

ATTACHMENTS DISTRIBUTED UNDER SEPARATE COVER

**CCL 28/05/2024 - EXECUTIVE MONTHLY PERFORMANCE
REPORT - APRIL 2024**

8.5 Attachment A: Executive Monthly Performance Report
- April 2024

DISTRIBUTED UNDER SEPARATE COVER

Monthly Performance Report

April 2024



Income Statement

Result for the financial period ending 30 April 2024



Full Year Revised Budget		YTD Budget	YTD Actual Result	Variance (\$)	Variance (%)
\$'000		\$'000	\$'000	\$'000	\$'000
Income from continuing operations					
219,236	Rates & annual charges	182,605	182,605	-	0%
118,477	User charges & fees	95,901	96,821	920	1%
9,977	Other revenues	7,944	9,398	1,454	18%
21,597	Grants & contributions - operating	5,997	6,163	166	3%
39,015	Grants & contributions - capital	18,126	18,126	-	0%
12,010	Interest & investment revenue	10,416	12,135	1,720	17%
7,204	Other income	6,161	8,164	2,003	33%
427,516	Total income from continuing operations	327,151	333,413	6,262	2%
Expenses from continuing operations					
130,955	Employee benefits & on-costs	107,632	108,414	782	1%
114,898	Materials & services	85,588	85,226	(363)	0%
4,039	Borrowing costs	3,364	3,507	144	4%
69,601	Depreciation & amortisation	58,157	57,849	(309)	-1%
52,772	Other expenses	42,153	41,631	(522)	-1%
9,002	Net loss from the disposal of assets	4,260	4,626	367	9%
381,267	Total expenses from continuing operations	301,154	301,253	98	0%
46,249	Operating result from continuing operations	25,996	32,160	6,164	24%
7,234	Net operating result before grants & contributions - capital	7,870	14,034	6,164	78%














Capital Statement

Result for the financial period ending 30 April 2024

Full Year Revised Budget \$'000		YTD Actual		Variance (\$) \$'000	Variance (%) \$'000
		YTD Budget \$'000	Result \$'000		
Capital funding					
72,419	General fund contribution to capital	58,949	65,480	6,531	11%
2,410	Stormwater Management Service Charge	2,008	2,008	-	0%
32,516	Capital Grants & Contributions	18,126	18,126	-	0%
719	Proceeds from the sale of assets	338	338	-	0%
9,261	Net Loans Borrowings / (Repayments)	9,818	9,818	-	0%
Funding available for capital					
117,325	expenditure	89,239	95,770	6,531	7%
Capital Expenditure					
51,766	Asset Renewal	24,482	26,433	1,952	8%
35,881	New / Upgrade	43,920	37,648	(6,271)	-14%
87,647	Total capital expenditure	68,401	64,082	(4,319)	-6%
29,678 Transfer to or (Draw down on) reserves					
		20,838	31,688	10,850	52%

Operating Analysis as at 30 April 2024

Over budget by more than 5% Over budget by 5% or less Result within budget 

Financial Statement Line Item	Indicator	Var (\$'000)	Var(%)	Issue	Explanation
Operating Revenue					
Rates & annual charges		-	0%		
User charges & fees		920	1%		\$0.5m increase in revenue related to Civic shows and function revenue \$0.2m increase in occupation income related to Stockton Beach Holiday Park \$0.1m increase in Private Works
Other revenues		1,454	18%		\$0.3m increase in Food & Beverage sales from Newcastle Venues \$0.6m increase in fines revenue \$0.4m increase in proceeds from insurance claims
Grants & contributions - operating		166	3%		Related to timing of grants
Grants & contributions - capital		-	0%		
Interest & investment revenue		1,720	17%		Increased return from investments
Other income		2,003	33%		\$1.7m favourable Fair Value adjustment in TCorp Long Term Growth Fund \$0.3m increase in returns from Commercial properties
Operating Expenses					
Employee benefits & on-costs		782	1%		
Materials & services		(363)	0%		
Borrowing costs		144	4%		
Depreciation & Amortisation		(309)	-1%		
Other expenses		(522)	-1%		\$0.3m reduction in donations and sponsorship funding \$0.1m reduction in State Waste Levy \$0.1m timing difference related to provision for doubtful debts
Net loss from the disposal of assets		367	9%		Due to timing of budgeted disposals

