



**AUDIT, RISK AND IMPROVEMENT  
COMMITTEE MEETING**

**07 December 2021**

# Meeting Notice

**The Audit, Risk and Improvement Committee Meeting  
of Central Coast Council  
will be held via Microsoft Teams on  
Tuesday 7 December 2021,  
for the transaction of the business listed below:**

**Note:** It was resolved at the 7 December 2021 meeting (please refer to the minutes) that items 3.1, 3.2, 3.3, 6.4, 8.1 and 8.2 were not to be publicly released in accordance with the ARIC Charter. Whilst they are listed in the table of contents, the reports have been removed from the Business Paper.

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## Confidential Items (provided under separate cover)

6.4 Update on Legal Matters

Please note item numbers correspond to items as they appear on the agenda (see pages 3-4).

**1 Introduction – 2pm**

1.1	Acknowledgement of Country, apologies and welcome	Verbal	ARIC Chairperson
1.2	Disclosures of Interest	Report	ARIC Chairperson
1.3	Confirmation of previous ARIC meeting minutes	Report	ARIC Chairperson
1.4	Outstanding action items	Report	ARIC Chairperson
1.5	Council's current status	Verbal	Chief Executive Officer

**2 Financial Management – 2:20pm**

2.1	General finance update (standing item)	Report	Director Corporate Affairs and Chief Financial Officer
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**3 Risk Management – 2:30pm**

3.1	Enterprise Risk Management Report (standing item)	Report	Enterprise Risk Manager
3.2	Minutes of the Risk Management Committee meeting held 9 November 2021	Report	Enterprise Risk Manager
3.3	IT update	Report	Unit Manager Information and Technology

**4 Internal Audit – 3pm**

4.1	Internal Audit Report	Late Report	Director - Centium
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**5 External Audit – 3:15pm**

5.1	Audit Office of NSW Annual Work Program 2021 - 2024	Report	NSW Audit Office
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**6 Governance – 3:30pm**

6.1	Update on Public Inquiry	Verbal	Unit Manager Governance and Legal Counsel
6.2	Governance Lighthouse report as at 30 September 2021	Report	Unit Manager Governance and Legal Counsel
6.3	Annual Work Plan	Report	Unit Manager Governance and Legal Counsel
6.4	Update on legal matters (standing item)	Confidential Report	Unit Manager Governance and Legal Counsel

**7 Performance – 3:50pm**

7.1	Complaints and Compliments Q1 2021 - 22	Report	Director Corporate Affairs and Chief Financial Officer
7.2	Update on the integrated planning and reporting activities for 2021/22	Report	Unit Manager Strategic Planning

**8 Fraud Control – 4:10pm**

8.1	Report from the Office of the Internal Ombudsman	Report	Senior Internal Ombudsman
8.2	Fraud and Corruption Framework	Report	Enterprise Risk Manager

**9 General Business – 4:30pm**

9.1	Meeting dates for 2022	Report	Chairperson
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**Item No:** 1.2  
**Title:** Disclosures of Interest  
**Department:** Corporate Affairs

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7 December 2021 Audit Risk and Improvement Committee Meeting

Reference: F2021/00030 - D14886007



### **Recommendation**

- 1 *That the Committee note the standing declarations of current Committee members outlined in the table below.*
- 2 *That the Committee now disclose any conflicts of interest in matters under consideration by the Committee at this meeting.*
- 3 *That the Committee make a recommendation that this report be made publicly available as the nature or content of the report do not fall within any listed exceptions pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

### **Report Purpose**

Chapter 14 of the *Local Government Act 1993* ("LG Act") regulates the way in which the Councillors and relevant staff of Council conduct themselves to ensure that there is no conflict between their private interests and their public functions.

Section 451 of the LG Act states in part that:

- (1) *A councillor or a member of a council committee who has a pecuniary interest in any matter with which the council is concerned and who is present at a meeting of the council or committee at which the matter is being considered must disclose the nature of the interest to the meeting as soon as practicable.*
- (2) *The councillor or member must not be present at, or in sight of, the meeting of the council or committee:*
  - (a) *at any time during which the matter is being considered or discussed by the council or committee, or*
  - (b) *at any time during which the council or committee is voting on any question in relation to the matter.*
- (3) *For the removal of doubt, a councillor or a member of a council committee is not prevented by this section from being present at and taking part in a meeting at which a matter is being considered, or from voting on the matter, merely because the Councillor or member has an interest in the matter of a kind referred to in section 448.*

## 1.2 Disclosures of Interest (contd)

Further, the [Code of Conduct](#) adopted by Council applies to all Councillors and Staff. The Code relevantly provides that if a Councillor or Staff member has a non-pecuniary conflict of interest, the nature of the conflict must be disclosed as well as providing for a number of ways in which a non-pecuniary conflict of interests might be managed.

### Committee Members standing declarations

ARIC Member	Meeting Date	Disclosure of Interest
John Gordon	14 September 2021	<p>Standing declarations amended to include the following NSW Local Government Committees. Less than significant non-pecuniary interest on the following:</p> <ul style="list-style-type: none"> <li>• Camden Council – Independent Member (former Chair) of ARIC</li> <li>• Inner West Council – Independent Chair of ARIC</li> <li>• Liverpool City Council – Independent Member of ARIC</li> <li>• Shoalhaven Council – Independent Member of ARIC</li> <li>• Sutherland Shire Council – Independent Chair of ARIC</li> <li>• Waverley Council – Independent Member of ARIC</li> <li>• Woollahra Council – Independent Member (former Chair) of ARIC</li> </ul>
Carl Millington	13 July 2021 (noted outside of meeting)	Less than significant non-pecuniary interest as an Independent member on Randwick City Council Audit, Risk and Improvement Committee.
Arthur Butler	24 June 2021	Less than significant non-pecuniary interest as a member of the Audit, Risk and Improvement Committee for the Hunter and Central Coast Development Corporation.
John Gordon	10 December 2020/ 13 April 2021	<p>Less than significant non-pecuniary interest as:</p> <p>a) he was a Partner with PricewaterhouseCoopers (PwC) for a period of 22 years, retiring December 2008. PwC were the Auditors for the former Gosford and Wyong Councils in 2016. He was not involved in either of the 2016 Council audits; and</p> <p>b) he is an independent member of the NSW Audit Office Audit, Risk and Improvement Committee who are the Auditors of Central Coast Council.</p>
John Gordon	17 March 2020	Less than significant non-pecuniary interest as an Independent Chair of the NSW Healthcare Complaints Commission Audit and Risk Committee.

ARIC Member	Meeting Date	Disclosure of Interest
John Gordon	1 October 2019	Less than significant non-pecuniary interest as an Independent Member on Waverly Council Audit, Risk and Improvement Committee.
John Gordon	5 March 2019	Less than significant non-pecuniary interest as an Independent Chair of the NSW Education Standards Authority (NESA) Committee.
John Gordon	4 December 2018	Less than significant non-pecuniary interest as he is an Independent member of the Department of Education Audit and Risk Committee.
John Gordon	21 November 2017	Less than significant non-pecuniary interest that he has been appointed as an Independent Member to the Audit Office of NSW's Audit and Risk Committee, effective 30 November 2017.

### Attachments

*Nil.*



**Item No:** 1.3  
**Title:** Confirmation of Minutes of Previous Meeting  
**Department:** Corporate Affairs

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7 December 2021 Audit Risk and Improvement Committee Meeting

Reference: F2021/00030 - D14886236  
Author: Kelly Drover, Meeting Support Officer  
Manager: Edward Hock, Unit Manager, Governance and Legal Counsel

## Recommendation

- 1 *That the Committee confirm the minutes of the previous meeting held on 14 September 2021.*
- 2 *That the Committee make a recommendation that this report and the supporting papers to this report be made publicly available as the nature or content of the report do not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

*The information provided in this report is current as at 13/10/2021.*

## Summary

The purpose of this report is to confirm the minutes of the previous Audit, Risk and Improvement Committee meeting held on 14 September 2021.

The minutes from 14 September 2021 were circulated to all Audit, Risk and Improvement Committee members by email on 29 September 2021 and were reported to the 23 November 2021 Ordinary Council Meeting.

Council's *Audit Risk and Improvement Committee Charter* states that all supporting papers to the meeting agendas will be released to the public on Council's website, unless such release would be contrary to the public interest. It is considered that the nature or content of this report and attachments do not fall within any of the exceptions listed under Clause 78 of the Charter and release to the public be approved.

## Attachments

- 1  ARIC Minutes 14 September 2021 D14866824



Central Coast Council

## Audit Risk and Improvement Committee Meeting

Held Remotely - Online

14 September 2021

### MINUTES

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#### Present

Carl Millington (Chairperson)	Independent member
Arthur Butler	Independent member
John Gordon	Independent member
Rik Hart	Administrator (joined 9.50am)

#### In Attendance

David Farmer	Chief Executive Officer
Natalia Cowley	Director Corporate Affairs and Chief Financial Officer
Scott Cox	Director Environment and Planning
Lilly Mojsin	Senior Internal Ombudsman
Jade Maskiewicz	Assistant Internal Ombudsman
Jamie Beal	Unit Manager Information and Technology
Edward Hock	Unit Manager Governance and Legal Counsel
David Milliken	Unit Manager Strategic Planning
James Taylor	Section Manager Governance Services
Kelly Drover	Meeting Support Officer
David Daniels	Audit Office of NSW
Cassie Malone	Audit Office of NSW
Penelope Corkill	Account Manager, Centium, IA Co-Sourced Partner
Phil O'Toole	Centium, IA Co-Sourced Partner

**Minutes of the Audit Risk and Improvement Committee Meeting of Council 14 September 2021  
contd**

**1 INTRODUCTION**

**Welcome, Acknowledgement of Country and Apologies**

The Chairperson opened the meeting at 9.01am, welcomed attendees and completed an Acknowledgement of Country.

It was noted that the meeting was being recorded for minute taking purposes. By attending the meeting, speakers consented to an audio record of the meeting. Recording of the proceedings of this Committee meeting are not permitted without prior approval of the Council. The meeting recording will be deleted once the meeting minutes are finalised.

Apologies received:

Boris Bolgoff, Director Infrastructure Services

**1.2 Disclosures of Interest**

**Resolution**

87/2021(ARIC) *The Committee noted the standing declarations of current Committee members outlined in the report.*

88/2021(ARIC) *The Committee noted the following less than significant non-pecuniary declarations from John Gordon, who is also a member of the following Committees, and noted the standing declarations would be amended to reflect this list:*

*NSW State Government*

- *Audit Office of NSW – Independent Member of ARC*
- *NSW Department of Education – Independent Member of ARC*
- *NSW Education Standards Authority (NESAs) – Independent Chair of ARC*
- *NSW Healthcare Complaints commission – Independent Chair of ARC*

*NSW Local Government*

- *Camden Council – Independent Member (former Chair) of ARC*
- *Inner West Council – Independent Chair of ARC*
- *Liverpool City Council – Independent Member of ARC*
- *Shoalhaven Council – Independent Member of ARC*
- *Sutherland Shire Council – Independent Chair of ARC*
- *Waverley Council – Independent Member of ARC*
- *Woollahra Council – Independent Member (former Chair) of ARC*

89/2021(ARIC) *The Committee recommended that this report be made publicly available as the nature or content of the report do not fall within any listed exceptions pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

Minutes of the Audit Risk and Improvement Committee Meeting of Council 14 September 2021  
contd

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**1.3 Confirmation of Minutes of Previous Meeting**

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**Resolution**

90/2021(ARIC) *The Committee confirmed the minutes of the previous meeting held on 24 June 2021.*

91/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report be made publicly available as the nature or content of the report do not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

**1.4 Outstanding Action Items**

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**Resolution**

92/2021(ARIC) *The Committee noted the report on Outstanding Action Items.*

93/2021(ARIC) *The Committee recommended that this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as the nature or content of this report do not fall within any listed exceptions.*

**1.5 Council's current status**

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David Farmer, Chief Executive Officer provided the Committee with an update on Council's current status including the following:

- General financial performance in the current financial year
- Special Rate Variation application
- Water and Sewer pricing and submission to IPART
- A formal review has been commissioned looking into what Council can do regarding the Water and Sewer business and its interaction with the *Local Government Act* and the *Water Management Act*.

The Committee discussed concerns regarding a Water and Sewer business running at a loss and the examples of privatisation of Hunter Water and Corporatisation of Sydney Water.

**2 FINANCE**

**2.1 General finance update**

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Natalia Cowley, Director Corporate Affairs and Chief Financial Officer provided a General Finance verbal update including the following:

- Unrestricted cash – return to surplus balance as of 30 August 2021.
- Property sales update – as of end of last financial year Council settled \$3.1M of

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**Minutes of the Audit Risk and Improvement Committee Meeting of Council 14 September 2021**  
**contd**


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properties (made up of 7 properties). As of today (14 September 2021), there are \$47.9M of properties under contract (made up of 3 properties) and they are expected to settle by November 2021.

