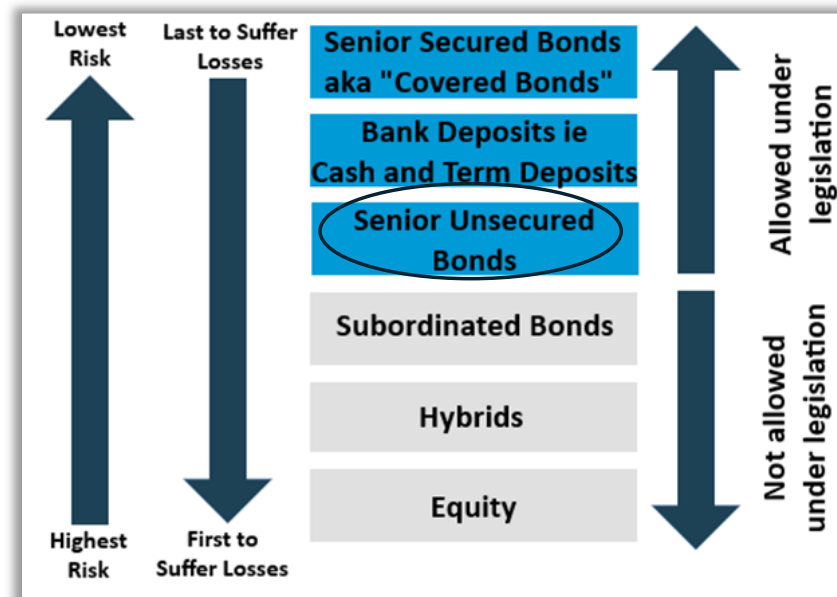
- **Pro's** - safe, conservative, easy to manage investing, Preservation of capital is all but guaranteed, low risk and steady conservative returns, with low volatility month over month, on \$100m @ 4.32% = \$4.32m revenue p.a .
- **Con's** – Relatively very conservative. Lower returns and no growth potential

OPTION 2 – ADD BONDS IN ADDITION TO CASH & TD'S,

Bonds come in both fixed and floating rate forms. The former are known as 'fixed rate bonds' (FXD) and the latter are known as 'floating rate notes' (FRNs) .

FRNs have less sensitivity to interest rate movements than FXDs and hence Prudential prefers that clients invest in FRNs

- **Pro's** – FRN's can be sold & converted to cash as required. ADI issued FRNs only
- **Con's** – Slightly higher risk than cash & term deposits, margins change over time depending on market conditions.



Investment Proposal/ Options – Option 3

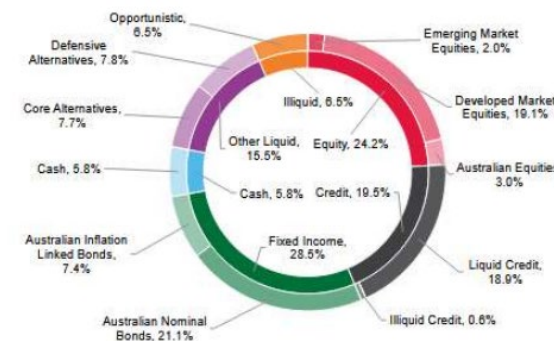
OPTION 3 – ADD BANK BONDS AND TCORP FUNDS

TCorp offers 2 managed funds with growth asset exposure, each with different risk profiles

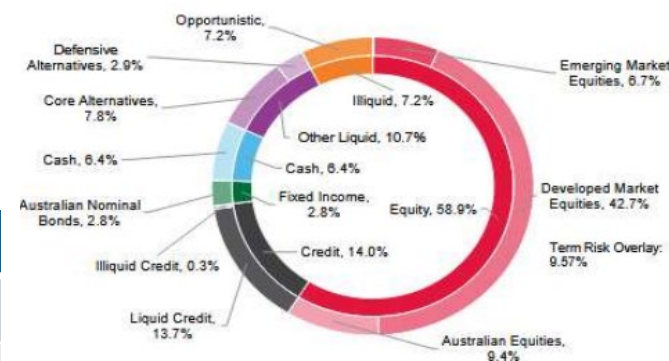
- Medium Term Growth Fund (MTGF) The MTGF’s stated Investment Objective is: “To produce returns of CPI + 2.0 % p.a. over rolling 5–year periods, on an after fees and expenses basis”.
- Long Term Growth Fund (LTGF) The LTGF’s stated Investment Objective is: “To produce returns of CPI + 3.5 % p.a. over rolling 10- year periods, on an after fees and expenses basis”.
- The managed funds are liquid and can be sold & converted to cash as required.

