

**Item No:** 4.2  
**Title:** Monthly Finance Report August 2025 and FY2024-25 Results  
**Department:** Corporate Services

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23 September 2025 Ordinary Council Meeting

Reference: F2025/00016 - D17075264  
Author: Sebastian Yule, Section Manager, Financial Planning and Business Support  
Manager: Emma Galea, Chief Financial Officer  
Executive: Marissa Racomelara, Acting Chief Executive Officer

## **Recommendation**

***That Council receives the Monthly Financial Report – August 2025***

## **Report purpose**

To present to Council the monthly financial report for August 2025. This report also includes a final update on the 2024-25 FY results and variance from the 2024-25 FY Budget.

## **Executive Summary**

For 2025-26 FY Council has budgeted, on a consolidated basis, an adopted operating surplus before capital income of \$9.8M. As at 31 August 2025, Council has an operating deficit of \$4.7M, compared to a YTD budgeted operating deficit of \$13.9M.

The budgeted net operating position will fluctuate throughout the financial year, reflecting timing of income and expenditure. In the first half of financial year, Council's original budgeted operating position will remain as a deficit, mainly due to timing of approximately half of the Financial Assistance Grant advance payment budget (\$16.8M) currently phased in June 2026 based on past advance payment experience. These budget assumptions will be reviewed closely as part of the September 2025 Quarterly Budget Review process.

The YTD favourable variance of \$9.3M represents 1% of Council's gross annual operating expenditure budget of \$885.4M.

As at the end of the reporting period, there are no concerns regarding Council's performance against the adopted budget as variances are within acceptable thresholds. Based on financial performance as at the end of the reporting period, and anticipated delivery of the Operational Plan actions, Council is tracking close to budgeted operating position.

As part of Council's financial management framework, actual results for income and expenditure, against the amounts estimated for the reporting period, are monitored monthly. Reasons for significant variations, as well as any mitigation measures required are identified and actioned through the Quarterly Budget Review process.

The content of the monthly financial report will continue to be reviewed to focus on matters of importance to Council and the community, and to align with relevant mandated reporting requirements.

## **Background**

The monthly financial report has been prepared in accordance with the requirements of the *Local Government Act 1993*, the *Local Government (General) Regulation 2021*, and the relevant accounting and reporting requirements of the Office of Local Government prescribed Code of Accounting Practice and Financial Reporting and Australian Accounting Standards.

## **Report**

### FY2025-26 Year to Date Summary- August

#### Consolidated Operating Statement

As at 31 August 2025, Council has a consolidated net operating deficit of \$4.7M, before capital income, which is favourable to YTD budget by \$9.3M. The overall variance is predominantly driven by a YTD favourable variance in operating expenses, being a favourable YTD variance of \$7.1M (6% of YTD operating expenses budget) and a YTD favourable variance in operating income against budget of \$2.2M (2% of YTD operating income budget).

Whilst YTD income is within 5% variance compared to YTD Budget, YTD expenditure is slightly outside this threshold, and the reasons are discussed in detail under variance analysis.

The net operating deficit including capital income is \$0.6M which is favourable to YTD budget by \$6.7M.

Most YTD Budget variances reported as at 31 August 2025 are deemed to be predominantly timing. It is noted that all timing and true variances identified will be addressed as part of September 2025 Quarterly Budget Review (QBR) process. It is further noted that the risk associated of not receiving the budgeted Financial Assistance Grant advance payment at the end of current financial year will also be closely reviewed as part of this review.

