

Central
Coast
Council

OPERATIONAL PLAN

2021-22

Quarter 1
Business Report
(July to September)

About this Report

The information contained in this report details Council's performance against the Operational Plan 2021-2022 and covers the period from 1 July 2021 to 30 September 2021 as required under sub-section 404(5) of the *Local Government Act 1993*.

Included in this report is the Quarterly Budget Review Statement that shows a revised estimate of income and expenditure from the Responsible Accounting Officer of Council as required under clause 203 of the *Local Government (General) Regulations 2005*. The Quarter One (Q1) budget review statement covers the period from 1 July 2021 to 30 September 2021 and presents a summary of Council's financial position at the end of the quarter.

Council's performance against the Delivery Program and annual Operational Plan will be reported quarterly within two months after the end of the quarter to coincide with the Quarterly Budget Review Statement (with the exception of Q4, covered by the Annual Report).

Quarterly Reporting Periods are as follows:

- Quarter 1 (Q1) – 1 July 2021 to 30 September 2021
- Quarter 2 (Q2) – 1 October 2021 to 31 December 2021
- Quarter 3 (Q3) – 1 January 2022 to 31 March 2022
- Quarter 4 (Q4) – 1 April 2022 to 30 June 2022

Financial Overview

This financial overview reports on Central Coast Council's performance as measured against its Operational Plan for 2021-2022 and covers the period from 1 July 2021 to 30 September 2021 (Q1).

Note that there may be some small rounding differences throughout this report as whole dollars are rounded to the nearest \$0.1M.

1.1 Operating Result

The year to date (YTD) operating result (excluding capital grants and contributions) is showing a favourable variance of \$12.2M, consisting of an actual surplus of \$219.1M compared to a budget surplus of \$206.9M.

The year to date (YTD) operating result (including capital grants and contributions) is showing a favourable variance of \$12.3M, consisting of an actual surplus of \$227.8M compared to a budget surplus of \$215.5M.

Financial Performance 2021-2022	YTD Actual	YTD Budget	YTD Variance	YTD Variance	Original Budget	Proposed Full year Annual Budget
	\$'000	\$'000	\$'000	%	\$'000	\$'000
Income (excluding capital income)	341,172	342,175	(1,003)	(0.3%)	573,325	567,903
Expenses	122,025	135,273	13,248	9.8%	566,282	564,809
Net Operating Result (excluding capital income)	219,147	206,902	12,246	5.9%	7,043	3,094
Income from capital grants and contributions	8,675	8,611	63	0.7%	42,890	67,675
Net Operating Result (including capital income)	227,822	215,513	12,309	5.7%	49,933	70,769

The above table is prepared in accordance with the *Local Government Code of Accounting Practice and Financial Reporting* which requires Council to recognise the full year rates and annual charges for waste management when levied in July each year. In the table below rates and annual charges income have been amortised over the 12 month period to provide a consistent income spread over the year and a clearer year-to-date position.

Financial Performance 2021-2022	YTD Actual	YTD Budget	YTD Variance	YTD Variance	Original Budget	Proposed Full year Annual Budget
	\$'000	\$'000	\$'000	%	\$'000	\$'000
Income (excluding capital income)	341,172	342,175	(1,003)	(0.3%)	573,325	567,903
Less Rates and Annual Charges Amortisation (Oct 2021 – June 2022)	(208,779)	(208,779)	-	-	-	-
Expenses	122,025	135,273	13,248	9.8%	566,282	564,809
Net Operating Result (excluding capital income)	10,368	(1,877)	12,246	652.2%	7,043	3,094
Income from capital grants and contributions	8,675	8,611	63	0.7%	42,890	67,675
Net Operating Result (including capital income)	19,043	6,734	12,309	182.8%	49,933	70,769

The YTD variances are explained in *Section 2.2 Operating Result* of this report.

1.2 Financial Position

Council has taken and continues to take a number of actions to address its serious financial situation and to ensure its ongoing financial sustainability and is currently tracking in a satisfactory way in relation to its 2021-2022 budget. Although impacted by COVID19 closures and restrictions during the first quarter, Council is still budgeting for a small surplus this financial year.

The proposed adjustments, summarised below to Council's 2021-2022 operating and capital budgets, have been included in this Q1 budget review to further maintain Council's financial position.

Summary of proposed Q1 budget amendments

Budget adjustments proposed to be adopted as part of the Q1 budget review include the items below, noting that favourable impacts are shown as positive amounts and unfavourable impacts are shown as bracketed amounts.

- **Reduction of (\$5.5M) in operating income**

- (\$6.2M) reduction in operating contribution income where forecast revenue is unlikely to be received in 2021-2022.
- (\$3.0M) reduction in tipping fee income due to reduced tonnages being received at Council's Waste Management facilities.
- (\$0.7M) reduction in property rental, theatre income and community facility hire income due to COVID closures and restrictions.
- (\$0.4M) reduction in parking station income due to COVID closures and restrictions.
- \$0.3M minor net increase in rates and annual charges.
- \$0.3M additional income from legal costs recovered that were not originally forecast.
- \$0.6M increase in sale of scrap metal and gas royalty payments at Council Waste Management facilities.
- \$1.0M increase in Holiday Parks income as occupancy rates are forecast to outperform budget expectations, especially over December and January as COVID restrictions have eased, partially offset by additional operational expenditure.
- \$1.0M additional RMS income for works undertaken on State roads, partially offset by additional operational expenditure.
- \$1.6M increase in Development Assessment and Environmental Management fees and charges income, partially offset by additional operational expenditure.

- **Increase of \$24.8M in capital income**

- \$37.2M increase in capital grant income including Infrastructure Services for roads, bridges, shared pathways, drainage and traffic facility programs \$28.6M, Water and Sewer infrastructure in Warnervale Town Centre and Gosford CBD \$6.5M, local play space programs \$1.0M, Library and education \$0.9M and Estuary Management works \$0.2M.
- (\$6.4M) reduction in s7.11 developer contribution forecast income.
- (\$6.0M) reduction in s64 developer contribution forecast income.

- **Reduction of \$1.5M in operational expenditure**

- (\$8.9M) forecast reduction in recovery of internal costs from capital works, including plant and fleet and tipping expenses which have an unfavourable impact on the operating result.
- (\$4.7M) net increase in contract costs and other expenses, mostly in the Waste Management Unit as the CPI escalation allowed for in the Long Term Financial Plan (LTFP) was less than actual CPI escalation incurred (\$6.0M), partially offset by Governance budget reductions of \$2.0M including the removal of the budget for the referendum that will no longer take place in 2021-2022.
- \$3.2M harvested from employee costs mostly due to vacant positions in the process of being recruited. The full year budgets for those vacant positions have been reduced in some cases to

fund temporary contractor costs and to offset unfavourable budget impacts in other operating statement categories.

- \$4.8M reduction in borrowing cost budgets to align to external loan repayment schedules. This mostly relates to loans that were repaid early in April 2021, after the original budget in the LTFP had been set.
- \$7.1M reduction in forecast amortisation and depreciation expenses; stormwater drainage reduced by \$3.6M and road infrastructure reduced by \$1.7M in line with the revaluation of these asset classes in 2020-2021. In addition, there is a reduction in the amortisation expense of intangible IT assets of \$1.8M in line with accounting treatment for cloud based computing arrangements that were expensed in 2020-2021.

The proposed Q1 adjustments will move the Q1 approved operating surplus (excluding capital grants and contributions) from \$7.0M to an operating surplus (excluding capital grants and contributions) of \$3.1M.

Section 3.2 Proposed Operating Budget Amendments provides a detailed listing of proposed Q1 budget adjustments.

1.3 Capital Works

Council's capital works program adopted as part of the 2021-2022 Operational Plan totalled \$175.0M.

Actual Q1 YTD capital expenditure is \$19.0M against the Q1 YTD budget of \$29.3M. A decrease of \$2.3M is proposed as part of this Q1 review.

For further details on the capital works program adjustments please refer to Section 3.3 Proposed Capital Budget Amendments.

1.4 Developer Contributions

The following section provides an update of Council's Developer Contributions levied under the *Environment Planning and Assessment Act 1979* (EPA) and the *Local Government Act 1993* (LGA) from 1 July 2021 to 30 September 2021.

Summary of Cash Contributions

Contribution Type	Year to Date (YTD) Budget	7.4 Planning Agreement YTD Income	Developer Contribution Income	Total YTD Income	Variance to YTD Budget
	\$'000	\$'000	\$'000	\$'000	\$'000 + = Favourable - = Unfavourable
s7.4 and s7.11 income (excluding drainage) - General Fund	4,219	-	2,031	2,031	(2,188)
s7.4 and s7.11 Drainage Income	672	-	221	221	(451)
s7.12 income	537	-	195	195	(341)
Total EPA Developer Contributions	5,428	-	2,447	2,447	(2,980)
s64 Water Income - Water Fund	1,710	-	432	432	(1,278)
s64 Sewer Income - Sewer Fund	1,218	-	327	327	(891)
Total LGA Developer Contributions	2,928	-	759	759	(2,169)
Total Non-Cash Contributions	255	-	12	12	(243)
Total	8,611	-	3,218	3,218	(5,393)

A proposed budget reduction of \$6.4M is included in this Q1 budget review for s7.11 and s7.12 contributions and a \$6.0M reduction in s64 water and sewer developer contributions, where actual income received is trending below budget forecasts. It is difficult to forecast development activity and as the contributions are capital income, they do not impact the operating result of Council.

Non-Cash Contributions

Council allows developers under Works-In-Kind Agreements to dedicate assets (works or land that has been identified in a contribution plan) in lieu of making cash contributions. Where the value of the assets dedicated exceeds the developer contributions owed, a developer credit is recognised. The developer credits are available to offset future developer contributions.

Restricted Asset Developer Contributions

Council currently has a restricted asset totalling \$181.5M, which represents the developer contributions received with interest income that has not yet been spent as at 30 September 2021. The movements from 1 July 2021 to 30 September 2021 are as follows:

Contribution Type	Opening Restricted Asset Value 1 July 2021	YTD Income	YTD Expenditure	YTD Interest Allocation	Current Restricted Asset Value 30 September 2021
	\$'000	\$'000	\$'000	\$'000	\$'000
s7.11 General Fund	99,614	2,031	(154)	228	101,719
s7.11 Drainage Fund	34,655	221	-	68	34,945
s7.12 Contributions	17,678	195	(49)	39	17,863
Total EPA Developer Contributions	151,947	2,447	(203)	335	154,527
7.4 Planning Agreement Total	5,630			11	5,641
s64 Water Fund	1,666	432	(121)	39	2,016
s64 Sewer Fund	19,510	327	(550)	54	19,341
s64 Total	26,806	759	(671)	104	26,998
Total	178,753	3,206	(874)	439	181,525

Developer Credits – Non-Cash Contributions

Council's current unfunded liabilities (non cash contributions) total \$5.8M as at 30 September 2021. This includes s7.11 credits totalling \$5.3M and s64 credits totalling \$0.5M.

A summary of the movement in non-cash contributions from 1 July 2021 to 30 September 2021 is provided below.

Summary of Developer Credits	
	\$'000
Opening Balance 1 July 2021	5,793
Contributed Assets	62
Non Cash Contributions Utilised	(12)
Indexation	31
Refunds	(50)
Closing Balance as at 30 September 2021	5,824

Quarterly Budget Review

2.1 Responsible Accounting Officer's Statement

Report by Responsible Accounting Officer

The following statement is made in accordance with cl. 203(2) of the *Local Government (General) Regulations 2005*.

It is my opinion that the Quarterly Budget Review Statement for Central Coast Council for the quarter ended 30 September 2021 indicates that Council's projected financial position at 30 June 2022 will be satisfactory at year end, having regard to the projected estimates of income and expenditure (noting a continuing review of operational revenue for any additional income streams, operational expenditure for further savings, continued rigour around capital expenditure and the sale of underperforming assets) and the original budgeted income and expenditure.

Natalia Cowley
Responsible Accounting Officer
12 November 2021

2.2 Operating Result

The year to date (YTD) operating result (excluding capital grants and contributions) is showing a favourable, variance of \$12.2M, consisting of an actual surplus of \$219.1M compared to a budget surplus of \$206.9M.

The year to date (YTD) operating result (including capital grants and contributions) is showing a favourable variance of \$12.3M, consisting of an actual surplus of \$227.8M compared to a budget surplus of \$215.5M.

Council's focus continues to be on reducing expenditure, raising additional income, monitoring cash flow, through monthly cashflow forecasts and ensuring more sustainable cash preservation. Council's Long Term Financial Plan (LTFP) provides a model of future income and expenditure to give greater insights as to the trends affecting Council's financial future. The LTFP is a multi-faceted approach to address liquidity sustainability aimed at ensuring the longer-term financial sustainability of Council operations.

The budget below is the original budget adopted by Council in June 2021 and is before proposed Q1 budget adjustments outlined in *Section 3.2 Proposed Operating Budget Amendments*.

Financial Performance 2021-2022	YTD Actual	YTD Budget	YTD Variance	YTD Variance	Original Budget
	\$'000	\$'000	\$'000	%	\$'000
Income (excluding capital income)	341,172	342,175	(1,003)	(0.3%)	573,325
Expenses	122,025	135,273	13,248	9.8%	566,282
Net Operating Result (excluding capital income)	219,147	206,902	12,246	5.9%	7,043
Income from capital grants and contributions	8,675	8,611	63	0.7%	42,890
Net Operating Result (including capital income)	227,822	215,513	12,309	5.7%	49,933

The following sections provide more detail of the year to date results.

Income Analysis

Income (excluding capital income) as at 30 September 2021 is unfavourable to budget by \$1.0M (0.3%).

Income (including capital income) as at 30 September 2021 is unfavourable to budget by \$0.9M (0.3%).

Income from Continuing Operations 2021-2022	YTD Actual	YTD Budget	YTD Variance	YTD Variance	Original Budget
	\$'000	\$'000	\$'000	%	\$'000
Rates and Annual Charges	297,654	297,532	122	0.0%	361,871
User Charges and Fees	32,172	32,904	(732)	(2.2%)	140,269
Interest and Investment Revenue	972	1,086	(113)	(10.4%)	4,442
Other Revenue	2,053	1,518	535	35.3%	9,156
Operating Grants and Contributions	6,301	7,105	(804)	(11.3%)	49,491
Other Income	2,021	2,031	(10)	(0.5%)	8,056
Net Gains from Disposal of Assets	-	-	-		-
Income from Continuing Operations (exc. capital income)	341,172	342,175	(1,003)	(0.3%)	573,325
Capital Grants and Contributions	8,675	8,611	63	0.7%	42,890
Income from Continuing Operations (inc. capital income)	349,847	350,786	(939)	(0.3%)	616,215

Income variations compared to YTD budgets are detailed below:

- **Rates and Annual Charges** – on track, with a minor favourable YTD variance of \$0.1M.
A minor favourable budget adjustment of \$0.3M is proposed in this Q1 budget review to recognise Council subsidised pensioner rebates and increased Waste Management annual charges.
- **User Charges and Fees** – the unfavourable YTD operating income variance of \$0.7M (or 2.2% of YTD budget) relates to the following areas of the business:
 - (\$1.4M) unfavourable tipping fee income due to reduced patronage and volumes delivered to Council's Waste Management Facilities during the COVID, in line with NSW Government Public Health Order directive for persons to only leave their homes for essential reasons.
 - (\$0.4M) unfavourable Holiday Park income due to COVID restrictions. This is expected to correct and improve now that COVID restrictions have eased.
 - (\$0.2M) unfavourable water user charges.
 - (\$0.1M) unfavourable variance in Parking Station income due to COVID restrictions and stay at home orders.
 - \$0.5M favourable variance Development Assessment and Environmental Management related income.
 - \$0.7M favourable variance in Child Care income - offset by unfavourable variance in operating grants and contributions for Child Care. This is a nil impact change in the source of income received in the current year when compared to 2020-2021 when greater grant and contribution funding was received from State and Federal Governments for Child Care Services due to COVID.

A proposed net budget increase of \$1.1M is included in this Q1 budget review for the permanent variations to user charges and fees income; including increases in Development Assessment and Environmental Management income, Holiday Parks income and income from the RMS for works undertaken by Council on State roads. Proposed decreases are included for tipping fee income, parking station income, and theatre and community facility income that have been impacted by COVID.

Interest and Investment Revenue – currently on track, with a minor unfavourable YTD variance of \$0.1M (or 10.4% of YTD budget). Future volatility in the market value of some investments is expected as the view across the global economy is that inflation is starting to pick up faster than expected and that central banks may need to start lifting interest rates sooner than originally expected. No budget adjustments are proposed in the Q1 review for this income category and will continue to be closely monitored.

Please refer to section 2.4 Cash and Investments for further information on Council's cash management outcomes.

Other Revenue – the favourable YTD operating income variance of \$0.5M (or 35.3% of YTD budget) relates to the following areas of the business:

- \$0.2M favourable variance in sale of scrap metal at Council's Waste Management facilities.
- \$0.2M favourable variance in fine income.
- \$0.1M favourable variance in recovery of repair costs and miscellaneous income in Water and Sewer.

A proposed net budget increase of \$0.9M is included in this Q1 budget review for the permanent variations to income; including sale of scrap metal and gas royalty payments at Council's Waste Management facilities and legal costs recovered by the Legal unit that were not included in the original budget.

- **Grants and Contributions provided for Operating Purposes** – the unfavourable YTD operating income variance of \$0.8M (or 11.3% of YTD budget) relates to the following areas of the business:
 - (\$0.7M) unfavourable variance in Child Care grants and contributions, offset by additional Fee income, as described in the User Fees and Charges section.
 - (\$0.1M) unfavourable variance in employee motor vehicle contributions due to the restructure program.

As part of this Q1 budget review a conservative approach has been taken with forecast operating grant and contribution income and non-guaranteed income has been removed from the budget. This includes (\$6.0M) in contribution income, removal of uncertain emergency services levy contribution of (\$1.1M), reduction in employer motor vehicle contributions (\$0.8M), partially offset by confirmed environmental management, development assessment, road maintenance and open space grant and contribution receipts of \$0.5M.

- **Other Income** - on track, with a minor YTD unfavourable variance of \$0.01M (or 0.5% of YTD budget). This category records property rental, lease and hire income and is a new category on the Income Statement in accordance with the *Local Government Code of Accounting Practice and Financial Reporting*.

Budget adjustments totalling (\$0.4M) have been proposed as part of this Q1 budget review for reductions in property rental income, theatre income and community facility hire income due to COVID closures and restrictions.

- **Grants and Contributions Provided for Capital Purposes** – the favourable YTD capital income variance of \$0.1M (or 0.7% of YTD budget) relates to favourable variances in capital grants of \$5.4M offset by an unfavourable variance in capital contributions of \$5.3M. The capital grants variation relates to Woy Woy Town Centre Wharf Upgrade, Water and Sewer Infrastructure works Gosford CBD and Warnervale Town Centre and Infrastructure Services projects.

A proposed budget adjustment of \$37.2M to recognise the movement in capital grant income is included in this Q1 budget review, including \$28.6M in road, bridges, shared pathway, drainage and traffic facility programs, \$6.5M for water and sewer infrastructure in Warnervale Town Centre and Gosford CBD, \$1.0M for local play space programs, \$0.9M Library and education grants and \$0.2M Estuary Management works. Capital grants are not included in Council's budget until they have been confirmed and grant agreements finalised.