Fund	Return Objective
Long Term Growth Fund	CPI + 3.5% (currently ~ 7.0%)
Medium Term Growth Fund	CPI + 2.0% (currently ~ 5.5%)

TCorp Funds – Asset Allocation
MTGF currently has 24% of its portfolio invested in shares while the LTGF has 59%.



Medium Growth Fund Asset Allocation



Long Term Growth Fund Asset Allocation

Investment Proposal/ Options – Option 3

Introduces potential volatility which can be managed by reducing total asset allocation (in the context of overall portfolio) and proactive asset management

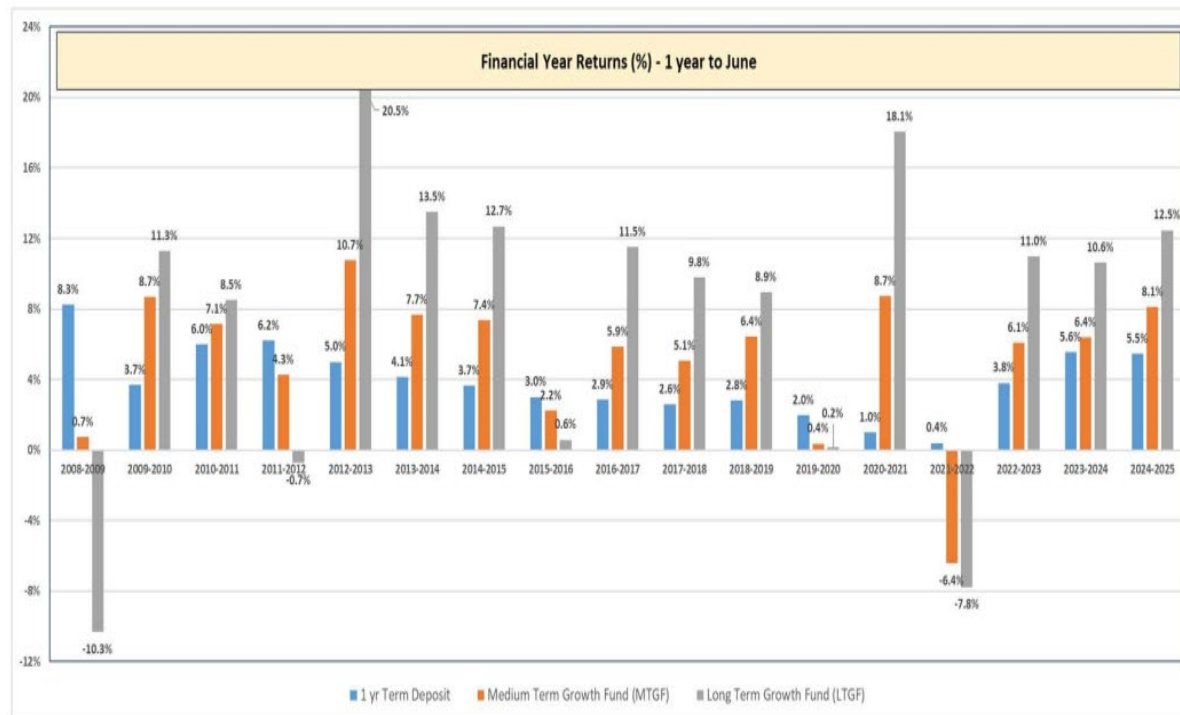
Variability of returns reduces over time

Graph highlights

- Medium Term and Long Term Growth Funds have generally outperformed term deposit rates.
- However, over 17-year time frame (see graph) there were 2 years of negative returns for the LTGF and 1 year of negative return for the MTGF.

