

Circular to Councils

Subject/title	Draft Quarterly Budget Review Statement Guidelines
Circular Details	25-04/ 6 March 2025/ A934553
Who should read this	Councillors / General Managers / Council finance staff
Contact	Strategic Projects Unit / 02 4428 4100 / olg@olg.nsw.gov.au
Action required	Information / Response to OLG

What's new or changing?

- Financial reporting is an important part of a transparent and accountable local government.
- To ensure councillors have effective oversight and are in control of the financial performance of their council, the Office of Local Government (OLG) has revised the Quarterly Budget Review Statement Guidelines for Local Government (the draft Guidelines).
- The draft Guidelines outline the purpose and value of effective financial reporting, highlight roles and responsibilities, and establish standardised Quarterly Budget Review Statement (QBRs) reporting templates.
- The draft Guidelines also introduce a QBRs overview and reporting of council income and expenditure based on fund.
- These changes will address concerns that the governing body and communities are not receiving clear, relevant and meaningful financial information.

What will this mean for council?

- The proposed framework will be mandatory, and all NSW councils will be required to comply with the draft Guidelines including the standardised QBRs reporting to be presented to councillors, the community and to the OLG.
- A Consultation Guide has been developed to encourage discussion and generate feedback from the local government sector and key stakeholders.

- A 'How to read your Quarterly Financial Overview' guide has also been developed to assist users read and understand the figures presented in the QBRs. The one-page resource can be re-badged and used by councils.
- OLG intends to assess submissions, finalise and release the new QBRs Guidelines in mid-2025 and anticipates that councils would commence reporting the 1st quarter QBRs under the new Guidelines by no later than 30 November 2025.
- Currently, the draft Guidelines do not include a 'key performance indicator statement'. OLG is in the process of reviewing the performance ratios and will separately consult with the sector about any proposed changes.

Key points

- Openly available financial information ensure effective oversight, builds trust and confidence and minimises risk.
- The draft Guidelines highlight the importance of financial reporting and clarify that councillors have a primary role in determining the financial direction and health of a council.
- They introduce standardised reporting template and a mandate to report at fund level to ensure the governing body and community can easily view how each fund is operating on its own merit.
- They also introduce a new requirement for councils to provide OLG with a full copy of QBRs documents and an electronic QBRs data return throughout the financial year.
- Councils are encouraged to review the draft Guidelines and the Consultation Guidelines on the [OLG website](#).

Where to go for further information

- The suite of QBRs documents are available on the [OLG website](#).
- Feedback is welcome from councils, individual councillors, council staff and key industry stakeholders, and is due by **5pm Friday 18 April 2025**
- Written feedback can be provided via:
 - **Email:** olg@olg.nsw.gov.au OR
 - **Post:** Locked Bag 3015 NOWRA NSW 2541.
- Submissions should be clearly labelled 'Draft Quarterly Budget Review Statement – Consultation Feedback'.

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