The unfavourable variance of (\$5.3M) in developer contributions is made up of (\$2.3M) s64 Water and Sewer contributions and (\$3.0M) s7.11 contributions. Developer contributions are difficult to predict as contributions received are based on external development activity.

A (\$6.0M) reduction in s64 developer contribution and a (\$6.4M) reduction in s7.11 contribution income are proposed in this Q1 review for 2021-2022. As this is capital income there is no impact on Council's operating result.

Budget amendments are proposed in sections 3.1 Income and Expense Budget Review Statement and 3.2 Proposed Operating Budget Amendments.

Expenditure Analysis

Operating expenditure as at 30 September is favourable to budget by \$13.2M (or 9.8% of YTD budget). This is as a result of targeted reductions in spending and ongoing actions to ensure Council's future financial sustainability in line with Council's adopted Long Term Financial Plan.

Expenses from Continuing Operations 2021-2022	YTD Actual	YTD Budget	YTD Variance	YTD Variance	Original Budget
	\$'000	\$'000	\$'000	%	\$'000
Employee Benefits and On-costs	38,154	43,305	5,151	11.9%	175,833
Borrowing Costs	3,018	3,093	75	2.4%	17,471
Materials and Services (1)	33,687	36,515	2,828	7.7%	156,680
Depreciation and Amortisation	38,270	42,871	4,601	10.7%	177,106
Other Expenses	8,896	9,490	594	6.3%	39,192
Net Losses from Disposal of Assets	-	-	-	-	0%
Expenses from Continuing Operations	122,025	135,273	13,248	9.8%	566,282
<i>(1) Includes internal income and internal expenses</i>					

Operating expenditure variations compared to YTD budgets are detailed below:

- Employee Costs** – the favourable YTD operating expenditure variance of \$5.2M (or 11.9% of YTD budget) in employee costs relates to a favourable year to date position of \$4.9M in salaries and wages costs, primarily due to positions that have been vacant in the first quarter. \$0.5M favourable variance in other employee expenses such as superannuation, payroll tax and medical costs. Employee costs recovered from capital project are currently unfavourable (\$0.3M) due to minor delays in construction projects as a result of COVID restrictions in Q1.

A net budget reduction in Employee Costs of \$3.2M is proposed in this Q1 review mostly due to vacant positions in the process of being recruited during the first quarter. The full year budgets for those vacant positions have been reduced in some cases to fund temporary contractor costs and to offset unfavourable budget impacts in other operating statement categories.

- Borrowing Costs** – currently on track, with a minor timing variance of \$0.1M (or 2.4% of YTD budget). A proposed budget reduction of \$4.8M to align the full year budget to external loan repayment schedules is included in this Q1 budget review.
- Materials and Services** – the \$2.8M YTD favourable operating expenditure variance (or 7.7% of YTD budget) is due to restraint on spending while maintaining delivery of essential services. Expenditure in this category includes material purchases, contract expenses, consultants, electricity costs, insurances, plant hire, holiday park commissions and IT costs.

A proposed net budget increase of (\$6.2M) in Materials and Services costs is included in the Q1 budget review and is consists of a large number of individual items including an increase in contract costs in the Waste Management unit as the CPI escalation allowed for in the Long Term Financial Plan (LTFP) was less than actual CPI escalation incurred. This increase is partially offset by additional annual charges revenue and a reduction in EPA levy expenses. Other proposed budget adjustments

are offset by additional income and include costs for works undertaken on State Roads on behalf of the RMS and contract costs in Development Assessment and Environmental Management units due to increased activity in these business areas. Information Technology forecast costs have increased as cloud based computing costs are unable to be capitalised, offset by a reduction in the amortisation of IT intangibles expense. A budget reduction is proposed in the Governance Unit including the removal of the budget for Mayor and Councillors and the referendum that will no longer take place in 2021-2022. Areas impacted by COVID closures and restrictions have reduced forecast expenditure to offset reductions in income and there is a proposed reduction in staff training and professional development costs also due to COVID restrictions. Continued close scrutiny of all expenditure within the Materials and Services category will continue.

In addition, there is a proposed net budget reduction of (\$8.9M) in the recovery of internal costs from Council's capital works program, including plant and fleet and tipping expenses which has an unfavourable impact on the operating result.

- **Depreciation and Amortisation** – there is a \$4.6M YTD favourable year to date variance (or 10.7% of YTD budget) in depreciation and amortisation expense.

A proposed reduction of \$7.1M is included in this Q1 budget review for depreciation and amortisation expenses. Depreciation budgets for stormwater drainage and road infrastructure assets are being reduced in line with the revaluation of these asset classes in 2020-2021. In addition there is a reduction in the amortisation expense of intangible IT assets in line with accounting treatment for cloud based computing arrangements that were expensed in 2020-2021, this is offset by additional expense in Materials and Services for these services.

- **Other Expenses** – the \$0.6M YTD favourable operating expenditure variance (or 6.3% of YTD budget) is mostly due to reduced EPA Waste Levy payments as a direct result of reduced waste tonnages being received at Council's Waste Management Facilities. Expenditure in this category includes contributions paid to State Government Agencies, The Art House and Community Grant programs.

A proposed net budget reduction of \$1.5M in Other Expense is included as part of this Q1 budget review and include a reduction in EPA Waste Levy, partially offset by additional bad debts provision and CALM Levy payments for Holiday Parks as additional income is also forecast. Close scrutiny of all expenditure within Other Expenses will continue.

Details of the proposed budget amendments are in *Sections 3.1 Income and Expense Budget Review Statement and 3.2 Proposed Operating Budget Amendments*.

By Fund

The year to date (YTD) operating result (excluding capital grants and contributions) is \$219.1M and is attributed to each Fund as follows:

Operating result (excluding capital grants and contributions)	YTD Actual \$'000	YTD Budget \$'000	YTD Variance \$'000	YTD Variance %	Original Budget \$'000
General Fund	164,804	157,304	7,500	4.8%	21,047
Water Fund	(1,811)	(2,743)	936	34.1%	(8,633)
Sewer Fund	(273)	(1,890)	1,613	85.3%	(3,002)
Drainage Fund	(1,374)	(2,525)	1,151	45.6%	(11,337)
Domestic Waste Fund	57,801	56,755	1,046	1.8%	8,967
Total	219,147	206,902	12,246	5.9%	7,043

The above table is prepared in accordance with the *Local Government Code of Accounting Practice and Financial Reporting* which requires Council to recognise the full year rates and annual charges for waste management when levied in July each year.

General Fund

The year to date net operating result before capital income for General Fund is \$164.8M compared to a year to date budget of \$157.3M producing a favourable variance of \$7.5M. The most significant variances relate to:

- Employee costs are favourable \$5.0M due to positions that have been vacant in Q1.
- Materials and Services (including internal items) are favourable (\$2.6M) due to restrained spending in the first quarter.
- Depreciation expense is favourable by \$2.5M that mostly relates to road infrastructure assets, in line with the revaluation of these asset classes in 2020-2021 and is being addressed in this Q1 review.
- Other Revenue is favourable \$0.4M due to sale of scrap metal at Council's Waste Management facilities and fine income.
- Rates and Annual Charges income is unfavourable (\$1.8M) due to Council subsidised pensioner rebates.
- User Charges and Fees are unfavourable (\$1.4M) mainly due to COVID restrictions impacting business areas such as tipping and Holiday Parks.

Water Fund

The year to date net operating result before capital income for Water Fund is a deficit of \$1.8M compared to a year to date budget deficit of \$2.7M producing a favourable variance of \$0.9M. The most significant variances relate to:

- Employee costs are favourable \$0.4M due to positions that have been vacant in Q1.
- Depreciation expense is favourable by \$0.5M as a result of prior year revaluation.

Sewer Fund

The year to date net operating result before capital income for Sewer Fund is a deficit of \$0.3M compared to a year to date budget deficit of \$1.9M producing a favourable variance of \$1.6M. The most significant variances relate to:

- Annual Charges favourable by \$0.9M, is mostly due to additional revenue associated with IPART Clarification Notice No. 1 of 2021 which was not reflected in the original budget.
- Depreciation expense is favourable by \$1.0M as a result of prior year revaluation.
- Employee costs are unfavourable (\$0.3M) in sewer maintenance and systems operations and will continue to be closely monitored.

Drainage Fund

The year to date net operating result before capital income for Drainage Fund is a deficit of \$1.4M compared to a year to date budget deficit of \$2.5M producing a favourable variance of \$1.1M. The most significant variances relate to:

- Depreciation expense is favourable by \$0.6M as a result of prior year revaluation.
- Materials and Services (including internal items) are favourable \$0.6M due to restrained spending in the first quarter in particular in tipping and plant hire costs.

Domestic Waste Fund

The year to date net operating result before capital income for Domestic Waste Fund is a surplus of \$57.8M compared to a year to date budget surplus of \$56.8M producing a favourable variance of \$1.0M. The most significant variances relate to:

- Additional annual charges income of \$0.8M that will be offset during the year by expenditure in Materials and Services.
- Other Expenses favourable variance \$0.5M is due to reduced EPA Waste Levy payments as a direct result of reduced waste tonnages being received at Waste Management Facilities.
- Materials and Services unfavourable variance of (\$0.3M) that relates to garbage collection contract costs.

2.3 Capital Expenditure

Capital expenditure as at 30 September 2021 is favourable to budget by \$10.2M or 35% of YTD budget.

Council Department	Original Budget \$'000	Proposed Changes Q1 \$'000	Proposed Full Year Budget \$'000	YTD Actuals \$'000	YTD Budget \$'000
Community and Recreation Services	13,981	837	14,818	1,473	2,581
Infrastructure Services	66,390	3,328	69,718	8,749	8,962
Water and Sewer	65,358	-3,332	62,026	6,774	13,957
Environment and Planning	1,675	160	1,835	242	377
Corporate Affairs	27,637	-3,281	24,356	1,773	3,375
Total	175,040	-2,288	172,753	19,012	29,252

The proposed Q1 budget adjustment is a decrease of \$2.3M, resulting in a revised 2021-2022 full year capital works program of \$172.8M.

Significant changes to the capital works program include:

Reductions:

- Cloud based software solutions - \$3.8M – projects to be delivered using operational budget due to a change in interpretation of Accounting Standards
- Water Meter Replacement Program - \$1.8M – part of an overall program reprioritization
- Water Infrastructure Reinforcements – Gosford CBD - \$1.4M – part of an overall program reprioritisation

Increases:

- Sewer Main Rehabilitation program - \$3.5M – part of an overall program reprioritization
- Sewer Vacuum System Refurbishment – Davistown and St Huberts Island - \$2.6M – Critical project brought forward from 2023
- Critical sewer main rehabilitation program - \$1.5M – additional expenditure to increase scope, offset by other reductions within the sewer capital works program

Details of proposed capex adjustments for 2021-2022 can be found at *Section 3.3 Proposed Capital Budget Adjustments*.

Council has not purchased any assets for the quarter ended 30 September 2021 that are not already included in the current budget.

Stronger Communities Fund

The Stronger Communities Fund was established by the NSW Government to provide amalgamated councils with funding to kick start the delivery of projects that improve community infrastructure and services.

Council received \$10M of funding under the Stronger Communities Fund, including \$1.0M that was allocated in grants of between \$10,000 and \$50,000 to incorporated not-for-profit community groups, for projects that build more vibrant, sustainable and inclusive local communities.

Council has completed the majority of the projects funded under this grant program.

Project	Funding from Stronger Communities Grants \$'000	Actual Spend \$'000	Balance Remaining \$'000
Completed Projects			
Austin Butler Oval and Woy Woy Tennis Amenities Redevelopment	900	1,354	-
Children's Services - Playground Renovation/Upgrade - Umina	68	68	-
Children's Services - Playground Renovation/Upgrade - Niagara Park	55	70	-
Peninsula Leisure Centre – Starting Blocks and Electronic Timing System	135	181	-
Alan Davidson Oval Drainage and Irrigation System Installation	349	299	-
Terrigal CBD Traffic Flow Improvements	2,209	2,507	-
Avoca Beach Foreshore Protection Works Stage 1	2,808	2,864	-
Elfin Hill Road Foreshore Stabilisation	470	535	-
Augmentation of San Remo BMX facility	640	804	-
Community Grant Program	1,000	1,064	-
Total Completed Projects	8,633	9,746	-
Projects In Progress			
Disability Matters	800	398	402
Access and Inclusion Upgrades to Community Facilities	580	577	3
Total Projects In Progress	1,380	974	406
Total Stronger Communities Fund Projects	10,013	10,720	406

2.4 Cash and Investments

Cash flows during the quarter were managed through maturities and investments in new term deposits and cash at call account, investments for the quarter recorded an increase of \$63.2M, and Council's transaction account recorded net cash outflow of \$11.83M.

Council's transactional bank accounts are reconciled daily whilst cash management and investment holdings are reconciled monthly. All accounts have been fully reconciled as of 30 September 2021.

Balances as at 30 September 2021 are shown below.

Cash and Investment Balances as at 30 September 2021	\$'000
Total cash on Hand (Transactional)	25,375
Cash at Call – Cash Management	35,191
Investments in Term Deposits and Floating Rate Notes	475,287
Total Investment Portfolio	510,478
Closing Cash and Investments	535,852

Council operates in accordance with approved investment policies that comply with s. 625 of the *Local Government Act 1993*, and cl. 212 of the *Local Government (General) Regulation 2005*. Investments are placed and managed in accordance with this policy and having particular regard to the Ministerial Investment Order issued February 2011 and Division of Local Government (as it was then known) Investment Policy Guidelines published in May 2010.

Council's investments (comprised of deposit accounts, floating rate notes and term deposits) continue to be conservatively managed to ensure that value is added to the fixed interest portfolio. The value of investment securities and call deposit accounts *excluding* transactional accounts, at 30 September 2021 was \$475.3M. YTD returns were 0.91%, which is above the BBSW benchmark of 0.01%. Total net return for the quarter ending September 2021 was \$1.13M consisting of interest earnings.

The investment portfolio is concentrated in AA above (15.67%), A (37.97%) and BBB (46.36%). The investments in AA are of a higher credit rating and BBB represented the best returns at the time of investment within Policy guidelines. Financial institutions issuing fixed income investments and bonds are considered investment grade (IG) if its Long-Term credit rating is BBB or higher by Standard and Poor (S&P).

Council continues to monitor the portfolio and manage investments taking into consideration credit ratings of financial institutions, interest rates offered for the maturity dates required and the amount of our investment portfolio already held with each financial institution.

Breakdown of the investment portfolio by investment class as of 30 September 2021:

Investment Class	Balances as at 30 September 2021
	\$'000
Cash at Call	35,191
Term Deposits and Floating Rate Notes	475,287
Closing Investment Portfolio	510,478
YTD Returns	1,130
YTD Returns %	0.91%
Benchmark BBSW	0.01%

Cash Flow Statement

Central Coast Council

Statement of Cash Flows

for the Quarter ended 31 September 2021

\$'000	Actual Q1 2021-22
Cash flows from operating activities	
Receipts	
Rates and Annual Charges	109,396
User Charges and Fees	28,047
Interest and Investment Income	1,427
Grants and contributions	14,644
Bonds& Deposit Amount Received	121
Other Revenues	36,270
Payments	
Employee Benefits and On cost	-35,165
Materials and Contracts	-39,482
Borrowing Costs	-2,556
Bonds& Deposit Amount Paid	-97
Other expenses	-43,975
Net cash provided (or used in) operating activities	68,630
Cash flows from Investing activities	
Receipts	
Sale of Investment Securities	87,500
Sale of Infrastructure, Property, Plant and Equipment	5,798
Payments	
Purchase of Investment Securities	-150,756
Purchase of Infrastructure, Property, Plant and Equipment	-17,371
Net cash provided (or used in) Investing activities	-74,829
Cash flows from Financing activities	
Receipts	
Proceeds from borrowing and advances	0
Payments	
Repayment of borrowing and advances	-5,624
Net cash provided (or used in) Financing activities	-5,624
Net increase/(decrease) in cash and cash equivalents	-11,823
Plus: cash and cash equivalents – beginning of period	37,197
Cash and cash equivalents – end of the Period	25,374
plus: Investments on hand – end of Period	510,478
Total cash, cash equivalents and investments	535,852

2.5 Contracts and Other Expenses

Major Contracts

The following significant contracts were entered during Q1:

Contractor	Contract Detail and Purpose	Contract Value \$	Commencement Date	Duration of Contract	Budgeted (Y/N)
North Construction and Building Pty Ltd	Design, Develop and Construct - Sporting Field Amenities - Adelaide Street Oval, Killarney Vale	1,184,022	26-Aug-21	01-Apr-22	Y
North Construction and Building Pty Ltd	Design, Develop and Construct - Sporting Field Amenities - Rogers Park, Woy Woy	1,158,473	26-Aug-21	01-Apr-22	Y
Delcare Constructions Pty Ltd	Trunk Drainage, Stage 4 - Avoca Drive	1,054,525	30-Jul-21	30-Jun-22	Y
Ixom Operations Pty Ltd	Supply and Delivery of ferrous chloride in bulk to sewer pump stations	790,909	01-Jul-21	30-Jun-24	Y
Leadsun Australia Pty Ltd	Central Coast Holiday Parks - Street Lighting Upgrade	740,507	26-Jul-21	30-Jun-24	Y
Veolia Environmental Services (Australia) Pty Ltd	Grit and Screens Collection, Transport and Disposal from Council's Sewer Treatment Plants	665,668	06-Sep-21	05-Sep-24	Y
Larsen & Toubro Infotech Limited	LTI Integration Migration to MuleSoft (Panel Arrangement CPA/2143) - Schedule of Rates	461,640	11-Aug-21	10-Sep-22	Y
BSMS Security	Provision of Security Services - The Entrance and Lake Haven Entertainment Precinct	259,584	01-Jul-21	30-Jun-22	Y
SNF Australia Pty Ltd	Supply and Delivery of Poly Electrolyte to Council's Water and Sewer Treatment Plants (Panel Arrangement CPA3105) - Schedule of Rates	230,000	12-Jul-21	11-Jul-24	Y
Oracle Corporation Australia Pty Ltd	Oracle Cloud Services - August 2021 to August 2022	213,996	25-Aug-21	31-Aug-22	Y
Plotbox Pty Ltd (subsidiary of GSS (NI) Limited).	Supply and Maintenance of a Cemetery Management System	198,280	01-Jul-21	30-Jun-24	Y
Life Fitness Australia Pty Ltd	Replacement of Cardiovascular Gym Equipment at Peninsula Leisure Centre	197,345	13-Sep-21	13-Sep-26	Y

Contractor	Contract Detail and Purpose	Contract Value \$	Commencement Date	Duration of Contract	Budgeted (Y/N)
Presilient Services Pty Ltd	Wi-Fi at The Entrance and Toukley Town Centres	188,890	01-Jul-21	30-Jun-23	Y
Morton Management Pty Ltd	Water Quality Maintenance - The Entrance and Gosford Town Centre Water Features	184,990	01-Aug-21	31-Jul-23	Y
Kellogg Brown and Root Pty Ltd	Management Consultancy, Water and Sewer	180,000	13-Jul-21	30-Oct-21	Y
Chemiplas Australia Pty Ltd	Supply and Delivery of Poly Electrolyte to Council's Water and Sewer Treatment Plants (Panel Arrangement CPA3105) - Schedule of Rates	150,000	12-Jul-21	11-Jul-24	Y

2.6 Consultancy and Legal Expenses

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high-level specialist or professional advice to assist decision making by management. Generally, it is the advisory nature of the work that differentiates a consultant from other contractors.

