

4.1 Monthly Investment Report and Financial Performance - November 2025

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Recommendation

That Council:

- 1. *Notes the Investment Report for November 2025.***
- 2. *Notes that the November 2025 unrestricted funds deficit in Drainage Fund is offset by the unrestricted funds available in the General Fund.***
- 3. *Notes the Financial Results - November 2025.***

Report Purpose

To present the monthly Investment Report for November 2025, and to provide a high-level update on Council's financial results as at 30 November 2025.

Executive Summary

This report provides details of Council's investment portfolio and financial performance as at 30 November 2025.

For 2025-26 FY Council has budgeted, on a consolidated basis, an adopted operating surplus before capital income of \$11.8M. As at 30 November 2025, Council has an operating deficit of \$2.7M, compared to a YTD budgeted operating deficit of \$2.3M. The YTD unfavourable variance of \$0.5M represents less than 1% of Council's gross annual operating expenditure budget of \$894.4M.

Background

Clause 212 of the Local Government (General) Regulations 2021 stipulates:

(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.

Certification

I hereby certify the investments summarised in the report have been made in accordance with section 625 of the Local Government Act 1993, clause 212 of the Local Government (General) Regulations 2021 and Council's Investments Management Policy.

Emma Galea, Responsible Accounting Officer

Report

Council's cash and investment portfolio totaled \$844.3M as at 30 November 2025. A listing of investments is attached as **Attachment 1** to this report.

Council continues to look for Environmental, Social and Green (**ESG**) investment opportunities subject to prevailing investment guidelines. ESG investments are highlighted green in **Attachment 1**.

As at 30 November 2025 Council's ESG investments comprised 10.05% or \$80M of the total investments portfolio. This reflects an increase of \$25M in ESG investments compared to the value held as at the end of October 2025.

Table 1 - Council's Cash and Investment Portfolio by Type

Type	Carrying Value (\$'000)
Investment Portfolio:	
At Call Account	\$4,868
Floating Bonds	\$5,000
Fixed Rate Bonds	\$30,000
Floating Rate Notes	\$443,390
Term Deposits	\$312,500
Transactional accounts and cash in hand	\$48,541

Total	\$844,299
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During November 2025, Council's total cash and investments decreased by \$10M, as a result of the net impact of the investment maturities, payments made, loan repayments and income received.

Council's portfolio is held in separate funds by purpose and is summarised in the table below:

Table 2 - Council's Portfolio by Fund

Fund	General Fund	Drainage Fund	General Fund Consolidated with Drainage Fund	Domestic Waste Fund	Water and Sewer Fund
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
External Restricted Cash	247,468	42,054	289,522		
Internal Restricted Cash	134,337	22	134,359		
Total Restricted Cash	381,805	42,076	423,881	126,073	210,694
Unrestricted Cash	123,226	-39,575	83,651		
Total Cash	505,031	2,501	507,532	126,073	210,694

Detailed restrictions have been provided in **Attachment 2**. It is noted that the amount shown for each respective fund above may be reflected over various restrictions listed in **Attachment 2**. The balances above will increase and decrease during each financial year as revenues are received, and expenditures occur.

Council paid off the remaining emergency loan in November 2025 utilising funds that had been restricted for this purpose.

As has been reported each month, Council is managing the ongoing negative unrestricted funds balance in the Drainage Fund through its consolidation with the General Fund.

Portfolio Management

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

Council's cash inflows including investment maturities have been used to manage outflows, with maturities during the month being re-invested taking into consideration operational cashflow requirements.

Table 3 – Portfolio Movement Year to Date (Investments only)

	2025-26 YTD Actuals (\$'000)
Opening Balance	856,979
Net Movement	(61,221)
Closing balance	795,758

Net movement includes maturities and new investments.

Refer to Portfolio Valuation Report in **Attachment 3** for more information.

