

**ATTACHMENTS DISTRIBUTED UNDER SEPARATE COVER**

**CCL 25/06/2024 - EXECUTIVE MONTHLY PERFORMANCE REPORT**

**8.11 Attachment A:** Executive Monthly Performance Report

**DISTRIBUTED UNDER SEPARATE COVER**

# Monthly Performance Report

May 2024



# Income Statement

Result for the financial period ending 31 May 2024

Full Year Revised Budget		YTD Budget	YTD Actual Result	Variance (\$)	Variance (%)
\$'000		\$'000	\$'000	\$'000	\$'000
<b>Income from continuing operations</b>					
219,236	Rates & annual charges	200,866	200,866	-	0%
116,408	User charges & fees	105,561	107,263	1,701	2%
10,439	Other revenues	9,341	10,622	1,281	14%
21,682	Grants & contributions - operating	6,342	7,074	732	12%
39,015	Grants & contributions - capital	24,697	24,697	-	0%
13,196	Interest & investment revenue	12,431	13,367	937	8%
7,377	Other income	6,779	9,084	2,305	34%
<b>427,353</b>	<b>Total income from continuing operations</b>	<b>366,017</b>	<b>372,973</b>	<b>6,956</b>	<b>2%</b>
<b>Expenses from continuing operations</b>					
130,955	Employee benefits & on-costs	120,197	121,387	1,190	1%
114,284	Materials & services	98,123	93,953	(4,170)	-4%
4,039	Borrowing costs	3,698	3,806	107	3%
69,601	Depreciation & amortisation	63,888	63,613	(275)	0%
52,862	Other expenses	46,788	46,171	(616)	-1%
9,002	Net loss from the disposal of assets	4,738	5,354	616	13%
<b>380,743</b>	<b>Total expenses from continuing operations</b>	<b>337,432</b>	<b>334,284</b>	<b>(3,148)</b>	<b>-1%</b>
<b>46,610</b>	<b>Operating result from continuing operations</b>	<b>28,585</b>	<b>38,688</b>	<b>10,103</b>	<b>35%</b>
<b>7,595</b>	<b>Net operating result before grants &amp; contributions - capital</b>	<b>3,888</b>	<b>13,991</b>	<b>10,103</b>	<b>260%</b>

# Capital Statement

Result for the financial period ending 31 May 2024

Full Year Revised Budget \$'000		YTD Budget \$'000	YTD Actual Result \$'000	Variance (\$) \$'000	Variance (%) \$'000
<b>Capital funding</b>					
73,158	General fund contribution to capital	60,466	70,918	10,452	17%
2,410	Stormwater Management Service Charge	2,209	2,209	-	0%
32,516	Capital Grants & Contributions	24,697	24,697	-	0%
719	Proceeds from the sale of assets	440	440	-	0%
9,261	Net Loans Borrowings / (Repayments)	9,539	9,539	-	0%
<b>Funding available for capital</b>					
<b>118,064</b>	<b>expenditure</b>	<b>97,351</b>	<b>107,803</b>	<b>10,452</b>	<b>11%</b>
<b>Capital Expenditure</b>					
48,786	Asset Renewal	25,985	29,075	3,091	12%
32,486	New / Upgrade	42,892	43,293	401	1%
<b>81,272</b>	<b>Total capital expenditure</b>	<b>68,876</b>	<b>72,368</b>	<b>3,491</b>	<b>5%</b>
<b>36,792 Transfer to or (Draw down on) reserves</b>					
		<b>28,474</b>	<b>35,435</b>	<b>6,961</b>	<b>24%</b>

# Debtors Report as at 31 May 2024

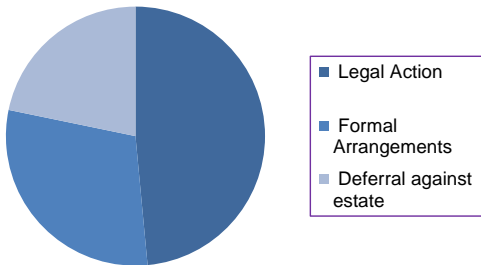
### Outstanding Rates

Debt Recovery Action	No. of Properties	\$ Amount
Legal Action	194	1,116,204
Formal Arrangements	246	684,382
Deferral against estate	19	500,651
<b>Total</b>	<b>459</b>	<b>2,301,237</b>