Investment risk appetite

- Does Council have investment risk appetite for:
 - 1 year out of 17 years capital loss for MTGF
 - 2 years out of 17 years capital loss (1 year out of 8.5 years on average)

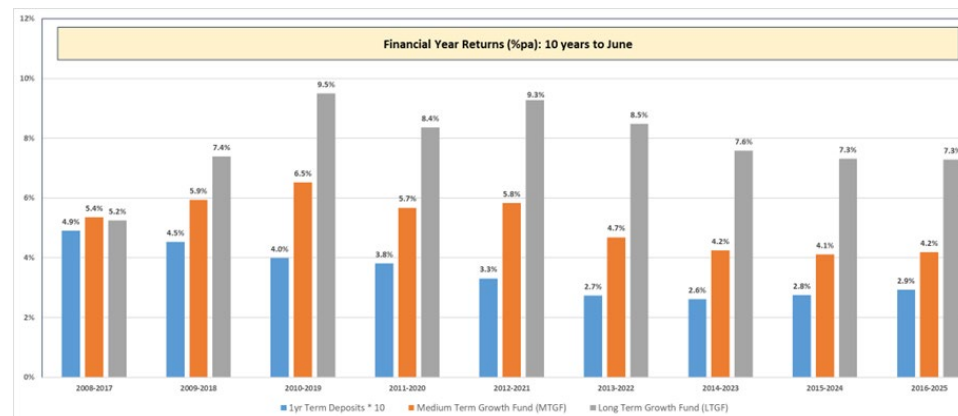
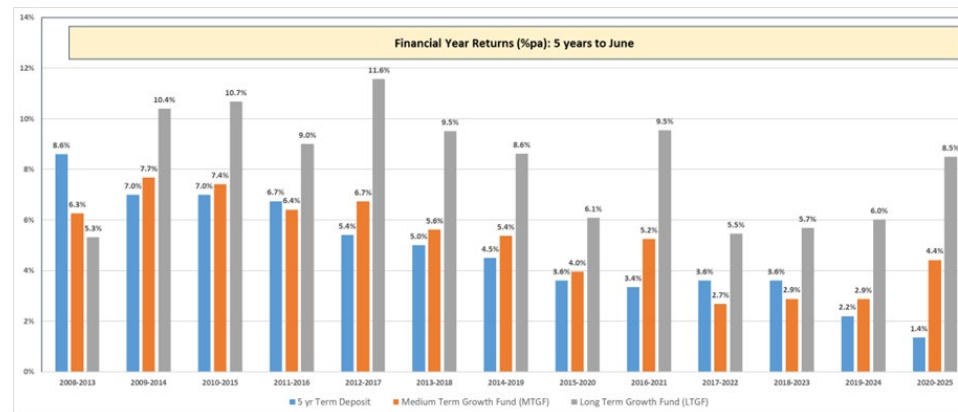


Investment Proposal/ Options – Option 3 Rolling Returns

However, variability of returns reduces over time:

Over 5 and 10 Year Time Horizons the LTGF has outperformed over 5/10 year year Term Deposit across all 5 year time horizons except for 2008-2013

Historically, the longer investments are held in growth funds the higher chance they have to outperform a term deposit portfolio.



Prudential advice with regards to T-Corp managed funds

We DO NOT recommend investments in growth funds if the intent is to hope to have a good 1 year return and withdrawal shortly after that.

Therefore, before deciding to invest in any growth funds it is important to determine whether those funds will be required for longer term.

An important test is the Long Term Financial Plan (LTFP) that Council prepares every year.

Potential longer term funds

- Water and Sewer Fund (align with investment horizons)
- Rolling pool of capital eg developer contributions – capital is constantly being replenished

NOTE – TCorp Fund are highly liquid. Can be redeemed immediately at the prevailing unit price.