Table 4 - Investment Maturities

Time Horizon	Percentage Holdings	Maturity on or before	Value \$'000
At Call	0.61%	Immediate	4,868
Investments			
0 - 3 months	17.51%	Feb-2026	139,300
4 - 6 months	7.79%	May-2026	62,000
7 - 12 months	19.15%	Nov-2026	152,400
1 - 2 years	19.93%	Nov-2027	158,600
2 - 3 years	11.01%	Nov-2028	87,600
3 - 4 years	7.66%	Nov-2029	60,990
4 - 5 years	16.34%	Nov-2030	130,000
Total Investments	99.39%		790,890
Total Portfolio	100.00%		795,758

Portfolio Performance

The Board of Reserve Bank of Australia (RBA) decided to leave the cash rate unchanged during November 2025 meeting.

Investments are made within Council policy and at the best rates available at the time of placement. Interest rates on investments in the month of November ranged from 1.40% to 5.35%.

A comparison of the weighted running yield to key indicators is shown below:

Table 5 – Investment returns

	Weighted running yield	RBA Cash Rate	BBSW benchmark

November 2025	4.53%	3.60%	3.55%
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Table 6 – Performance Statistics





	1 Month	3 Month	12 Month	Since Inception
Portfolio Return ¹	0.32%	1.05%	4.92%	2.94%
Performance Index ²	0.30%	0.89%	4.04%	2.56%
Excess Performance	0.02%	0.16%	0.88%	0.38%

¹ Portfolio performance is the rate of return of the portfolio over the specified period.

² The Performance index is the Bloomberg AusBond Bank Bill Index.





³ Excess performance is the rate of return of the portfolio in excess of the Performance Index.

Table 7 – Policy Compliance – Credit Rating

Credit Rating Group	% of portfolio	Policy Limit	
BBB	28.56%	45.0%	
A	43.76%	70.0%	
AA	27.68%	100.0%	
AAA	0.0%	100.0%	
	100%		


**Based on face value and Long-Term Rating of Institutions*

Table 8 – Policy Compliance – Terms

Term	% of portfolio *	Policy Limit	
Cash At Call	0.61%		
Less than 1 year	44.45%	100%	
Between 1 and 3 years	30.94%	70%	
Between 3 and 5 years	24.00%	40%	
Over 5 years	0.00%	5%	
	100%		

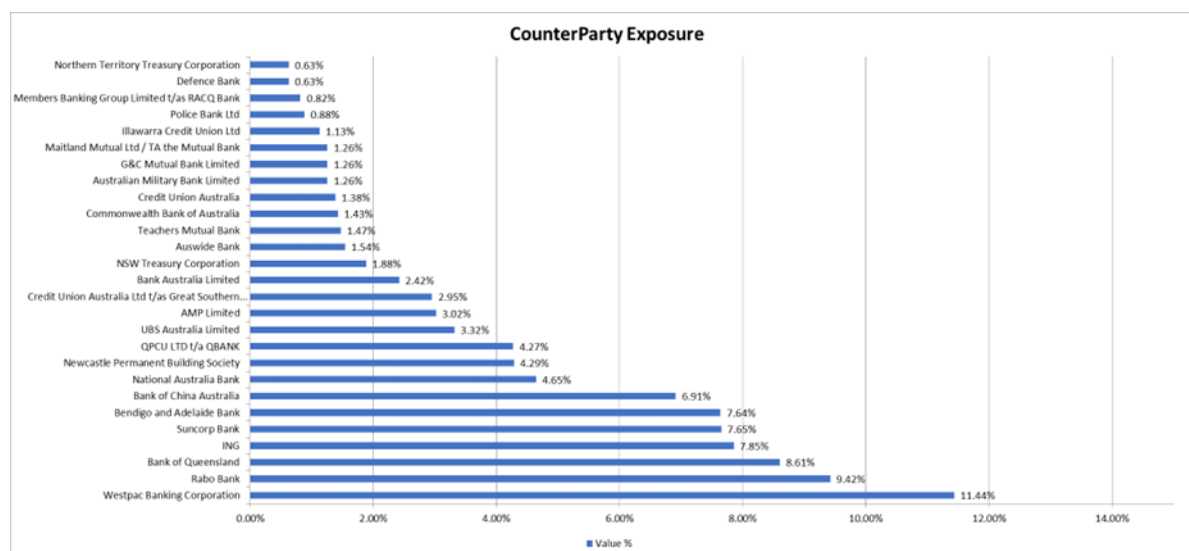
**Based on face value*

 compliant

 non-compliant

Graph 1 – Counter Party Exposure

Exposure to counterparties will be restricted by their rating as per Council's Policy, so that single entity exposure is limited. Graph 1 shows Council's counter party exposure as at 30 November 2025.