The following table shows operating expenditure year to date (YTD) for consultants and external legal fees.

Operating Expense	YTD Actual \$'000	Budgeted Yes/No
Consultants	1,399	Yes
Legal Fees	56	Yes

Financial Schedules and Proposed Adjustments

3.1 Income and Expense Budget Review Statement

The table below outlines the impact of the proposed operating budget amendments and the projected year end result for the 2021-2022 financial year.

Consolidated Operating Statement									
September 2021									
	YEAR TO DATE				FULL YEAR				
	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Income									
Rates and Annual Charges	297,654	297,532	122	270,859	331,384	361,871	-	339	362,210
User Charges and Fees	32,172	32,904	(732)	32,743	139,105	140,269	-	1,063	141,332
Other Revenue	2,053	1,518	535	2,109	12,666	9,196	-	927	10,122
Interest	972	1,086	(113)	1,419	5,598	4,442	-	-	4,442
Grants and Contributions	6,301	7,105	(804)	8,827	42,409	49,491	67	(7,382)	42,176
Gain on Disposal	-	-	-	-	2,609	-	-	-	-
Other Income	2,021	2,031	(10)	1,821	8,214	8,056	-	(436)	7,621
Total Income attributable to Operations	341,172	342,175	(1,002)	317,778	541,985	573,325	67	(5,488)	567,903
Operating Expenses									
Employee Costs	38,154	43,305	5,151	52,588	222,617	175,833	4	(3,244)	172,594
Borrowing Costs	3,018	3,093	75	3,422	16,414	17,471	-	(4,782)	12,689
Materials and Services	33,687	36,515	2,828	39,659	165,622	156,680	47	15,068	171,794
Depreciation and Amortisation	38,270	42,871	4,601	38,951	183,192	177,106	-	(7,085)	170,021
Other Expenses	8,896	9,490	594	9,537	36,059	39,192	16	(1,496)	37,712
Loss on Disposal	-	-	-	-	9,660	-	-	-	-
Overheads	-	-	-	-	-	-	-	-	-
Total Expenses attributable to Operations	122,025	135,273	13,248	144,156	633,564	566,282	67	(1,539)	564,809
Operating Result after Overheads and before Capital Amounts	219,147	206,902	12,246	173,622	(91,578)	7,043	-	(3,949)	3,094
Capital Grants	5,370	-	5,370	8,353	36,893	8,445	-	37,199	45,644
Capital Contributions	3,304	8,611	(5,307)	5,480	46,810	34,445	-	(12,414)	22,031
Grants and Contributions Capital Received	8,675	8,611	63	13,833	83,703	42,890	-	24,785	67,675
Net Operating Result	227,822	215,513	12,309	187,455	(7,875)	49,933	-	20,836	70,769

This table forms part of Central Coast Council's quarterly budget review for the quarter ended 30 September 2021 and should be read in conjunction with sections 2.1 to 2.6 of this report.

3.2 Proposed Operating Statement Budget Amendments

The following budget amendments are proposed as part of this Q1 budget review.

Proposed Operating Statement Budget Amendments	Impact by Major Account Category			
	Capital Revenue	Operating Revenue	Operating Expense	Operating Movement
	+ve Incr. (-ve) Decr. \$'000	+ve Incr. (-ve) Decr. \$'000	+ve Incr. (-ve) Decr. \$'000	Excluding Capital \$'000
Original Budget	42,890	573,325	566,282	7,043
Adjustments Approved By Council During Q1				
14 September 2021 - Council as Trustee approved the release of \$67k from funds held in the Trust for Protection of the Environment (POET) for endorsed works in the 2021- 2022 financial year.	-	67	67	-
Council Approved adjustments during Q1	-	67	67	-
Original Budget + Council Approved adjustments during Q1	42,890	573,392	566,349	7,043
Proposed adjustments Q1 Budget Review (greater than \$0.1M)				
Rates and Annual Charges				
Corporate Income and Expense – (\$1.8M) unfavourable adjustment for Pensioner Rate Rebate subsidies provided. Waste Management - \$2.1M favourable increase in Waste Management annual charges.		339		339
User Charges and Fees				
Waste Management - (\$3.0M) unfavourable reduction in tipping fee revenue due to lower tonnages being received at waste facilities. Economic Development and Property Parking Station – (\$0.4M) unfavourable reduction in Parking Station fees due to COVID and people working from home. Leisure Recreation, Community Facilities and Community and Culture – (\$0.3M) reduction in property rental, theatre income and community facility hire income due to COVID closures and restrictions. Corporate Income - \$0.5M favourable increase in operating revenue. Libraries and Education - \$0.7M favourable increase in Child Care fee income.		1,063		1,063

Proposed Operating Statement Budget Amendments	Impact by Major Account Category			
	Capital Revenue	Operating Revenue	Operating Expense	Operating Movement
	+ve Incr. (-ve) Decr. \$'000	+ve Incr. (-ve) Decr. \$'000	+ve Incr. (-ve) Decr. \$'000	Excluding Capital \$'000
<p>Roads Construction and Maintenance - \$1.0M additional RMS income for works undertaken on State roads.</p> <p>Economic Development and Property Holiday Parks - \$1.1M favourable increase in income as occupancy rates are forecast to outperform budget expectations as COVID restrictions have eased.</p> <p>Development Assessment and Environmental Management - \$1.6M additional fee revenue due to increased activity in these Units.</p>				
<p>Other Revenue</p> <p>Legal - \$0.3M in legal costs recovered that were not originally forecast.</p> <p>Waste Management - \$0.6M favourable increase in sale of scrap metal and gas royalty payments at Waste facilities.</p>		927		927
<p>Operating Grants and Contributions</p> <p>Corporate Income - (\$6.0M) unfavourable reduction. A conservative approach has been taken with forecast operating grant and contribution income and non-guaranteed income has been removed from the 2021-2022 budget.</p> <p>Environmental Compliance and Systems - (\$1.1M) removal of uncertain Emergency Services Levy contribution from State Government.</p> <p>Plant and Fleet - (\$0.8M) unfavourable reduction in employee motor vehicle contributions due to the restructure program.</p> <p>Libraries and Education - (\$0.7M) unfavourable decrease in Child Care operating contributions.</p> <p>Environmental Management - \$0.5M increase in operating grant and contributions programs including biodiversity, catchment and estuary works.</p> <p>Development Assessment - \$0.3M payment for Regionally Significant DA Program that was not originally budgeted for.</p> <p>Roads and Drainage Infrastructure - \$0.3M additional funding for Natural Disaster operating projects.</p>		(7,382)		(7,382)
<p>Other Income</p> <p>Economic Development and Property - (\$0.2M) unfavourable decrease in property rental income due to impacts of COVID.</p> <p>Leisure Recreation and Community Facilities - (\$0.2M) unfavourable decrease in theatre income and community facility hire income due to COVID closures and restrictions.</p>		(436)		(436)

Proposed Operating Statement Budget Amendments	Impact by Major Account Category			
	Capital Revenue	Operating Revenue	Operating Expense	Operating Movement
	+ve Incr. (-ve) Decr. \$'000	+ve Incr. (-ve) Decr. \$'000	+ve Incr. (-ve) Decr. \$'000	Excluding Capital \$'000
<p>Employee Costs</p> <p>A net budget reduction in Employee Costs of \$2.8M is proposed in this Q1 review mostly due to vacant positions in the process of being recruited during the first quarter. The full year budgets for the vacant positions have been reduced (as positions will be filled for part of the year) and used to offset unfavourable budget impacts in other operating statement categories.</p>			(3,244)	3,244
<p>Borrowing Costs</p> <p>Corporate Expense - a favourable reduction of \$4.8M to align the full year budget to external loan repayment schedules.</p>			(4,782)	4,782
<p>Materials and Services (including internal revenues and expenses)</p> <p>Internal Revenue - (\$8.9M) unfavourable recovery of internal costs from capital works projects, including internal plant and fleet and tipping expenses. Internal expenses and revenues are mapped to Materials and Services on the Operating Statement, with revenue being a greater amount due to the internal expenses allocated to capital projects.</p> <p>Waste Management - (\$6.0M) unfavourable increase in contract costs as reductions applied and the CPI escalation allowed for in the Long Term Financial Plan (LTFP) was less than actual CPI escalation incurred.</p> <p>Information and Technology - (\$2.0M) additional IT costs for cloud based computer systems that are unable to be capitalised.</p> <p>Roads and Drainage Construction and Maintenance - (\$1.8M) additional expense due to workorders received from RMS on State roads and to undertake Natural Disaster operating projects that funding has been received for.</p> <p>Development Assessment - (\$1.1M) additional contract costs to meet increased workloads currently in this Unit.</p> <p>Economic Development and Property Holiday Parks - (\$0.6M) increase in contract commission payments as occupancy rates are forecast to outperform budget expectations as COVID restrictions have eased.</p> <p>Finance - (\$0.4M) increase attributable to audit fees and increase in bank and Eftpos charges as more ratepayers and customers transact electronically.</p> <p>Legal - \$0.2M favourable reduction in legal expenses.</p> <p>Economic Development and Property Parking Station - \$0.4M reduction in Parking Station expenses due to COVID and people working from home.</p> <p>Procurement and Project Management - \$0.4M favourable reduction in street lighting costs.</p> <p>Information and Technology - \$0.6M favourable reduction in communication costs (mobiles) in 2021-2022.</p> <p>People and Culture - \$0.6M reduction in staff training and professional development activities due to COVID.</p>			15,067	(15,067)

Proposed Operating Statement Budget Amendments	Impact by Major Account Category			
	Capital Revenue	Operating Revenue	Operating Expense	Operating Movement
	+ve Incr. (-ve) Decr. \$'000	+ve Incr. (-ve) Decr. \$'000	+ve Incr. (-ve) Decr. \$'000	Excluding Capital \$'000
<p>Governance and Risk - \$2.0M reduction in insurance costs, Mayor and Councillor expenses and removal of budget for referendum.</p> <p>Other minor adjustments - \$1.5M reduction in materials and services expenses across all other areas of Council.</p>				
<p>Depreciation and Amortisation</p> <p>Roads and Drainage Infrastructure - \$5.3M favourable reduction in depreciation expense in stormwater drainage and road infrastructure in line with the revaluation of these asset classes in 2020-2021.</p> <p>Information and Technology - \$1.8M favourable reduction in amortisation expenses of intangible IT assets in line with accounting treatment for cloud based computing arrangements that were expensed in 2020-2021.</p>			(7,085)	7,085
<p>Other Expenses</p> <p>Economic Development and Property – (\$0.1M) unfavourable increase in anticipated bad debt expense in Commercial Property due to the impact of COVID.</p> <p>Economic Development and Property Holiday Parks – (\$0.1M) unfavourable increase in compulsory CALM Levy payments for Holiday Parks as a result of increased occupancy as COVID restrictions are eased.</p> <p>Waste Management - \$1.7M favourable reduction in EPA Waste Levy payments due to lower tonnages being received at waste facilities.</p>			(1,496)	1,496
<p>Capital Grants and Contributions</p> <p>Capital Grants - \$37.2M increase in approved grant funded projects: \$28.6M Roads and Drainage Infrastructure \$6.5M Water and Sewer Infrastructure \$1.0M Open Space and Recreation \$0.9M Libraries and Education \$0.3M Environmental Management</p>	24,785			-

Proposed Operating Statement Budget Amendments	Impact by Major Account Category			
	Capital Revenue	Operating Revenue	Operating Expense	Operating Movement
	+ve Incr. (-ve) Decr. \$'000	+ve Incr. (-ve) Decr. \$'000	+ve Incr. (-ve) Decr. \$'000	Excluding Capital \$'000
Developer Contributions - \$12.4M decrease in expected developer contributions (\$6.0M) in s64 developer contribution (\$6.4M) in s7.11 contribution income				
Q1 Proposed Budget Adjustments	24,785	(5,489)	(1,540)	(3,949)
Q1 Proposed Full Year Annual Budget	67,675	567,903	564,809	3,094

NB: This table forms part of Central Coast Council's quarterly budget review for the quarter ended 30 September 2021 and should be read in conjunction with sections 2.1 to 2.6 of this report.



Central Coast Council
Monthly Finance Report
September 2021

Peter Correy
26 October 2021





Financial Performance

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Monthly Finance Report September 2021

Date: 18 October 2021

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Financial Performance

Monthly Finance Report September 2021

The purpose of the monthly Finance Report is to provide the Executive Leadership Team with consolidated financial information for Central Coast Council to enable effective financial stewardship through the provision of information relevant to operations, capital expenditure funding and cash position.

The Report covers the following key areas of Council's finances:

- Year to date trading position for the consolidated entity, water and sewer funds and general/drainage/waste funds.
- Consolidated entity summary commentary with revenue and expenditure graphs
- Detailed consolidated results with commentary
- Summary capital expenditure by Directorate and funding source
- Cash and investments and borrowing position
- Year to date cashflow forecast and actual
- Restricted and unrestricted funds position

CONSOLIDATED TRADING SUMMARY					
	YTD				
	Actuals	Current Budget	Variance	Variance	Full Year Budget
	'000s	'000s	'000s	%	'000s
Operating Revenue	149,110	156,328	(7,217)	(4.6%)	666,792
Operating Expense	138,740	158,205	19,464	12.3%	659,749
Operating Surplus/(Deficit)	10,370	(1,877)	12,247		7,043
Capital Revenue	8,675	8,611	63	0.7%	42,890
Other Capital Income (Asset disposals)	0	0	0	0.0%	0
Capital Loss (asset write-off)	0	0	0	0.0%	0
Net Result	19,045	6,734	12,311		49,933
Work in Progress	19,012	29,252	10,240	35.0%	175,040
Total Capital Expenditure	19,012	29,252	10,240		175,040

WATER & SEWER TRADING SUMMARY					
	YTD				
	Actuals	Current Budget	Variance	Variance	Full Year Budget
	'000s	'000s	'000s	%	'000s
Operating Revenue	37,404	36,740	664	1.8%	151,540
Operating Expense	39,582	41,373	1,791	4.3%	163,175
Operating Surplus/(Deficit)	(2,178)	(4,633)	2,455		(11,635)
Capital Revenue	2,116	3,008	(893)	-29.7%	14,533
Other Capital Income (Asset disposals)	0	0	0	0.0%	0
Capital Loss (asset write-off)	0	0	0	0.0%	0
Net Result	(62)	(1,625)	1,562		2,898
Work in Progress	6,774	13,957	7,183	51.5%	65,358
Total Capital Expenditure	6,774	13,957	7,183		65,358

GENERAL, DRAINAGE & WASTE TRADING SUMMARY					
	YTD				
	Actuals	Current Budget	Variance	Variance	Full Year Budget
	'000s	'000s	'000s	%	'000s
Operating Revenue	111,706	119,588	(7,881)	(6.6%)	515,252
Operating Expense	99,158	116,832	17,674	15.1%	496,574
Operating Surplus/(Deficit)	12,548	2,756	9,792		18,678
Capital Revenue	6,559	5,603	956	17.1%	28,357
Other Capital Income (Asset disposals)	0	0	0	0.0%	0
Capital Loss (asset write-off)	0	0	0	0.0%	0
Net Result	19,107	8,359	10,748		47,035
Work in Progress	12,238	15,295	3,057	20.0%	109,682
Total Capital Expenditure	12,238	15,295	3,057		109,682

Consolidated Entity Summary Commentary

Net Result

- YTD net result (including capital revenues) at 30 September 2021 was a surplus of \$19.0M compared to the budget surplus of \$6.7M.
- Council's YTD operating surplus (excluding capital revenue) was a surplus of \$10.4M compared to the budget deficit of \$1.9M.