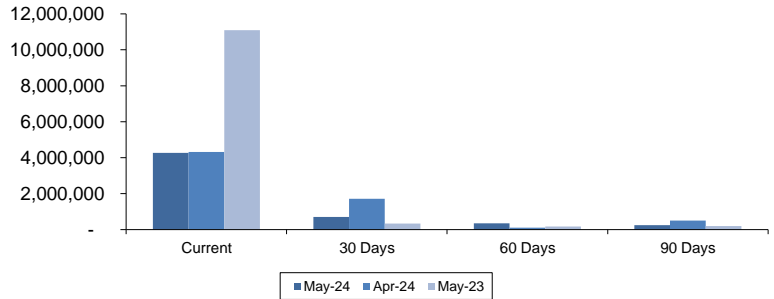
### Aged Debtors Report (Major Debtors Report)

Period	May-24 \$	Apr-24 \$	May-23 \$
Current	4,263,116	4,322,900	11,088,290
30 Days	697,881	1,717,230	333,030
60 Days	348,208	103,553	171,135
90 Days	245,474	496,213	192,667
<b>Total</b>	<b>5,554,679</b>	<b>6,639,896</b>	<b>11,785,122</b>

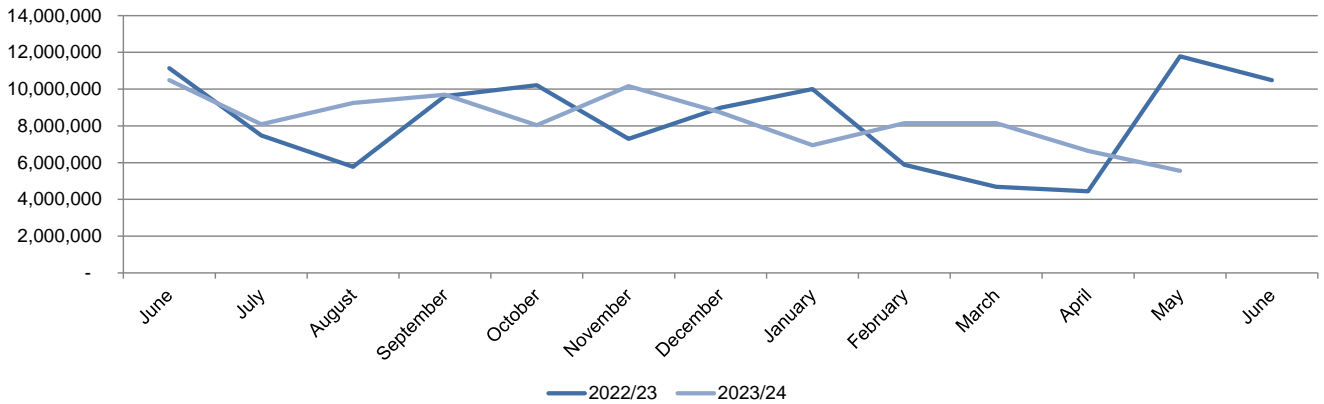
### Outstanding Rates (\$)