- Rates recovery – Council has reduced its outstanding rates ratio from 9% in the 2020 financial year to 5.4% in 2021.
- As of July 2021, all monthly financial accounts will be placed on the website for the information of the public. A council wide corporate overheads presentation was also provided to staff.
- Restructure – ELT decreased from 9 people to 5, Unit Managers have decreased from 38 people to 25 and Section Managers have decreased from 97 people to 65. Council is also trialing 2 additional Unit Manager realignments in the Corporate Affairs Directorate.

**Resolution**

94/2021(ARIC) *The Committee resolved to accept the General Finance verbal update provided by Director Corporate Affairs and Chief Financial Officer.*

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**2.2 Monthly Financial Report - July 2021**


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The Committee discussed staff morale including the pressures due to reduced staff numbers, EAP statistics and the ongoing public enquiry.

The Committee discussed bottom line reporting on a costing basis for Council business units and the importance of everyone needing to understand what a bottom line is and how their decisions affect the business.

**Resolution**

95/2021(ARIC) *The Committee noted the Monthly Financial Report - July 2021.*

96/2021(ARIC) *The Committee requested a briefing be provided at a future meeting on what level the bottom line reporting goes to and an understanding of how the financial reporting is going back to the business and how that data is being used to manage the business properly to the bottom line.*

97/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

*Item 4.1 was brought forward ahead of item 2.3*

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**2.3 Draft Financial Statements for the period 1 July 2020 to 30 June 2021**


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The Committee suggested giving thought to expanding the standing disclosures around internal restrictions, external restrictions, how they are made, how they are controlled and how they are disclosed on a consolidated basis.

**Minutes of the Audit Risk and Improvement Committee Meeting of Council 14 September 2021  
contd**

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**Resolution**

- 98/2021(ARIC) *The Committee noted the report on Draft Financial Statements for the period 1 July 2020 to 30 June 2021.*
- 99/2021(ARIC) *The Committee recommended that Council adopt the 2020-2021 Draft Consolidated Financial Statements for Central Coast Council that include General Purpose Financial Statements, Special Purpose Financial Statements and Special Schedules and refer them to audit.*
- 100/2021(ARIC) *The Committee recommended that Council adopt the 2020-2021 Central Coast Council Water Supply Authority General Purpose Draft Financial Statements and refer them to audit.*
- 101/2021(ARIC) *The Committee requested a report be provided to a future ARIC meeting on Council's insurance arrangements.*
- 102/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

**3 INTERNAL AUDIT**

**3.1 Internal Audit Transitional Activities**

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Natalia Cowley, Director Corporate Affairs and Chief Financial Officer provided the Committee with an update on personnel matters pertaining to the Chief Internal Audit position, and transitional and future plans for the functions. Council is proposing a model of working directly with the external provider in the current co-source model and having that function being project managed by the Unit Manager Governance and Legal Counsel in consultation with the Internal Ombudsman. This model will be trialled for a 12 month period.

The Committee considered that the proposal constituted an Outsourced Model given the lack of internal audit capacity.

**Resolution**

- 103/2021(ARIC) *The Committee noted the report on Internal Audit Transitional Activities.*
- 104/2021(ARIC) *The Committee requested a report be provided at a future meeting by the Unit Manager Governance and Legal Counsel on the proposed Outsourced function including the risks, budget and an organisation diagram.*
- 105/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report not be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter, because it contains details of personnel matters concerning particular individuals.*

Minutes of the Audit Risk and Improvement Committee Meeting of Council 14 September 2021  
contd

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**4 EXTERNAL AUDIT**

**4.1 NSW Audit Office Management Letter for year ended 30 June 2020 -  
CONFIDENTIAL**

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This item was moved ahead of Item 2.3 as a number of the action item due dates are 30 September 2021 and it was important to understand any potential impacts on the draft financial statements before they were discussed.

**Resolution**

106/2021(ARIC) *The Committee noted the NSW Audit Office Management Letter for year ended 30 June 2020.*

107/2021(ARIC) *The Committee requested that in regard to Issue 2 – Framework and documentation outlining the Council's understanding of restrictions, that the policy document and tracking spreadsheet be presented to the next ARIC meeting after they are available.*

108/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report not be made publicly available:*

- a) *pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter, as they contain information about matters affecting the security of Council, Council Officials and/or Council property; and*
- b) *as on balance it would not be in the public interest to make this information available as Council does not disclose to the public confidential information (such as Management Letters) from the NSW Audit Office to ensure the efficacy of its investigating, auditing or reporting functions.*

**4.2 NSW Audit Office Annual Engagement Plan for year ended 30 June 2021 -  
CONFIDENTIAL**

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David Daniels, NSW Audit Office noted that the audit timetable was ambitious and there was a risk of it not being met. It was noted that the stability of the Finance team is being demonstrated through the responsiveness and quick turnaround of queries.

Natalia Cowley noted that Council are making every effort to ensure that the 31 October 2021 deadline is met. It was noted that Council still has the option to request an exemption from the OLG with just one week's notice if required, however this will only be exercised if absolutely necessary.

**Resolution**

109/2021(ARIC) *The Committee noted the report on NSW Audit Office Annual Engagement Plan for year ended 30 June 2021.*

**Minutes of the Audit Risk and Improvement Committee Meeting of Council 14 September 2021  
contd**

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110/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report not be made publicly available:*

- a) *pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter, as they contain information about matters affecting the security of Council, Council Officials and/or Council property; and*
- b) *as on balance it would not be in the public interest to make this information available as Council does not disclose to the public confidential information (such as Annual Engagement Plans) from the NSW Audit Office to ensure the efficacy of its investigating, auditing or reporting functions.*

**4.3 Feedback on actions proposed in ITGC Management Letter**

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**Resolution**

111/2021(ARIC) *The Committee noted the report on Feedback on actions proposed in ITGC Management Letter.*

112/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report not be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as it contains matters that may affect the security of Council, Council Officials and Council property.*

**5 GOVERNANCE**

**5.1 Update on Public Inquiry**

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The Public Hearings will commence 27 September 2021.

**Resolution**

113/2021(ARIC) *The Committee noted the report on Update on Public Inquiry.*

114/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

**5.2 Update on investigations regarding contingency workforce engagement**

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It was noted that this report is still yet to be finalised.

**Resolution**

115/2021(ARIC) *The Committee request that the update on investigations regarding*

**Minutes of the Audit Risk and Improvement Committee Meeting of Council 14 September 2021  
contd**

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*contingency workforce engagement be deferred to a future ARIC meeting.*

**5.3 Update on Legal Matters – CONFIDENTIAL**

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Edward Hock, Unit Manager Governance and Legal Counsel advised the Committee of an update that was in addition to matters contained in the report distributed to the Committee.

**Resolution**

116/2021(ARIC) *The Committee noted the report on Update on Legal Matters.*

117/2021(ARIC) *The Committee recommended that this report not be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as:*

- a they may contain confidential advice or confidential communications concerning litigation or legal matters that may otherwise be privileged from production on the grounds of legal professional privilege.*
- b further, on balance, it would not be in the public interest to make this information available as it may compromise Council's ability to ensure the optimum outcome for the community*

**6 RISK MANAGEMENT**

**6.1 Enterprise Risk Management Report - August 2021**

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The Committee suggested contacting Statewide Mutual to obtain information on the top 20 strategic risks of every Local Government in Australia. Statewide offer this as a free service and Council should be leveraging that relationship.

**Resolution**

118/2021(ARIC) *The Committee noted the report on Enterprise Risk Management Report - August 2021.*

119/2021(ARIC) *The Committee requested a one hour meeting be held before all future Ordinary ARIC meetings with the Unit Manager Governance and Legal Counsel and Enterprise Risk Manager providing a Risk briefing to the Committee.*

120/2021(ARIC) *The Committee recommended that this report not be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as it contains matters affecting the security of Council, Council Officials and Council property.*

**Minutes of the Audit Risk and Improvement Committee Meeting of Council 14 September 2021  
contd**

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**6.2 Minutes of the Risk Management Committee Meeting 17 August 21**

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The Committee noted that the Risk Management Committee Meeting minutes did not contain sufficient detail to enable the Committee to monitor the effectiveness of Council's management of its various risks. It was suggested more thorough minutes be prepared in future, including detailed discussion, issues that are being addressed and outstanding action points.

**Resolution**

121/2021(ARIC) *The Committee noted the report on Minutes of the Risk Management Committee Meeting 17 August 21.*

122/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report not be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as they contain matters affecting the security of Council, Councillors, Council staff or Council property.*

**6.3 IM&T Update**

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**Resolution**

123/2021(ARIC) *The Committee noted the verbal IM&T update provided by Unit Manager Information and Technology.*

124/2021(ARIC) *The Committee requested that this item be deferred to the December ARIC meeting to allow time for a more detailed discussion.*

125/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report not be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as it contains matters that may affect the security of Council, Council Officials and Council property.*

**7 PERFORMANCE**

**7.1 Q4 2020/ 2021 - Complaints and Compliments Report**

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**Resolution**

126/2021(ARIC) *The Committee noted the report on Q4 2020/ 2021 - Complaints and Compliments.*

127/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

**Minutes of the Audit Risk and Improvement Committee Meeting of Council 14 September 2021  
contd**

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**8 LEGISLATIVE COMPLIANCE**

**8.1 Governance activities update**

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The Committee discussed Council's Compliance Register, and recommended that Council identify all legislation that is applicable to Council and allocate responsibility for ensuring compliance.

**Resolution**

128/2021(ARIC) *The Committee noted the report on Governance activities.*

129/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report not be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as they contain information that is confidential and unsuitable to be published.*

**8.2 Integrated Planning and Reporting Activities for 2021-22**

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David Milliken, Unit Manager Strategic Planning advised that the end of term report will be going to the 28 September 2021 Council meeting.

Under usual circumstances a full review of the Community Strategic Plan (CSP) would have occurred in 2021 following the local government elections and driven by the newly elected body. However, as Council is currently under Administration and subject to a public inquiry, the elections have been postponed till 2022. Therefore, a comprehensive review of the CSP won't occur until the elections have been held for the Central Coast.

It is proposed to complete a two stage review of the CSP with the first phase being a desktop review to ensure it is fit for purpose for the next 4 year cycle. The second phase will commence once we know when Councillors are returning at which point we will review more holistically. Both phases will require public exhibition.

The development of a Delivery Program is underway which is normally a 4 year plan but due to COVID-19 the next cycle will only be 3 years. A workshop will be held shortly with Unit Managers to start this process.

**Resolution**

130/2021(ARIC) *The Committee noted the report on Integrated Planning and Reporting Activities for 2021-22.*

131/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

**Minutes of the Audit Risk and Improvement Committee Meeting of Council 14 September 2021  
contd**

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**9 FRAUD CONTROL**

**9.1 Report from the Office of the Internal Ombudsman**

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Lilly Mojsin, Senior Internal Ombudsman advised the Committee of changes to some responsibilities relating to complaints handling, and management of Audit Tracker.

**Resolution**

*132/2021(ARIC) The Committee noted the Report from the Office of the Internal Ombudsman.*

*133/2021(ARIC) The Committee recommended that this report not be made publicly available, pursuant to Clause 78(a) of the Audit, Risk and Improvement Committee Charter, as it contains personnel matters concerning particular individuals.*

**10 GENERAL BUSINESS**

**10.1 OLG's Risk Management and Internal Audit Framework**

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The Committee discussed the Risk Management and Internal Audit Framework for NSW Councils which was released on 24 August 2021 for a 3 month consultation period.

Following June 2022, Councils will have two years, until 30 June 2024 to comply with the risk management and internal audit requirements under the guidelines and five years to comply with the audit, risk and improvement committee requirements.

Edward Hock advised that the ARIC Terms of Reference (formerly referred to as the Charter) and constitution of our ARIC Committee is broadly complying in advance of the aforementioned deadline.

**Resolution**

*134/2021(ARIC) The Committee received the verbal update on the Risk Management and Internal Audit Framework.*

**10.2 ARIC Annual work plan**

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The Committee discussed the development of the annual work plan and acknowledged the amount of effort that has been applied in progressing the plan.

The Committee agreed the plan will improve the effectiveness of both ARIC and the whole organisation's management.

Feedback continues to be sought from the relevant stakeholders to ensure that the plan will assist ARIC to comply with its Charter.

**Resolution**

**Minutes of the Audit Risk and Improvement Committee Meeting of Council 14 September 2021  
contd**

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135/2021(ARIC) *The Committee request that a comprehensive report on the ARIC Annual Work Plan be tabled at the December ARIC meeting and that it be circulated for discussion prior to the meeting.*

**10.3 Performance Audit Program**

The Performance Audit Program was discussed and it was identified that there may be a number of audits of interest to the Committee such as *Cyber Security* and *Effectiveness of financial management and governance in selected councils*. It was suggested that David Daniels, NSW Audit Office may be able to provide insight at the next meeting into whether or not Central Coast Council is in the frame for any of those audits and provide details of the proposed program.