Debtors Report as at 30 April 2024

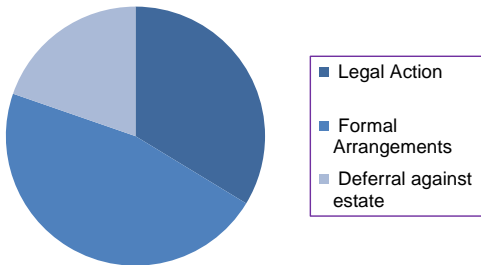
Outstanding Rates

Debt Recovery Action	No. of Properties	\$ Amount
Legal Action	109	861,058
Formal Arrangements	541	1,191,328
Deferral against estate	19	503,235
Total	669	2,555,621

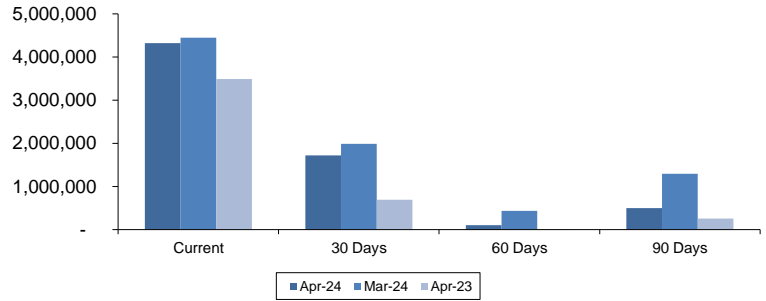
Aged Debtors Report (Major Debtors Report)

Period	Apr-24 \$	Mar-24 \$	Apr-23 \$
Current	4,322,900	4,449,060	3,487,790
30 Days	1,717,230	1,988,485	691,146
60 Days	103,553	435,167	8,854
90 Days	496,213	1,291,807	253,921
Total	6,639,896	8,164,519	4,441,711

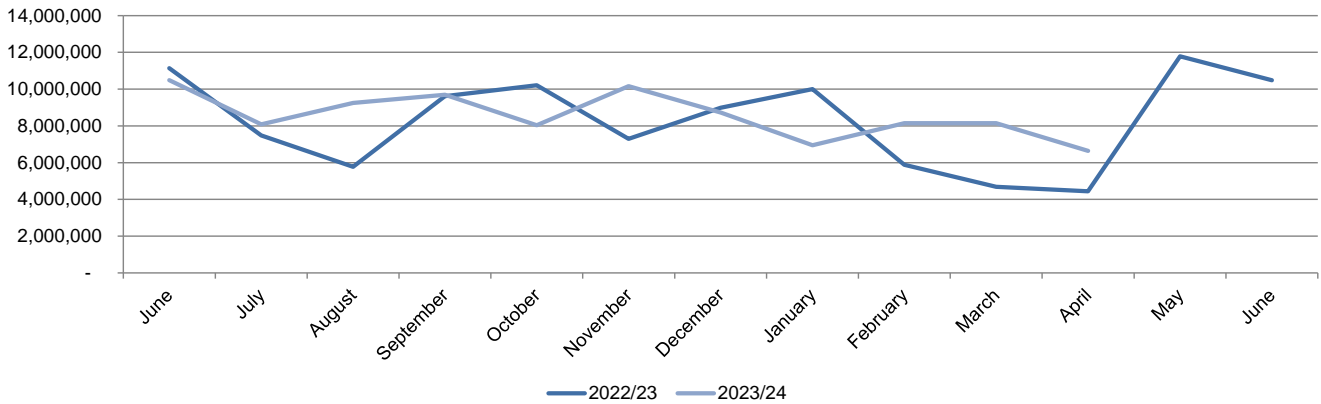
Outstanding Rates (\$)



Debtors balances



Trend of Debtors Balance (\$)