Operating Revenue

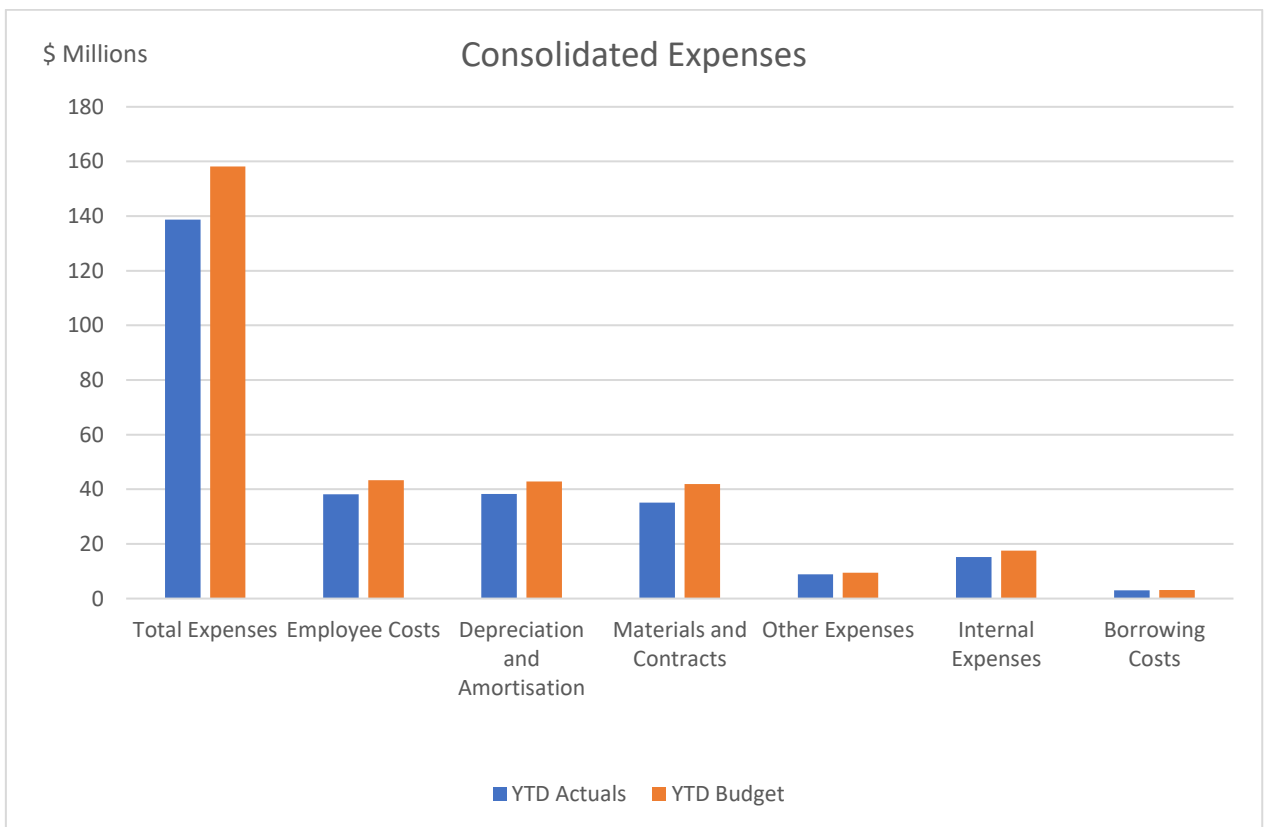
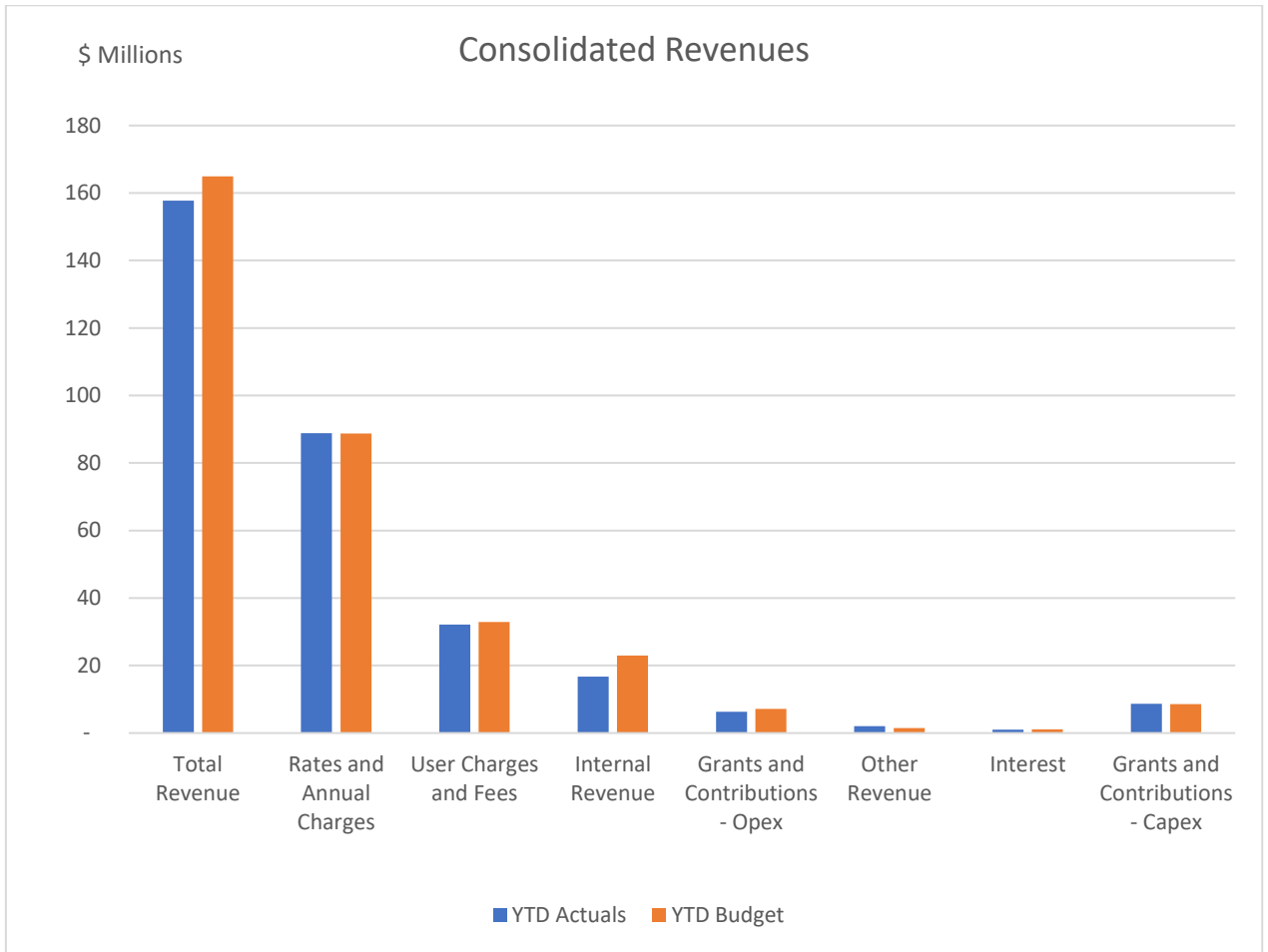
- \$7.2M under budget
- Revenue was under budget for the following:
 - Internal revenue \$6.2M
 - User charges and fees \$0.7M
 - Operating grants and contributions \$0.8M
 - Interest \$0.1M, offset by increases in
 - Rates and annual charges \$0.1M
 - Other revenue \$0.5M

Operating Expenses

- \$19.5M under budget
- Cost savings were achieved in:
 - Employee costs \$5.2M
 - Materials and Contracts \$6.7M
 - Depreciation and Amortisation \$4.6M
 - Other general expenditure \$0.6M
 - Internal expenses \$2.3M
 - Borrowing costs \$0.1M

Capital Expenditure

At 30 September Council was working on 442 projects, 317 of which were in line with or under budget by \$14.2M, offset by 125 projects over budget by \$4.0M.



Summary Consolidated Operational Results

	CURRENT MONTH			YEAR TO DATE				FULL YEAR		
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Year End Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Income										
Rates and Annual Charges	30,613	29,578	1,035	88,875	88,753	122	82,011	331,384	361,871	360,065
User Charges and Fees	11,474	11,103	371	32,172	32,904	(732)	32,743	139,105	140,269	141,740
Other Revenue	697	482	216	2,054	1,518	537	2,109	12,666	9,196	9,232
Interest	(468)	362	(830)	972	1,086	(113)	1,419	5,598	4,442	4,442
Grants and Contributions	330	1,195	(865)	6,301	7,105	(804)	8,827	42,409	49,491	43,558
Gain on Disposal	-	-	-	-	-	-	-	2,609	-	-
Other Income	303	441	(138)	2,021	2,031	(10)	1,821	8,214	8,056	8,056
Internal Revenue	5,339	7,958	(2,619)	16,715	22,932	(6,216)	22,152	74,557	93,467	94,259
Total Income attributable to Operations	48,288	51,118	(2,830)	149,110	156,328	(7,217)	151,082	616,542	666,792	661,352
Operating Expenses										
Employee Costs	15,611	16,808	1,196	38,154	43,305	5,151	52,588	222,617	175,833	175,837
Borrowing Costs	944	932	(12)	3,018	3,093	75	3,422	16,414	17,471	12,689
Materials and Contracts	11,706	14,135	2,429	35,147	41,864	6,717	44,711	181,128	175,793	176,071
Depreciation and Amortisation	12,324	14,252	1,929	38,270	42,871	4,601	38,951	183,192	177,106	177,106
Other Expenses	3,776	3,992	216	8,896	9,490	594	9,537	36,059	39,192	39,208
Loss on Disposal	-	-	-	-	-	-	-	9,660	-	-
Internal Expenses	4,562	5,818	1,256	15,255	17,582	2,327	17,100	59,051	74,354	75,146
Overheads	0	0	-	0	0	-	0	(0)	0	0
Total Expenses attributable to Operations	48,922	55,937	7,015	138,740	158,205	19,464	166,308	708,121	659,749	656,058
Operating Result after Overheads and before Capital	(634)	(4,819)	4,184	10,370	(1,877)	12,247	(15,226)	(91,578)	7,043	5,295
Capital Grants	3,533	-	3,533	5,370	-	5,370	8,353	36,893	8,445	8,445
Capital Contributions	1,902	2,870	(968)	3,304	8,611	(5,307)	5,480	46,810	34,445	34,445
Grants and Contributions Capital Received	5,435	2,870	2,564	8,675	8,611	63	13,833	83,703	42,890	42,890
Net Operating Result	4,800	(1,948)	6,748	19,045	6,734	12,311	(1,393)	(7,875)	49,933	48,185

Revenue

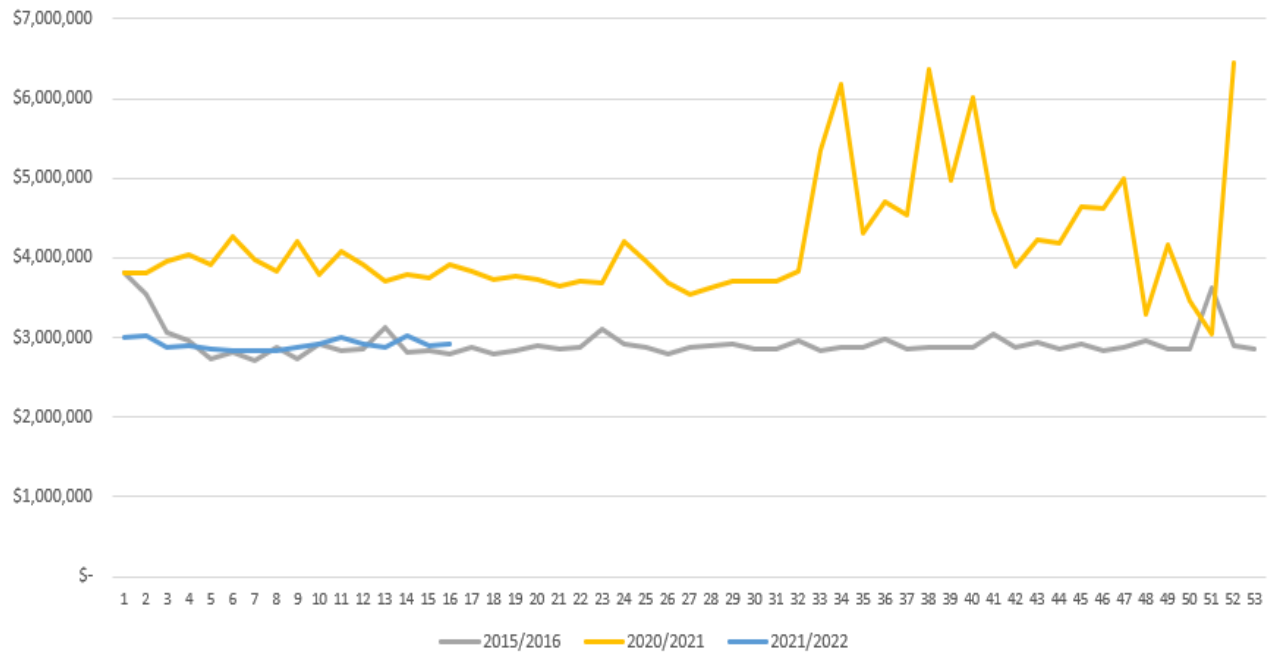
- Rates and Annual Charges**
 Favourable variance of \$0.1M attributable to increase in domestic waste and sewer charges, offset by Council subsidised pensioner rebates omitted from rates SRV calculation. A budget adjustment to include these rebates will be corrected as part of quarterly Q1 review.
- User Charges and Fees**
 Unfavourable variance of \$0.7M due to the closure or reduced activity in a number of Council's operations as a result of the COVID 19 lockdown. These include holiday parks, waste management and Baker St carpark station.
- Other Revenue**
 Favourable variance of \$0.5M due to increased scrap metal sales and fine income.
- Interest**
 Favourable variance of \$0.1M due to unrealised loss on investments

- Operating Grants and Contributions
Unfavourable variance of \$0.8M due primarily to reduced childcare grants and contributions
- Internal Revenue
Unfavourable variance of \$6.2M due to lower recovery from Capex activities aligned to Council's plant and fleet \$4.8M and reduced internal tipping due to COVID 19 lockdown.
- Capital Grants
Favourable variance of \$5.4M due to timing of works on capital projects in Infrastructure Services, Water and Sewer.
- Capital Contributions
Unfavourable variance of \$5.3M due to reduction in Sec. 7.11 contributions \$3.1M and reduced Sec. 64 contributions \$2.3M for water and sewer.

Expenditure

- Employee Costs
Favourable variance of \$5.2M due predominately to vacant FTE roles in the General Fund. The graphical representation of Gross weekly payroll (following the expenditure summary analysis), during financial year prior to amalgamation (2015-2016) and FY20 and FY21 YTD shows an approximate 20% - 25% reduction following the voluntary redundancy payments arising from March – April 2021 organisation restructure such that employee remuneration is in line with pre-amalgamation cost.
- Materials and Contracts
Favourable variance of \$6.7M in materials, contract labour costs and consultancy costs through Council's focus on tightening expenditure to priority works only. Budgeted council referendum costs of \$1.4M have also not eventuated.
- Depreciation and Amortisation
Favourable variance of \$4.6M due to the timing of reduced capitalised WIP. Capitalisation of assets will commence when the asset register is rolled at conclusion of external audit.
- Other Expenses
Favourable variance of \$0.6M with savings in EPA waste levy and contributions to State Government Agencies.
- Borrowing costs
Small favourable variance.
- Internal Expenses
Favourable variance of \$2.3M due to lower charges for plant and fleet.

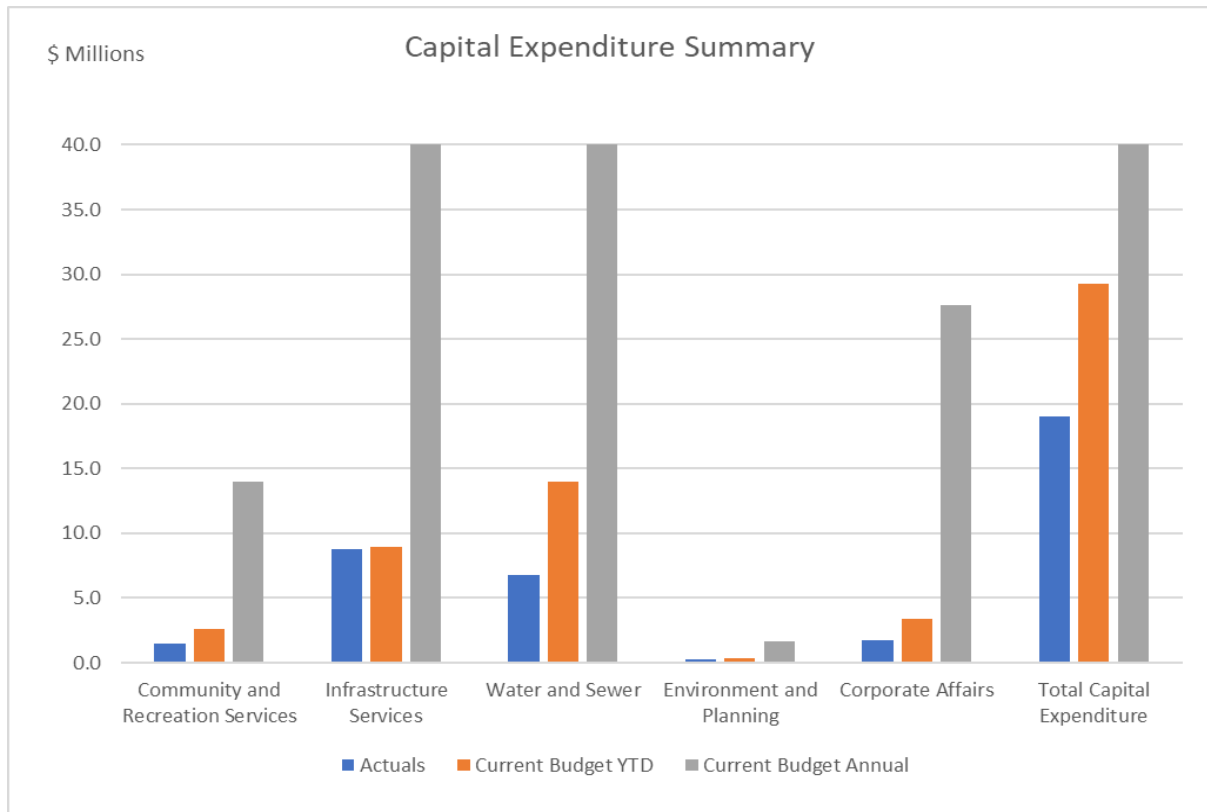
Gross Weekly Payroll - 2015/16 v 2020/21 & 2021/22



Summary Capital Expenditure by Directorate and Funding Source

Summary Capital Expenditure by Directorate	YTD				Annual
	Actuals	Current Budget	Variance	Variance	Current Budget
	'000s	'000s	'000s	%	'000s
Community and Recreation Services	1,473	2,581	(1,108)	(42.9%)	13,981
Infrastructure Services	8,749	8,962	(213)	(2.4%)	66,390
Water and Sewer	6,774	13,957	(7,183)	(51.5%)	65,358
Environment and Planning	242	377	(135)	(35.8%)	1,675
Corporate Affairs	1,774	3,375	(1,601)	(47.4%)	27,621
Total Capital Expenditure	19,012	29,252	(10,240)	(35.0%)	175,025

Capital Expenditure Summary



YTD Actuals by funding source				
Department	Grants	Contributions	Restricted Funds	General Revenue
	'000s	'000s	'000s	'000s
Community and Recreation Services	638	118	0	718
Infrastructure Services	2,895	74	2,829	2,952
Water and Sewer	1,076	0	697	5,000
Environment and Planning	15	0	0	227
Corporate Affairs	4	10	84	1,675
Total Capital Expenditure	4,628	202	3,610	10,572