Table 1 – Consolidated (all Funds) Operating Statement August 2025

<div> <div>Consolidated</div> <div>Operating Statement</div> <div>August 2025</div> <div>Central Coast Council</div> </div>							
	2024-25 Actuals	Original Budget	FULL YEAR Budget	YTD Budget	YTD Actuals	YTD Variance (excluding commitments)	YTD Variance (excluding commitments)
	\$'000	\$'000		\$'000	\$'000	\$'000	%
<b>Operating Income</b>							
Rates and Annual Charges	459,605	483,772	483,772	70,349	70,250	(100)	0%
User Charges and Fees	181,232	189,240	189,240	8,277	9,865	1,587	19%
Other Revenue	21,111	18,131	18,131	1,761	2,737	976	55%
Interest	45,062	40,975	40,975	2,487	2,395	(92)	4%
Grants and Contributions	44,393	44,993	44,993	7,246	7,107	(139)	2%
Gain on Disposal	1,428	1,000	1,000	-	278	278	100%
Other Income	11,276	11,231	11,231	2,709	2,852	143	5%
Internal Revenue	108,577	105,794	105,794	16,559	16,055	(503)	3%
<b>Total Income attributable to Operations</b>	<b>872,685</b>	<b>895,136</b>	<b>895,136</b>	<b>109,389</b>	<b>111,538</b>	<b>2,150</b>	<b>2%</b>
<b>Operating Expenses</b>							
Employee Costs	225,356	234,265	234,265	40,150	36,004	4,147	10%
Borrowing Costs	13,214	14,069	14,069	328	312	16	5%
Materials and Services	240,236	256,748	256,748	30,204	26,585	3,619	12%
Depreciation and Amortisation	211,448	228,071	228,071	36,635	37,612	(977)	3%
Other Expenses	46,109	52,794	52,794	810	317	493	61%
Loss on Disposal	9,410	3,500	3,500	-	234	(234)	100%
Internal Expenses	98,414	95,920	95,920	15,201	15,162	38	0%
Overheads	-	-	-	0	-	0	100%
<b>Total Expenses attributable to Operations</b>	<b>844,186</b>	<b>885,367</b>	<b>885,367</b>	<b>123,328</b>	<b>116,226</b>	<b>7,102</b>	<b>6%</b>
<b>Operating Result after Overheads and before Capital Amounts</b>	<b>28,499</b>	<b>9,769</b>	<b>9,769</b>	<b>(13,939)</b>	<b>(4,687)</b>	<b>9,251</b>	<b>66%</b>
Capital Grants	78,236	75,015	75,015	4,273	1,919	(2,354)	55%
Capital Contributions	51,222	29,748	29,748	2,417	2,198	(219)	9%
<b>Grants and Contributions Capital Received</b>	<b>129,459</b>	<b>104,764</b>	<b>104,764</b>	<b>6,691</b>	<b>4,117</b>	<b>(2,574)</b>	<b>38%</b>
<b>Net Operating Result</b>	<b>157,958</b>	<b>114,532</b>	<b>114,532</b>	<b>(7,248)</b>	<b>(570)</b>	<b>6,678</b>	<b>92%</b>

Variance analysis of the consolidated operating result is as follows:

#### Key Variances from Operating Income YTD

##### Timing variances

- Water and Sewer user charges - \$2.1M favourable
- Waste Management Facility gate fees - \$1.1M unfavourable
- Parking and other fines – \$0.4M favourable
- Sports ground fees - \$0.2M favourable
- Bus shelter and illuminated street signage fees - \$0.2M favourable
- Internal Tipping Income - \$0.4M unfavourable

##### True variances

- Legal and insurance cost recoveries - \$0.4M favourable
- Gain on Disposal (Plant & Fleet) - \$0.3M favourable

Key Variances from Operating Expenditure YTD

## Timing variances

- Employee Costs - \$4.1M favourable
  - Favourable variance is due to an additional week of salaries and wages budgeted at the end of August YTD, compared to actual number of weeks paid within the same period. Taking this into account, there are no major concerns with this budget as at the end of the reporting period.
- Materials and Services - \$3.6M favourable
  - Waste and Resource Recovery - \$3.7M favourable
  - Development Assessment - \$0.9M favourable
  - Commercial Property - \$0.5M favourable
  - Water and Sewer (operating projects, software licence renewals and contract payments)- \$1.9M unfavourable
- Depreciation (Various Assets) - \$1.0M unfavourable
  - Full year depreciation budget remains adequate at the time of this report, however, it will be monitored during the year and budget phasing assumptions will be reviewed and updated as part of September Quarterly Budget Review.
- Loss on Disposal - \$0.2M unfavourable
- Other Expenses - \$0.5M favourable
  - EPA levy \$0.2M and community grants \$0.2M