**Resolution**

136/2021(ARIC) *The Committee request that David Daniels, NSW Audit Office run through the Performance Audit Program at the December ARIC meeting.*

**The Meeting** closed at 12.59pm.

**Next Meeting**            Tuesday 7 December 2021  
                                 2pm – 5pm  
                                 Microsoft Teams



**Item No:** 1.4  
**Title:** Outstanding Action Items  
**Department:** Corporate Affairs

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7 December 2021 Audit Risk and Improvement Committee Meeting

Reference: F2021/00030 - D14903459  
Author: Kelly Drover, Meeting Support Officer  
Manager: Edward Hock, Unit Manager, Governance and Legal Counsel

### **Recommendation**

- 1 *That the Committee note the report on Outstanding Action Items.*
- 2 *That the Committee make a recommendation that this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

*The information provided in this report is current as at 24/11/2021.*

### **Summary**

A review of the Outstanding Action Items from previous meetings.

### **Key**

**Green** = completed items;

**Blue** = on agenda for 7 December 2021 meeting;

**White** = still pending (not overdue); and

**Red** = overdue

In summary there are:

22 Actions

- 5 Actions have been completed
- 8 Actions are not yet completed and are not overdue
- 1 Action is not completed and is overdue
- 8 Actions will be completed as a result of being on the agenda for this meeting

## 1.4

## Outstanding Action Items (contd)

Item	Meeting Date	Action	Responsible Officer	Status
8.4	1/10/2019	A tour of Council's Water and Sewer Assets for the independent committee members to be scheduled for the week commencing 9 December 2019.	Director Water and Sewer / Advisory Group Support Officer	Tour was scheduled for 5 June 2020 however due to the situation with COVID-19, this has been postponed. On hold until further notice
178/2020 (ARIC)	6/11/2020	The Committee requests that the Senior Internal Ombudsman provide an update on investigations regarding contingency workforce engagement at the next applicable meeting.	Senior Internal Ombudsman	Item deferred to a future ARIC meeting.
22/2021 (ARIC)	10/03/2021	The Committee requested they be provided with copies of Council's monthly Financial reporting to the Office of Local Government.	Director Corporate Affairs	ONGOING  February Monthly Accounts and Cashflow reports emailed to ARIC Members 30/3  March Monthly Accounts and Cashflow reports emailed to ARIC Members 13/5  April and May Monthly Accounts and Cashflow reports emailed to ARIC Members 22/7  June, July and August Monthly Accounts and Cashflow reports emailed to ARIC Members 7/10
60/2021 (ARIC)	24/06/2021	The Committee resolved that a cyber security audit should be undertaken for the IT element of the 2021/22 work program.	Chief Internal Auditor	
62/2021 (ARIC)	24/06/2021	The Committee requested an assessment of performance against the Essential 8.	Unit Manager Information and Technology	Included on agenda under 'IT Update' for 7 December 2021 meeting.

## 1.4

## Outstanding Action Items (contd)

Item	Meeting Date	Action	Responsible Officer	Status
63/2021 (ARIC)	24/06/2021	The Committee requested an update on the controls to manage the IT projects considering the impacts on IT.	Unit Manager Information and Technology	Included on agenda under 'IT Update' for 7 December 2021 meeting.
64/2021 (ARIC)	24/06/2021	The Committee requested an update on the crown jewels in terms of corporate data and how IT identifies and is managing this risk.	Unit Manager Information and Technology	Included on agenda under 'IT Update' for 7 December 2021 meeting.
65/2021 (ARIC)	24/06/2021	The Committee noted the reports issued by the NSW Audit Office and welcome feedback from management on the actions proposed with regard to the ITGC management letter and the issues raised in the engagement closing report as well as a revision of the action dates.	Director Corporate Affairs and Chief Financial Officer	
67/2021 (ARIC)	24/06/2021	The Committee noted the Management Letter from NSW Audit Office - Information Technology General Controls Testing phase for Audit for year ended 30 June 2020 and welcome feedback from management on the actions proposed and the issues raised in the engagement closing report as well as a revision of the action dates.	Director Corporate Affairs and Chief Financial Officer	
78/2021 (ARIC)	24/06/2021	The Committee also requested that the following be established for future meetings based on the Charter: - Annual work plan to be developed - Meeting agendas to be reworked to ensure it aligns with the Charter and obligations of the Committee.	Section Manager Governance Services	Work plan developed. The meeting agenda is being prepared in line with the Charter.
88/2021 (ARIC)	14/09/2021	The Committee noted the following less than significant non-pecuniary declarations from John Gordon, who is also a member of the following	Meeting Support Officer	Added to standing list to be reported to each meeting.

Item	Meeting Date	Action	Responsible Officer	Status
		<p>committees, and noted the standing declarations would be amended to reflect this list:</p> <p>NSW State Government</p> <ul style="list-style-type: none"> <li>• Audit Office of NSW – Independent Member of ARC</li> <li>• NSW Department of Education – Independent Member of ARC</li> <li>• NSW Education Standards Authority (NESA) – Independent Chair of ARC</li> <li>• NSW Healthcare Complaints commission – Independent Chair of ARC</li> </ul> <p>NSW Local Government</p> <ul style="list-style-type: none"> <li>• Camden Council – Independent Member (former Chair) of ARIC</li> <li>• Inner West Council – Independent Chair of ARIC</li> <li>• Liverpool City Council – Independent Member of ARIC</li> <li>• Shoalhaven Council – Independent Member of ARIC</li> <li>• Sutherland Shire Council – Independent Chair of ARIC</li> <li>• Waverley Council – Independent Member of ARIC</li> <li>• Woollahra Council – Independent Member (former Chair) of ARIC</li> </ul>		
96/2021 (ARIC)	14/09/2021	The Committee requested a briefing be provided at a future meeting on what level the bottom line reporting goes to and an understanding of how the financial reporting is going back to the business and how that data is being used to manage the business properly to the bottom line.	Director Corporate Affairs and Chief Financial Officer	

Item	Meeting Date	Action	Responsible Officer	Status
99/2021 (ARIC)	14/09/2021	The Committee recommended that Council adopt the 2020-2021 Draft Consolidated Financial Statements for Central Coast Council that include General Purpose Financial Statements, Special Purpose Financial Statements and Special Schedules and refer them to audit.	Director Corporate Affairs and Chief Financial Officer	Reported to the 12 October 2021 Council Meeting where Council resolved, in part:  <i>That Council resolve, for the purposes of s. 413(1) of the LG Act, to refer the draft Consolidated Financial Reports for Central Coast Council and the draft Financial Reports for Central Coast Council Water Supply Authority for the period from 1 July 2020 to 30 June 2021 to the Audit Office of New South Wales, for external audit.</i>
100/2021 (ARIC)	14/09/2021	The Committee recommended that Council adopt the 2020-2021 Central Coast Council Water Supply Authority General Purpose Draft Financial Statements and refer them to audit.	Director Corporate Affairs and Chief Financial Officer	Reported to the 12 October 2021 Council Meeting where Council resolved, in part:  <i>That Council resolve, for the purposes of s. 413(1) of the LG Act, to refer the draft Consolidated Financial Reports for Central Coast Council and the draft Financial Reports for Central Coast Council Water Supply Authority for the period from 1 July 2020 to 30 June 2021 to the Audit Office of New South Wales, for external audit.</i>
101/2021 (ARIC)	14/09/2021	The Committee requested a report be provided to a future ARIC meeting on Council's insurance arrangements.	Unit Manager Governance and Legal Counsel	

## 1.4 Outstanding Action Items (contd)

Item	Meeting Date	Action	Responsible Officer	Status
104/2021 (ARIC)	14/09/2021	The Committee requested a report be provided at a future meeting by the Unit Manager Governance and Legal Counsel on the proposed Outsourced function including the risks, budget and an organisation diagram.	Unit Manager Governance and Legal Counsel	
107/2021 (ARIC)	14/09/2021	The Committee requested that in regard to Issue 2 – Framework and documentation outlining the Council's understanding of restrictions, that the policy document and tracking spreadsheet be presented to the next ARIC meeting after they are available.	Director Corporate Affairs and Chief Financial Officer	
115/2021 (ARIC)	14/09/2021	The Committee request that the update on investigations regarding contingency workforce engagement be deferred to a future ARIC meeting.	Senior Internal Ombudsman	
119/2021 (ARIC)	14/09/2021	The Committee requested a one hour meeting be held before all future Ordinary ARIC meetings with the Unit Manager Governance and Legal Counsel and Enterprise Risk Manager providing a Risk briefing to the Committee.	Unit Manager Governance and Legal Counsel / Meeting Support Officer	Meetings scheduled.
124/2021 (ARIC)	14/09/2021	In regard to Item 6.3 IM&T Update, The Committee requested that this item be deferred to the December ARIC meeting to allow time for a more detailed discussion.	Unit Manager Information and Technology	Included on agenda for 7 December 2021 meeting.
135/2021 (ARIC)	14/09/2021	The Committee request that a comprehensive report on the ARIC Annual Work Plan be tabled at the December ARIC meeting and that it be circulated for discussion prior to the meeting.	Unit Manager Governance and Legal Counsel / Meeting Support Officer	Included on agenda for 7 December 2021 meeting.

#### 1.4 Outstanding Action Items (contd)

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Item	Meeting Date	Action	Responsible Officer	Status
136/2021 (ARIC)	14/09/2021	The Committee request that David Daniels, NSW Audit Office run through the Performance Audit Program at the December ARIC meeting.	NSW Audit Office	Included on agenda for 7 December 2021 meeting.

#### Attachments

*Nil.*



**Item No:** 2.1  
**Title:** General Finance Update  
**Department:** Corporate Affairs

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7 December 2021 Audit Risk and Improvement Committee Meeting

Reference: F2020/03205 - D14942197  
Author: Peter Correy, Unit Manager, Finance  
Executive: Natalia Cowley, Director Corporate Affairs and Chief Financial Officer

## **Recommendation**

- 1 *That the Committee note the report on General Finance Update.*
- 2 *That the Committee make a recommendation that this report and the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

*The information provided in this report is current as at 18/11/2021.*

## **Summary**

This report presents the summary position of Council's Financial position for the financial year-to-date 31 October and forecasts to 30 June 2022.

## **Background**

The monthly financial reports have been prepared in accordance with the requirements of the Local Government Act 1993 ("LG Act"), the Local Government (General) Regulation 2005 ("LG Reg"), 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**

The report provides a general finance update of Council's financial position addressing the following key areas:

- Financial performance of Council – October 2021 YTD
- Current cash position and 30 June 2022 forecast
- Update on restricted/unrestricted funds balances and Council's policy for managing funds.
- Update on finance facilities
- Update on land sales

### Consultation

In the preparation and finalisation of the information contained in the report, all business areas of Council contributed to the information contained within the financial reports.

### Financial Performance October 2021 year-to-date

#### Consolidated Entity Summary Commentary

##### Net Result

- YTD net result (including capital revenues) at 31 October 2021 was a surplus of \$28.8M compared to the budget surplus of \$11.0M.
- Council's YTD operating surplus (excluding capital revenue) was a surplus of \$16.6M compared to the budget deficit of \$0.5M.