### Debtors balances



### Trend of Debtors Balance (\$)



# Works Program Summary

Result for the financial period ending 31 May 2024

Full Year Revised Budget \$'000	Portfolio/Program	YTD Budget \$'000	YTD Actual Result \$'000	Variance to YTD budget (%) \$'000	% of FY Budget Spent \$'000
<b>27,881</b>	<b>City Infrastructure - Assets &amp; Facilities</b>	<b>23,044</b>	<b>22,904</b>	<b>-1%</b>	<b>82%</b>
1,041	Buildings - Council Support Services	837	951	14%	91%
15	Public Toilets	12	-	-100%	0%
650	Retaining walls	571	518	-9%	80%
1,614	Bridges	1,490	860	-42%	53%
868	Footpaths	698	705	1%	81%
1,247	Roadside Furniture	1,018	899	-12%	72%
4,245	Road Rehabilitation	3,788	3,549	-6%	84%
11,053	Road Resurfacing	9,204	10,210	11%	92%
29	Parking Infrastructure	23	94	302%	323%
5,302	Stormwater System	3,946	4,253	8%	80%
1,817	Fleet Replacement	1,456	866	-41%	48%
<b>4,835</b>	<b>Planning &amp; Environment - Transport</b>	<b>3,982</b>	<b>2,996</b>	<b>-25%</b>	<b>62%</b>
3,299	Cycleways	2,778	1,647	-41%	50%
816	Pedestrian Access and Mobility Plan (PAMP)	710	743	5%	91%
719	Local Area Traffic Management (LATM)	493	606	23%	84%
<b>15,533</b>	<b>Planning &amp; Environment - Environment &amp; Sustainability</b>	<b>11,547</b>	<b>11,151</b>	<b>-3%</b>	<b>72%</b>
750	Blackbutt Reserve	603	305	-49%	41%
173	Flood Planning	139	116	-17%	67%
10,318	Coast, Estuary and Wetlands	7,573	7,506	-1%	73%
1,739	Bushland and Watercourses	1,141	1,138	0%	65%
1,860	Street and Park Trees	1,566	1,541	-2%	83%
693	Sustainability & Climate	524	545	4%	79%
<b>5,794</b>	<b>Corporate Services</b>	<b>3,668</b>	<b>3,927</b>	<b>7%</b>	<b>68%</b>
240	Commercial Properties	193	101	-48%	42%
551	Digital Enablement	434	402	-7%	73%
5,003	Core Systems Development & Maintenance	3,041	3,423	13%	68%
<b>35,659</b>	<b>City Shaping</b>	<b>30,819</b>	<b>31,689</b>	<b>3%</b>	<b>89%</b>
34,500	Citywide	29,757	30,446	2%	88%
1,159	Summerhill	1,063	1,243	17%	107%
<b>23,175</b>	<b>Creative &amp; Community Services</b>	<b>19,932</b>	<b>20,815</b>	<b>4%</b>	<b>90%</b>
10,505	Aquatics	9,930	9,930	0%	95%
596	Community Buildings	479	433	-10%	73%
969	Civic Venues / Civic Services	779	942	21%	97%
10,037	Recreation & Sport	7,939	8,592	8%	86%
185	Economic Development	94	187	99%	101%
4	Art Gallery	3	4	24%	100%
880	Museum / Libraries / Historic Fort Scratchley	708	727	3%	83%
<b>12,455</b>	<b>Waste Services</b>	<b>11,420</b>	<b>11,502</b>	<b>1%</b>	<b>92%</b>
12,455	Waste Management	11,420	11,502	1%	92%
<b>14,322</b>	<b>City Infrastructure - Revitalisation</b>	<b>12,183</b>	<b>12,596</b>	<b>3%</b>	<b>88%</b>
3,311	City Centre	2,393	1,878	-22%	57%
7,713	Coastal	7,243	7,972	10%	103%
3,299	Urban Centres	2,546	2,745	8%	83%
<b>139,654</b>	<b>Total Works Program</b>	<b>116,596</b>	<b>117,580</b>	<b>1%</b>	<b>84%</b>