Potential asset allocation range

Asset Class	Allocation Range
Cash at Bank	15-100%
Term Deposits	20-80%
Bank Bonds	0-30%
TCorp Managed Funds	0-25%

Rationale

- These ranges provide an opportunity to increase investment returns over the longer term
- When benchmarked against NSW Council peer group, these asset allocation ranges are not unreasonable
- There is continuing to flexibility to reduce allocation to Bonds and Tcorp Managed Funds if investment strategy change is required in the future

Socially responsible investment

Council Investment Policy states policy position of the Council

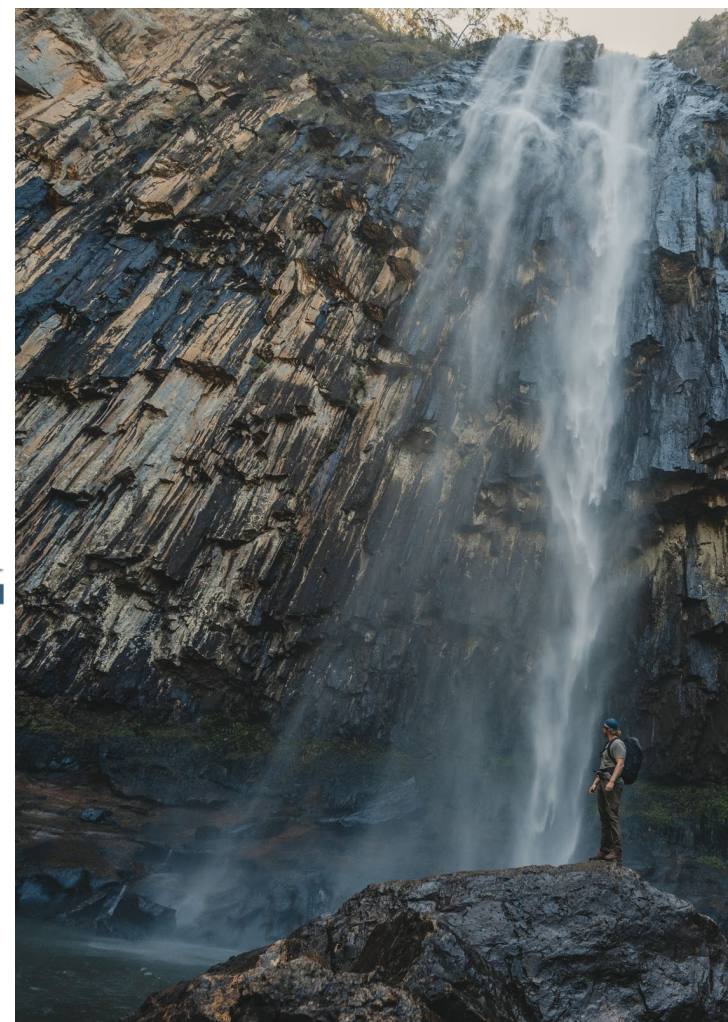
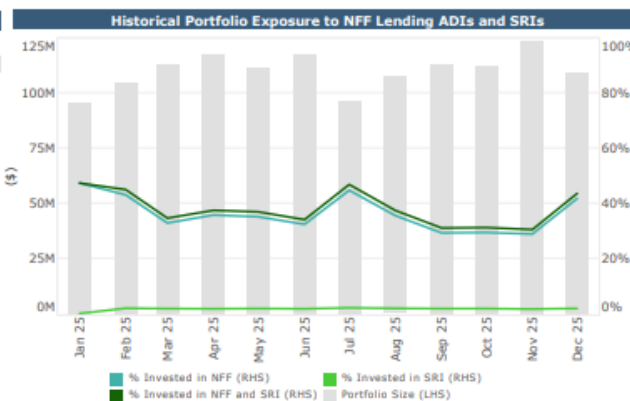
“Where financial institutions are offering equivalent investment returns with the same credit rating and assessed financial risk and the investment fit...it may be considered for investment capital allocation”

It not proposed to change Council’s Socially Responsible Investment policy Setting