##### Operating Revenue

- \$8.5M under budget
- Revenue was under budget for the following:
  - Internal revenue \$7.9M
  - User charges and fees \$1.8M
  - Operating grants and contributions \$0.8M
- Offset by increases in
  - Rates and annual charges \$0.7M
  - Other revenue \$1.1M
  - Interest \$0.2M

##### Operating Expenses

- \$25.6M under budget
- Cost savings were achieved in all expenditure line items:
  - Employee costs \$6.1M
  - Materials and Services \$8.1M
  - Depreciation and Amortisation \$6.7M
  - Other general expenditure \$1.0M
  - Internal expenses \$3.6M
  - Borrowing costs \$0.1M

## 2.1 General Finance Update (contd)

	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
<b>Operating Income</b>										
Rates and Annual Charges	30,139	29,575	564	119,014	118,328	686	109,783	331,384	361,871	362,210
User Charges and Fees	10,472	11,585	(1,113)	42,644	44,489	(1,845)	44,382	139,105	140,269	141,332
Other Revenue	1,452	551	900	3,504	2,069	1,435	2,760	12,666	9,196	10,122
Interest	659	362	297	1,631	1,447	183	1,962	5,598	4,442	4,442
Grants and Contributions	498	440	58	6,799	7,545	(746)	15,423	42,409	49,491	42,176
Gain on Disposal	-	-	-	-	-	-	-	2,609	-	-
Other Income	365	638	(274)	2,385	2,670	(284)	2,711	8,214	8,056	7,621
Internal Revenue	5,534	7,218	(1,683)	22,250	30,149	(7,900)	28,860	74,557	93,467	72,955
<b>Total Income attributable to Operations</b>	<b>49,119</b>	<b>50,370</b>	<b>(1,251)</b>	<b>198,228</b>	<b>206,697</b>	<b>(8,470)</b>	<b>205,880</b>	<b>616,542</b>	<b>666,792</b>	<b>640,858</b>
<b>Operating Expenses</b>										
Employee Costs	12,648	13,599	951	50,802	56,904	6,102	67,485	222,617	175,833	172,594
Borrowing Costs	941	960	19	3,959	4,053	94	4,513	16,414	17,471	12,689
Materials and Contracts	10,492	11,889	1,397	45,639	53,753	8,115	57,549	181,128	175,793	182,003
Depreciation and Amortisation	12,117	14,232	2,115	50,388	57,103	6,716	51,913	183,192	177,106	170,021
Other Expenses	2,209	2,595	386	11,105	12,085	980	11,810	36,059	39,192	37,712
Loss on Disposal	-	-	-	-	-	-	-	9,660	-	-
Internal Expenses	4,481	5,707	1,225	19,736	23,289	3,552	21,998	59,051	74,354	62,746
Overheads	0	0	-	(0)	(0)	-	(0)	(0)	0	(0)
<b>Total Expenses attributable to Operations</b>	<b>42,889</b>	<b>48,983</b>	<b>6,095</b>	<b>181,629</b>	<b>207,188</b>	<b>25,559</b>	<b>215,268</b>	<b>708,121</b>	<b>659,749</b>	<b>637,765</b>
<b>Operating Result after Overheads and before Capital Amounts</b>	<b>6,230</b>	<b>1,387</b>	<b>4,843</b>	<b>16,599</b>	<b>(491)</b>	<b>17,089</b>	<b>(9,388)</b>	<b>(91,578)</b>	<b>7,043</b>	<b>3,094</b>
Capital Grants	1,882	-	1,882	7,252	-	7,252	8,757	36,893	8,445	45,644
Capital Contributions	1,665	2,870	(1,205)	4,970	11,482	(6,512)	6,851	46,810	34,445	22,031
<b>Grants and Contributions Capital Received</b>	<b>3,547</b>	<b>2,870</b>	<b>677</b>	<b>12,222</b>	<b>11,482</b>	<b>740</b>	<b>15,609</b>	<b>83,703</b>	<b>42,890</b>	<b>67,675</b>
<b>Net Operating Result</b>	<b>9,777</b>	<b>4,257</b>	<b>5,520</b>	<b>28,820</b>	<b>10,991</b>	<b>17,829</b>	<b>6,221</b>	<b>(7,875)</b>	<b>49,933</b>	<b>70,769</b>

### Capital Expenditure

At 31 October Council was working on 454 projects, 326 of which were in line with or under budget by \$18.9M, offset by 128 projects over budget by \$6.1M.

The Monthly Finance Report as at 31 October 2021 is Attachment D14938308 to this Report.

### Current cash position and 30 June 2022 forecast

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

## 2.1 General Finance Update (contd)

CASH FLOW MOVEMENTS	Actual YTD @	Rolling Forecast	YTD	Revised Forecast	Original Forecast
	31 October	@ 31 October	Movement	@ 30 June 2022	@ 30 June 2022
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening cash &amp; investments @ 1 July 2021</b>	484,418	484,418		484,418	484,418
Income receipts (incl Capital grants & contributions)	234,973	238,422	(3,449)	721,862	730,192
Operational payments	(159,015)	(177,867)	18,852	(511,217)	(517,489)
<b>Net operating cash inflow / (outflow)</b>	<b>75,958</b>	<b>60,555</b>	<b>15,402</b>	<b>210,646</b>	<b>212,703</b>
Capital projects payments	(28,516)	(33,960)	5,444	(174,212)	(175,040)
Asset sales	6,310	5,798	512	6,310	0
Financing receipts	309	0	309	12,779	1,658
Financing repayments	(3,199)	(5,902)	2,703	(39,540)	(41,197)
<b>Total cash inflow / (outflow)</b>	<b>50,862</b>	<b>26,491</b>	<b>24,371</b>	<b>15,982</b>	<b>(1,876)</b>
<b>Closing cash &amp; investments @ 31 October 2021</b>	<b>535,280</b>	<b>510,909</b>	<b>24,371</b>	<b>500,400</b>	<b>482,542</b>
Represented by:					
Externally restricted cash	337,720	330,010	7,710	294,805	336,284
Internally restricted cash	92,109	93,093	(984)	92,109	92,899
Unrestricted cash	102,440	87,807	14,633	113,487	53,359
<b>Total cash</b>	<b>532,268</b>	<b>510,909</b>	<b>21,359</b>	<b>500,400</b>	<b>482,542</b>

Council's consolidated detailed cash flow is Attachment D14946417

### Restricted / unrestricted funds balances

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 \$182.7M categorised as:

- S7.11 Contributions \$137.2M
- S7.12 Levies \$ 18.7M
- S7.4 Planning agreements \$ 5.6M
- S64 Contributions – Water \$ 2.2M
- S64 Contributions – Sewer \$ 19.0M

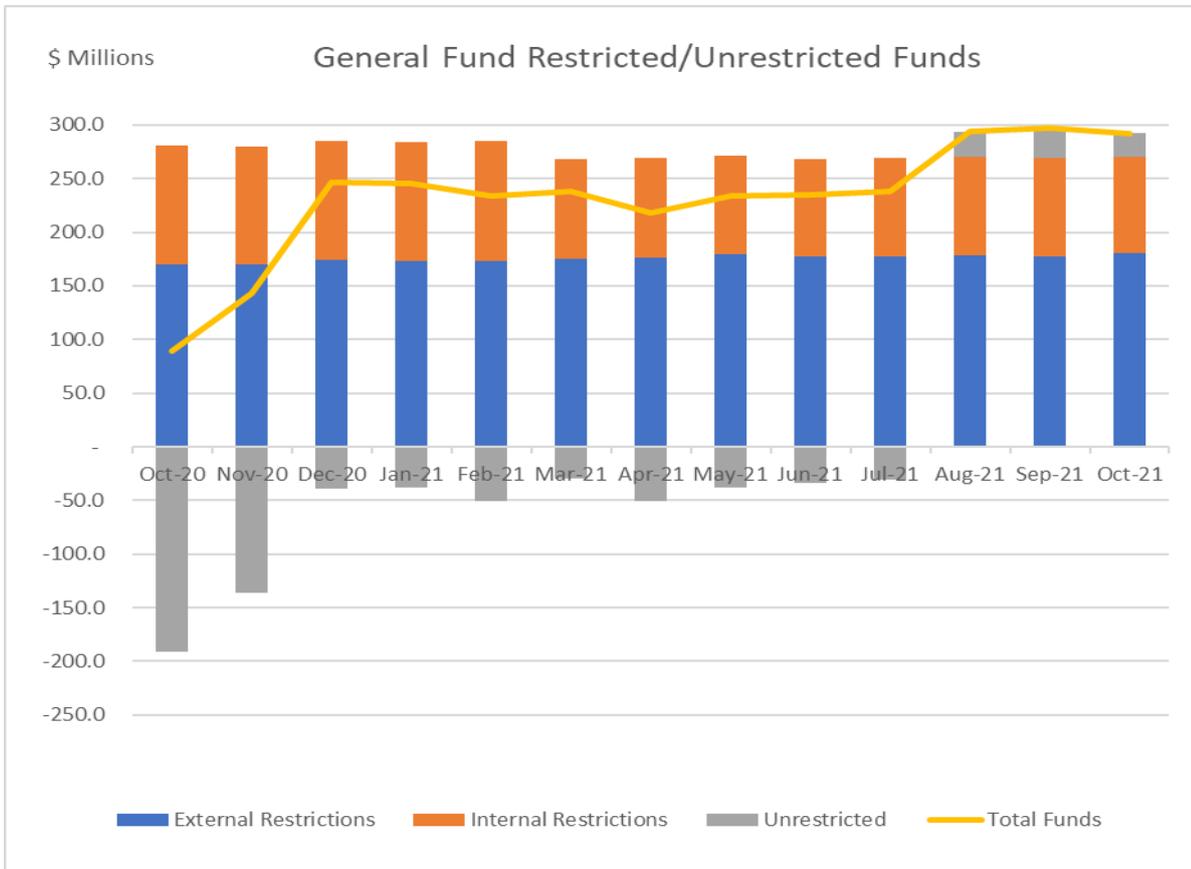
Fund \$'000	General Fund	Water Fund	Sewer Fund	Drainage Fund	Waste Fund
External Restricted Funds	\$180,560	\$6,521	\$21,653	\$36,478	\$92,507
Internal Restricted Funds	\$90,150	\$1,026	\$877	\$55	-
Total Restricted Funds	\$270,710	\$7,547	\$22,530	\$36,533	\$92,507
Unrestricted Funds	\$21,153	(\$7,873)	\$113,320	(\$36,529)	\$12,370
<b>Total funds by Fund</b>	<b>\$291,863</b>	<b>(\$326)</b>	<b>\$135,850</b>	<b>\$4</b>	<b>\$104,877</b>

Through external funding and rationalisation of internal restricted fund balances, the previously reported negative unrestricted general fund balance has progressively reduced.

## 2.1 General Finance Update (contd)

The return to a positive balance in unrestricted funds in August was attributable to rates and charges received during the month.

Council's Investment Report for October is Attachment D14942215 to this Report.

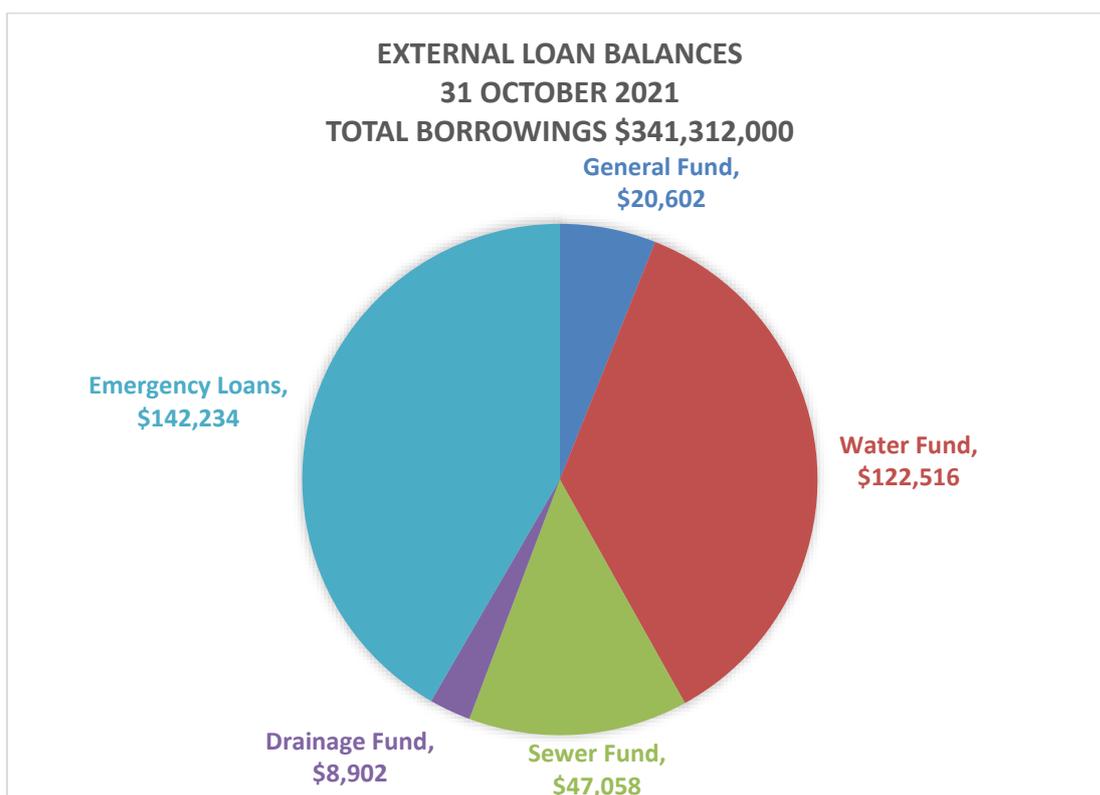


Council's General Fund restricted / unrestricted cash position and forecast to 30 June 2022 is Attachment D14946418 to this Report.

### Finance Facilities

External borrowings are currently \$341.3M.

## 2.1 General Finance Update (contd)



### Land Sales Program

As of the writing of this report, the list of properties sold are as follows.