## True variances

- Materials and Services
  - Governance Risk & Legal (mainly insurance less than budgeted for the period) - \$0.5M favourable

Key Variances from Capital Grants and Contributions YTD

## Timing variances

- Capital Grants - \$2.4M unfavourable
- Capital Contributions - \$0.2M unfavourable

## Financial Performance by Fund

The following Tables summarise the financial performance for the reporting period by Fund.

**Table 2 – General (including Drainage and Waste) Fund Operating Statement – August 2025**

<b>Total General (+Drainage &amp; Waste) Fund</b> <b>Operating Statement</b> <b>August 2025</b>							
	PRIOR YEAR Actuals	Original Budget	FULL YEAR Budget	YTD Budget	YTD Actuals	YTD Variance (excluding commitments)	YTD Variance (excluding commitments)
	\$'000	\$'000		\$'000	\$'000	\$'000	%
<b>Operating Income</b>							
Rates and Annual Charges	329,283	346,440	346,440	56,754	56,624	(130)	0%
User Charges and Fees	84,512	91,275	91,275	12,313	11,800	(513)	4%
Other Revenue	20,276	18,131	18,131	1,761	2,601	839	48%
Interest	32,670	30,667	30,667	1,919	1,705	(214)	11%
Grants and Contributions	44,247	44,993	44,993	7,246	7,054	(191)	3%
Gain on Disposal	1,428	1,000	1,000	-	278	278	100%
Other Income	11,276	11,231	11,231	2,709	2,852	143	5%
Internal Revenue	104,259	101,361	101,361	16,494	15,999	(495)	3%
<b>Total Income attributable to Operations</b>	<b>627,950</b>	<b>645,098</b>	<b>645,098</b>	<b>99,196</b>	<b>98,912</b>	<b>(283)</b>	<b>0%</b>
<b>Operating Expenses</b>							
Employee Costs	181,667	188,362	188,362	31,859	28,573	3,286	10%
Borrowing Costs	4,780	4,314	4,314	64	58	6	9%
Materials and Services	188,759	199,441	199,441	24,902	19,369	5,533	22%
Depreciation and Amortisation	125,130	133,183	133,183	22,201	23,148	(947)	4%
Other Expenses	45,551	52,794	52,794	810	317	493	61%
Loss on Disposal	6,475	2,000	2,000	-	234	(234)	100%
Internal Expenses	80,415	82,396	82,396	12,857	12,438	419	3%
Overheads	(27,456)	(26,889)	(26,889)	(4,481)	(4,482)	0	0%
<b>Total Expenses attributable to Operations</b>	<b>605,322</b>	<b>635,602</b>	<b>635,602</b>	<b>88,212</b>	<b>79,656</b>	<b>8,556</b>	<b>10%</b>
<b>Operating Result after Overheads and before Capital Amounts</b>	<b>22,629</b>	<b>9,496</b>	<b>9,496</b>	<b>10,984</b>	<b>19,257</b>	<b>8,273</b>	<b>75%</b>
Capital Grants	66,948	57,556	57,556	3,442	1,043	(2,399)	70%
Capital Contributions	39,547	22,662	22,662	1,236	1,183	(53)	4%
<b>Grants and Contributions Capital Received</b>	<b>106,495</b>	<b>80,218</b>	<b>80,218</b>	<b>4,678</b>	<b>2,227</b>	<b>(2,451)</b>	<b>52%</b>
<b>Net Operating Result</b>	<b>129,124</b>	<b>89,714</b>	<b>89,714</b>	<b>15,662</b>	<b>21,483</b>	<b>5,821</b>	<b>37%</b>