Lismore City Council
Environmental Commitments Report - December 2025



Current Breakdown		
ADI Lending Status *	Current Month (\$)	Previous Month (\$)
Fossil Fuel Lending ADIs		
Commonwealth Bank of Australia	38,753,043	52,829,707
National Australia Bank	23,000,000	33,000,000
	61,753,043 57%	85,829,707 70%
Non Fossil Fuel Lending ADIs		
AMP Bank	15,061	15,036
Bank of Queensland	20,000,000	10,000,000
Summerland Bank	3,500,000	3,500,000
Suncorp Bank	22,000,000	22,000,000
	45,515,061 42%	35,515,036 29%
Socially Responsible Investment		
Westpac Group (Green TD)	2,000,000	2,000,000
	2,000,000 2%	2,000,000 2%
	109,268,103	123,344,743



FRP Portfolio

- The Flood Restoration Advanced funding currently has a balance of \$131m as at Dec 25
- Currently all funds are held in cash, our investment policy guidelines allow these funds to be invested in other asset classes, consistent with the broader council investment guidelines.
- There is an opportunity to prudently invest a portion of the FRP Advanced Funding in term deposits to incrementally enhance the current investment income
- Based on recent agreement with RA - interest accrued or investment income from advanced payments can be utilised on range of funding needs (including ineligible costs, betterment and expenses aligned to Property Strategy).



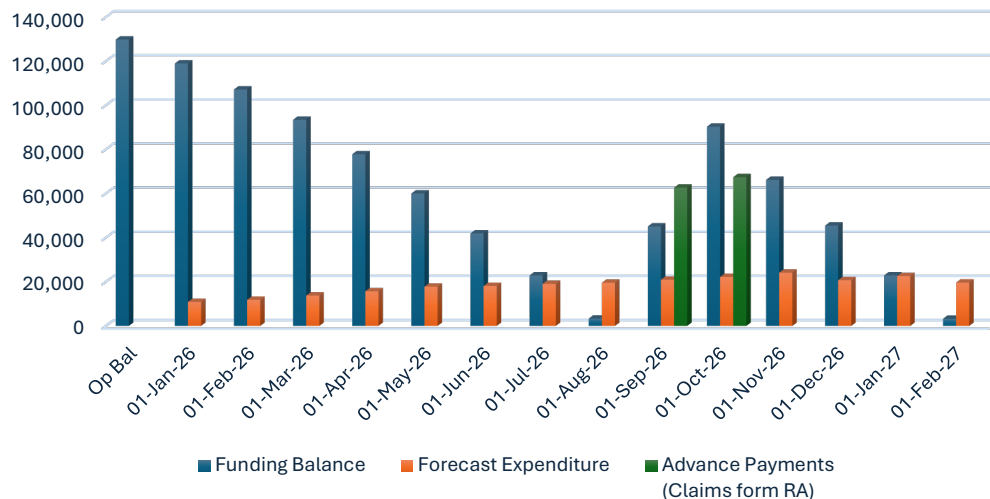
FRP Portfolio – investment opportunity to incrementally improve returns by adding term deposits or bonds

- We have worked with the FRP team to gain a line of sight on ongoing cash flow requirements and funding expectations in order to determine what funds are required to remain on call & what can be placed in term deposits
- Based on the forecast model provided, approx. 40% can be immediately invested in TD/FRN (2 x \$20m + 1 x \$10m tranche) with the balance remaining 60% 'at call'



FRP - Capital expenditure/drawdown

Forecast Cashflow 2026



- Forecast expenditure is expected to average \$18m per mth in 2026
- Advance payments from RA are scheduled for Sept (\$63m) & Oct (\$67m) based on 3mths of claims to RA
- Strategy to retain circa 6 months of f/c cash requirement ‘at call’ and invest balance in 180 day TD’s or Bonds in order to enhance returns



Prudential advice and options - summary

Option 1 – Maintain status quo

Current Investment Mix - Option 1 ~3.70% return

Asset Class	% of Portfolio	\$ (M)	Return (%)
Cash at Call	100%	131	3.70%
TD's	0%	-	n/a
FRN	0%	0	n/a
T-Corp	0%	0	n/a
Total		131	

100%

\$4.85m return p.a on \$131m current funds

Very low risk of capital loss, 100% of funds are on call, relatively lower returns