Property Address	Lot/DP	Settlement Date	Valuation Price	Sale Price
18 Dunvegan Street, Mannering Park	Lot 154 DP 218427	1/06/2021	\$240,000	\$240,000
44 Springall Ave, Wyongah	Lot 210 DP 26178	2/06/2021	\$325,000	\$420,000
6 Wyndora Ave, San Remo	Lot 10 DP 1207459	4/06/2021	\$280,000	\$280,000
165 Main Road, Toukley	Lot 3 DP 22986	4/06/2021	\$530,000	\$660,000
9 Thompson Street, Long Jetty	Lot 21 Sec 1 DP 13225	4/06/2021	\$475,000	\$475,000
3 Bounty Close, Tuggerah*	Lot 2073 DP 1052715	21/06/2021	\$652,088	\$652,000
1a Lucca Road, Wyong	Lot 24 DP 1220033	19/07/2021	\$2,500,000	\$4,850,000
11-23 Wyong Road, Tuggerah	Lots 15-21 DP 25373	11/11/2021	\$130,000	\$130,000
<b>TOTAL VALUE</b>		<b>As of 11/11/2021</b>	<b>\$5,132,088</b>	<b>\$7,707,000</b>

Council's Land Sales Program report presented to Council on 22 November 2021 is Attachment D14946438 to this Report

**Attachments**

1		Financial Performance - Monthly Finance Report October 2021	D14938308
2		Consolidated Cash Flow October 2021	D14946417
3		General Fund Restricted / Unrestricted Cash	D14946418
4		Investment Report October 2021	D14942215
5		Council's Land Sales Program	D14946438



Central Coast Council  
Monthly Finance Report  
October 2021

Peter Correy  
23 November 2021



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Financial Performance

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Monthly Finance Report October 2021

Date: 15 November 2021

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Financial Performance – Monthly Finance Report October 2021

## Financial Performance

### Monthly Finance Report October 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:

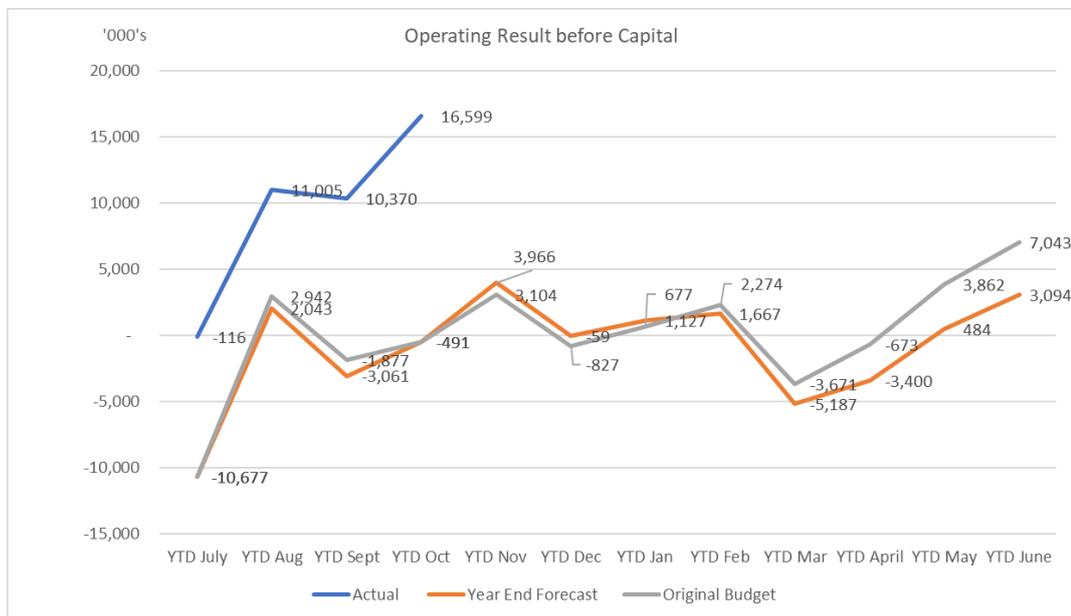
- Year to date trading position for the consolidated entity, water and sewer funds and general/drainage/waste funds.
- Consolidated entity summary commentary with revenue and expenditure graphs
- Detailed consolidated results with commentary
- Summary capital expenditure by Directorate and funding source
- 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	198,228	206,697	(8,470)	(4.1%)	640,858	666,792
Operating Expense	181,629	207,188	25,559	12.3%	637,765	659,749
Operating Surplus/(Deficit)	16,599	(491)	17,089		3,094	7,043
Capital Revenue	12,222	11,482	740	6.4%	67,675	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	28,820	10,991	17,829		70,769	49,933
Work in Progress	29,346	42,125	12,779	30.3%	172,752	175,040
Total Capital Expenditure	29,346	42,125	12,779		172,752	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	49,895	49,246	649	1.3%	151,540	151,540
Operating Expense	51,254	54,900	3,646	6.6%	162,804	163,175
Operating Surplus/(Deficit)	(1,359)	(5,653)	4,295		(11,263)	(11,635)
Capital Revenue	2,904	4,011	(1,107)	-27.6%	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	1,546	(1,643)	3,188		3,804	2,898
Work in Progress	10,644	18,417	7,773	42.2%	62,026	65,358
Total Capital Expenditure	10,644	18,417	7,773		62,026	65,358

Financial Performance – Monthly Finance Report October 2021

GENERAL, DRAINAGE & WASTE TRADING SUMMARY						
	YTD				Year End Forecast	Original Full Year Budget
	Actuals	Current Budget	Variance	Variance		
	'000s	'000s	'000s	%		
Operating Revenue	148,332	157,451	(9,119)	(5.8%)	489,318	515,252
Operating Expense	130,375	152,288	21,913	14.4%	474,961	496,574
Operating Surplus/(Deficit)	17,957	5,163	12,794		14,357	18,678
Capital Revenue	9,318	7,471	1,847	24.7%	52,608	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	27,275	12,634	14,641		66,965	47,035
Work in Progress	18,702	23,708	5,006	21.1%	110,726	109,682
Total Capital Expenditure	18,702	23,708	5,006		110,726	109,682



**Consolidated Entity Summary Commentary**

**Net Result**

- YTD net result (including capital revenues) at 31 October 2021 was a surplus of \$28.8M compared to the budget surplus of \$11.0M.
- Council's YTD operating surplus (excluding capital revenue) was a surplus of \$16.6M compared to the budget deficit of \$0.5M.

**Operating Revenue**

- \$8.5M under budget
- Revenue was under budget for the following:
  - Internal revenue \$7.9M
  - User charges and fees \$1.8M
  - Operating grants and contributions \$0.8M
- Offset by increases in

Financial Performance – Monthly Finance Report October 2021

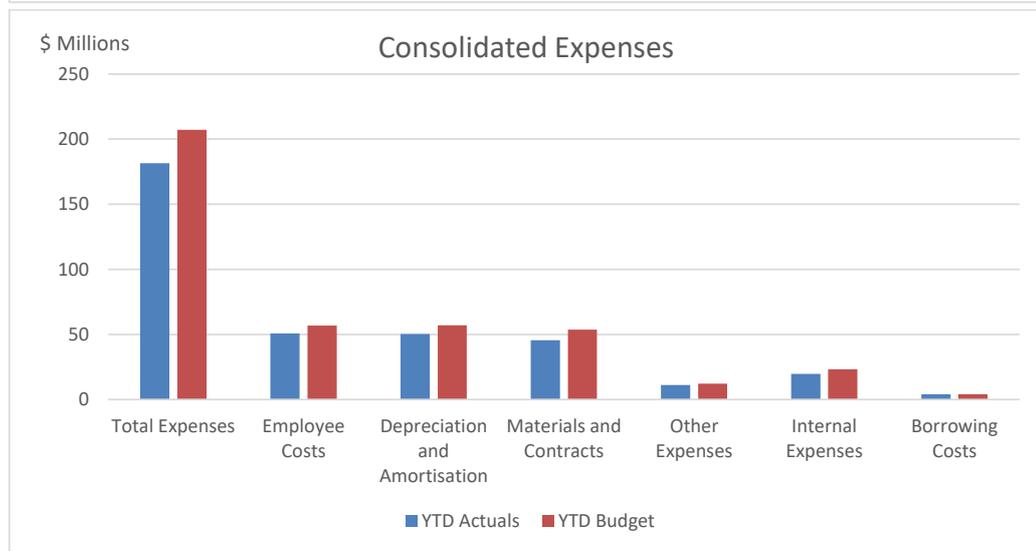
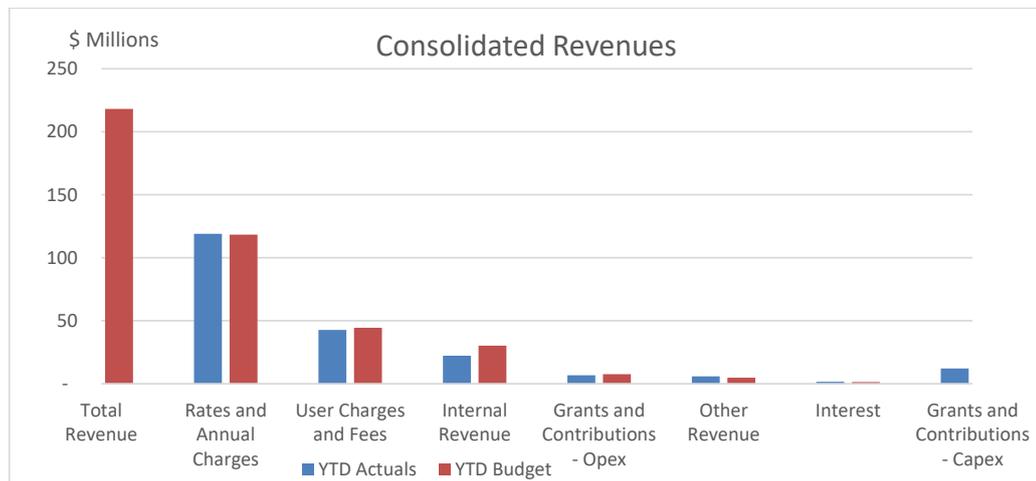
- Rates and annual charges \$0.7M
- Other revenue \$1.1M
- Interest \$0.2M

**Operating Expenses**

- \$25.6M under budget
- Cost savings were achieved in all expenditure line items:
  - Employee costs \$6.1M
  - Materials and Services \$8.1M
  - Depreciation and Amortisation \$6.7M
  - Other general expenditure \$1.0M
  - Internal expenses \$3.6M
  - Borrowing costs \$0.1M

**Capital Expenditure**

At 31 October Council was working on 454 projects, 326 of which were in line with or under budget by \$18.9M, offset by 128 projects over budget by \$6.1M.



## Financial Performance – Monthly Finance Report October 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
<b>Operating Income</b>										
Rates and Annual Charges	30,139	29,575	564	119,014	118,328	686	109,783	331,384	361,871	362,210
User Charges and Fees	10,472	11,585	(1,113)	42,644	44,489	(1,845)	44,382	139,105	140,269	141,332
Other Revenue	1,452	551	900	3,504	2,069	1,435	2,760	12,666	9,196	10,122
Interest	659	362	297	1,631	1,447	183	1,962	5,598	4,442	4,442
Grants and Contributions	498	440	58	6,799	7,545	(746)	15,423	42,409	49,491	42,176
Gain on Disposal	-	-	-	-	-	-	-	2,609	-	-
Other Income	365	638	(274)	2,385	2,670	(284)	2,711	8,214	8,056	7,621
Internal Revenue	5,534	7,218	(1,683)	22,250	30,149	(7,900)	28,860	74,557	93,467	72,955
<b>Total Income attributable to Operations</b>	<b>49,119</b>	<b>50,370</b>	<b>(1,251)</b>	<b>198,228</b>	<b>206,697</b>	<b>(8,470)</b>	<b>205,880</b>	<b>616,542</b>	<b>666,792</b>	<b>640,858</b>
<b>Operating Expenses</b>										
Employee Costs	12,648	13,599	951	50,802	56,904	6,102	67,485	222,617	175,833	172,594
Borrowing Costs	941	960	19	3,959	4,053	94	4,513	16,414	17,471	12,689
Materials and Contracts	10,492	11,889	1,397	45,639	53,753	8,115	57,549	181,128	175,793	182,003
Depreciation and Amortisation	12,117	14,232	2,115	50,388	57,103	6,716	51,913	183,192	177,106	170,021
Other Expenses	2,209	2,595	386	11,105	12,085	980	11,810	36,059	39,192	37,712
Loss on Disposal	-	-	-	-	-	-	-	9,660	-	-
Internal Expenses	4,481	5,707	1,225	19,736	23,289	3,552	21,998	59,051	74,354	62,746
Overheads	0	0	-	(0)	(0)	-	(0)	(0)	0	(0)
<b>Total Expenses attributable to Operations</b>	<b>42,889</b>	<b>48,983</b>	<b>6,095</b>	<b>181,629</b>	<b>207,188</b>	<b>25,559</b>	<b>215,268</b>	<b>708,121</b>	<b>659,749</b>	<b>637,765</b>
<b>Operating Result after Overheads and before Capital Amounts</b>	<b>6,230</b>	<b>1,387</b>	<b>4,843</b>	<b>16,599</b>	<b>(491)</b>	<b>17,089</b>	<b>(9,388)</b>	<b>(91,578)</b>	<b>7,043</b>	<b>3,094</b>
Capital Grants	1,882	-	1,882	7,252	-	7,252	8,757	36,893	8,445	45,644
Capital Contributions	1,665	2,870	(1,205)	4,970	11,482	(6,512)	6,851	46,810	34,445	22,031
<b>Grants and Contributions Capital Received</b>	<b>3,547</b>	<b>2,870</b>	<b>677</b>	<b>12,222</b>	<b>11,482</b>	<b>740</b>	<b>15,609</b>	<b>83,703</b>	<b>42,890</b>	<b>67,675</b>
<b>Net Operating Result</b>	<b>9,777</b>	<b>4,257</b>	<b>5,520</b>	<b>28,820</b>	<b>10,991</b>	<b>17,829</b>	<b>6,221</b>	<b>(7,875)</b>	<b>49,933</b>	<b>70,769</b>