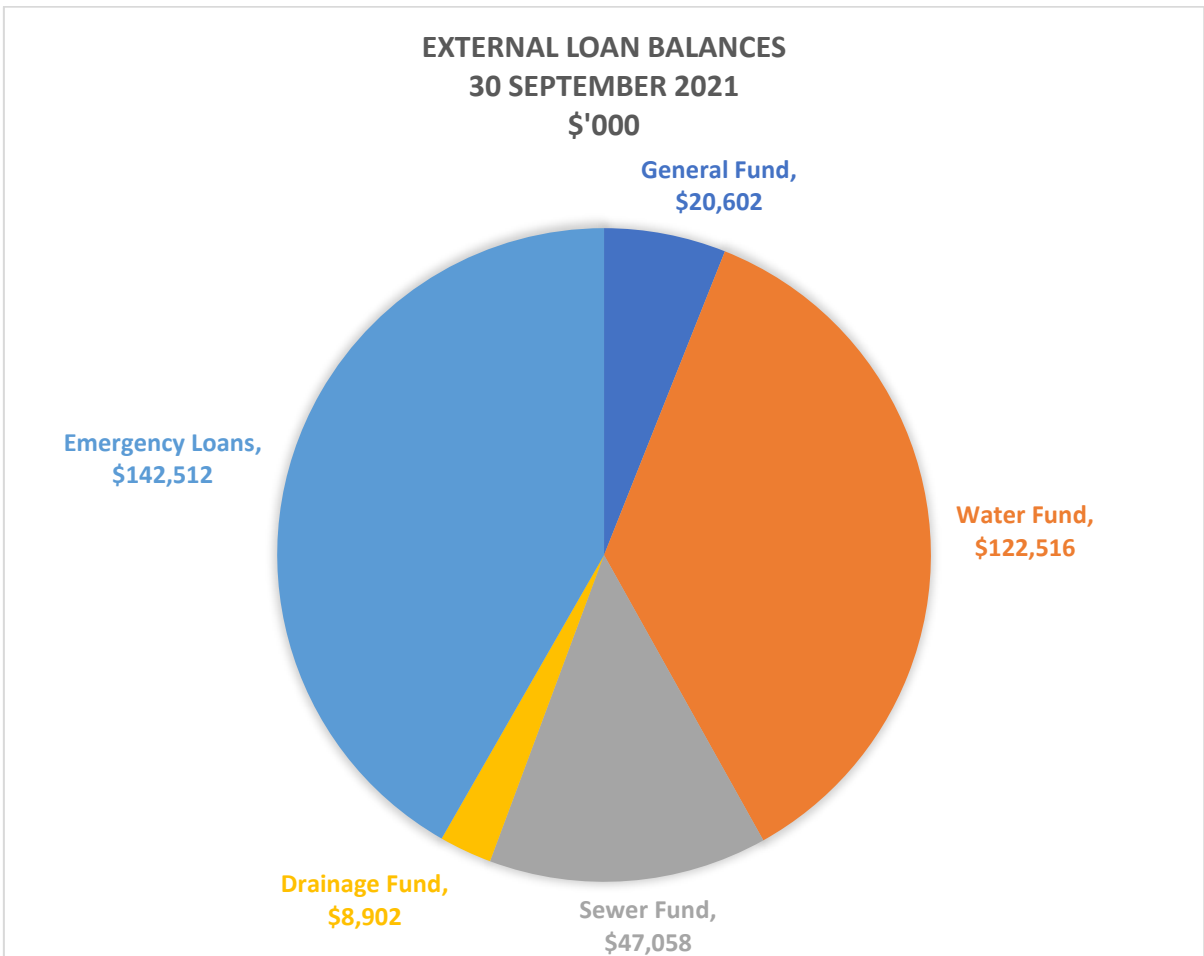
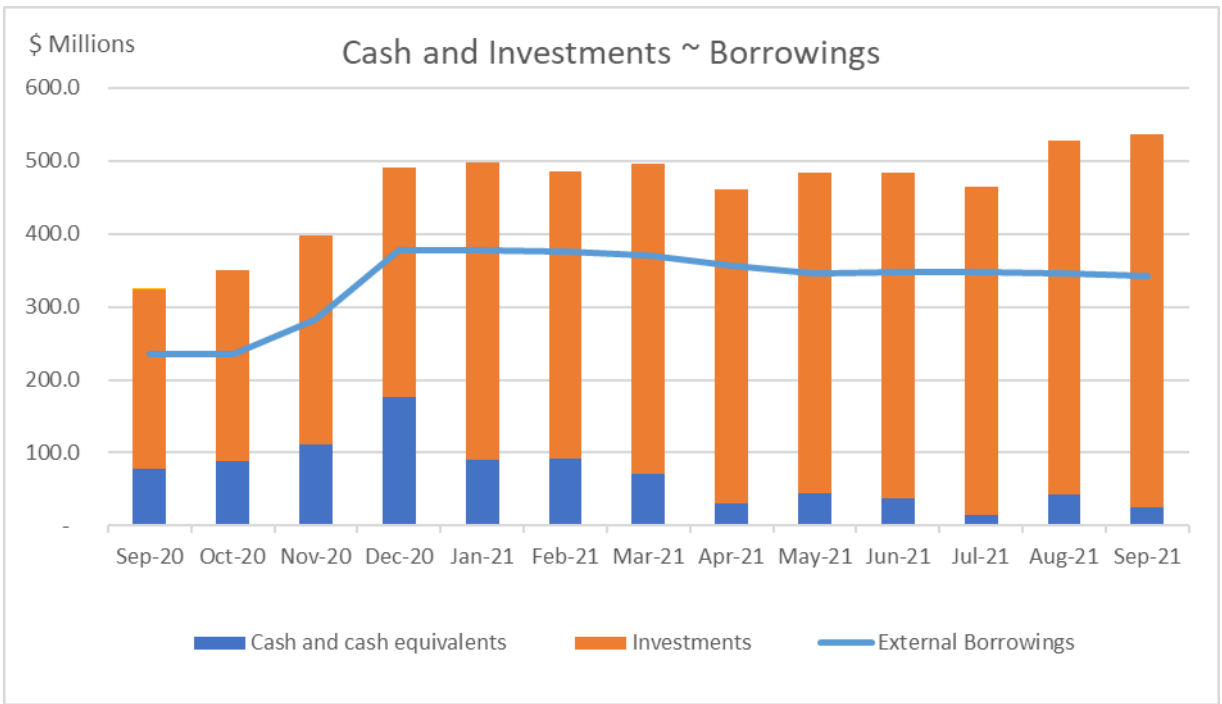
Donated (non-cash) Assets

There were no donated assets during September.

Cash/Investments and Borrowings

Cash balance at 30 September is \$535.9M, an increase of \$7.6M from 31 August. Normal cash inflows were adequate to meet Council’s expenditure.

External borrowings are currently \$341.6M.



YTD Cashflow Summaries

The following table records Council's actual YTD cash position to the original YTD cash flow forecast through to 30 June 2022.

	Actual @ 30 September \$'000	Rolling Forecast @ 30 September \$'000	YTD Movement \$'000	Revised Forecast @ 30 June 2022	Original Forecast @ 30 June 2022
CASH FLOW MOVEMENTS					
Opening cash & investments @ 1 July 2021	484,418	484,418		484,418	484,418
Income receipts (incl Capital grants & contributions)	189,808	177,092	12,716	723,107	730,192
Operational payments	(121,178)	(133,805)	12,627	(512,444)	(517,489)
Net operating cash inflow / (outflow)	68,631	43,288	25,343	210,663	212,703
Capital projects payments	(17,371)	(26,344)	8,974	(166,654)	(175,040)
Asset sales	5,798	5,538	260	5,798	0
Financing receipts	0	0	0	12,779	1,658
Financing repayments	(5,624)	(5,624)	(0)	(39,540)	(41,197)
Total cash inflow / (outflow)	51,434	16,858	34,576	23,046	(1,876)
Closing cash & investments @ 30 September 2021	535,852	501,276	34,576	507,464	482,542
Represented by:					
Externally restricted cash	334,334	331,394	2,940	303,856	336,284
Internally restricted cash	93,093	94,075	(982)	93,093	92,899
Unrestricted cash	108,425	75,806	32,618	110,516	53,359
Total cash	535,852	501,276	34,576	507,464	482,542

During September, Council's total cash and investments increased by \$7.6M from \$528.3M to \$535.9M. Normal cash inflows were adequate to meet Council's expenditure requirements for the month.

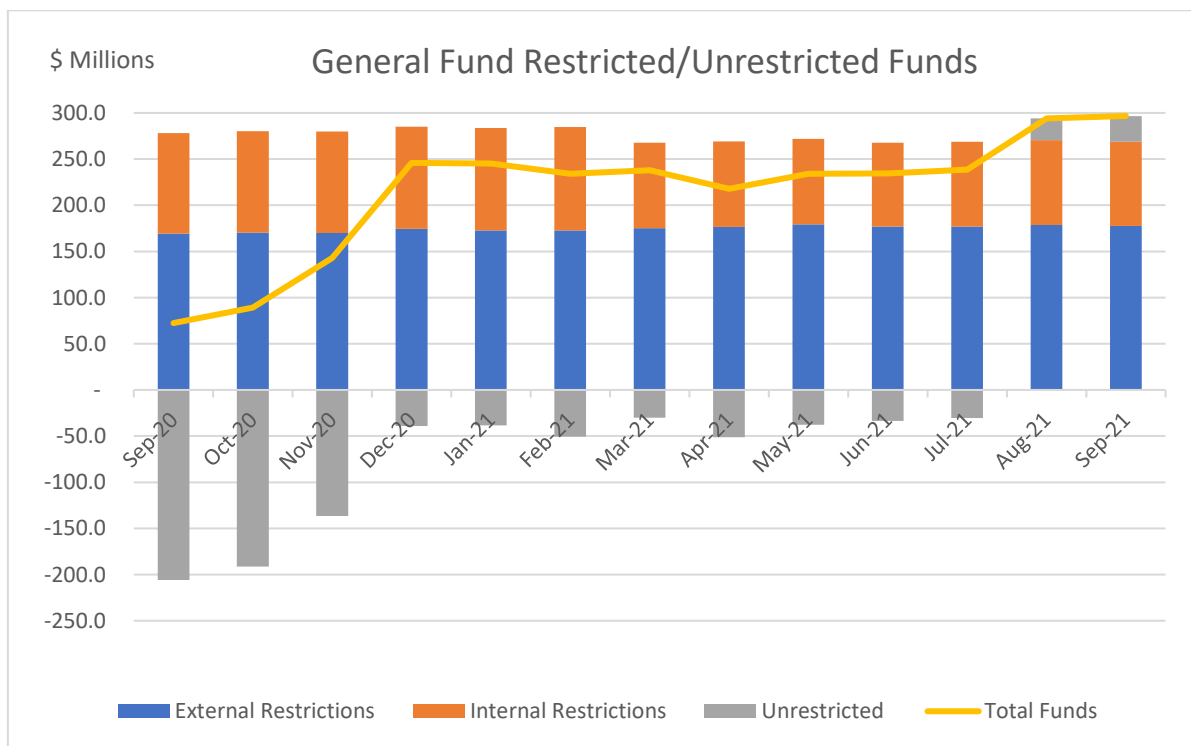
	General Fund \$'000	Water Fund \$'000	Sewer Fund \$'000	Drainage Fund \$'000	Domestic Waste Fund \$'000
ACTUAL MONTHLY CASH FLOW (by FUND)					
Opening cash & investments @ 1 September 2021	293,956	(5,088)	133,461	(871)	106,845
Income receipts (incl Capital grants & contributions)	35,041	8,412	8,494	1,727	5,340
Operational payments	(26,143)	(4,858)	(3,585)	(635)	(5,076)
Net operating cash inflow / (outflow)	8,898	3,554	4,909	1,092	265
Capital projects payments	(4,225)	(769)	(2,151)	(456)	0
Asset sales	260	0	0	0	0
Financing receipts	213	0	0	0	0
Financing repayments	(2,365)	(1,037)	(537)	(100)	0
Total cash inflow / (outflow)	2,781	1,749	2,221	535	265
Closing cash & investments @ 30 September 2021	296,737	(3,339)	135,682	(336)	107,109
Represented by:					
Externally restricted cash	177,581	6,412	22,000	36,438	91,903
Internally restricted cash	91,134	1,026	877	55	0
Unrestricted cash	28,022	(10,778)	112,805	(36,829)	15,206
Total cash	296,737	(3,340)	135,682	(336)	107,109

Restricted/Unrestricted Funds

Council’s cash and investment portfolio is held in separate funds as detailed below. These funds are categorised as externally restricted, internally restricted and unrestricted.

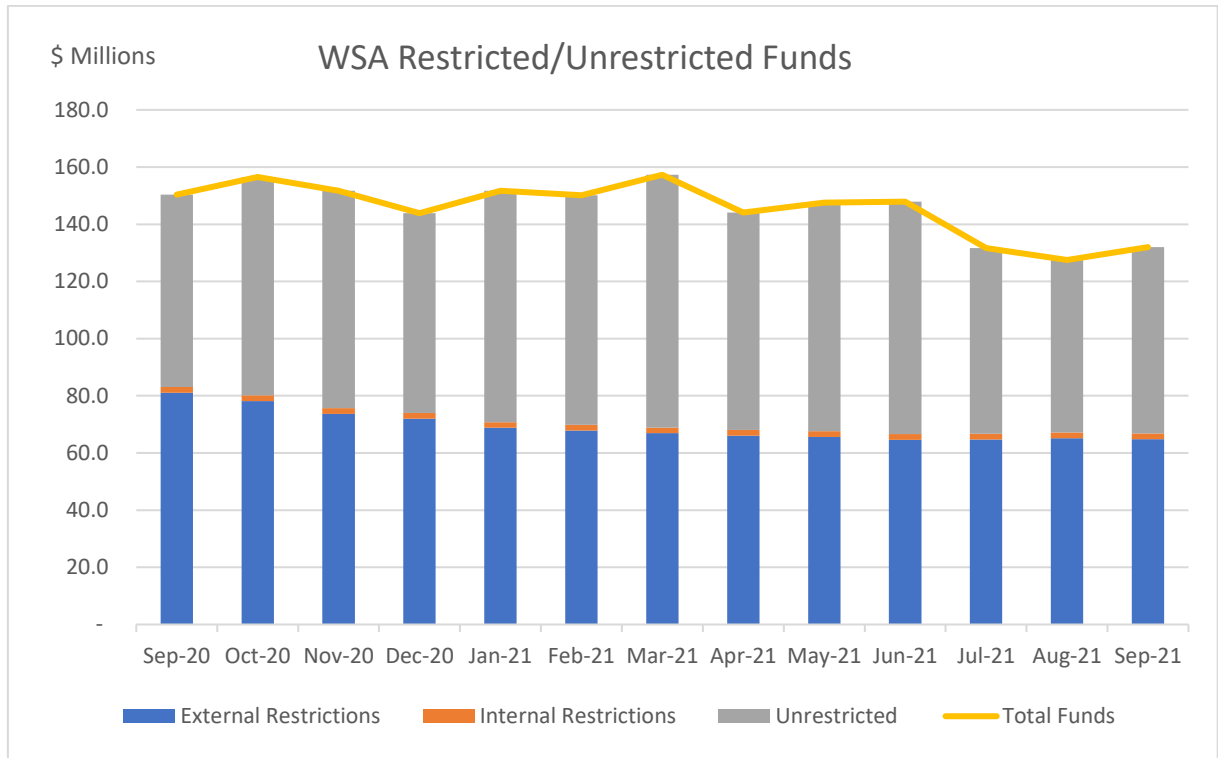
Fund	General Fund	Water Fund	Sewer Fund	Drainage Fund	Waste Fund
External Restricted Funds	\$177,581	\$6,412	\$22,000	\$36,438	\$91,903
Internal Restricted Funds	\$91,134	\$1,026	\$877	\$55	-
Total Restricted Funds	\$268,715	\$7,438	\$22,877	\$36,493	\$91,903
Unrestricted Funds	\$28,022	(\$10,778)	\$112,805	(\$36,829)	\$15,206
Total funds by Fund	\$296,737	(\$3,340)	\$135,682	(\$336)	\$107,109

Through external funding and rationalisation of internal restricted fund balances, the previously reported negative unrestricted general fund balance has progressively reduced. During August and September, the return to a positive balance was through rates and charges received during the month.



The table below shows the net position of unrestricted funds for the Water Supply Authority of \$65.2M. A further breakdown of the tabled amounts has the unrestricted amount for each fund within the WSA as follows:

- Water Fund (\$10.8M)
- Sewer \$112.8M
- Drainage (\$36.8M)



Financial Performance – Monthly Finance Report December 2021



Central Coast Council
Monthly Finance Report
December 2021

Peter Correy
24 January 2022



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Financial Performance

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Monthly Finance Report December 2021

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Financial Performance – Monthly Finance Report December 2021

Financial Performance

Monthly Finance Report December 2021

The purpose of the monthly Finance Report is to provide the Executive Leadership Team with consolidated financial information for Central Coast Council to enable effective financial stewardship through the provision of information relevant to operations, capital expenditure funding and cash position.

The Report covers the following key areas of Council's finances:

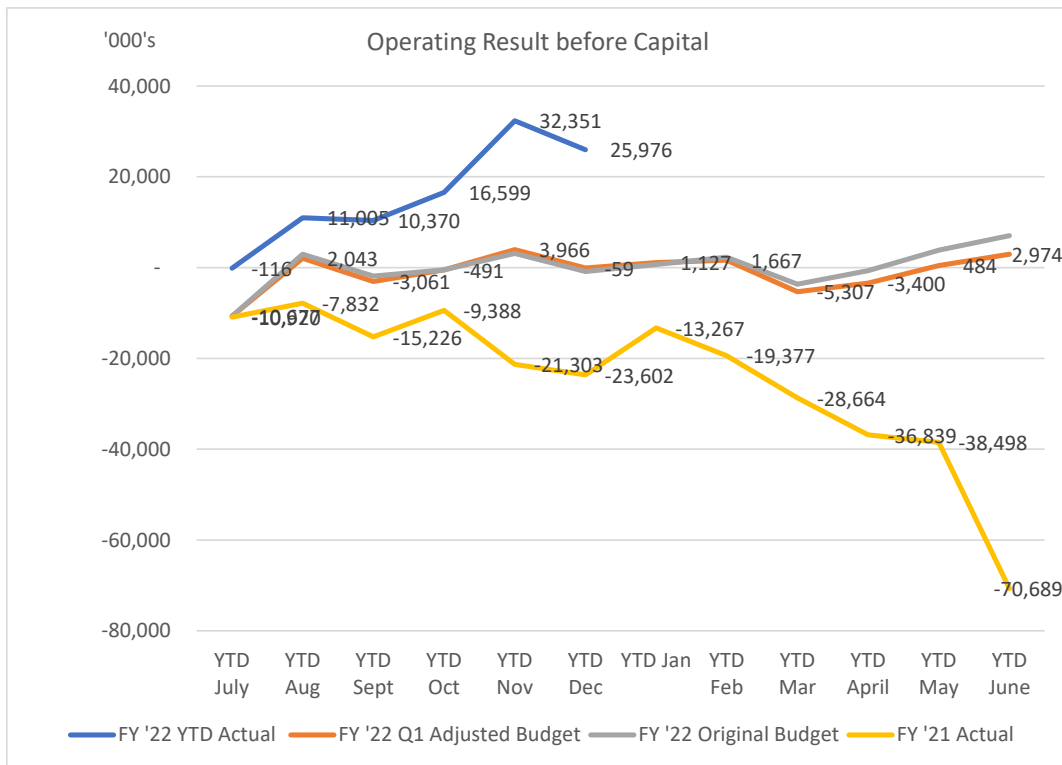
- Year to date trading position for the consolidated entity, water and sewer funds and general/drainage/waste funds.
- Consolidated entity summary commentary with revenue and expenditure graphs
- Detailed consolidated results with commentary
- Summary capital expenditure by Directorate and funding source
- Cash and investments and borrowing position
- Year to date cashflow forecast and actual
- Restricted and unrestricted funds position

CONSOLIDATED TRADING SUMMARY						
	YTD					
	Actuals	Current Budget	Variance	Variance	Year End Forecast	Original Full Year Budget
	'000s	'000s	'000s	%		'000s
Operating Revenue	306,623	305,575	1,048	0.3%	641,778	666,792
Operating Expense	280,648	292,690	12,042	4.1%	638,804	659,749
Operating Surplus/(Deficit)	25,976	12,886	13,090		2,974	7,043
Capital Revenue	21,762	22,468	(706)	-3.1%	65,555	42,890
Other Capital Income (Asset disposals)	0	0	0	0.0%	0	0
Capital Loss (asset write-off)	0	0	0	0.0%	0	0
Net Result	47,738	35,354	12,384		68,529	49,933
Work in Progress	42,138	53,597	11,459	21.4%	172,749	175,040
Total Capital Expenditure	42,138	53,597	11,459		172,749	175,040

WATER & SEWER TRADING SUMMARY						
	YTD					
	Actuals	Current Budget	Variance	Variance	Year End Forecast	Original Full Year Budget
	'000s	'000s	'000s	%		'000s
Operating Revenue	75,687	74,020	1,667	2.3%	151,540	151,540
Operating Expense	76,001	76,940	939	1.2%	164,259	163,175
Operating Surplus/(Deficit)	(314)	(2,920)	2,606		(12,719)	(11,635)
Capital Revenue	4,020	5,450	(1,430)	-26.2%	15,067	14,533
Other Capital Income (Asset disposals)	0	0	0	0.0%	0	0
Capital Loss (asset write-off)	0	0	0	0.0%	0	0
Net Result	3,706	2,530	1,176		2,348	2,898
Work in Progress	13,701	16,417	2,716	16.5%	62,026	65,358
Total Capital Expenditure	13,701	16,417	2,716		62,026	65,358

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GENERAL, DRAINAGE & WASTE TRADING SUMMARY							
	YTD				Year End Forecast	Original Full Year Budget	
	Actuals	Current Budget	Variance	Variance			
	'000s	'000s	'000s	%			
Operating Revenue	230,937	231,556	(619)	(.3%)	490,238	515,252	
Operating Expense	204,647	215,750	11,103	5.1%	474,545	496,574	
Operating Surplus/(Deficit)	26,290	15,806	10,484		15,693	18,678	
Capital Revenue	17,741	17,018	723	4.3%	50,488	28,357	
Other Capital Income (Asset disposals)	0	0	0	0.0%	0	0	
Capital Loss (asset write-off)	0	0	0	0.0%	0	0	
Net Result	44,031	32,824	11,207		66,181	47,035	
Work in Progress	28,437	37,180	8,743	23.5%	110,723	109,682	
Total Capital Expenditure	28,437	37,180	8,743		110,723	109,682	



Consolidated Entity Summary Commentary

Net Result

- YTD net result (including capital revenues) at 31 December 2021 was a surplus of \$47.7M compared to the budget surplus of \$35.4M.
- Council's YTD operating surplus (excluding capital revenue) was a surplus of \$26.0M compared to the budget surplus of \$12.9M.