Financial Results as at 30 November 2025

Consolidated Operating Result

For 2025-26 FY Council has budgeted, on a consolidated basis, an adopted operating surplus before capital income of \$11.8M. As at 30 November 2025, Council has an operating deficit of \$2.7M, compared to a YTD budgeted operating deficit of \$2.3M. 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. The YTD unfavourable variance of \$0.5M represents less than 0.1% of Council's gross annual operating expenditure budget of \$894.4M.

The overall variance is predominantly driven by a YTD unfavourable variance in operating income of \$0.3M (unfavourable variance of \$0.5M offset by favourable variance of \$0.2M Other Income) and YTD unfavourable variance in operating expenses of \$0.1M (unfavourable variance of \$7.4M offset by favourable variance of \$7.2M Materials and Services).

Whilst YTD income and YTD expenses overall are within 5% variance compared to YTD Budget, there are line items which are greater than 5% variance. Where these variances remain relevant as at the end of the next reporting period, further details will be provided in the Monthly Finance Report December 2025.

The net operating surplus including capital income is \$14.0M which is unfavourable to YTD budget by \$1.7M. Most YTD Budget variances reported as at 30 November 2025 are deemed to be predominantly timing.

Table 9 – Consolidated (all Funds) Operating Statement November 2025

Consolidated							
Operating Statement							
November 2025							
	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	%
Operating Income							
Rates and Annual Charges	459,605	483,772	484,352	196,050	195,844	(206)	0%
User Charges and Fees	181,232	189,240	191,311	61,491	61,126	(365)	1%
Other Revenue	21,111	18,131	22,385	8,221	8,753	532	6%
Interest	45,062	40,975	44,114	10,976	10,869	(106)	1%
Grants and Contributions	44,393	44,993	45,856	12,462	12,298	(164)	1%
Gain on Disposal	1,428	1,000	1,000	565	534	(31)	5%
Other Income	11,276	11,231	11,704	5,372	5,556	184	3%
Internal Revenue	108,577	105,794	105,471	42,693	42,520	(173)	0%
Total Income attributable to Operations	872,685	895,136	906,194	337,830	337,501	(329)	0%
Operating Expenses							
Employee Costs	225,356	234,265	233,622	93,401	96,135	(2,734)	3%
Borrowing Costs	13,214	14,069	14,074	2,325	2,295	30	1%
Materials and Services	240,236	256,748	266,915	98,314	91,040	7,274	7%
Depreciation and Amortisation	211,448	228,071	228,616	93,349	94,133	(785)	1%
Other Expenses	46,109	52,794	52,301	13,154	15,205	(2,051)	16%
Loss on Disposal	9,410	3,500	3,551	351	1,702	(1,351)	385%
Internal Expenses	98,414	95,920	95,338	39,223	39,734	(511)	1%
Overheads	-	-	-	0	-	0	100%
Total Expenses attributable to Operations	844,186	885,367	894,417	340,117	340,244	(127)	0%
Operating Result after Overheads and before Capital Amounts	28,499	9,769	11,776	(2,288)	(2,743)	(456)	
Capital Grants	78,236	75,015	65,617	9,201	6,969	(2,232)	24%
Capital Contributions	51,222	29,748	28,932	8,721	9,751	1,029	12%
Grants and Contributions Capital Received	129,459	104,764	94,548	17,923	16,720	(1,203)	7%
Net Operating Result	157,958	114,532	106,324	15,635	13,977	(1,659)	11%

Financial Performance by Fund

As at 30 November 2025, Council (excluding Water and Sewer Fund) has a net operating surplus of \$12.8M, before capital income, which is favourable to YTD budget by \$0.2M. The overall variance is less than 1% of YTD operating income budget and less than 1% of YTD operating expenses budget.