## Revenue

- Rates and Annual Charges  
Favourable variance of \$0.7M 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 has been corrected as part of quarterly Q1 budget review and will be adjusted from November.
- User Charges and Fees  
A mixture of favourable and unfavourable variances has given rise to a net unfavourable variance of \$1.8M. Closure or reduced activity due to COVID 19 has impacted holiday parks (\$0.8M) and waste management (\$1.8M) fees, offset in part by an increase in development assessment fees \$0.6M.
- Other Revenue  
Favourable variance of \$1.4M due principally to legal cost recoveries \$1.2M.
- Interest  
Favourable variance of \$0.2M

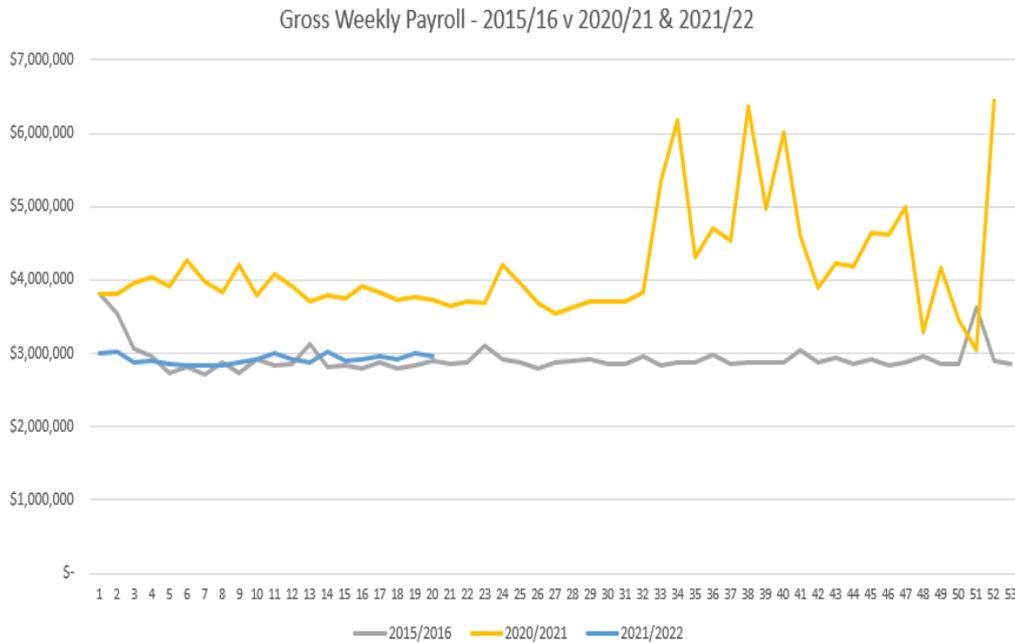
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- Operating Grants and Contributions  
Unfavourable variance of \$0.7M due primarily to reduced childcare grants and contributions
- Other income  
Unfavourable variance of \$0.3M due to reduced commercial property income and community facility hire income driven by COVID 19.
- Internal Revenue  
Unfavourable variance of \$7.9M due to lower recovery from Capex activities aligned to Council's plant and fleet (\$6.1M), reduced Facilities Management charges (\$0.8M) and internal tipping income (\$0.7M).
- Capital Grants  
Favourable variance of \$7.3M due to timing of works on capital projects in Infrastructure Services, Water and Sewer.
- Capital Contributions  
Unfavourable variance of \$6.5M due to reduction in Sec. 7.11 contributions \$3.5M and reduced Sec. 64 contributions \$3.0M for water and sewer.

**Expenditure**

- Employee Costs  
Favourable variance of \$6.1M 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 \$8.1M 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 \$6.7M due to the timing of capitalising WIP. Capitalisation of assets will commence when the asset register is rolled at conclusion of external audit. It is expected that this will result in a \$5.3M adjustment.
- Other Expenses  
Favourable variance of \$1.0M with savings in EPA waste levy (\$0.7M) and contributions to State Government Agencies (\$0.3M).
- Borrowing costs  
Small favourable variance of \$0.1M
- Internal Expenses  
Favourable variance of \$3.6M due to lower charges for plant and fleet \$2.5M, facilities management charges \$0.9M and electricity \$0.4M, offset by increased IT recovery costs (\$0.3M).

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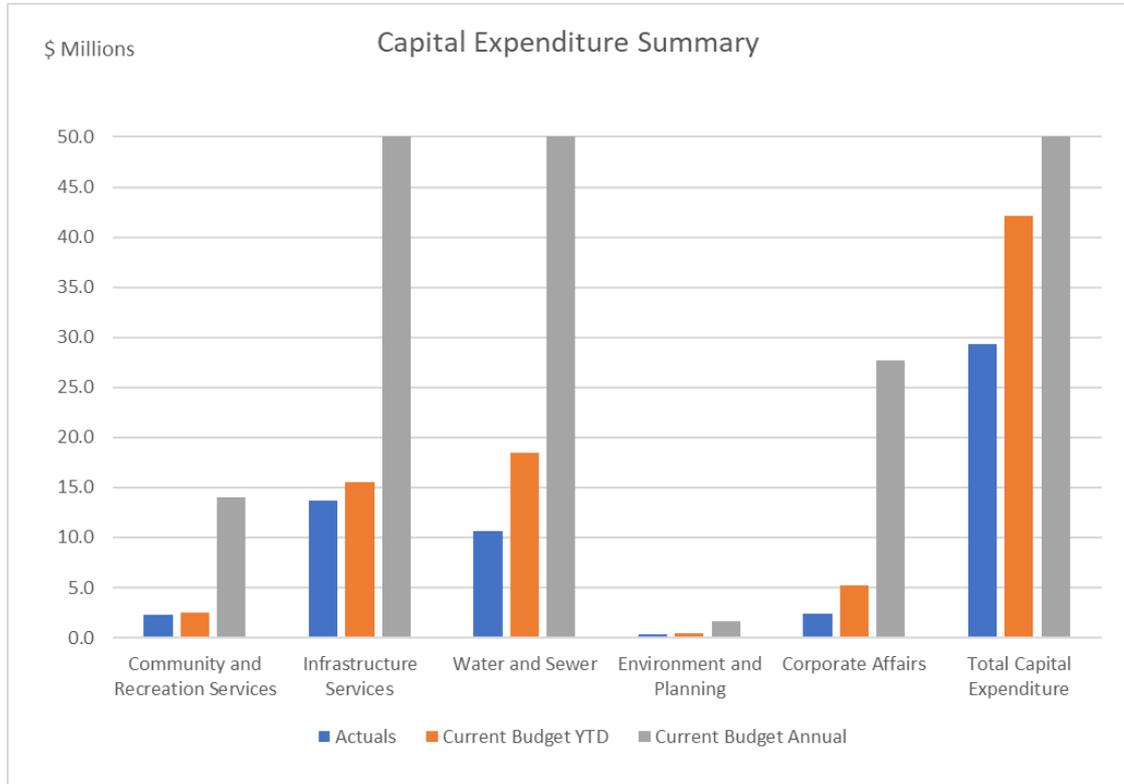


Summary Capital Expenditure by Directorate and Funding Source

Department	YTD				Annual
	Actuals	Current Budget	Variance	Variance	Current Budget
	'000s	'000s	'000s	%	'000s
Community and Recreation Services	2,271	2,487	(216)	(8.7%)	14,818
Infrastructure Services	13,731	15,580	(1,849)	(11.9%)	69,717
Water and Sewer	10,644	18,417	(7,773)	(42.2%)	62,026
Environment and Planning	325	471	(146)	(31.0%)	1,835
Corporate Affairs	2,375	5,170	(2,795)	(54.1%)	24,356
<b>Total Capital Expenditure</b>	<b>29,346</b>	<b>42,125</b>	<b>(12,779)</b>	<b>(30.3%)</b>	<b>172,752</b>

YTD Actuals by funding source				
Department	Grants	Contributions	Restricted Funds	General Revenue
	'000s	'000s	'000s	'000s
Community and Recreation Services	1,240	126	0	904
Infrastructure Services	4,032	101	4,140	5,459
Water and Sewer	1,243	0	890	8,512
Environment and Planning	19	0	0	306
Corporate Affairs	5	12	212	2,145
<b>Total Capital Expenditure</b>	<b>6,539</b>	<b>239</b>	<b>5,242</b>	<b>17,326</b>

**Capital Expenditure Summary**



**Donated (non-cash) Assets**

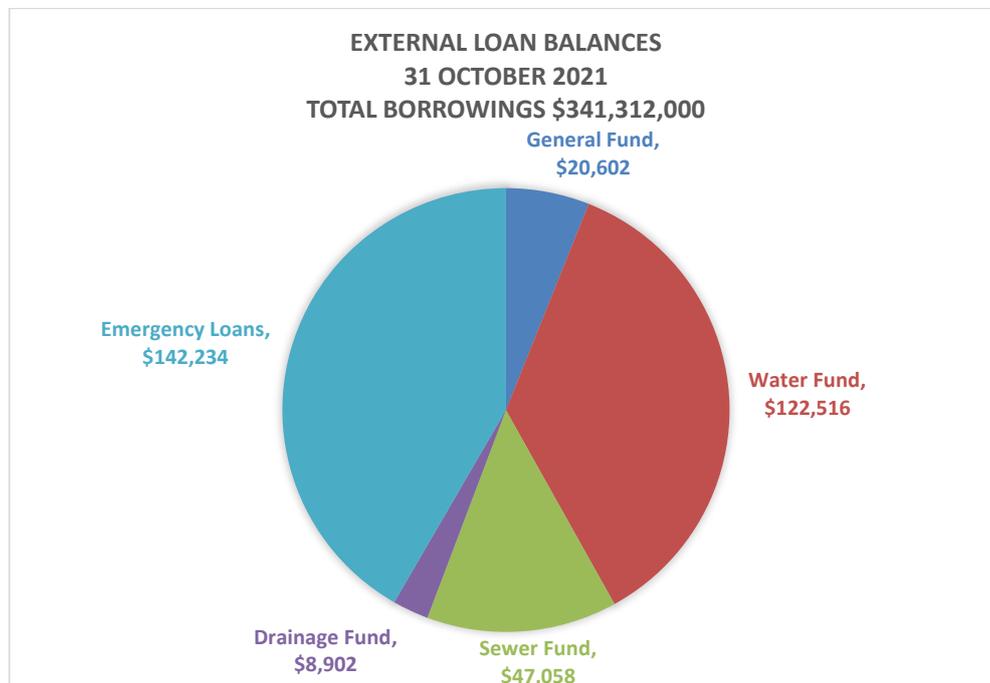
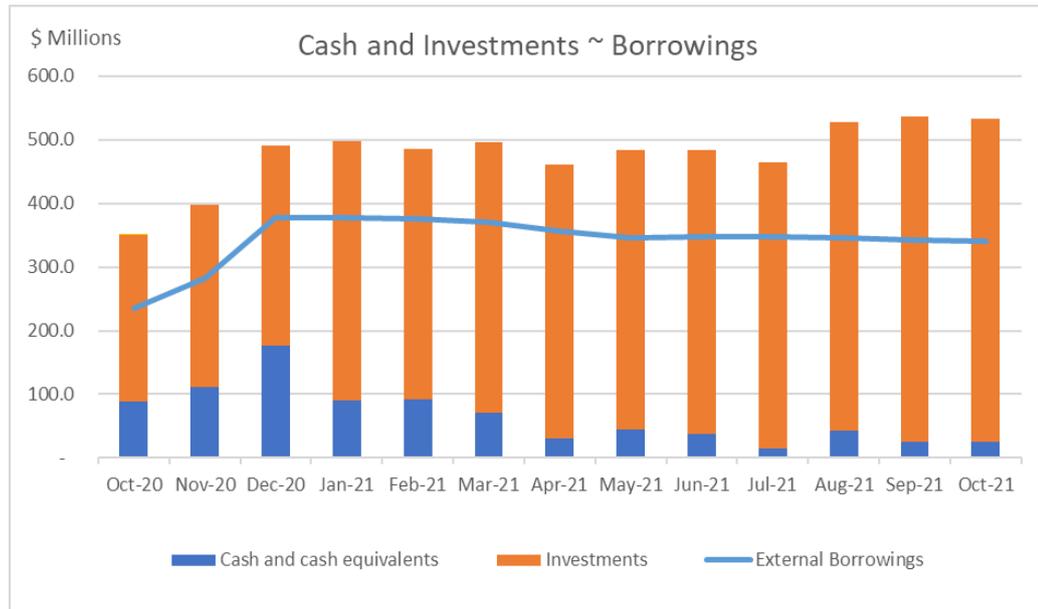
There were no donated assets during October.