Option 2 – Add Term Deposits (60% cash & 40% TD/FRN's

Option 2, add Term Deposits/Bonds ~ 4.03% return

Asset Class	% of Portfolio	\$ (M)	Return (%)
Cash at Call	60%	79	3.70%
TD's	15%	20	4.44%
FRN	25%	33	4.59%
T-Corp	0%	0	n/a
Total		131	

100%

\$5.28m return p.a on \$131m current funds (~ \$440k pa & ~33bps uplift)

Low risk of capital loss
Relatively better returns than option 1



Total Portfolio View – Asset Allocation and Investment Returns

Portfolio	Asset Allocation	Benchmark
Council Investment Portfolio	Cash Account Term Deposits Floating Rate Notes TCorp Managed Fund	RBA Cash Rate – 3.85% 90 Day Bank Bill – 3.74%
FRP Portfolio	Cash Account Term Deposits Floating Rate Notes	Australian Bank Bills Index (same as current)



Implementation pathway

- ✓ If Council approves new Investment Policy, acquiring new investment assets in line with revised asset allocation will take 1-2 months)

No	Portfolio	Time
1	Council portfolio	1-2 month implementation (for FRN issuance and TCorp Fund)
2	FRP Portfolio	Implementation to occur in February

- ✓ Council will continue to receive regular reporting on performance of the investment portfolio within the Monthly Finance and Investment Report.
- ✓ Council will arrange an in-person meeting with TCorp to ensure the expectations of Council is well understood.
- ✓ Prudential will continue monitoring the portfolio and provide advisory services if any alterations are required



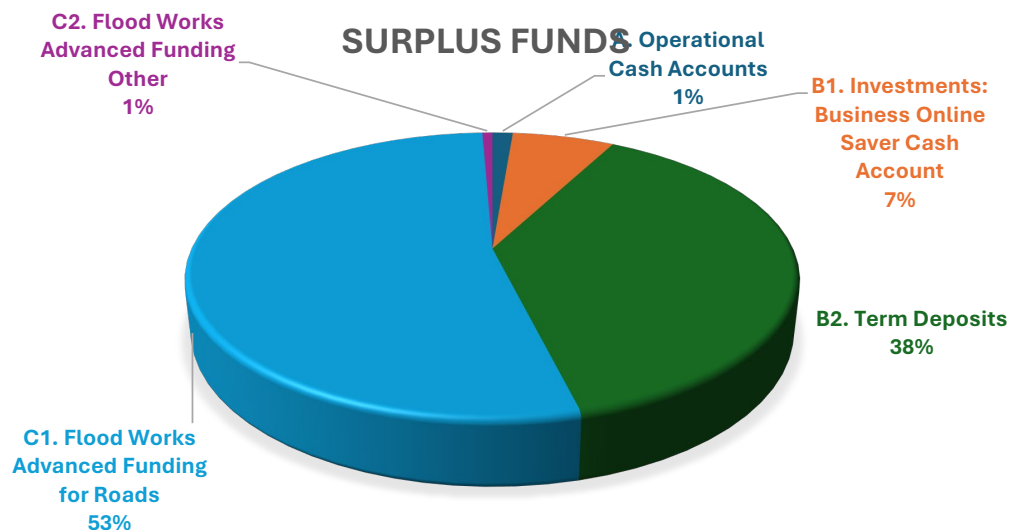
Thank You

Lismore
City Council

Appendix



Composition of the Council Investment Portfolio – 31 Dec 25



	Dec-25
Cash and Investment Breakdown	
A1: Operational Cash Accounts	936,500
A2: Restricted Operational Cash Accounts	2,210,723
A Total Operational Cash Accounts	3,147,223
B1: Investments: Business Online Saver Cash Account	15,753,043
B2: Other Investment including Term Deposits	93,515,061
B Total Investments including Term Deposits	109,268,103
C1: Flood Works Advanced Funding for Roads	129,809,983
C2: Flood Works Advanced Funding for Buildings	19,916
C3: Flood Works Advanced Funding for Waste	1,527,580
C Total Flood Works Advanced Funding	131,357,478
Total Cash, Investments and Advanced Funding	243,772,804