Note: The Budget above is inclusive of operational and capital works

Councillors' Expense Register 2023/2024

	Annual Budget Allotments									Council Term Budget Allotments		
	EVENTS	ACCOMPANYING PERSON (Official Business)	OVERSEAS TRAVEL	PROFESSIONAL DEVELOPMENT	LGNSW / NGA ANNUAL CONFERENCE	COMMUNICATION EXPENSES	SPECIAL REQUIREMENTS & CARER EXPENSES	HOME OFFICE EXPENSES	TOTAL ANNUAL EXPENDITURE	AICD COURSE FEES	COMMUNICATION DEVICES	TOTAL TERM EXPENDITURE
<b>LORD MAYOR</b>												
Policy Provision	\$4,000	\$1,000	Paid in accordance with a specific resolution of Council	\$5,000	\$20,000 (shared among elected representatives inclusive of both events)	\$3,000	\$6,000	\$2,000		\$4,000 (may be combined with Professional Development expenses in the year undertaken)	\$4,000	
NELMES Nuatali	1,276.52	-	-	909.09	3,676.12	1,118.77	-	12.51	6,993.01	563.64	4,378.21	4,941.85
<b>ALL COUNCILLORS</b>												
Policy Provision	\$2,000	\$500	See Above	\$5,000	See Above	\$3,000	\$6,000	\$500		\$4,000	\$4,000	
CLAUSEN, Declan	579.18	-	-	309.09	2,182.92	898.77	-	422.91	4,392.87	-	2,537.85	2,537.85
CHURCH, John	-	-	-	-	-	238.77	-	12.51	251.28	-	2,428.59	2,428.59
MACKENZIE, John	-	-	-	309.09	-	833.36	-	12.51	1,154.96	-	3,219.67	3,219.67
DUNCAN, Carol	178.57	-	-	809.09	2,076.43	833.36	-	12.51	3,909.96	563.64	3,392.58	3,956.22
BARRIE, Jenny	301.30	-	-	519.09	-	833.36	-	12.51	1,666.26	-	3,219.67	3,219.67
McCABE, Charlotte	-	-	-	859.09	-	833.36	-	12.51	1,704.96	-	3,047.73	3,047.73
WINNEY-BAARTZ, Peta	219.48	-	-	729.09	1,433.61	954.36	-	12.51	3,349.05	-	3,219.67	3,219.67
WOOD, Margaret	178.57	-	-	309.09	2,104.10	833.36	-	12.51	3,437.63	-	3,219.67	3,219.67
WARK, Katrina	1,349.26	-	-	5,600.00	2,277.29	833.36	-	12.51	10,072.42	4,000.00	3,219.67	7,219.67
RICHARDSON, Deahhna	133.94	-	-	909.09	1,815.01	833.36	979.55	12.51	4,683.46	4,000.00	3,646.94	7,646.94
ADAMCZYK, Elizabeth	410.39	-	-	309.09	1,918.26	833.36	-	12.51	3,483.61	-	3,646.03	3,646.03
PULL, Callum	79.39	-	-	-	2,203.47	833.36	-	12.51	3,128.73	-	3,219.67	3,219.67
TOTAL (exc LM)	3,430.08	-	-	10,661.81	16,011.09	9,592.14	979.55	560.52	41,235.19	8,563.64	38,017.74	46,581.38
TOTAL (inc LM)	4,706.60	-	-	11,570.90	19,687.21	10,710.91	979.55	573.03	48,228.20	9,127.28	42,395.95	51,523.23

# Ward 4 Works Update

June 2024



City of  
Newcastle

*City of Newcastle is delivering over more than 40 projects through 2023/24 and 2024/25 to provide over \$12 million in upgrades and renewal projects for Ward 4.*

- 
- Minmi Road, Fletcher - Shared Path**

    - Construction is continuing with completion scheduled late 2024.
  - Croudace Road at Garsdale Avenue, Elmore Vale Intersection Upgrade**

    - Feasibility investigations and optioneering are continuing in consultation with key external stakeholders including TfNSW and Jemena.
  - Western Corridor - Minmi Road & Longworth Avenue, Wallsend Road Upgrade**

    - Detailed design is underway with construction commencement in 2024/25.
    - Community consultation is underway for supporting infrastructure to minimise traffic impacts during construction.
  - Fogo Street Wallsend Road Pavement Renewal**

    - Construction underway. Stormwater drainage and road pavement in progress, and associated works commenced.
  - Nelson Street, Wallsend Resurfacing & Improvements**

    - Resurfacing of Nelson Street and associated landscaping is now complete.
  - Maryland & Ironbark Creek - Rehabilitation**

    - Drainage at Ironbark Creek Stage 5 is on-track for completion in mid-2024, with remaining drainage works expected to be delivered in 2024/25. Revegetation is ongoing.
  - Ruskin Street, Beresfield - Footpath**

    - Detailed design is now complete. Construction delivery is being planned.
  - Wentworth Street, Wallsend Pedestrian Access and Mobility**

    - Concept design has commenced with public exhibition in 2024/25.
  - Astra Street, Shortland Landfill Remediation**

    - Environmental remediation works are progressing, with the former landfill site now substantially capped. Cover soils have been placed over 40% of the site for final landscaping. The overall works are approximately 65% complete. Unprecedented rainfall in April and May has slowed delivery.
  - Boscawen Street, Wallsend Bridge Replacement Works**

    - Detailed Design is complete. Process underway to obtain access to private property for commencement of bridge replacement works.
  - Nelson Street, Wallsend Bridge Replacement Works**

    - Detailed design is complete. Construction scheduled to follow completion of the Boscawen Street Bridge.
  - Wallsend Pool Heating Upgrade**

    - Works are continuing to upgrade heating systems for the 2024/25 swim season.