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

Table 10 – General (including Drainage and Waste) Fund Operating Statement – November 2025

Total General (+Drainage & Waste) Fund

Operating Statement November 2025



	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	%
Operating Income							
Rates and Annual Charges	329,283	346,440	347,020	143,546	142,911	(635)	0%
User Charges and Fees	84,512	91,275	93,346	34,806	35,774	968	3%
Other Revenue	20,276	18,131	22,242	8,079	8,606	527	7%
Interest	32,670	30,667	32,989	8,162	7,938	(225)	3%
Grants and Contributions	44,247	44,993	45,763	12,369	12,186	(183)	1%
Gain on Disposal	1,428	1,000	1,000	565	534	(31)	5%
Other Income	11,276	11,231	11,704	5,372	5,556	184	3%
Internal Revenue	104,259	101,361	101,258	41,478	41,218	(260)	1%
Total Income attributable to Operations	627,950	645,098	655,323	254,377	254,723	346	0%
Operating Expenses							
Employee Costs	181,667	188,362	187,542	73,790	76,300	(2,510)	3%
Borrowing Costs	4,780	4,314	4,294	332	318	15	4%
Materials and Services	188,759	199,441	204,889	74,149	67,307	6,843	9%
Depreciation and Amortisation	125,130	133,183	136,552	57,277	58,061	(784)	1%
Other Expenses	45,551	52,794	52,291	13,145	15,035	(1,890)	14%
Loss on Disposal	6,475	2,000	2,051	351	1,702	(1,351)	385%
Internal Expenses	80,415	82,396	84,101	33,969	34,363	(395)	1%
Overheads	(27,456)	(26,889)	(26,889)	(11,204)	(11,204)	0	0%
Total Expenses attributable to Operations	605,322	635,602	644,831	241,809	241,882	(73)	0%
Operating Result after Overheads and before Capital Amounts	22,629	9,496	10,491	12,568	12,841	273	
Capital Grants	66,948	57,556	52,943	6,426	3,784	(2,642)	41%
Capital Contributions	39,547	22,662	21,637	5,561	4,716	(845)	15%
Grants and Contributions Capital Received	106,495	80,218	74,580	11,987	8,500	(3,487)	29%
Net Operating Result	129,124	89,714	85,072	24,554	21,341	(3,214)	13%

Table 11 – Water and Sewer Fund Operating Statement - November 2025

Total Water & Sewer Fund

Operating Statement
November 2025



	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	%
Operating Income							
Rates and Annual Charges	130,323	137,332	137,332	52,504	52,933	428	1%
User Charges and Fees	96,720	97,965	97,965	26,684	25,352	(1,333)	5%
Other Revenue	835	-	143	143	148	5	3%
Interest	12,392	10,308	11,125	2,814	2,932	118	4%
Grants and Contributions	146	-	93	93	112	19	20%
Gain on Disposal	-	-	-	-	-	-	100%
Other Income	-	-	-	-	-	-	100%
Internal Revenue	4,319	4,433	4,213	1,214	1,302	88	7%
Total Income attributable to Operations	244,735	250,038	250,871	83,453	82,778	(675)	1%
Operating Expenses							
Employee Costs	43,689	45,903	46,080	19,611	19,835	(224)	1%
Borrowing Costs	8,433	9,755	9,780	1,992	1,977	16	1%
Materials and Services	51,477	57,307	62,026	24,164	23,733	431	2%
Depreciation and Amortisation	86,318	94,887	92,064	36,072	36,072	(0)	0%
Other Expenses	558	-	10	10	170	(161)	1659%
Loss on Disposal	2,935	1,500	1,500	-	-	-	100%
Internal Expenses	17,998	13,524	11,237	5,255	5,371	(116)	2%
Overheads	27,456	26,889	26,889	11,204	11,204	-	0%
Total Expenses attributable to Operations	238,865	249,765	249,586	98,308	98,362	(54)	0%
Operating Result after Overheads and before Capital Amounts	5,870	273	1,285	(14,855)	(15,584)	(729)	
Capital Grants	11,288	17,459	12,673	2,775	3,186	410	15%
Capital Contributions	11,675	7,086	7,295	3,161	5,035	1,874	59%
Grants and Contributions Capital Received	22,963	24,545	19,968	5,936	8,220	2,284	38%
Net Operating Result	28,834	24,818	21,253	(8,919)	(7,364)	1,555	17%

Loans

As at 30 November 2025 Council has borrowings totalling \$172.2M, across all Funds. The Emergency Loan reported previously was fully paid in November 2025.