Table 3 – Water and Sewer Fund Operating Statement - August 2025

<div> <div>Total Water &amp; Sewer Fund</div> <div>Operating Statement</div> <div>August 2025</div> <div>Central Coast Council</div> </div>							
	PRIOR YEAR Actuals	Original Budget	FULL YEAR Budget	YTD Budget	YTD Actuals	YTD Variance (excluding commitments)	YTD Variance (excluding commitments)
	\$'000	\$'000		\$'000	\$'000	\$'000	%
<b>Operating Income</b>							
Rates and Annual Charges	130,323	137,332	137,332	13,595	13,626	30	0%
User Charges and Fees	96,720	97,965	97,965	(4,035)	(1,935)	2,100	52%
Other Revenue	835	-	-	-	136	136	100%
Interest	12,392	10,308	10,308	568	690	122	21%
Grants and Contributions	146	-	-	-	53	53	100%
Gain on Disposal	-	-	-	-	-	-	100%
Other Income	-	-	-	-	-	-	100%
Internal Revenue	4,319	4,433	4,433	65	56	(9)	13%
<b>Total Income attributable to Operations</b>	<b>244,735</b>	<b>250,038</b>	<b>250,038</b>	<b>10,193</b>	<b>12,626</b>	<b>2,433</b>	<b>24%</b>
<b>Operating Expenses</b>							
Employee Costs	43,689	45,903	45,903	8,291	7,431	860	10%
Borrowing Costs	8,433	9,755	9,755	264	253	10	4%
Materials and Services	51,477	57,307	57,307	5,302	7,216	(1,914)	36%
Depreciation and Amortisation	86,318	94,887	94,887	14,434	14,464	(30)	0%
Other Expenses	558	-	-	-	-	-	100%
Loss on Disposal	2,935	1,500	1,500	-	-	-	100%
Internal Expenses	17,998	13,524	13,524	2,343	2,724	(381)	16%
Overheads	27,456	26,889	26,889	4,482	4,482	-	0%
<b>Total Expenses attributable to Operations</b>	<b>238,865</b>	<b>249,765</b>	<b>249,765</b>	<b>35,116</b>	<b>36,570</b>	<b>(1,454)</b>	<b>4%</b>
<b>Operating Result after Overheads and before Capital Amounts</b>	<b>5,870</b>	<b>273</b>	<b>273</b>	<b>(24,923)</b>	<b>(23,944)</b>	<b>979</b>	<b>4%</b>
Capital Grants	11,288	17,459	17,459	831	876	44	5%
Capital Contributions	11,675	7,086	7,086	1,181	1,014	(167)	14%
<b>Grants and Contributions Capital Received</b>	<b>22,963</b>	<b>24,545</b>	<b>24,545</b>	<b>2,013</b>	<b>1,890</b>	<b>(122)</b>	<b>6%</b>
<b>Net Operating Result</b>	<b>28,834</b>	<b>24,818</b>	<b>24,818</b>	<b>(22,910)</b>	<b>(22,054)</b>	<b>857</b>	<b>4%</b>

### Cash and Investments

Details on cash and investments as at 31 August 2025 are included in the Monthly Investment Report August 2025.

### Loans

As at 31 August 2025 Council has borrowings totalling \$209.3M, across all Funds and including the remaining Emergency Loan that is due to be fully paid in November 2025.

Table 4 – Outstanding loan borrowings by Fund – August 2025

Fund	General Fund	Drainage Fund	General Fund Consolidated with Drainage Fund	Water and Sewer Fund
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
External loans – current	4,080	1,328	5,408	27,135
External loans - non current (excluding emergency loan)	8,791	4,964	13,755	128,817
Emergency loan	34,168	0	34,168	0
<b>Total external loans</b>	<b>47,039</b>	<b>6,292</b>	<b>53,331</b>	<b>155,952</b>

Current loans refer to loans payable in the next 12 months, while non-current loans are those payable after that.

Borrowing for infrastructure assets such as sewer, water, and drainage assets, which benefit multiple generations is appropriate, and is good practice, to achieve intergenerational equity.