Operating Revenue – \$1.0M over budget

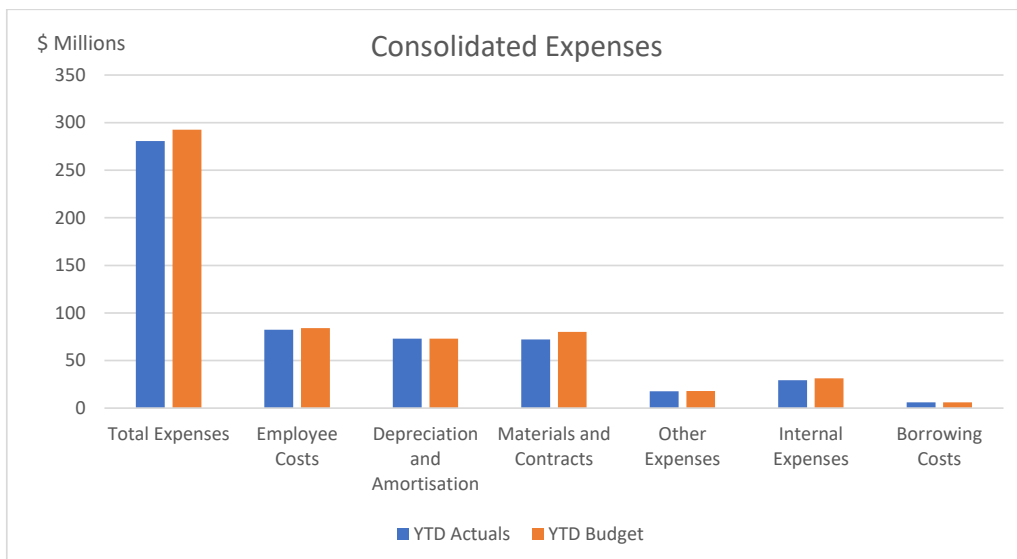
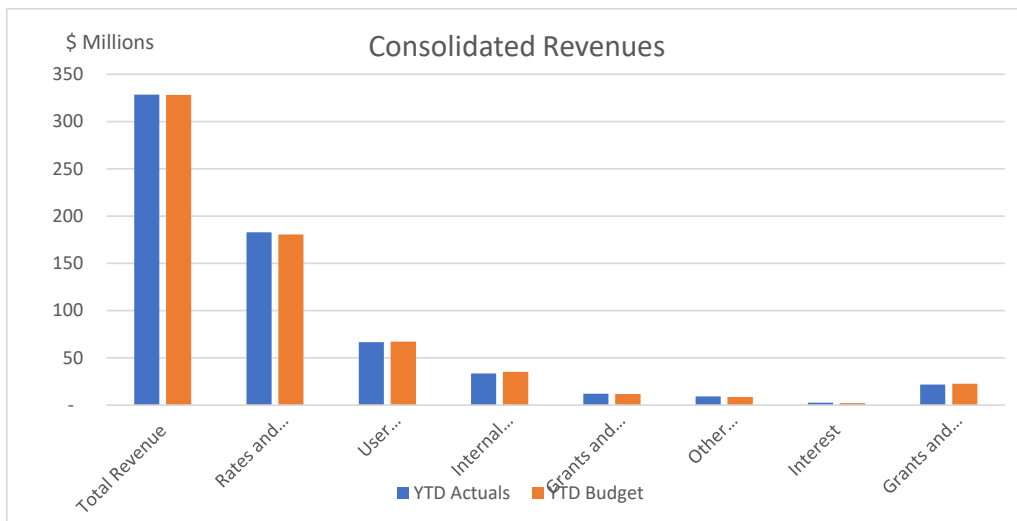
- Rates and annual charges +\$2.1M
- Other operating income including interest, grants and contributions +\$1.2M

Financial Performance – Monthly Finance Report December 2021

- User charges and fees (\$0.6M)
- Internal revenue (\$1.7M)

Operating Expenses - \$12.0M under budget

- Employee costs \$1.6M
- Materials and Services \$7.9M
- Internal expenses \$2.1M
- Other including depreciation and borrowing costs \$0.4M



Financial Performance – Monthly Finance Report December 2021

Summary Consolidated Operational Results

	CURRENT MONTH			YEAR TO DATE				FULL YEAR		
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Year End Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Income										
Rates and Annual Charges	27,226	26,995	231	182,691	180,556	2,135	165,064	331,384	361,871	362,210
User Charges and Fees	12,132	11,422	710	66,559	67,113	(554)	68,680	139,105	140,269	141,758
Other Revenue	621	800	(179)	5,489	5,181	308	3,743	12,666	9,196	10,178
Interest	442	362	80	2,558	2,171	387	2,534	5,598	4,442	4,442
Grants and Contributions	1,325	1,176	149	12,111	11,796	314	17,054	42,409	49,491	42,916
Gain on Disposal	-	-	-	-	-	-	922	2,609	-	-
Other Income	661	568	93	3,665	3,494	170	4,038	8,214	8,056	7,618
Internal Revenue	5,602	5,805	(203)	33,551	35,264	(1,713)	40,182	74,557	93,467	72,655
Total Income attributable to Operations	48,009	47,128	881	306,623	305,575	1,048	302,217	616,542	666,792	641,778
Operating Expenses										
Employee Costs	18,591	16,938	(1,653)	82,424	84,065	1,641	105,053	222,617	175,833	172,683
Borrowing Costs	924	921	(3)	5,954	5,970	16	6,903	16,414	17,471	12,689
Materials and Contracts	13,692	13,523	(169)	72,280	80,204	7,924	85,402	181,128	175,793	183,253
Depreciation and Amortisation	12,097	10,204	(1,893)	72,865	73,129	264	79,235	162,303	177,106	170,021
Other Expenses	4,252	4,089	(163)	17,782	17,908	126	18,160	36,059	39,192	37,712
Loss on Disposal	-	-	-	-	-	-	206	9,660	-	-
Internal Expenses	4,828	5,155	327	29,343	31,414	2,072	30,859	59,051	74,354	62,446
Overheads	(0)	(0)	-	0	0	-	(0)	(0)	0	0
Total Expenses attributable to Operations	54,384	50,831	(3,553)	280,648	292,690	12,042	325,819	687,231	659,749	638,804
Operating Result after Overheads and before Capital Amounts	(6,375)	(3,702)	(2,672)	25,976	12,886	13,090	(23,602)	(70,689)	7,043	2,974
Capital Grants	2,823	2,464	359	14,275	11,883	2,393	12,905	36,893	8,445	45,644
Capital Contributions	1,421	1,908	(486)	7,487	10,586	(3,099)	8,698	46,810	34,445	19,911
Grants and Contributions Capital Received	4,244	4,371	(127)	21,762	22,468	(706)	21,603	83,703	42,890	65,555
Net Operating Result	(2,130)	669	(2,799)	47,738	35,354	12,384	(1,999)	13,014	49,933	68,529

Revenue

- Rates and Annual Charges
Favourable variance of \$2.1M attributable to Sewer Service Availability charges associated with IPART Clarification Notice \$1.6M and increase in domestic waste and water supply charges \$0.6M.
- User Charges and Fees
A mixture of favourable and unfavourable variances has given rise to a net unfavourable variance of \$0.6M. The major contributor being a fall in water usage charges \$1.1M offset in part by 'one-off' penalty charges for trade waste \$0.7M.
- Other Revenue
Favourable variance of \$0.3M due to increase in fine income and sale of scrap metal.
- Interest
Favourable variance of \$0.4M

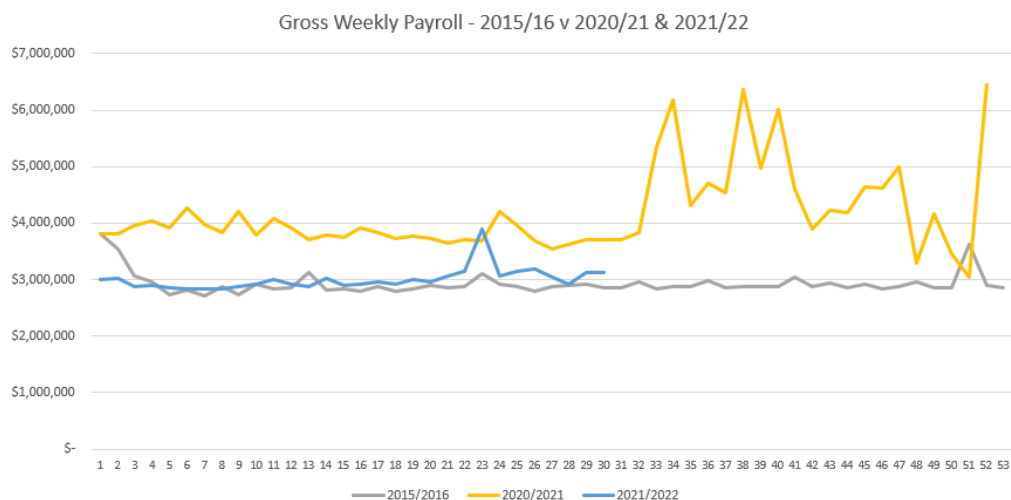
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- Operating Grants and Contributions
Favourable variance of \$0.3M attributable to environmental program grants and employee motor vehicle contributions
- Other income
Favourable variance of \$0.2M from commercial property income and community facility hire income.
- Internal Revenue / Expenditure
Net favourable variance of \$0.4M.
- Capital Grants
Favourable variance of \$2.4M due to timing of works on capital projects in Infrastructure Services.
- Capital Contributions
Unfavourable variance of \$3.1M due to reduction in Sec. 7.11 contributions \$2.0M and reduced Sec. 64 contributions \$1.1M for water and sewer.

Expenditure

- Employee Costs
Favourable variance of \$1.6M attributable to vacant FTE roles of \$3.2M offset by reduced capital labour costs of \$1.5M mainly due to delayed data capture through the outage of Kronos. The graphical representation of Gross weekly payroll (following the expenditure summary analysis), during financial year prior to amalgamation (2015-2016) and FY20 and FY21 YTD shows an approximate 20% - 25% reduction.
- Materials and Contracts
Favourable variance of \$7.9M. Savings in materials \$3.4M, contracts, labour hire and consultants \$1.8M and miscellaneous other expenses \$2.7M.
- Depreciation and Amortisation
Favourable variance of \$0.3M.
- Other Expenses
Favourable variance of \$0.1M.

Financial Performance – Monthly Finance Report December 2021



Summary Capital Expenditure by Directorate and Funding Source

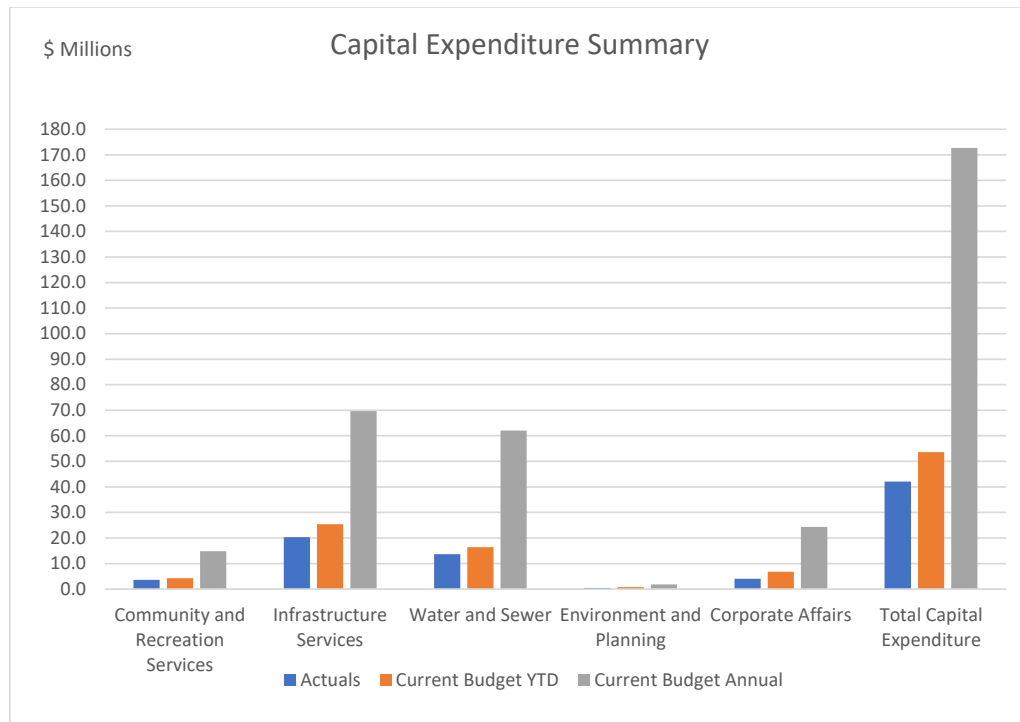
At 31 December Council was working on 462 projects, 348 of which were in line with or under budget by \$17.8M, offset by 114 projects over budget by \$6.4M.

Summary Capital Expenditure by Directorate	YTD				Annual
	Actuals	Current Budget	Variance	Variance	Current Budget
	'000s	'000s	'000s	%	'000s
Community and Recreation Services	3,585	4,274	(689)	(16.1%)	14,815
Infrastructure Services	20,343	25,364	(5,021)	(19.8%)	69,717
Water and Sewer	13,701	16,417	(2,716)	(16.5%)	62,026
Environment and Planning	447	726	(279)	(38.4%)	1,835
Corporate Affairs	4,062	6,816	(2,754)	(40.4%)	24,356
Total Capital Expenditure	42,138	53,597	(11,459)	(21.4%)	172,749

YTD Actuals by funding source				
Department	Grants	Contributions	Restricted Funds	General Revenue
	'000s	'000s	'000s	'000s
Community and Recreation Services	1,896	292	0	1,397
Infrastructure Services	6,862	138	4,793	8,550
Water and Sewer	3,904	0	1,279	8,517
Environment and Planning	33	0	0	414
Corporate Affairs	9	22	623	3,407
Total Capital Expenditure	12,704	452	6,695	22,285

Financial Performance – Monthly Finance Report December 2021

Capital Expenditure Summary



Donated (non-cash) Assets

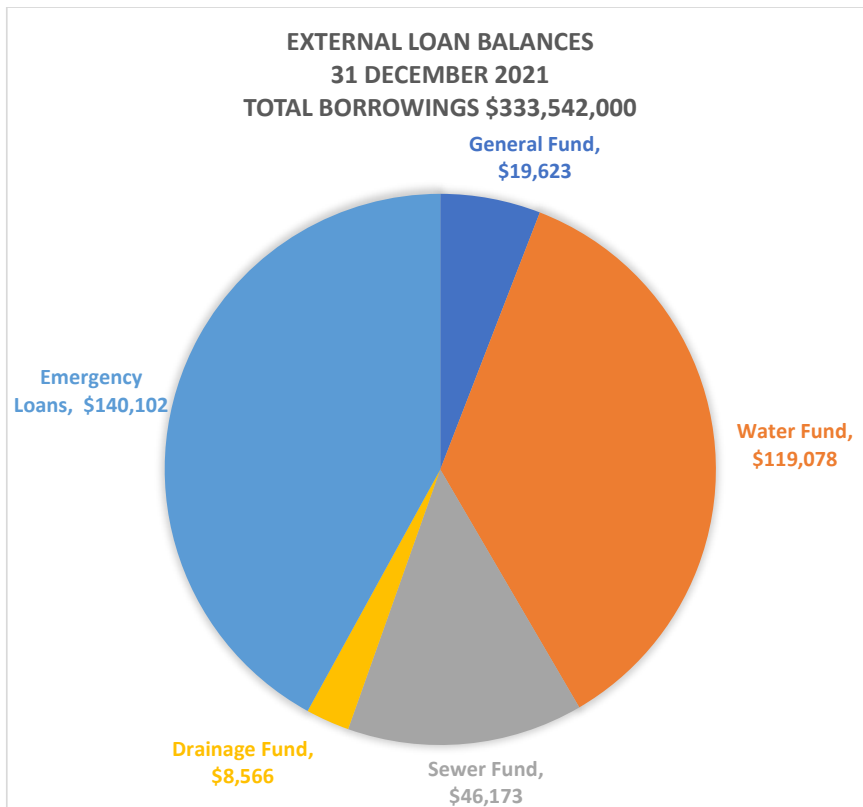
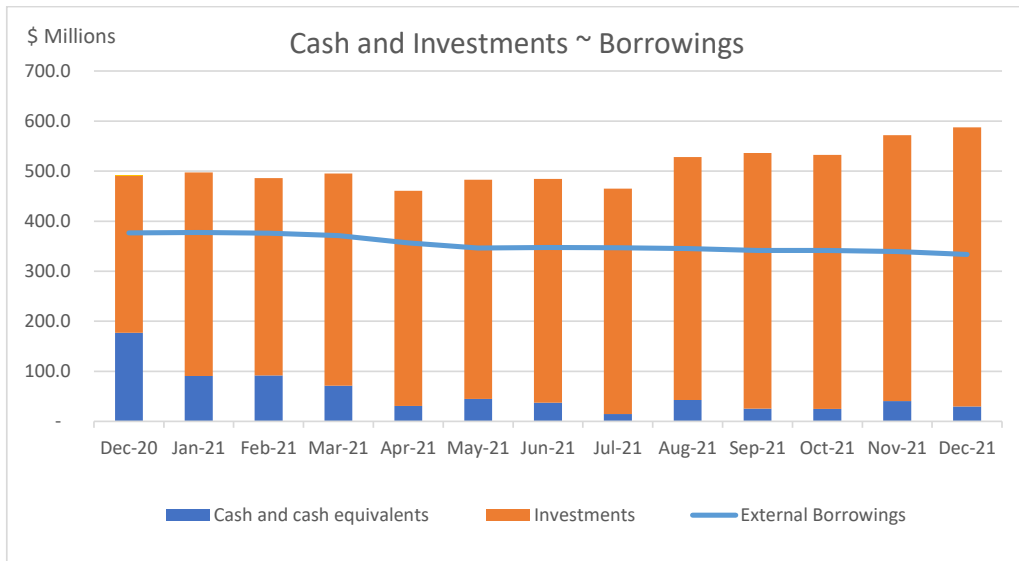
There have been no donated assets received by Council through to 31 December.