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**Cash/Investments and Borrowings**

Cash balance at 31 October is \$532.3M, a decrease of \$3.7M from 30 September. Normal cash inflows were adequate to meet Council’s expenditure.

External borrowings are currently \$341.3M.



## Financial Performance – Monthly Finance Report October 2021

## YTD Cashflow Summaries

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

	Actual YTD @ 31 October \$'000	Rolling Forecast @ 31 October \$'000	YTD Movement \$'000	Revised Forecast @ 30 June 2022	Original Forecast @ 30 June 2022
<b>CASH FLOW MOVEMENTS</b>					
<b>Opening cash &amp; investments @ 1 July 2021</b>	484,418	484,418		484,418	484,418
Income receipts (incl Capital grants & contributions)	234,973	238,422	(3,449)	721,862	730,192
Operational payments	(159,015)	(177,867)	18,852	(511,217)	(517,489)
<b>Net operating cash inflow / (outflow)</b>	75,958	60,555	15,402	210,646	212,703
Capital projects payments	(28,516)	(33,960)	5,444	(174,212)	(175,040)
Asset sales	6,310	5,798	512	6,310	0
Financing receipts	0	0	0	12,779	1,658
Financing repayments	(5,902)	(5,902)	0	(39,540)	(41,197)
<b>Total cash inflow / (outflow)</b>	47,850	26,491	21,359	15,982	(1,876)
<b>Closing cash &amp; investments @ 31 October 2021</b>	<b>532,268</b>	<b>510,909</b>	<b>21,359</b>	<b>500,400</b>	<b>482,542</b>
Represented by:					
Externally restricted cash	337,720	330,010	7,710	294,805	336,284
Internally restricted cash	92,109	93,093	(984)	92,109	92,899
Unrestricted cash	102,440	87,807	14,633	113,487	53,359
<b>Total cash</b>	<b>532,268</b>	<b>510,909</b>	<b>21,359</b>	<b>500,400</b>	<b>482,542</b>

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

<b>ACTUAL v FORECAST MONTHLY CASH FLOW</b>	October Actual \$'000	31 December Forecast \$'000 \$'000	Forecast \$'000 \$'000	Forecast \$'000 \$'000
<b>GENERAL FUND</b>				
<b>Opening cash &amp; investments @ 1 July 2021</b>	248,959	248,959	248,959	248,959
Income receipts (incl Capital grants & contributions)	152,704	215,359	325,729	458,267
Operational payments	(95,902)	(160,004)	(242,087)	(331,235)
<b>Net operating cash inflow / (outflow)</b>	56,801	55,355	83,642	127,032
Capital projects payments	(17,317)	(37,584)	(67,981)	(98,377)
Asset sales	6,310	6,310	6,310	6,310
Financing receipts	309	309	309	309
Financing repayments	(3,199)	(5,996)	(8,621)	(11,711)
<b>Total cash inflow / (outflow)</b>	42,905	18,394	13,659	23,562
<b>Closing cash &amp; investments</b>	<b>291,863</b>	<b>267,353</b>	<b>262,618</b>	<b>272,521</b>
Represented by:				
Externally restricted cash	180,560	174,201	160,203	149,177
Internally restricted cash	90,150	90,150	90,150	90,150
Unrestricted cash	21,153	3,002	12,265	33,194
<b>Total cash</b>	<b>291,863</b>	<b>267,353</b>	<b>262,618</b>	<b>272,521</b>

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**Restricted/Unrestricted Funds**

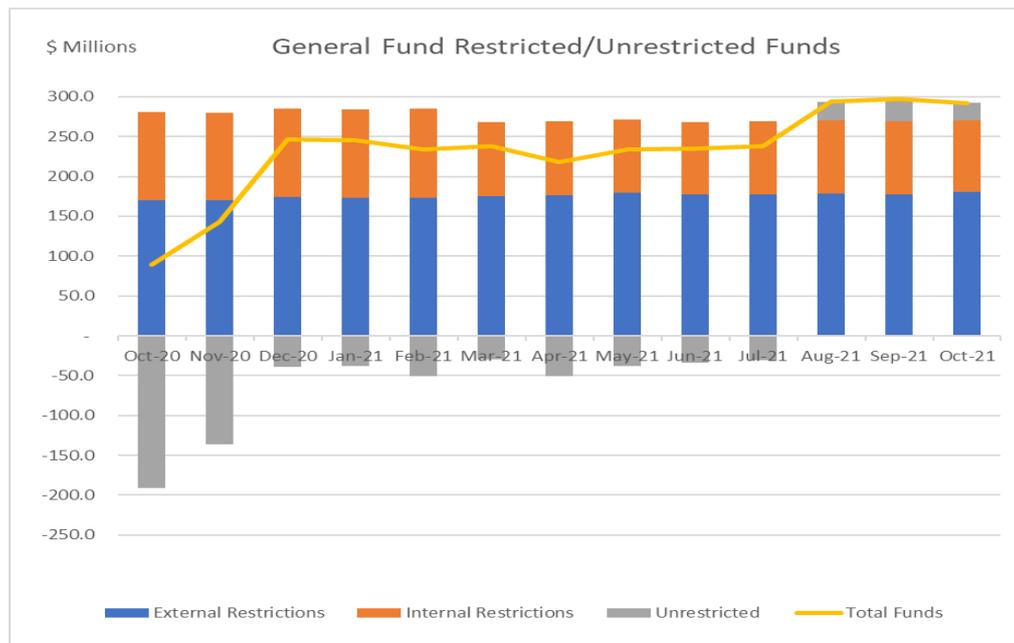
Council’s cash and investment portfolio is held in separate funds as detailed below. These funds are categorised as externally restricted, internally restricted and unrestricted.

Externally restricted funds include developer contributions of \$182.7M categorised as:

- S7.11 Contributions \$137.2M
- S7.12 Levies \$ 18.7M
- S7.4 Planning agreements \$ 5.6M
- S64 Contributions – Water \$ 2.2M
- S64 Contributions – Sewer \$ 19.0M

Fund \$'000	General Fund	Water Fund	Sewer Fund	Drainage Fund	Waste Fund
External Restricted Funds	\$180,560	\$6,521	\$21,653	\$36,478	\$92,507
Internal Restricted Funds	\$90,150	\$1,026	\$877	\$55	-
Total Restricted Funds	\$270,710	\$7,547	\$22,530	\$36,533	\$92,507
Unrestricted Funds	\$21,153	(\$7,873)	\$113,320	(\$36,529)	\$12,370
<b>Total funds by Fund</b>	<b>\$291,863</b>	<b>(\$326)</b>	<b>\$135,850</b>	<b>\$4</b>	<b>\$104,877</b>

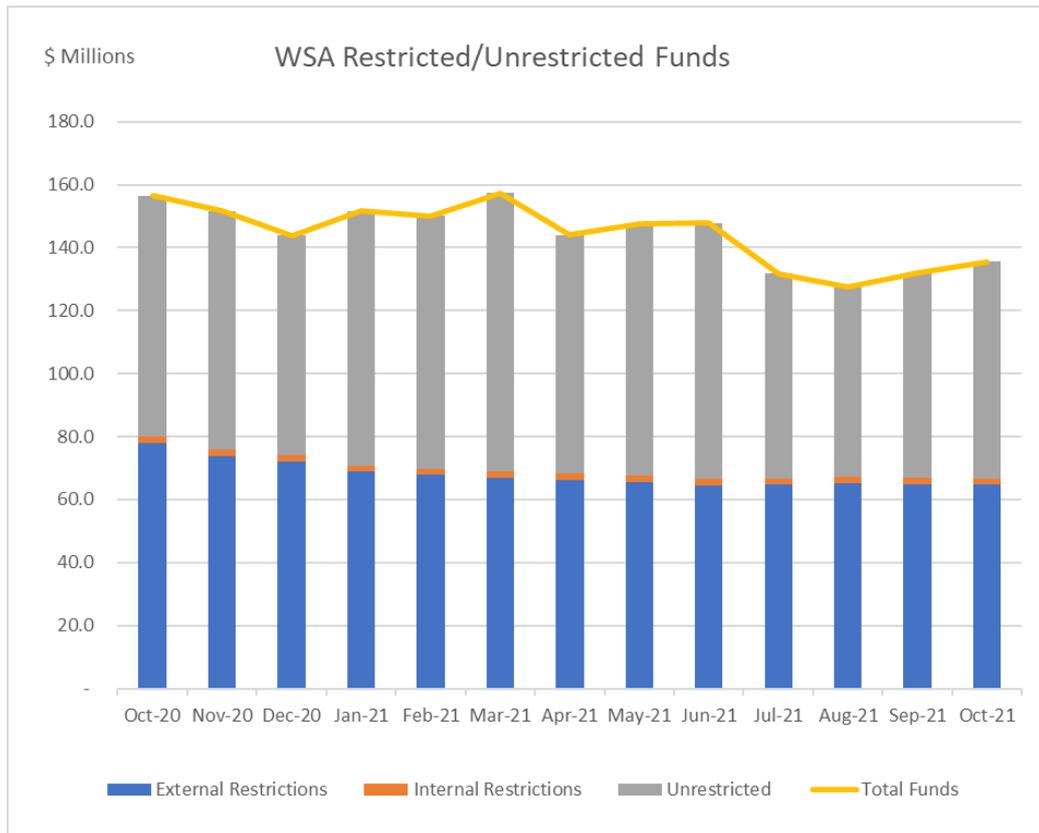
Through external funding and rationalisation of internal restricted fund balances, the previously reported negative unrestricted general fund balance has progressively reduced. During August and September, the return to a positive balance was through rates and charges received during the month.



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The table below shows the net position of unrestricted funds for the Water Supply Authority of \$68.9M. A further breakdown of the tabled amounts has the unrestricted amount for each fund within the WSA as follows:

- Water Fund (\$7.9M)
- Sewer \$113.3M
- Drainage (\$36.5M)