Works Program Summary

Result for the financial period ending 30 April 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
30,918	City Infrastructure - Assets & Facilities	22,627	20,754	-8%	67%
499	Buildings - Council Support Services	358	655	83%	131%
15	Public Toilets	11	-	-100%	0%
1,350	Retaining walls	1,134	497	-56%	37%
1,824	Bridges	1,605	818	-49%	45%
694	Footpaths	498	661	33%	95%
1,103	Roadside Furniture	544	712	31%	65%
4,767	Road Rehabilitation	3,983	3,148	-21%	66%
11,220	Road Resurfacing	8,202	9,900	21%	88%
154	Parking Infrastructure	111	100	-10%	65%
5,466	Stormwater System	3,439	3,627	5%	66%
3,825	Fleet Replacement	2,743	636	-77%	17%
4,506	Planning & Environment - Transport	3,313	2,635	-20%	58%
2,778	Cycleways	2,155	1,356	-37%	49%
833	Pedestrian Access and Mobility Plan (PAMP)	618	695	13%	83%
895	Local Area Traffic Management (LATM)	540	583	8%	65%
13,609	Planning & Environment - Environment & Sustainability	9,348	8,885	-5%	65%
790	Blackbutt Reserve	567	158	-72%	20%
254	Flood Planning	182	94	-48%	37%
8,214	Coast, Estuary and Wetlands	5,809	5,732	-1%	70%
2,011	Bushland and Watercourses	1,188	1,066	-10%	53%
1,660	Street and Park Trees	1,140	1,343	18%	81%
680	Sustainability & Climate	462	493	7%	72%
6,000	Corporate Services	3,429	3,365	-2%	56%
-	Commercial Properties	-	39	0%	0%
550	Digital Enablement	387	329	-15%	60%
5,450	Core Systems Development & Maintenance	3,042	2,998	-1%	55%
36,766	City Shaping	27,936	28,411	2%	77%
35,500	Citywide	26,926	27,197	1%	77%
1,266	Summerhill	1,009	1,214	20%	96%
22,825	Creative & Community Services	18,088	19,456	8%	85%
9,731	Aquatics	9,101	9,795	8%	101%
351	Community Buildings	252	391	55%	111%
997	Civic Venues / Civic Services	715	828	16%	83%
10,388	Recreation & Sport	7,145	7,702	8%	74%
405	Economic Development	192	121	-37%	30%
154	Art Gallery	110	4	-96%	3%
799	Museum / Libraries / Historic Fort Scratchley	573	615	7%	77%
8,716	Waste Services	8,349	10,674	28%	122%
8,716	Waste Management	8,349	10,674	28%	122%
13,916	City Infrastructure - Revitalisation	11,064	11,418	3%	82%
3,333	City Centre	2,247	1,741	-23%	52%
7,905	Coastal	6,866	7,214	5%	91%
2,679	Urban Centres	1,952	2,463	26%	92%
137,255	Total Works Program	104,154	105,599	1%	77%

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
LORD MAYOR												
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	1,135.91	-	140.61	909.09	3,676.12	935.13	-	12.51	6,809.37	563.64	4,378.21	4,941.85
ALL COUNCILLORS												
Policy Provision	\$2,000	\$500	See Above	\$5,000	See Above	\$3,000	\$6,000	\$500		\$4,000	\$4,000	
CLAUSEN, Declan	538.27	-	-	309.09	2,182.92	755.13	-	422.91	4,208.32	-	2,537.85	2,537.85
CHURCH, John	-	-	-	-	-	215.13	-	12.51	227.64	-	2,428.59	2,428.59
MACKENZIE, John	-	-	-	309.09	-	752.45	-	12.51	1,074.05	-	3,219.67	3,219.67
DUNCAN, Carol	178.57	-	-	809.09	2,076.43	752.45	-	12.51	3,829.05	563.64	3,392.58	3,956.22
BARRIE, Jenny	301.30	-	-	519.09	-	752.45	-	12.51	1,585.35	-	3,219.67	3,219.67
McCABE, Charlotte	-	-	-	859.09	-	752.45	-	12.51	1,624.05	-	3,047.73	3,047.73
WINNEY-BAARTZ, Peta	178.57	-	-	729.09	1,433.61	873.45	-	12.51	3,227.23	-	3,219.67	3,219.67
WOOD, Margaret	178.57	-	-	309.09	2,104.10	752.45	-	12.51	3,356.72	-	3,219.67	3,219.67
WARK, Katrina	1,349.26	-	-	5,600.00	2,277.29	752.45	-	12.51	9,991.51	4,000.00	3,219.67	7,219.67
RICHARDSON, Deahhna	79.39	-	-	309.09	1,815.01	752.45	393.18	12.51	3,361.63	4,000.00	3,646.94	7,646.94
ADAMCZYK, Elizabeth	355.84	-	-	309.09	1,918.26	752.45	-	12.51	3,348.15	-	3,646.03	3,646.03
PULL, Callum	79.39	-	-	-	2,203.47	752.45	-	12.51	3,047.82	-	3,219.67	3,219.67
TOTAL (exc LM)	3,239.16	-	-	10,061.81	16,011.09	8,615.76	393.18	560.52	38,881.52	8,563.64	38,017.74	46,581.38
TOTAL (inc LM)	4,375.07	-	140.61	10,970.90	19,687.21	9,550.89	393.18	573.03	45,690.89	9,127.28	42,395.95	51,523.23