#### General Fund Debt

Although council has sufficient unrestricted cash to extinguish all General Fund loans, it is not prudent to do so as early payment would result in breaking costs, and the investment portfolio is returning a higher rate than the holding costs of the loans.

After the extinguishment of one of the emergency loans taken out in 2020, Council has the second emergency loan due to be refinanced or extinguished in November 2025.

During the month of August 2025, a repayment of \$0.3M was made against the emergency loan, reducing the balance to \$34.2M as at the end of this reporting period.

Council is setting aside \$1.4M each month in an internal restriction to be able to repay the Emergency Loan in November 2025 without the need to refinance any part of the loan, and without impacting on unrestricted cash at time of payment.

Excluding the outstanding emergency loan, Council has a relatively low level of debt considering the size of this Council.

#### Capital Works

For 2025-26, Council has a FY capital budget of \$320.1M. As at 31 August 2025 capital expenditure is \$26.8M against a YTD budget of \$32.9M for the same period. Commitments (approved purchase orders to external suppliers) of \$72.0M have been raised for delivery this year.

Delivery of works is impacted by a number of factors including inclement weather conditions including natural disasters, availability of suppliers, and any required planning and approval processes.

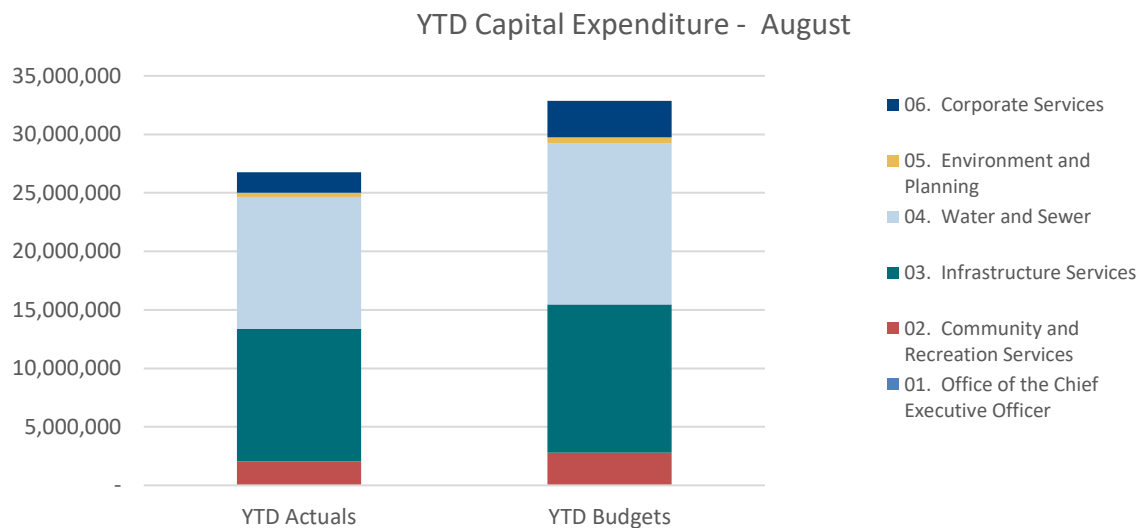
The current expenditure against budget indicates that delivery of works is tracking behind the budget. During the September QBR, these budget assumptions will be closely reviewed together with capital carryovers from 2024-25 to ensure that Council's overall capital works program remains within the organisation's capacity to resource and deliver the adopted Operational Plan.