Cash/Investments and Borrowings

Cash balance at 31 December is \$587.2M, an increase of \$15.4M from 30 November. During December Council received \$27.1M through the sale of Council’s excess assets initiative.

External borrowings at 31 December were \$333.5M.

Financial Performance – Monthly Finance Report December 2021



Financial Performance – Monthly Finance Report December 2021

YTD Cashflow Summaries

The following table records Council's actual YTD cash position to the rolling forecast (prior month + current month forecast) and the revised cash forecast to the original cash forecast at 30 June 2022.

	Actual YTD @ 31 December \$'000	Rolling Forecast @ 31 December \$'000	YTD Movement \$'000	Revised Forecast @ 30 June 2022	Original Forecast @ 30 June 2022 \$'000
CASH FLOW MOVEMENTS					
Opening cash & investments @ 1 July 2021	484,418	484,418	0	484,418	484,418
Income receipts (incl Capital grants & contributions)	364,221	370,155	(5,934)	740,813	730,192
Operational payments	(240,092)	(245,219)	5,127	(506,372)	(517,489)
Net operating cash inflow / (outflow)	124,128	124,935	(807)	234,441	212,703
Capital projects payments	(41,838)	(54,992)	13,154	(173,135)	(175,040)
Asset sales	34,205	7,126	27,079	34,205	0
Financing receipts	0	0	0	12,779	1,658
Financing repayments	(13,672)	(13,672)	(0)	(39,540)	(41,197)
Total cash inflow / (outflow)	102,823	63,397	39,426	68,749	(1,876)
Closing cash & investments @ 31 December 2021	587,241	547,815	39,426	553,168	482,542
Represented by:					
Externally restricted cash	341,754	336,662	5,092	332,018	336,284
Internally restricted cash	90,658	90,662	(4)	90,658	92,899
Unrestricted cash	154,830	120,491	34,339	130,492	53,359
Total cash	587,241	547,815	39,426	553,168	482,542

The following table records Council's General Fund YTD cash position at 31 December and the revised quarterly forecasts through to 30 June 2022.

ACTUAL v FORECAST MONTHLY CASH FLOW		31 March	30 June
GENERAL FUND	31 December Actual \$'000	Forecast \$'000	Forecast \$'000
Opening cash & investments @ 1 July 2021	248,959	248,959	248,959
Income receipts (incl Capital grants & contributions)	237,867	335,543	468,734
Operational payments	(147,709)	(240,149)	(323,204)
Net operating cash inflow / (outflow)	90,158	95,394	145,530
Capital projects payments	(25,973)	(61,839)	(100,073)
Asset sales	34,205	34,205	34,205
Financing receipts	622	622	622
Financing repayments	(6,310)	(8,935)	(12,025)
Total cash inflow / (outflow)	92,702	59,447	68,259
Closing cash & investments	341,661	308,406	317,218
Represented by:			
Externally restricted cash	182,785	176,520	177,408
Internally restricted cash	88,699	88,699	88,699
Unrestricted cash	70,177	43,187	51,111
Total cash	341,661	308,406	317,218

Financial Performance – Monthly Finance Report December 2021

Restricted/Unrestricted Funds

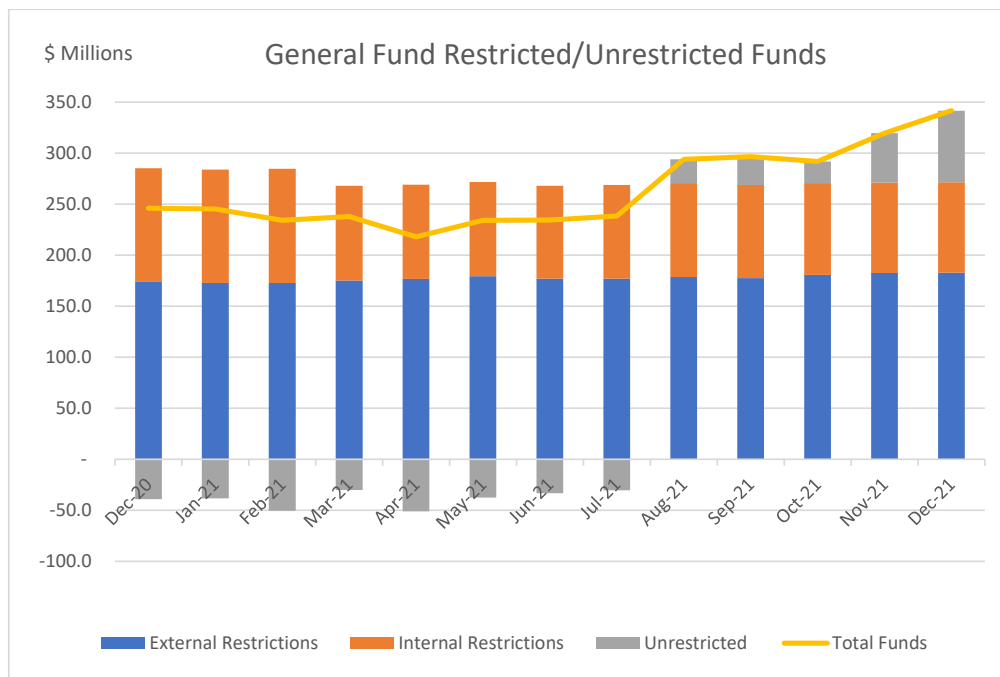
Council’s cash and investment portfolio is held in separate funds as detailed below. These funds are categorised as externally restricted, internally restricted and unrestricted.

Externally restricted funds include developer contributions of \$185.2M categorised as:

- S7.11 Contributions \$138.6M
- S7.12 Levies \$ 19.1M
- S7.4 Planning agreements \$ 5.7M
- S64 Contributions – Water \$ 2.6M
- S64 Contributions – Sewer \$ 19.2M

Fund	General Fund (\$'000)	Water Fund (\$'000)	Sewer Fund (\$'000)	Drainage Fund (\$'000)	Waste Fund (\$'000)
External Restricted Funds	\$182,785	\$6,995	\$21,936	\$36,782	\$93,257
Internal Restricted Funds	\$88,699	\$1,026	\$877	\$55	-
Total Restricted Funds	\$271,484	\$8,021	\$22,813	\$36,837	\$93,257
Unrestricted Funds	\$70,177	(\$9,548)	\$116,422	(\$36,260)	\$14,038
Total funds by Fund	\$341,661	(\$1,527)	\$139,235	\$577	\$107,295

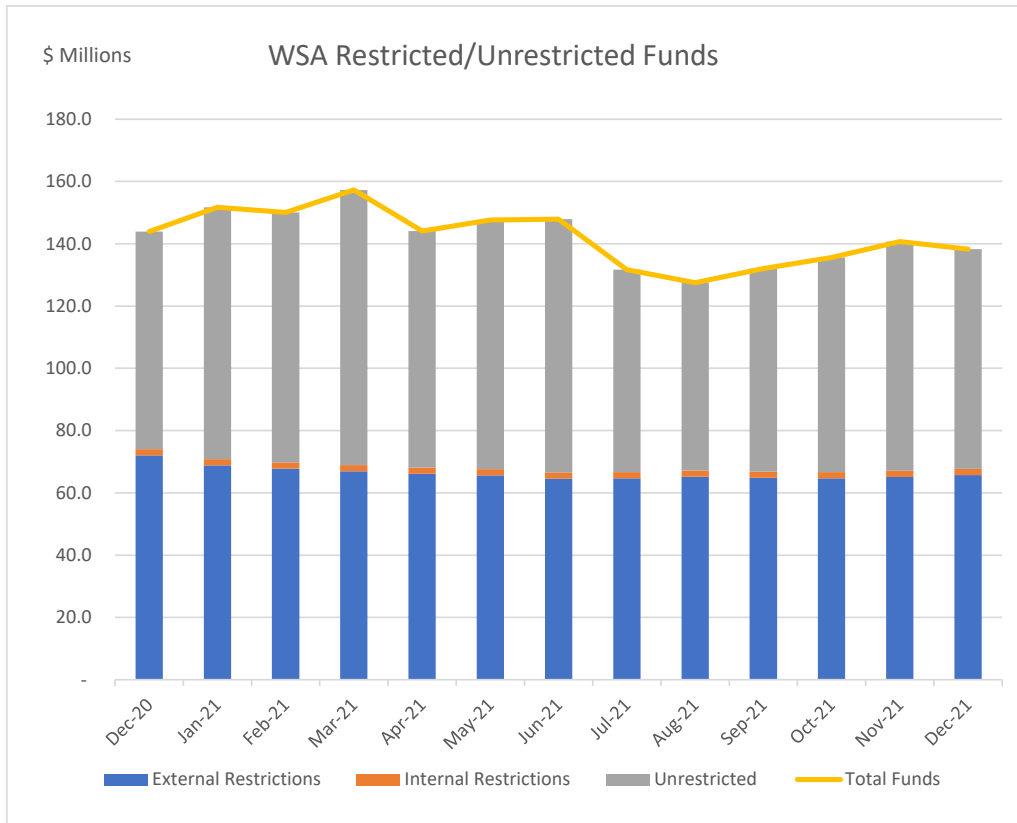
The General Fund unrestricted balance continues to improve with a \$21.6M increase in December through the net of Council asset sales of \$27.1M and monthly trading of (\$5.5M).



Financial Performance – Monthly Finance Report December 2021

The table below shows the net position of restricted and unrestricted funds for the Water Supply Authority. The unrestricted amount for each fund within the WSA is as follows:

- Water Fund (\$9.5M)
- Sewer \$116.4M
- Drainage (\$36.3M)



AMENDED ITEM



Item No: 2.1
Title: Investment Report for December 2021
Department: Corporate Affairs

25 January 2022 Ordinary Council Meeting

Reference: F2004/06604 - D15003568
Author: Devini Susindran, Team Leader
Manager: Mellissa McKee, Financial Controller
Executive: Natalia Cowley, Director Corporate Affairs and Chief Financial Officer

Recommendation

- 1 That Council note the Investment Report for December 2021.**
- 2 That Council note that internally restricted funds are unrestricted funds that have been internally allocated to a certain purpose.**
- 3 That Council allocates the required unrestricted funds available in the General Fund to meet its December 2021 unrestricted funds deficit of \$45.81M in Water and Drainage funds as set out in this report.**

Report purpose

To present monthly Investment Reports in accordance with cl. 212 of the *Local Government (General) Regulation 2005* which states as follows:

- 1 *The responsible accounting officer of a council*
 - a *must provide the council with a written report (setting out details of all money that the council has invested under section 625 of the Act) to be presented—*
 - i. *if only one ordinary meeting of the council is held in a month, at that meeting, or*
 - ii. *if more than one such meeting is held in a month, at whichever of those meetings the council by resolution determines, and*
 - b *must include in the report a certificate as to whether the investment has been made in accordance with the Act, the regulations and the council's investment policies.*
- 2 *The report must be made up to the last day of the month immediately preceding the meeting.*

Executive Summary

This report details Council’s investments as at 31 December 2021.

Background

Council’s investments are made in accordance with the Local Government Act 1993, Local Government (General) Regulation 2005, the amended Investment Policy adopted at the Ordinary Council Meeting on 3 February 2021, Ministerial Investment Order issued February 2011 and Division of Local Government (as it was then known) Investment Policy Guidelines published in May 2010.

Current Status

Council’s current cash and investment portfolio totals \$587.24M as at 31 December 2021.

Council’s Cash and Investment Portfolio by Source of Funds

Source of Funds	Value (\$'000)
Investment Portfolio	\$557,727
Transactional accounts Per Bank Statement and cash in hand	\$29,514
Total	\$587,241

Council’s Portfolio is held in separate funds by purpose and is summarised as follows:

Fund	General Fund (\$'000)	Water Fund (\$'000)	Sewer Fund (\$'000)	Drainage Fund (\$'000)	Waste Fund (\$'000)
External Restricted Funds	\$182,785	\$6,995	\$21,936	\$36,782	\$93,257
Internal Restricted Funds	\$88,699	\$1,026	\$877	\$55	-
Total Restricted Funds	\$271,484	\$8,021	\$22,813	\$36,837	\$93,257
Unrestricted Funds	\$70,177	(\$9,548)	\$116,422	(\$36,260)	\$14,038
Total funds by Fund	\$341,661	(\$1,527)	\$139,235	\$577	\$107,295

During December, Council’s total cash and investments increased by \$15.37M from \$571.87M to \$587.24M predominantly from quarterly rates instalments received in December. Normal cash inflows were adequate to meet Council’s expenditure requirements for the month.

Detailed restrictions have been provided in Attachment 2. Council is managing the previously reported negative unrestricted funds balance, as part of Council’s Business Recovery Plan.

2.1 Investment Report for December 2021 (contd)

The negative unrestricted balance is currently \$45.81M, made up of unrestricted fund deficits in the Water and Drainage Funds, as per the table above.

The unrestricted funds balances across the 5 Funds above will increase and decrease during the 2022 financial year as rates revenue and property sale settlements occur. In the interim, the unrestricted funds deficit of \$45.81M is proposed to be funded through the General Fund's available unrestricted cash balance of \$70.18M at 31 December 2021.

Portfolio management

Council's Investment Portfolio is managed through term deposits and floating rate note maturities and placements.

Total net return on the portfolio for Council in December, comprising entirely of interest earned, was \$440k. The total value of the Council's investment portfolio at 31 December 2021 is outlined in Table 1 below.

Table 1 – Portfolio movement Investment only

Description	2020-2021	Jul-Sep Qtr	Oct-21	Nov-21	Dec-21	2021-2022
	Financial Year	2021-2022	2021-2022	2021-2022	2021-2022	FYTD
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening Balance	348,210	447,221	510,478	507,219	531,564	447,221
Movement for the period	99,011	63,257	(3,259)	24,345	26,163	110,506
Closing Balance	447,221	510,478	507,219	531,564	557,727	557,727
Interest earnings	4,508	1,129	398	385	440	2,352

The market value of Council's investment portfolio at 31 December is \$557.73M.

Council's investments are evaluated and monitored against a benchmark appropriate to the risk (APRA Standards BBB long term or above) and time horizon of the investment concerned. A summary of the term deposit and floating rate notes maturities are listed in Table 2 below.

Table 2 - Investment Maturities

Time Horizon	Percentage Holdings	Maturity on or before	Value \$'000
At Call	5.42%	Immediate	30,214
Investments			
0 - 3 months	8.40%	Mar-2022	46,861
4 - 6 months	15.77%	Jun-2022	87,936
7 - 12 months	1.79%	Dec-2022	10,000
1 - 2 years	7.42%	Dec-2023	41,366
2 - 3 years	17.75%	Dec-2024	99,024
3 - 4 years	20.72%	Dec-2025	115,553
4 - 5 years	22.73%	Dec-2026	126,773
Total Investments	94.58%		527,513
Total Portfolio	100.00%		557,727
Interest Accrued to 31 Dec 2021 (Excluding Interest on call accounts)			1,447
Market Value of Investment per Portfolio Valuation Report (Attachment 5)			559,174

The investment portfolio is concentrated in AA above (11.54%), A (33.58%), and BBB (54.88%).

Council monitors and manages the portfolio taking into consideration credit ratings of financial institutions, interest rates offered for the maturity dates required and counterparty exposure.

Council's investments were in excess of its 3-5 year term group trading limit by \$4.3M at 31 December 2021 due to a large number of investment maturities towards the end of December 2021. However, no individual trading limits have been exceeded and on this basis this exceedance has been accepted as it has been corrected in January 2022.

The current spread of investments and counterparty exposure for December 2021 are shown in Graphs 1 and 2 respectively in Attachment 3.

Environmental, Social and Green (ESG) Investments

Council continues to look for 'ESG' investment opportunities subject to prevailing investment guidelines. A list of current ESG investments held is contained on the investment listing, highlight in green. For the month of December there have been no new green investments undertaken.

Council currently holds 4.17% or \$23.25M in ESG investments as at 31 December 2021.

2.1 Investment Report for December 2021 (contd)

Portfolio Return

Interest rates on investments in the month, ranged from 0.29% to 3.18%, all of which exceeded the monthly Bank Bill Swap Rate (BBSW) benchmark of 0.01%.

The weighted running yield for November of 0.96% for Central Coast Council is favourable compared to the rolling three-year benchmark bank bill swap (BBSW) Index of 0.53% as shown in Graph 3 - Portfolio Returns in Attachment 3.

Market values reflected in the Portfolio valuation report in Attachment 5 have been used to record the unrecognised gains in tradeable fixed rate bonds and floating rate notes. Interest accrued has been recorded separately and is not reflected in portfolio valuations.

Financial Considerations

At its meeting held 19 October 2020, Council resolved the following:

1108/20 That any motions put before Council for the remainder of this term of Council that have financial implications require the Chief Executive Officer to provide a report on how those additional costs will be met.

The following statement is provided in response to this resolution of Council.

Council's investment portfolio includes rolling maturity dates to ensure that Council has sufficient liquidity to meet its ongoing obligations.











Link to Community Strategic Plan

Theme 4: Responsible

Goal G: Good governance and great partnerships

R-G4: Serve the community by providing great customer experience, value for money and quality services.