# Investment Policy compliance report

May 2024

## Executive summary:

### 1 **Socially Responsible Investment:**

Application of the investment function has remained consistent with requirements outlined within Part E of CN's Investment Policy, "*Environmentally and Socially Responsible Investments (SRI)*".

### 2 **Portfolio holdings:**

As at the end of May 2024 CN's overall investment portfolio holdings are \$399.55million. These holdings are split between Income producing/defensive and Capital Growth asset classes.

### 3 **Performance commentary – Income producing/Defensive funds:**

As at the end of May 2024 CN's allocation to the income producing/defensive assets sat at 87%. The 1-month annualised yield of these assets was 4.26% as at 31 May 2024 (benchmark being 4.50%). New investments totalling \$29.5million were placed in May with a 1-month annualised yield of 5.26%.

New fixed income investments (Defensive funds) continue to offer compelling risk/return value, providing returns well in excess of the benchmark and inflation, and will continue to be explored/assessed with due consideration given to CN's Investment and Borrowing Policy.

Our expectation remains unchanged that in the short term the steep upward movement in interest rates witnessed since early in calendar year 2022 will challenge CN's ability to exceed the performance of the benchmark.

This challenge will continue until such time as existing long-term fixed investments placed prior to calendar year end 2021 begin to mature and/or the RBA Cash Rate declines.

### 4 **Performance commentary – Capital growth funds:**

For the month of May 2024, the TCorp Fund posted a fair value increment, being a positive return of 1.32% (benchmark being a positive return of 0.62%).

Financial Year To Date (FYTD) returns of the growth fund continue to demonstrate strong performance having generated a return of 9.54% (FYTD) and a 1 year return of 11.64%.

Short term performance of the TCorp Growth fund should continue to be viewed cautiously given the high volatility associated with a diversified growth fund such as these which mandate allocations to domestic and international shares.

Since TCorp first created the Long-Term Growth Fund in 2006, the Fund has proven to be relatively resilient with the ability to recover fair value losses over time following broader global equity downturns.

CN remains confident in the long-term strategic rationale that supports this investment, and rather than trying to time the market, our strategy as a long-term holder remains unchanged.

### 5 **Risk management compliance:**

CN's temporary surplus funds are invested consistent with its adopted Investment and Borrowing Policy and The Local Government Act and Regulations.

Actual performance against CN's Policy limits is disclosed later in this report.

### 6 **New and matured investments:**

New investments placed during May 2024 continued to focus on meeting the objectives outlined in CN's Investment and Borrowing Policy.

Further disclosure of investment portfolio composition and details of any investment placements or

# Investment Policy compliance report

May 2024

maturities during the reporting period are detailed later in this report.

## 7 **Income producing/Defensive funds – Actual v Budget:**

Cumulative Net returns to May 2024 from the Income producing/Defensive funds totalled \$12.90m against a March quarter review revised budget of \$12.18m (excluding Newcastle Airport and non-investment portfolio sources of interest). This resulted in Interest and Investment income outperforming the revised budget by \$0.72m for the financial year to date.

From the commencement of 2023, when the interest income budget was set, to now, the RBA Cash Rate has continued to reset at a level higher than budget formulated assumptions.

This has resulted in a cumulative upward revision of \$3.9million to the full year budget at the September, December, and March quarterly reviews.

## 8 **Capital Growth Funds – Actual v Budget:**

Net returns to May 2024 from the Capital Growth Fund totalled a cumulative FYTD increment of \$4.63m against a budgeted increment of \$2.61m. Cumulative performance is comfortably exceeding budgeted returns and a significant turnaround in comparison to the FYTD October 2023 performance (that was a cumulative FYTD decrement of (\$1.21m)).

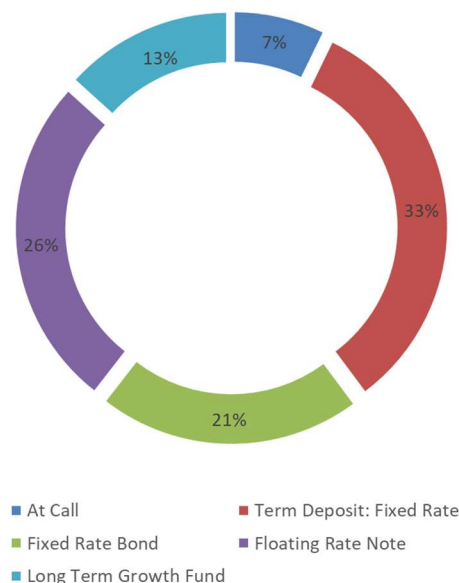
As of May 2024, net returns are outperforming financial year to date budget by \$2.02m.