Internal & External Restricted Reserves

- For financial reporting purposes Council must categorise its cash, cash equivalents and investments as either externally restricted or internally restricted.
- Funds that are externally restricted, typically by legislation, can only be used for the purpose received. Funds internally restricted can be used for any purpose determined by Council.
- Council has identified **\$36.264m** (\$36.967m LY) in funding is required in internal reserves however as at 30 June 25 council did not have sufficient unrestricted cash to fund these reserves.
- In accordance with the Reserves Policy adopted in Dec 25 & reporting requirements council can only recognise reserves held in cash. **\$21.41m** (LY\$14.026m)
- Timing issue only, \$18.8m is owed to council in grant expenditure incurred but not reimbursed. Grant funds are now reimbursed, these funds have been applied to fully fund the identified reserves of \$36.264m. Council adopted the internally restricted annual report stating this detail in Dec 2025.

Reserves (Internally Restricted)

As at 30 June 2025

Reserve Categories	(\$m)
Fleet Replacement	2.652
Special Rate Variation	1.325
Carry Forward & Reworks	3.797
Public Infrastructure & Building Assets	9.128
Employee Leave Entitlements	3.817
Onsite Sewerage Management	0.323
Total Reserves Held	21.042

Working Funds Cashflow

Carry Forward Works	6.610
Emergencies	1.100
Economic Development & Growth	1.000
Public Infrastructure & Building Assets	6.513
Sub total	15.223

Total Internal Restrictions **36.265**

Legislative & Regulatory Requirements

Section 625 of the Act specifies how councils may invest surplus funds

Section 625 of the *Local Government Act 1993* (NSW)

Section 625 outlines the **investment powers of councils**:

- Councils may invest money **not immediately required** for operational purposes.
- Investments must be in forms **approved by the Minister** or prescribed by regulations.
- Councils must comply with any **Ministerial investment orders** and their own **investment policy**.
- The aim is to ensure **security, liquidity, and compliance** with statutory requirements.

Clause 212 of the *Local Government (General) Regulation 2021* (NSW)

Clause 212 deals with **reports on council investments**. It states:

- The **responsible accounting officer** of a council must provide the council with a **written report** detailing all money invested under **Section 625 of the Local Government Act 1993**.
- This report must:
 - Be presented at the council's ordinary meeting (either the only meeting in the month or as determined by resolution if there are multiple meetings).
 - Include a **certificate** confirming whether the investments comply with:
 - The Act
 - The Regulation
 - The council's investment policies.
- The report must cover investments up to the **last day of the month immediately preceding the meeting**.

Prudential – Rate Forecast Table

Lismore - Forecast Worksheet											
Long Term Inflation and Returns Forecasts	0	1	2	3	4	5	6	7	8	9	10
	Current Actual	2026/27 Forecast	2027/28 Forecast	2028/29 Forecast	2029/30 Forecast	2030/31 Forecast	2031/32 Forecast	2032/33 Forecast	2033/34 Forecast	2034/35 Forecast	2035/36 Forecast
Australian CPI (annual avg)	3.40%	3.50%	3.00%	2.80%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
RBA Cash Rate (annual avg)	3.60%	3.85%	3.60%	3.35%	3.10%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%
90 Day Bank Bill (annual avg)	3.74%	4.10%	3.85%	3.60%	3.40%	3.15%	3.10%	3.10%	3.10%	3.10%	3.10%
Cash Returns	3.60%	3.85%	3.60%	3.35%	3.10%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%
6mo TD Returns (90d BB + 0.70%)	4.44%	4.80%	4.55%	4.30%	4.10%	3.85%	3.80%	3.80%	3.80%	3.80%	3.80%
FRN Returns (90d BB +0.85%)	4.59%	4.95%	4.70%	4.45%	4.25%	4.00%	3.95%	3.95%	3.95%	3.95%	3.95%
TCorp MTGF Target Returns (CPI + 2% over rolling 5yrs)	5.40%	5.50%	5.00%	4.80%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
TCorp LTGF Target Returns (CPI + 3.5% over rolling 10yrs)	6.90%	7.00%	6.50%	6.30%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
<i>Sources: ASX; Refinitiv; Reserve Bank of Australia</i>											