Attachments

1  	Summary of Investments as at 31 December 2021	D15003913
2  	Summary of Restrictions as at 31 December 2021	D15009844
3  	Investment Report for December 2021 - Graphs 1, 2 and 3	D15003904
4  	Treasury Direct Trading Limits Report at 31 December 2021	D15003906
5  	Treasury Direct Portfolio Valuations Report as at 31 December 2021	D15003908

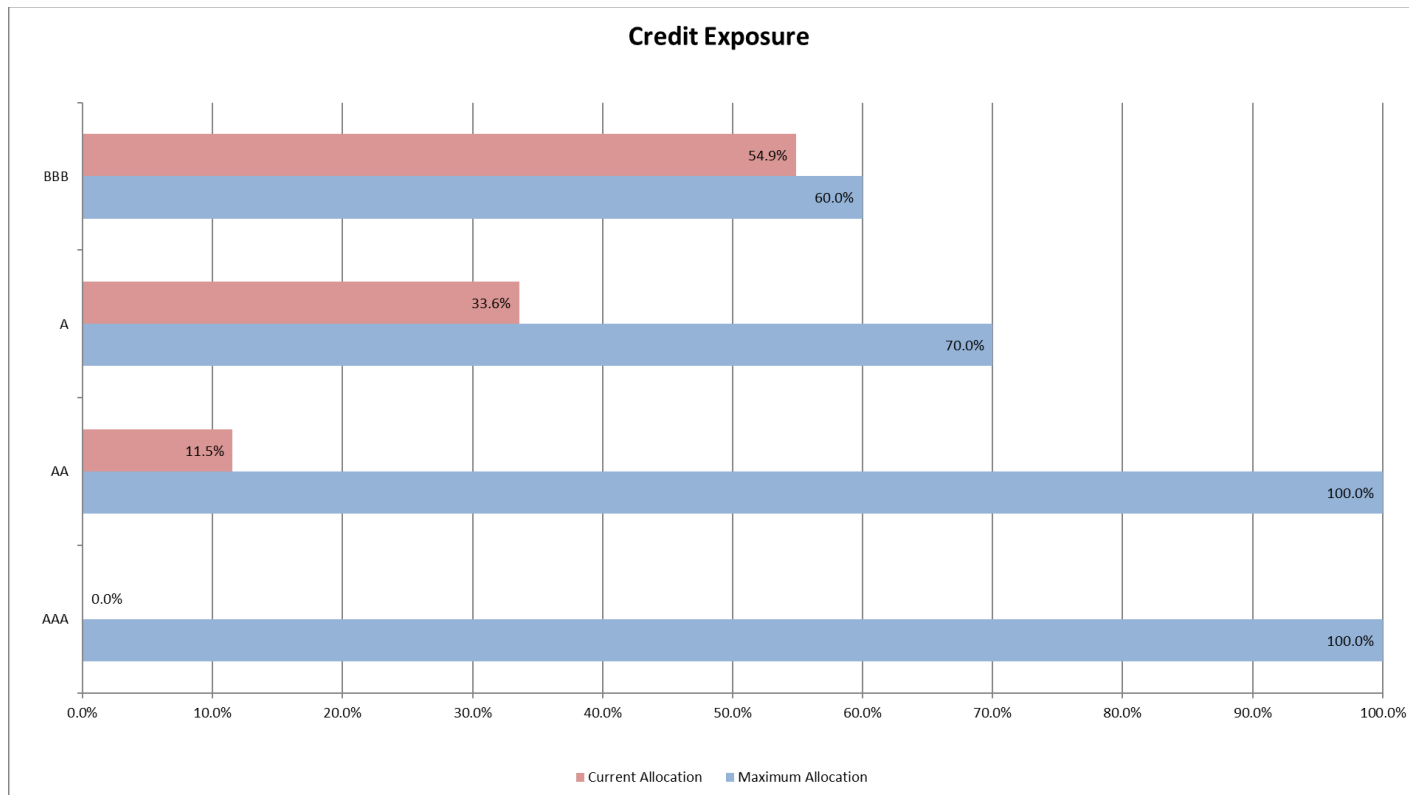
Central Coast Council Summary of Investments as at 31-December-2021								
Financial Institution	Type of Investment	Short Term Rating	Long Term Rating	Maturity Date	Portfolio Balance \$	As a % of the total Portfolio	Interest Rate %	
CASH AT CALL:								
Westpac Banking Corporation	Corporate Investment Account	A-1+	AA	Daily	1,790	0.00%	0.00%	
Macquarie Bank	At Call	A-1	A	Daily	20,085,404	3.60%	0.30%	
Commonwealth Bank of Australia	Business On-line Saver	A-1+	AA	Daily	1,000	0.00%	0.00%	
AMP limited	At Call	A-2	BBB	Daily	10,126,271	1.82%	0.55%	
Total Cash At Call					30,214,465	5.42%		
TERM DEPOSITS, FLOATING RATE NOTES & BONDS:								
Newcastle Permanent Building Society	Floating Rate Note	A-2	BBB	24-Jan-2022	10,010,241	1.79%	BBSW + 1.65%	
Rabo Bank	Term Deposit	P-1	A	12-Dec-2022	10,000,000	1.79%	3.18%	
Westpac Banking Corporation	Term Deposit	A-1+	AA	27-Nov-2023	5,000,000	0.90%	BBSW + 0.93%	
Bank of Queensland	Term Deposit	A-2	BBB	26-Sep-2024	10,000,000	1.79%	2.00%	
NSW Treasury Corporation	Bonds	A-1+	AA	20-Mar-2025	2,002,334	0.36%	1.25%	
NSW Treasury Corporation	Bonds	A-1+	AA	15-Nov-2028	16,244,988	2.91%	3.00%	
Bank of Queensland	Term Deposit	A-2	BBB	16-Jun-2025	10,000,000	1.79%	1.53%	
National Australia Bank	Term Deposit	A-1+	AA	14-Jun-2024	10,000,000	1.79%	1.15%	
AMP limited	Term Deposit	A-2	BBB	14-Jun-2022	5,000,000	0.90%	1.40%	
Bank of China Australia	Float TCD	A1	A	06-Nov-2023	8,049,996	1.44%	0.84%	
China Construction Bank	Floating Rate Note	A1	A	24-Jun-2022	9,030,511	1.62%	0.95%	
AMP limited	Floating Rate Note	A-2	BBB	30-Mar-2022	2,000,939	0.36%	1.07%	
Bank of China Australia	Floating Rate Note	A1	A	18-Aug-2023	3,418,769	0.61%	0.81%	
Bank of China Australia	Float TCD	A1	A	27-Oct-2023	2,815,169	0.50%	0.82%	
Bank of Communications Co. Ltd. Sydney Branch	Float TCD	A-	A	29-Sep-2023	2,913,952	0.52%	0.85%	
Canadian Imperial Bank of Commerce	Floating Rate Note	A	A	09-Jun-2023	3,039,518	0.54%	1.36%	
Canadian Imperial Bank of Commerce	Floating Rate Note	A	A	09-Jun-2023	5,077,200	0.91%	0.00%	
Bendigo and Adelaide Bank	Bonds	A-2	BBB	06-Sep-2024	5,435,384	0.97%	0.00%	
HSBC Sydney Branch	Bonds	A-1	AA	27-Sep-2024	1,476,324	0.26%	1.50%	
Macquarie Bank	Bonds	A-1	A	12-Feb-2025	15,024,750	2.69%	0.00%	
Macquarie Bank	Bonds	A-1	A	12-Feb-2025	9,852,322	1.77%	1.70%	
UBS Australia Limited	Bonds	A	A	30-Jul-2025	3,902,028	0.70%	1.20%	
UBS Australia Limited	Floating Rate Note	A	A	30-Jul-2025	5,061,900	0.91%	0.00%	
Bendigo and Adelaide Bank	Floating Rate Note	A-2	BBB	02-Dec-2025	9,945,100	1.78%	0.00%	
Industrial & Commercial Bank of China Ltd	Floating Rate Note	A	A	24-Feb-2023	10,047,238	1.80%	0.78%	
National Australia Bank	Term Deposit	A-1+	AA	31-Jan-2022	850,000	0.15%	0.42%	
Newcastle Permanent Building Society	Floating Rate Note	A-2	BBB	04-Mar-2026	994,081	0.18%	0.64%	
Members Banking Group Limited t/as RACQ Bank	Floating Rate Note	A2	BBB	24-Feb-2023	1,003,692	0.18%	0.94%	
UBS Australia Limited	Floating Rate Note	A	A	26-Feb-2026	6,771,372	1.21%	0.00%	
Macquarie Bank	Floating Rate Note	A-1	A	09-Dec-2025	9,947,100	1.78%	0.00%	
Bendigo and Adelaide Bank	Floating Rate Note	A-2	BBB	02-Dec-2025	9,945,100	1.78%	0.00%	
UBS Australia Limited	Floating Rate Note	A	A	26-Feb-2026	11,939,581	2.14%	0.51%	
Auswide Bank	Floating Rate Note	A3	BBB	22-Mar-2024	12,021,410	2.16%	0.62%	
QPCU LTD t/a QBANK	Floating Rate Note	A3	BBB	22-Mar-2024	4,490,357	0.81%	0.77%	
UBS Australia Limited	Floating Rate Note	A	A	30-Jul-2025	5,045,672	0.90%	0.94%	
Bendigo and Adelaide Bank	Floating Rate Note	A-2	BBB	02-Dec-2025	9,945,100	1.78%	0.00%	
Macquarie Bank	Floating Rate Note	A-1	A	09-Dec-2025	9,940,582	1.78%	0.49%	
Credit Union Australia	Floating Rate Note	A2	BBB	22-Apr-2026	10,955,058	1.96%	0.68%	
AMP limited	Term Deposit	A-2	BBB	11-Feb-2022	5,000,000	0.90%	0.55%	
Members Equity Bank	Term Deposit	A2	BBB	20-May-2022	10,000,000	1.79%	0.50%	
NSW Treasury Corporation	Term Deposit	A-1+	AA	03-May-2022	8,098,000	1.45%	0.30%	
National Australia Bank	Term Deposit	A-1+	AA	03-Jun-2022	807,000	0.14%	0.33%	
Members Equity Bank	Term Deposit	A2	BBB	09-May-2022	5,000,000	0.90%	0.50%	
Members Equity Bank	Term Deposit	A2	BBB	09-Jun-2022	5,000,000	0.90%	0.50%	
MyState Bank	Floating Rate Note	P-2	BBB	16-Jun-2025	9,487,709	1.70%	0.66%	
Members Equity Bank	Term Deposit	A2	BBB	30-Jun-2022	5,000,000	0.90%	0.50%	
Bendigo and Adelaide Bank	Floating Rate Note	A-2	BBB	18-Jun-2026	9,951,600	1.78%	0.00%	
Bank of Queensland	Term Deposit	A-2	BBB	08-Jul-2026	5,000,000	0.90%	0.60%	
Bendigo and Adelaide Bank	Floating Rate Note	A-2	BBB	18-Jun-2026	2,288,868	0.41%	0.00%	
Bank of Queensland	Floating Rate Note	A-2	BBB	06-May-2026	4,977,399	0.89%	0.64%	
Bank of Queensland	Floating Rate Note	A-2	BBB	22-Jul-2024	4,000,000	0.72%	0.40%	
Bank of Queensland	Floating Rate Note	A-2	BBB	22-Jul-2026	3,000,000	0.54%	0.58%	
Bendigo and Adelaide Bank	Floating Rate Note	A-2	BBB	18-Jun-2026	2,982,183	0.53%	0.66%	
Macquarie Bank	Bonds	A-1	A	07-Aug-2024	10,101,900	1.81%	0.00%	
Northern Territory Treasury Corporation	Bonds	A	AA	15-Dec-2026	4,999,982	0.90%	1.40%	
Macquarie Bank	Floating Rate Note	A-1	A	07-Aug-2024	3,023,349	0.54%	0.82%	
Macquarie Bank	Bonds	A-1	A	07-Aug-2024	1,935,060	0.35%	1.75%	
Suncorp Bank	Bonds	A	A	30-Jul-2024	1,013,410	0.18%	0.00%	
SunCorp Bank	Floating Rate Note	A	A	15-Sep-2026	2,876,220	0.52%	0.00%	

Central Coast Council Summary of Investments as at 31-December-2021							
Financial Institution	Type of Investment	Short Term Rating	Long Term Rating	Maturity Date	Portfolio Balance \$	As a % of the total Portfolio	Interest Rate %
Bank Of Queensland	Term Deposit	A-2	BBB	18-Jan-2022	5,000,000	0.90%	0.29%
Bank Of Queensland	Term Deposit	A-2	BBB	11-Jan-2022	5,000,000	0.90%	0.29%
SunCorp Bank	Bonds	A	A	30-Jul-2024	1,498,801	0.27%	1.85%
Bendigo and Adelaide Bank	Bonds	A-2	BBB	06-Sep-2024	2,519,400	0.45%	0.00%
Bendigo and Adelaide Bank	Bonds	A-2	BBB	06-Sep-2024	1,460,908	0.26%	1.70%
Westpac Banking Corporation	Bonds	A-1+	AA	16-Aug-2024	2,855,985	0.51%	2.25%
Bendigo and Adelaide Bank	Floating Rate Note	A-2	BBB	02-Dec-2025	994,510	0.18%	0.00%
SunCorp Bank	Floating Rate Note	A	A	24-Feb-2026	4,964,441	0.89%	0.46%
Bendigo and Adelaide Bank	Floating Rate Note	A-2	BBB	02-Dec-2025	4,458,978	0.80%	0.53%
National Australia Bank	Floating Rate Note	A-1+	AA	24-Aug-2026	6,935,311	1.24%	0.42%
Bank Of Queensland	Term Deposit	A-2	BBB	18-Feb-2022	5,000,000	0.90%	0.34%
Judo Bank	Term Deposit	Unrated	BBB	16-Mar-2022	4,000,000	0.72%	0.53%
Judo Bank	Term Deposit	Unrated	BBB	23-Mar-2022	5,000,000	0.90%	0.53%
National Australia Bank	Floating Rate Note	A-1+	AA	19-Jun-2024	5,066,866	0.91%	0.93%
Suncorp Bank	Floating Rate Note	A	A	15-Sep-2026	9,914,935	1.78%	0.49%
MyState Bank	Floating Rate Note	P-2	BBB	22-Nov-2024	11,998,782	2.15%	0.60%
Judo Bank	Term Deposit	Unrated	BBB	12-Apr-2022	5,000,000	0.90%	0.74%
Judo Bank	Term Deposit	Unrated	BBB	19-Apr-2022	5,000,000	0.90%	0.76%
Judo Bank	Term Deposit	Unrated	BBB	26-Apr-2022	5,000,000	0.90%	0.79%
Bank of Queensland	Floating Rate Note	A-2	BBB	27-Oct-2026	7,005,250	1.26%	0.80%
Judo Bank	Term Deposit	Unrated	BBB	03-May-2022	5,000,000	0.90%	0.87%
Judo Bank	Term Deposit	Unrated	BBB	24-May-2022	5,000,000	0.90%	0.90%
Judo Bank	Term Deposit	Unrated	BBB	31-May-2022	5,000,000	0.90%	0.91%
Judo Bank	Term Deposit	Unrated	BBB	07-Jun-2022	5,000,000	0.90%	0.92%
Bank of Queensland	Floating Rate Note	A-2	BBB	30-Oct-2024	4,054,441	0.73%	1.10%
Bendigo and Adelaide Bank	Floating Rate Note	A-2	BBB	06-Sep-2024	6,071,928	1.09%	0.97%
Judo Bank	Term Deposit	Unrated	BBB	09-Mar-2022	5,000,000	0.90%	0.75%
Judo Bank	Term Deposit	Unrated	BBB	06-Apr-2022	5,000,000	0.90%	0.83%
Bank of Queensland	Floating Rate Note	A-2	BBB	27-Oct-2026	14,971,989	2.68%	0.80%
Total Term Deposit & Bonds:					527,512,972	94.58%	
TOTAL PORTFOLIO					557,727,438	100.00%	
Current					175,011,157	31.38%	
Non-Current					382,716,281	68.62%	
TOTAL PORTFOLIO					557,727,438	100.00%	

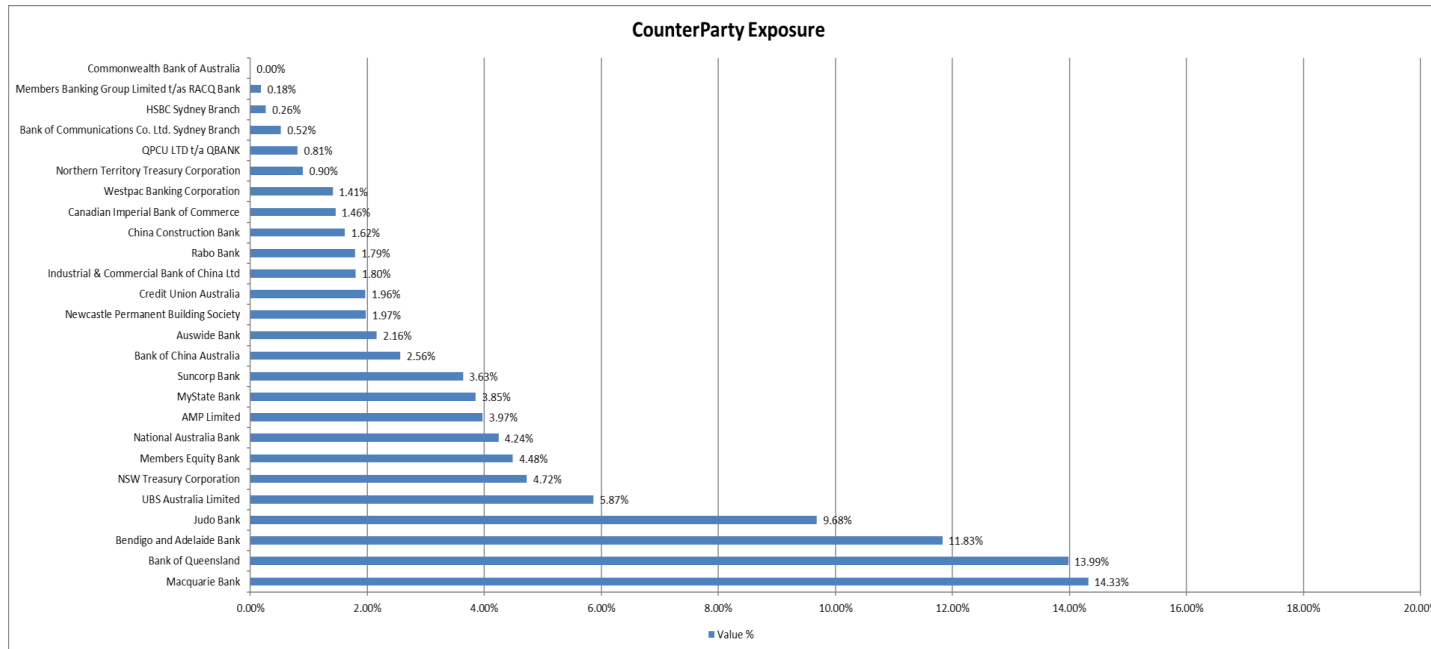
SUMMARY OF RESTRICTIONS as at 31 December 2021

		Dec-21
FUND	SOURCE	Principal Amount \$'000
GENERAL FUND	Developer contributions	105,027
	Developer contributions – bonus provisions	5,467
	Developer Contributions – Sec 94A Levy	19,092
	Developer contributions – VPA	2,726
	Specific purpose unexpended grants	11,823
	Self insurance claims	5,667
	Stormwater Levy	572
	RMS Advance	882
	Holiday Parks	15,237
	Cemeteries	783
	Coastal Open Space	6,708
	Bio Banking	339
	Crown Land Business Enterprises	1,495
	Crown Land Patonga Camping Ground	1,049
	Other External	422
	Terrigal Tourism Special Rate Levy	0
	Tourism Special Rate	3,694
	Gosford CBD Special Rate Levy	212
	Gosford Parking Station Special Rate Levy	1,221
	The Entrance Town Centre Special Rate Levy	241
	Toukley Town Centre Special Rate Levy	129
	Wyong Town Centre Special Rate Levy	0
	TOTAL GENERAL FUND RESTRICTIONS	
Water FUND	Developer contributions	2,589
	Developer contributions – VPA	1,056
	Specific purpose unexpended grants	2,255
	Self insurance claims	1,087
	Other External	8
	TOTAL WATER FUND RESTRICTIONS	
SEWER FUND	Developer contributions	19,246
	Developer contributions – VPA	496
	Self insurance claims	2,164
	Other External	30
TOTAL SEWER FUND RESTRICTIONS		21,936
DRAINAGE FUND	Developer contributions	35,301
	Developer contributions – VPA	1,373
	Specific purpose unexpended grants	7
	Other External	100
TOTAL DRAINAGE FUND RESTRICTIONS		36,782
DOMESTIC WASTE FUND	Specific purpose unexpended grants	0
	Domestic Waste Management	93,257
TOTAL WASTE FUND RESTRICTIONS		93,257
TOTAL EXTERNALLY RESTRICTED FUNDS		341,755
GENERAL FUND		88,699
Water FUND		1,026
SEWER FUND		877
DRAINAGE FUND		55
DOMESTIC WASTE FUND		0
INTERNALLY RESTRICTED FUNDS		90,657

Graph 1 – Credit Exposure



Graph 2 – Counter Party Exposure



Graph 3 – Portfolio Returns