Ward 4 Works Update

May 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 underway.
 - Western Corridor - Minmi Road & Longworth Avenue, Wallsend** Road Upgrade

 - Detailed design is underway with construction commencement in 2024/25.
 - Fogo Street, Wallsend** - Road Pavement Renewal

 - Drainage construction is in progress; pavement works are scheduled to commence in May 2024.
 - Nelson Street, Wallsend** Resurfacing & Improvements

 - Nelson Street resurfacing is underway with planned completion June 2024.
 - Maryland & Ironbark Creek** - Rehabilitation

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

 - Detailed design is complete, and construction delivery planning is underway.
 - Wentworth Street, Wallsend** Pedestrian Access and Mobility

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

 - Environmental remediation work is underway at a former landfill in Shortland to maintain the local protected environment, safeguard the water quality of surrounding wetlands and aquatic ecosystems, increase biodiversity, and promote long-term native plant growth.
 - 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 have commenced to upgrade heating systems for the 2024/25 swim season.

Investment Policy compliance report

April 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 April 2024 CN's overall investment portfolio holdings are \$377.04million. 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 April 2024 CN's allocation to the income producing/defensive assets sat at 86%. The 1-month annualised yield of these assets was 4.17% as at 30 April 2024 (benchmark being 4.37%).

New investments totalling \$40.78million were placed in April with a 1-month annualised yield of 5.04%.

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.

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.

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

For the month of April 2024, the TCorp Fund posted a fair value decrement, being a negative return of (2.36%) (benchmark being a positive return of 0.54%).

Driving the negative performance of equity markets in April was the release of higher than anticipated March quarter inflation data. The March result, combined with further upside possible for the June quarter, changed the outlook of financial markets, pushing forecast rate cuts out toward the end of the 2024 calendar year. The same theme also played out in the United States, with their timing of expected rate cuts also being pushed out.

In spite of this, the Financial Year To Date (FYTD) returns of the growth fund continue to demonstrate strong performance having generated a return of 8.46% (FYTD) and a 1 year return of 10.20%.

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.

Investment Policy compliance report

April 2024

6 **New and matured investments:**

New investments placed during April 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 maturities during the reporting period are detailed later in this report.

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

Cumulative Net returns to April 2024 from the Income producing/Defensive funds totalled \$11.70m against a December quarter review revised budget of \$10.19m (excluding Newcastle Airport and non-investment portfolio sources of interest). This resulted in Interest and Investment income outperforming the revised budget by \$1.51m 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 resulted in an upward revision to the full year budget at both the September and December quarterly reviews. Further upward revision to the budget is included for consideration in the March quarterly review.

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

Net returns to April 2024 from the Capital Growth Fund totalled a cumulative FYTD increment of \$4.11m against a budgeted increment of \$2.43m. Despite the negative performance for April this 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 April 2024, net returns are outperforming financial year to date budget by \$1.68m .

Ongoing performance will continue to be closely monitored and any possible adjustments made to the budget will be carefully assessed and recommended if deemed appropriate.

Investment Policy compliance report

April 2024

Risk Management compliance:

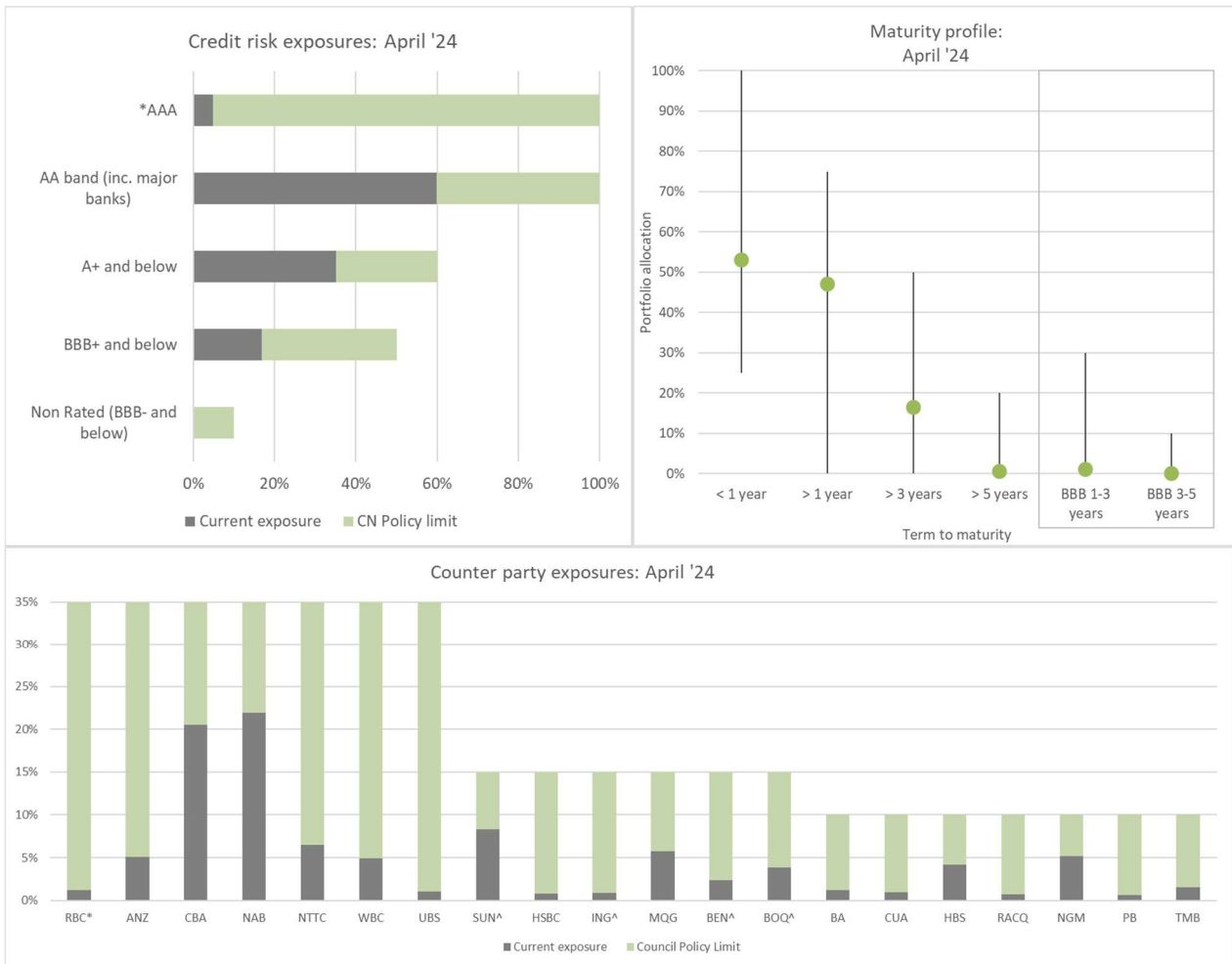
Portfolio exposure:

Investment category	Minimum exposure	Maximum exposure	CN exposure
Income producing / Defensive	70%	100%	86%
Capital Growth [^]	0%	30%	14%

[^] 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.

[^] = 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

April 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
9 Apr '24	9 Apr '24	NAB	AA-	Term Deposit: Fixed rate	\$3,500,000	5.03%	99days	17 Jul '24
15 Apr '24	15 Apr '24	NAB	AA-	Term Deposit: Fixed rate	\$30,000,000	5.15%	91days	15 Jul '24
22 Apr '24	22 Apr '24	NAB	AA-	Term Deposit: Fixed rate	\$1,278,847.02	5.14%	275days	22 Jan '25
30 Apr '24	30 Apr '24	Heritage and People's Choice	BBB+	Term Deposit: Fixed rate	\$6,000,000	5.20%	168days	15 Oct '24

Matured Investments:

Date matured	Institution	Asset Class	Face value	Rate of Return	Original Term	Original date invested
2 Apr '24	NAB	Term Deposit: Fixed rate	\$4,000,000	0.67%	3year	2 Mar '21
9 Apr '24	NAB	Term Deposit: Fixed rate	\$3,500,000	5.15%	187days	5 Oct '23
10 Apr '24	Suncorp Metway	Term Deposit: Fixed rate	\$10,000,000	5.23%	163days	30 Oct '23
15 Apr '24	NAB	Term Deposit: Fixed rate	\$30,000,000	5.05%	90days	16 Jan '24
17 Apr '24	Suncorp Metway	Term Deposit: Fixed rate	\$5,000,000	5.30%	168days	1 Nov '23
17 Apr '24	Bank of QLD	Term Deposit: Fixed rate	\$7,500,000	5.25%	146days	23 Nov '23
17 Apr '24	Bendigo & Adelaide Bank	Term Deposit: Fixed rate	\$1,278,847.02	4.75%	365days	20 Apr '23

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