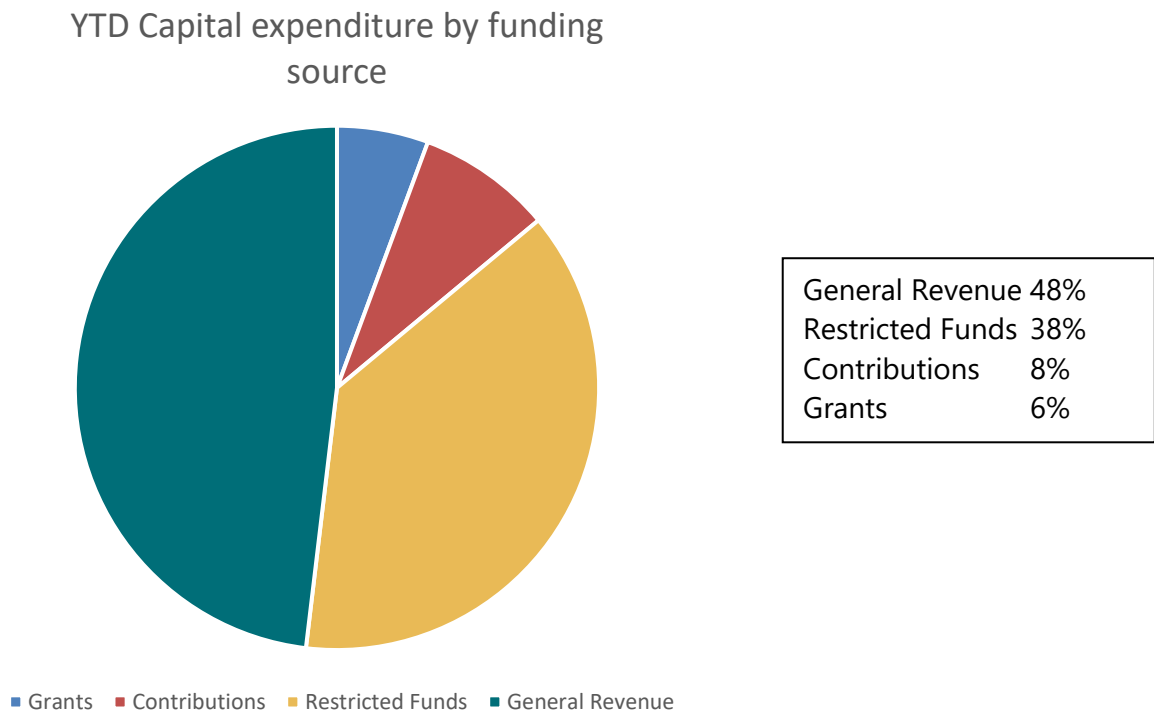
**Table 5 – Capital Expenditure – August 2025**

Department	Original Budget	FULL YEAR Budget	YTD Budgets	YTD Actuals	Current FY Commitments	YTD Variance * (excluding commitments)	YTD Variance % (excluding commitments)
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	%
01. Office of the Chief Executive Officer	-	-	-	-	-	-	-
02. Community and Recreation Services	33,328	33,328	2,786	2,049	6,377	(737)	(26%)
03. Infrastructure Services	122,122	122,122	12,666	11,347	17,177	(1,319)	(10%)
04. Water and Sewer	132,192	132,192	13,779	11,268	33,702	(2,511)	(18%)
05. Environment and Planning	11,641	11,641	521	357	3,962	(164)	(32%)
06. Corporate Services	20,828	20,828	3,113	1,752	10,815	(1,360)	(44%)
<b>Total</b>	<b>320,111</b>	<b>320,111</b>	<b>32,865</b>	<b>26,773</b>	<b>72,033</b>	<b>(6,092)</b>	<b>(19%)</b>

\* Negative variance denotes an underspend in capital budget

**Figure 1 – Capital Expenditure by Directorate**



**Figure 2 – Capital Expenditure by Funding Source****2024-25 FY results – Variance Review**

Included in this business paper is a report regarding the 2024-25 FY Unaudited Financial Statements. The report provides details on the actual results compared to original budget. The Financial Statements do not include an analysis of variances from the adopted budget (Q3 budget). Below is a outline of the actual results compared to the adopted 2024-25 FY Budget and a summary of major variances.

For the FY 2024-25 Council has performed less favourable than budgeted, achieving a consolidated net operating surplus of \$28.5M, before capital income, compared to an adopted full year budget of \$37.9M. The result is subject to audit by the NSW Audit Office.