# Investment Policy compliance report

May 2024

## Portfolio holdings:

Asset Class allocation		
Investment Category	Investment type	CN exposure (\$'000)
Income producing / Defensive	Cash At Call	28,808
	Term Deposit: Fixed rate	130,279
	Floating Rate Note	104,587
	Fixed Rate Bond	82,733
Capital Growth	Long Term Growth Fund	53,140
<b>Total</b>		<b>399,547</b>



## Performance:

### Income producing/Defensive category\*:

	3 year (% p.a.)	1 year %	3 months %	FYTD %	1 month %	1 month annualised (% p.a.)
CN's return#	2.64%	4.03%	1.04%	3.72%	0.36%	4.26%
Performance objective^	2.32%	4.32%	1.10%	3.94%	0.37%	4.50%
<b>Excess return</b>	<b>0.32%</b>	<b>(0.29%)</b>	<b>(0.06%)</b>	<b>(0.22%)</b>	<b>(0.01%)</b>	<b>(0.24%)</b>

\* Exclusive of Capital Growth (disclosed separately below).

^ CN's Performance objective is set at the Ausbond Bank Bill Index.

### Capital Growth category\*:

	3 year (% p.a.)	1 year %	3 months %	FYTD %	1 month %
CN's return	4.68%	11.64%	0.70%	9.54%	1.32%
Performance objective^	8.46%	7.62%	1.79%	6.96%	0.62%
<b>Excess return</b>	<b>(3.78%)</b>	<b>4.02%</b>	<b>(1.09%)</b>	<b>2.58%</b>	<b>0.70%</b>

	Return since Inception#
<b>CN's return</b>	<b>23.58%</b>

\* Capital Growth category consists solely of CN's exposure to TCorp Individually Managed Growth Funds.

^ CN's Performance objective is set at CPI + 3.5% p.a. (over a rolling 10yrs). Prior months benchmark used in place of current month (not available at time of preparation).

# Return since inception considers the month end dollar value of the investment against CN's capital contributions since inception. Initial investment into the Capital Growth category occurred in February 2019 with incremental contributions thereafter.