Table 12 – Outstanding loan borrowings by Fund – November 2025

Fund	General Fund	Drainage Fund	General Fund Consolidated with Drainage Fund	Water and Sewer Fund
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
External loans – current	3,405	1,297	4,702	26,258
External loans – non current (excluding emergency loan)	9,312	4,872	14,184	127,042
Total external loans	12,717	6,169	18,886	153,300

Current loans refer to loans payable in the next 12 months, while non-current loans are those payable after that. Overall borrowings decreased by \$35M during the month, due to repayment of the emergency loan. 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.

Capital Works Program

For 2025-26, Council has a FY capital budget of \$296.6M. As at 30 November 2025, capital expenditure is \$83.9M against a YTD budget of \$93.0M for the same period. Commitments (approved purchase orders to external suppliers) of \$62.9M have been raised for delivery this financial year.

Delivery of works is impacted by several 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 December Quarterly Budget Review, these budget assumptions will be closely reviewed together to ensure that Council's overall capital works program remains within the organisation's capacity to resource and deliver the adopted Operational Plan.

Table 13 – Capital Expenditure – November 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	32,680	7,972	7,369	7,531	(603)	(8%)
03. Infrastructure Services	122,122	118,199	40,669	32,820	20,020	(7,849)	(19%)
04. Water and Sewer	132,192	111,124	32,889	34,480	22,610	1,590	5%
05. Environment and Planning	11,641	13,764	4,381	3,292	2,987	(1,089)	(25%)
06. Corporate Services	20,828	20,878	7,122	5,978	9,728	(1,144)	(16%)
Total	320,111	296,645	93,033	83,938	62,876	(9,094)	(10%)