Variance to Budget by Fund:

- General Fund (incl. Drainage & Domestic Waste) - net operating surplus of \$22.6M vs full year budget surplus of \$24.5M - Unfavourable variance \$1.8M
- Water & Sewer - net operating surplus of \$5.9M vs full year budget surplus of \$13.4M - Unfavourable variance \$7.6M

High level variance analysis, highlighting some contributing items:

### Operating Revenue – Main variances

User Charges and Fees - \$2.6M Favourable to FY Budget

- Waste Management Facility fees - \$1.0M favourable
- Holiday Parks - \$0.9M favourable
- Restorations and Road Maintenance Contract fees - \$0.8M favourable (partly offset by expense variance)

Operating Grants - \$9.7M Unfavourable

- Mainly Financial Assistance Grant reduction of advance payment \$10.1M partly offset by more than budgeted operating grants across the Council.

Other Revenue - \$1.2M Favourable to FY Budget

- Unrealised gains on investments - \$1.0M favourable

### Operating Expenses – Main variances

Employee Cost \$6.8M Unfavourable

- More than budgeted employee cost related provisions movement - \$2.0M unfavourable
- Less than budgeted capitalised wages - \$2.1M unfavourable
- Actual savings from vacancy turnarounds less than anticipated - \$1.3M unfavourable
- More than budgeted overtime - \$1.2M unfavourable due to accelerated and brought forward works mainly in Water and Sewer and unbudgeted events such as storms

Materials and Services \$8.9M Favourable

- Favourable movement of waste facility remediation provision - \$2.4M favourable
- Information and Technology expenses - \$2.3M favourable (timing)
- Election cost savings - \$0.9m favourable
- Less than budgeted legal expenses - \$0.5m favourable
- Other various favourable variances across the Council

Other expenses \$3.1M Favourable

- Reduction of doubtful debt provision \$3.3M favourable
- Less than budgeted EPA levy - \$0.5M favourable
- More than budgeted fair value decrement on investments - \$0.7M unfavourable

Loss on disposal \$7.5M Unfavourable

- \$2.7M in water & sewer due to remaining useful life of assets replaced as part of scheduled replacement programs
- \$2.4M in buildings, furniture & fittings mainly related to Wyong admin building fit out
- \$1.9M in roads mainly related to unidentified road assets write off

Depreciation and amortisation \$1.2M Unfavourable

- Mainly related to accelerated depreciation Wyong admin building fit out of \$1.5M

**Stakeholder Engagement**

The annual budget is formulated in response to community engagement regarding desired service provision and forms part of the Resourcing Strategy to support the implementation of the Operational Plan. Monthly financial reports do not require further consultation.

**Financial Considerations**Financial Year (FY) Implications.

This proposal has cost and revenue financial implications for the current FY and outer years in the LTFP

Budget and Long-Term Financial Plan (LTFP) Impact.

The FY adopted budget includes funding for this proposal.

This report presents the financial position of Council as at 31 August 2025. Variations from budgeted amounts are detailed and an explanation provided. To date, there are no concerns regarding Council's financial performance for the remainder of the financial year.

**Link to Community Strategic Plan**

Our Leadership - The systems, processes and partnerships that ensure genuine community participation, financial stewardship and excellent service deliver to our community.

Goal - LE1: Good governance, strong partnerships, and a transparent Council.

Strategy - LE1.1: Ensure Council is financially sustainable and provides transparent and accountable reporting and audit process.

**Risk Management**

Council's financial management framework includes the monthly review and reporting of significant variances to budget. This ensures that any issues are identified and rectified in a timely manner, with any necessary adjustments being captured in the appropriate Quarterly Budget Review.

This process mitigates the risk of Council's financial performance deviating from the adopted budget and ultimately altering the trajectory of Council's Long Term Financial Plan.

**Critical Dates or Timeframes**

Council receives monthly financial reports to ensure that Council is kept up to date with Council's financial performance.

**Attachments**

*Nil.*