# Investment Policy compliance report

May 2024

## Risk Management compliance:

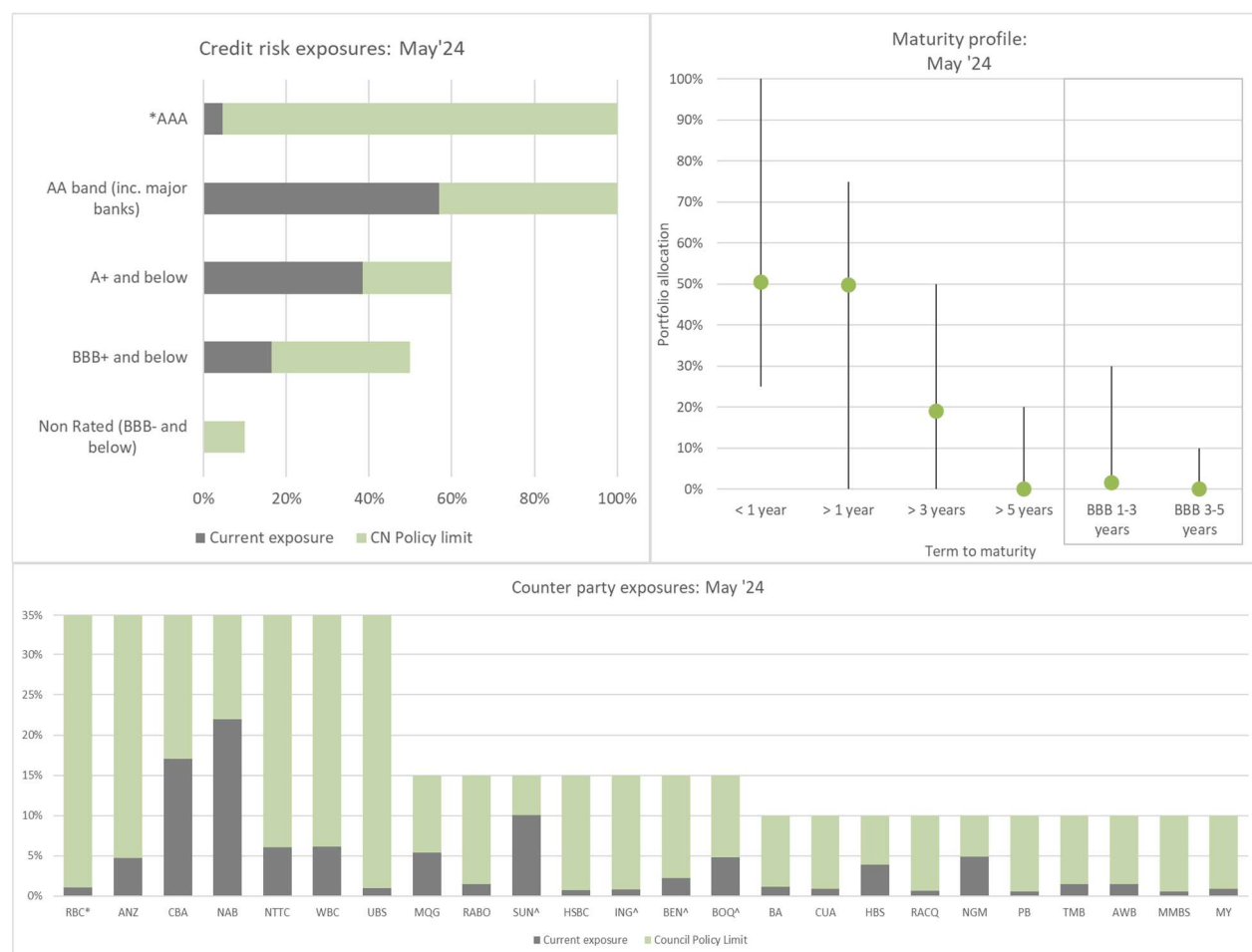
### Portfolio exposure:

Investment category	Minimum exposure	Maximum exposure	CN exposure
Income producing / Defensive	70%	100%	87%
Capital Growth <sup>^</sup>	0%	30%	13%

<sup>^</sup> Capital Growth category consists solely of CN's exposure to TCorp Individually Managed Growth Funds.

### Income producing/Defensive risk limits:

The below risk limits apply only to the Income producing/Defensive category of CN's investment portfolio.



\*Where there is an Asterisk marked in the above graphs all of CN's investments in this category are assigned a AAA rating due to additional credit support of the investment class.

<sup>^</sup> = Total exposures to Suncorp Bank, Bank of Queensland, ING Bank (Australia), and Bendigo & Adelaide Bank include a component of AAA rated individual investments.

# Investment Policy compliance report

May 2024

## New and matured Investments:

### New Investments:

Contract date	Settlement date	Institution	Long Term Credit rating (S&P)	Asset Class	Face value	Rate of Return	Term	Maturity date
6 May '24	10 May '24	The Mutual Bank	BBB	Floating Rate Note	\$2,000,000	90d bbsw + 1.60% (First 90day reset 5.98%)	3years	10 May '27
6 May '24	14 May '24	Westpac	AA-	Floating Rate Note	\$5,000,000	90d bbsw + 0.88% (First 90day reset 5.25%)	5years	14 May '29
14 May '24	16 May '24	Suncorp Bank	A+	Fixed Rate Bond	\$2,960,310	5.06%	4.84years	19 Mar '29
20 May '24	22 May '24	Bank of QLD	A-	Fixed Rate Bond	\$4,010,160	5.24%	4.94years	30 Apr '29
30 May '24	30 May '24	NAB	AA-	Term Deposit: Fixed rate	\$5,000,000	5.17%	195days	11 Dec '24
30 May '24	30 May '24	Suncorp Bank	A+	Term Deposit: Fixed rate	\$5,000,000	5.17%	167days	13 Nov '24
31 May '24	31 May '24	Rabobank	A+	Term Deposit: Fixed rate	\$5,000,000	5.32%	1year	2 Jun '25

### Matured Investments:

Date matured	Institution	Asset Class	Face value	Rate of Return	Original Term	Original date invested
There were no investment maturities during the month of May 2024.						

I certify that the new investments detailed above have been made in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005, and Council's adopted Investment Policy.



David Clarke  
Responsible Accounting Officer