* Negative variance denotes an underspend in capital budget

Figure 1 – Capital Expenditure by Directorate

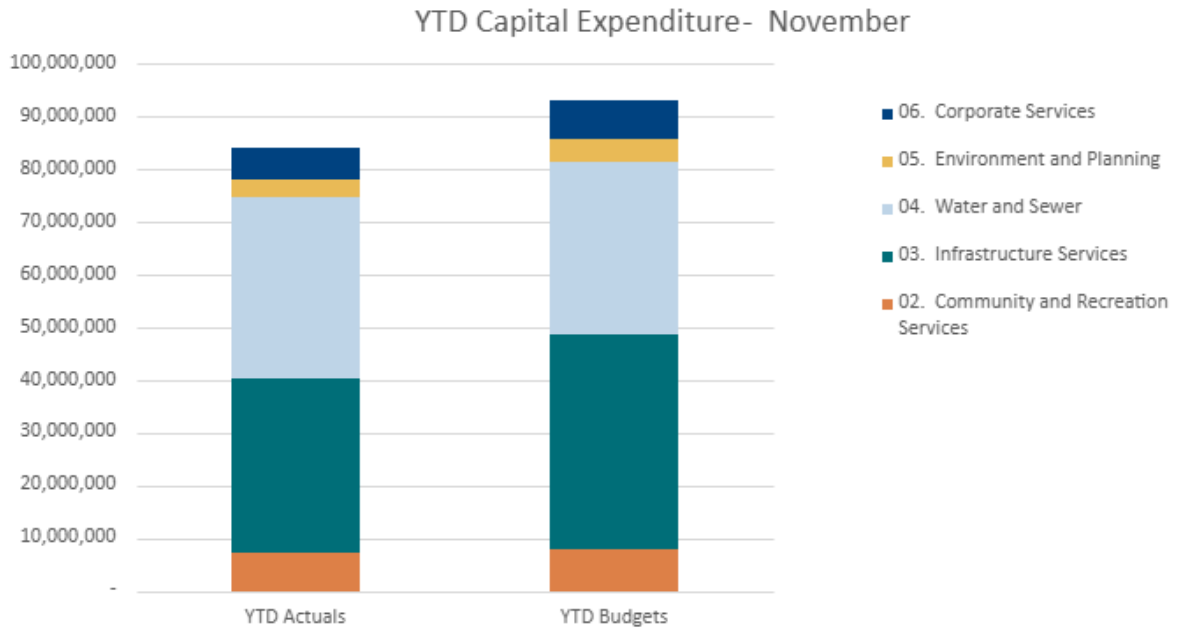
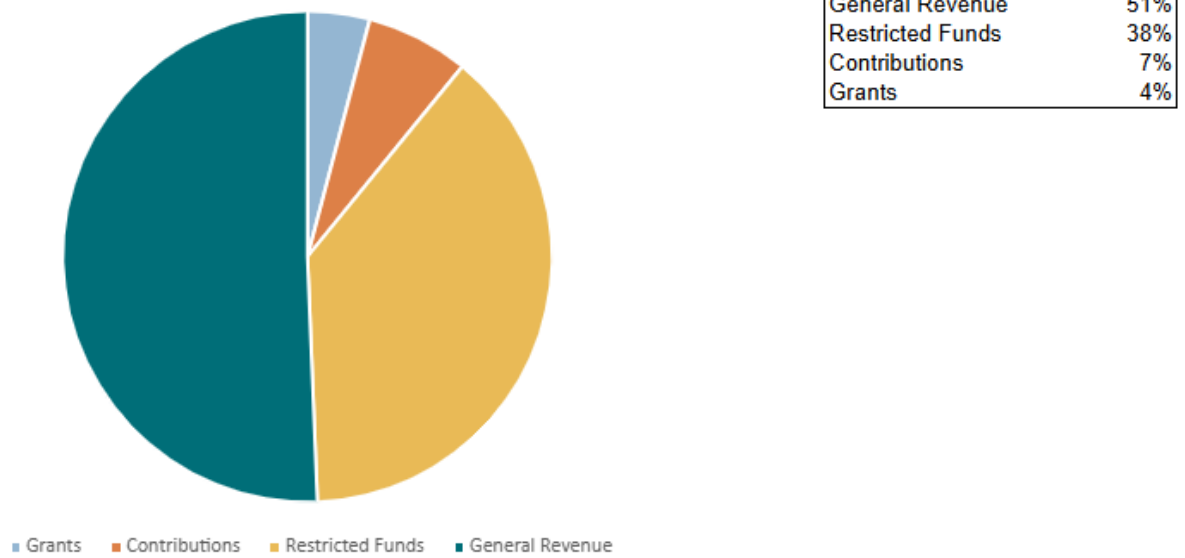


Figure 2 – Capital Expenditure by Funding Source

YTD Capital expenditure by funding source



Stakeholder Engagement

Nil

Financial Considerations

Financial Year (FY) Implications

The proposal has revenue financial implications for the current FY only.

Budget and Long-Term Financial Plan (LTFP) Impact

The FY adopted budget includes the impact for this proposal.

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 - LE 1.1: Ensure Council is financially sustainable and provides transparent and accountable reporting and audit process.

Risk Management

Cash that is surplus to Council's immediate requirements is invested within acceptable risk parameters to optimise interest income while ensuring the security of these funds.

Council's investments are made in accordance with the *Local Government Act 1993*, *Local Government (General) Regulation 2021*, Council's adopted Investments Management Policy, Ministerial Investment Order issued February 2011 and Division of Local Government (as it was then known) Investment Policy Guidelines published in May 2010.

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.

All of Council's investments were within Policy guidelines as at 30 November 2025.

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

It is a legislated requirement to present a monthly Investment report.

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

Attachments

1. Summary of Investments as at 30 November 2025 [3 pages]
2. Summary of Restrictions as at 30 November 2025 [1 page]
3. Portfolio Valuation Report as at 30 November 2025 [34 pages]
4. Portfolio Commentary as at 30 November 2025 [11 pages]