Consolidated Cash Flow

	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Total 22
<b>Cash Flows from Operating Activities</b>													
Rates and Annual Charges	6,879,053	69,997,294	32,520,143	19,900,616	32,595,946	12,926,710	17,063,313	45,765,832	24,354,557	18,518,073	49,146,384	28,178,315	357,846,237
User Charges and Fees	7,372,840	6,800,172	13,874,673	14,099,615	15,354,376	12,579,574	14,010,719	13,807,587	11,405,922	12,626,914	12,697,514	11,954,973	146,584,878
Other Revenues	9,835,175	7,538,015	1,008,369	2,710,996	1,844,061	1,833,645	1,871,993	1,946,169	1,949,947	1,923,776	1,855,875	1,810,562	36,128,583
Interest and Investment Income	400,097	558,781	468,054	83,314	266,023	266,023	266,023	266,023	266,023	266,023	266,023	265,786	3,638,191
Grants - Operating	96,349	3,669,813	776,138	118,987	3,624,867	997,554	919,667	3,531,638	101,320	1,089,667	3,600,879	16,468,026	34,994,903
Contributions - Operating	150,698	(5,384)	2,330,654	349,353	219,291	202,964	1,952,491	238,309	230,517	222,431	229,094	8,384,045	14,504,461
Grants - Capital	(640,066)	4,553,592	431,094	885,628	-	4,222,556	-	-	-	-	-	4,222,556	13,675,361
Contributions - Capital	710,964	691,212	1,878,538	1,665,478	2,870,407	2,870,407	2,870,407	2,870,407	2,870,407	2,870,407	2,870,407	2,870,411	27,909,472
Internal Revenue	5,217,840	5,997,405	5,604,602	5,656,461	7,390,013	6,761,073	7,947,329	8,596,839	8,253,039	8,347,019	8,104,409	7,917,950	85,783,979
Bonds & Deposit	17,049	(35,683)	42,376	(765,278)	-	-	-	-	-	-	-	-	(741,535)
GST NET	(1,470,967)	2,459,913	79,605	459,043	-	-	-	-	-	-	-	-	1,527,594
<b>Operating Inflows</b>	<b>28,569,033</b>	<b>102,225,129</b>	<b>59,014,265</b>	<b>45,164,214</b>	<b>64,164,983</b>	<b>42,660,505</b>	<b>46,901,942</b>	<b>77,022,803</b>	<b>49,431,731</b>	<b>45,864,309</b>	<b>78,770,585</b>	<b>82,072,624</b>	<b>721,862,123</b>
Employee Benefits and On cost	(11,180,237)	(12,236,201)	(11,748,640)	(12,587,366)	(18,144,098)	(16,957,505)	(13,704,257)	(13,523,489)	(16,810,473)	(13,768,530)	(13,479,721)	(17,133,257)	(171,273,774)
Materials and Contracts	(20,633,037)	(4,640,356)	(14,208,794)	(10,147,823)	(9,697,337)	(11,498,969)	(11,356,752)	(11,203,902)	(10,348,034)	(10,036,716)	(11,071,838)	(13,560,957)	(138,404,515)
Borrowing Costs	(71,886)	(887,637)	(1,596,009)	(70,612)	(1,140,275)	(940,687)	(934,046)	(1,066,493)	(923,361)	(823,815)	(1,073,500)	(6,515,466)	(16,043,787)
Other expenses	(13,479,248)	(7,211,649)	(7,924,151)	(10,427,801)	(12,861,113)	(11,183,952)	(9,551,320)	(8,478,412)	(8,994,814)	(8,021,279)	(7,332,881)	(8,999,769)	(114,466,390)
Internal Expenses - Ex Overheads	(4,999,114)	(5,541,503)	(4,819,302)	(4,603,537)	(5,525,036)	(5,924,152)	(6,588,962)	(6,822,314)	(6,817,316)	(6,815,300)	(6,307,013)	(6,264,594)	(71,028,143)
Internal Expenses - Overheads	-	-	-	-	-	0	-	-	(0)	-	0	-	0
<b>Operating outflow</b>	<b>(50,363,521)</b>	<b>(30,517,346)</b>	<b>(40,296,898)</b>	<b>(37,837,138)</b>	<b>(47,367,859)</b>	<b>(46,505,266)</b>	<b>(42,135,337)</b>	<b>(41,094,611)</b>	<b>(43,893,999)</b>	<b>(39,465,640)</b>	<b>(39,264,953)</b>	<b>(52,474,043)</b>	<b>(511,216,609)</b>
<b>Net Inflows / (Outflows) from Operating Activities</b>	<b>(21,794,488)</b>	<b>71,707,784</b>	<b>18,717,368</b>	<b>7,327,075</b>	<b>16,797,124</b>	<b>(3,844,760)</b>	<b>4,766,605</b>	<b>35,928,192</b>	<b>5,537,733</b>	<b>6,398,669</b>	<b>39,505,632</b>	<b>29,598,581</b>	<b>210,645,514</b>
<b>Cash Flows from Investing Activities</b>													
Capital Projects													
Grants	(1,171,215)	(1,968,852)	(1,487,680)	(1,910,910)	(7,085,064)	(7,085,064)	(7,085,064)	(7,085,064)	(7,085,064)	(7,085,064)	(7,085,064)	(7,085,064)	(63,219,168)
Developer Contributions	(24,755)	(33,718)	(142,640)	(37,802)	(783,814)	(783,814)	(783,814)	(783,814)	(783,814)	(783,814)	(783,814)	(783,814)	(6,509,426)
Restrictions	(329,970)	(1,752,019)	(1,528,277)	(1,631,916)	(1,421,568)	(1,421,568)	(1,421,568)	(1,421,568)	(1,421,568)	(1,421,568)	(1,421,568)	(1,421,568)	(16,614,729)
General Revenue	(909,542)	(3,488,284)	(4,450,653)	(7,516,531)	(8,921,309)	(8,921,309)	(8,921,309)	(8,921,309)	(8,921,309)	(8,921,309)	(8,921,309)	(8,921,309)	(87,735,486)
Tip Remediation	(3,809)	(87,256)	7,951	(48,000)	(2,492)	-	-	-	-	-	-	-	(133,605)
Proceed from Asset sale	5,072,724	465,342	259,733	512,251	-	-	-	-	-	-	-	-	6,310,050
<b>Net Inflows / (Outflows) from Investing Activities</b>	<b>2,633,433</b>	<b>(6,864,787)</b>	<b>(7,941,566)</b>	<b>(10,632,908)</b>	<b>(18,214,248)</b>	<b>(18,211,755)</b>	<b>(167,902,364)</b>						
<b>Cash Flows from Financing</b>													
Proceeds from Borrowings & Advances	-	-	-	-	-	-	-	-	12,778,807	-	-	-	12,778,807
Repayment of Borrowings & Advances	(277,778)	(1,520,186)	(3,825,937)	(277,778)	(1,879,182)	(5,890,782)	(277,778)	(1,564,140)	(15,838,931)	(277,778)	(1,923,737)	(5,985,738)	(39,539,744)
<b>Net Inflows / (Outflows) from Financing Activities</b>	<b>(277,778)</b>	<b>(1,520,186)</b>	<b>(3,825,937)</b>	<b>(277,778)</b>	<b>(1,879,182)</b>	<b>(5,890,782)</b>	<b>(277,778)</b>	<b>(1,564,140)</b>	<b>(3,060,124)</b>	<b>(277,778)</b>	<b>(1,923,737)</b>	<b>(5,985,738)</b>	<b>(26,760,936)</b>
<b>Total Cash Inflows/(Outflows)</b>	<b>(19,438,833)</b>	<b>63,322,811</b>	<b>7,549,865</b>	<b>(3,583,611)</b>	<b>(3,296,305)</b>	<b>(27,947,298)</b>	<b>(13,722,928)</b>	<b>16,152,297</b>	<b>(15,734,147)</b>	<b>(12,090,864)</b>	<b>19,370,139</b>	<b>5,401,087</b>	<b>15,982,214</b>
Opening Cash	484,418,149	464,979,316	528,302,126	535,851,992	532,268,381	528,972,076	501,024,778	487,301,850	503,454,147	487,720,000	475,629,136	494,999,275	484,418,149
Closing Cash & Investments	464,979,316	528,302,126	535,851,992	532,268,381	528,972,076	501,024,778	487,301,850	503,454,147	487,720,000	475,629,136	494,999,275	500,400,362	500,400,362



General Fund Restricted/Unrestricted Forecast

	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
<b>CASH ALLOCATION</b>												
<i>Unrestricted</i>												
Opening Unrestricted	(16,696,279)	(30,315,821)	23,276,929	28,021,498	21,157,095	19,818,337	3,001,969	(258,727)	18,761,756	12,265,198	7,494,516	24,518,363
Cash Movement (Less Capex)	(10,054,593)	57,134,993	4,530,760	(1,171,868)	(2,123,960)	(14,629,014)	(4,045,897)	18,235,281	(7,281,759)	(5,555,884)	16,238,645	10,862,554
CAPEX	(363,380)	(1,719,857)	(1,749,720)	(3,697,802)	(3,880,815)	(3,880,815)	(3,880,815)	(3,880,815)	(3,880,815)	(3,880,815)	(3,880,815)	(3,880,815)
Movement to/from Restrictions	(3,201,569)	(1,822,385)	1,963,528	(1,994,732)	4,666,017	1,693,461	4,666,017	4,666,017	4,666,017	4,666,017	4,666,017	1,693,457
<b>Closing Unrestricted</b>	<b>(30,315,821)</b>	<b>23,276,929</b>	<b>28,021,498</b>	<b>21,157,095</b>	<b>19,818,337</b>	<b>3,001,969</b>	<b>(258,727)</b>	<b>18,761,756</b>	<b>12,265,198</b>	<b>7,494,516</b>	<b>24,518,363</b>	<b>33,193,559</b>
<i>Externally Restricted</i>												
Opening Restricted	173,449,515	176,943,698	178,563,155	177,581,493	180,560,343	175,894,326	174,200,865	169,534,848	164,868,831	160,202,815	155,536,798	150,870,781
Contributions (DC's/Grants)	(1,210,481)	4,113,638	1,296,030	1,960,444	1,585,365	4,557,921	1,585,365	1,585,365	1,585,365	1,585,365	1,585,365	4,557,925
CAPEX (DC's/Grants/restricted)	(1,102,670)	(2,924,005)	(2,483,266)	(3,145,230)	(6,251,382)	(6,251,382)	(6,251,382)	(6,251,382)	(6,251,382)	(6,251,382)	(6,251,382)	(6,251,382)
other external restrictions movement	5,807,334	429,824	205,574	4,163,635	-	-	-	-	-	-	-	-
<b>Closing Externally Restricted</b>	<b>176,943,698</b>	<b>178,563,155</b>	<b>177,581,493</b>	<b>180,560,343</b>	<b>175,894,326</b>	<b>174,200,865</b>	<b>169,534,848</b>	<b>164,868,831</b>	<b>160,202,815</b>	<b>155,536,798</b>	<b>150,870,781</b>	<b>149,177,324</b>
<i>Internally Restricted</i>												
Opening Internally Restricted	92,205,587	91,912,972	92,115,901	91,134,035	90,149,917	90,149,917	90,149,917	90,149,917	90,149,917	90,149,917	90,149,917	90,149,917
other internal restrictions movement	(292,615)	202,929	(981,867)	(984,117)	-	-	-	-	-	-	-	-
<b>Closing Internally Restricted</b>	<b>91,912,972</b>	<b>92,115,901</b>	<b>91,134,035</b>	<b>90,149,917</b>								



**Item No:** 2.2  
**Title:** Investment Report for October 2021  
**Department:** Corporate Affairs

23 November 2021 Ordinary Council Meeting

Reference: F2004/06604 - D14924298  
Author: Devini Susindran, Team Leader  
Manager: Peter Correy, Unit Manager, Finance  
Executive: Natalia Cowley, Director Corporate Affairs and Chief Financial Officer

### Recommendation

- 1 That Council note the Investment Report for October 2021.**
- 2 That Council note that internally restricted funds are unrestricted funds that have been internally allocated to a certain purpose.**
- 3 That Council firstly allocates any unrestricted funds available in the General Fund, followed by sufficient internally restricted funds to meet its October 2021 unrestricted funds deficit of \$44.4M 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 at 31 October 2021.

### Background

## 2.2 Investment Report for October 2021 (contd)

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 \$532.27M at 31 October 2021

### Council's Cash and Investment Portfolio by Source of Funds

Source of Funds	Value (\$'000) October 2021
Investment Portfolio	\$507,219
Transactional accounts and cash in hand	\$25,049
<b>Total Consolidated Funds</b>	<b>\$532,268</b>

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

Fund	General Fund	Water Fund	Sewer Fund	Drainage Fund	Waste Fund
External Restricted Funds	\$180,560	\$6,521	\$21,653	\$36,478	\$92,507
Internal Restricted Funds	\$90,150	\$1,026	\$877	\$55	-
Total Restricted Funds	\$270,710	\$7,547	\$22,530	\$36,533	\$92,507
Unrestricted Funds	\$21,153	(\$7,873)	\$113,320	(\$36,529)	\$12,370
<b>Total funds by Fund</b>	<b>\$291,863</b>	<b>(\$326)</b>	<b>\$135,850</b>	<b>\$4</b>	<b>\$104,877</b>

During October, Council's total cash and investments decreased by \$3.68M from \$535.85M to \$532.17M predominantly from a fall in market value of investments due to market volatility in October. 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. The negative unrestricted balance is currently \$44.4M, 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 2021 financial year, as rates revenue and property sale settlements occur. In the interim, the unrestricted funds deficit of \$44.4M is proposed to be funded through the General Fund's

## 2.2 Investment Report for October 2021 (contd)

available unrestricted cash balance of \$21.2M, followed by an allocation of \$23.2M from internally restricted reserves, which amount to \$92.1M at 31 October 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 October, comprising entirely of interest earned, was \$398k. The total value of the Council's investment portfolio at 31 October 2021 is outlined in Table 1 below.

**Table 1 – Portfolio movement Investment only**

Description	2019-20 Financial Year	Jul-Sep Qtr	Oct-21	FYTD
	\$'000	2021/22 \$'000	2021/22 \$'000	2021/22 \$'000
<b>Opening Balance</b>	<b>348,210</b>	<b>447,221</b>	<b>510,478</b>	<b>447,221</b>
Movement for the period	99,011	63,257	-3,259	59,998
<b>Closing Balance</b>	<b>447,221</b>	<b>510,478</b>	<b>507,219</b>	<b>507,219</b>
Interest earnings	4,508	1,129	398	1,527

The market value of Council's investment portfolio at 31 October is \$507.21M.

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
<b>At Call</b>	6.94%	Immediate	35,196
<b>Investments</b>			
0 - 3 months	10.82%	Jan-2022	54,885
4 - 6 months	4.14%	Apr-2022	21,001
7 - 12 months	9.45%	Oct-2022	47,947
1 - 2 years	7.56%	Oct-2023	38,346
2 - 3 years	17.71%	Oct-2024	89,810
3 - 4 years	11.87%	Oct-2025	60,200
4 - 5 years	31.51%	Oct-2026	159,834
<b>Total Investments</b>	<b>93.06%</b>		<b>472,023</b>
<b>Total Portfolio</b>	<b>100.00%</b>		<b>507,219</b>
<b>Interest Accrued to 31 October 2021 (Excluding Interest on call accounts)</b>			1,184
<b>Market Value of Investment per Portfolio Valuation Report (Attachment 5)</b>			<b>508,403</b>

## 2.2 Investment Report for October 2021 (contd)

The investment portfolio is concentrated in AA above (15.6%), A (37.9%), and BBB (46.5%).

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 are within policy guidelines at 31 October 2021.

The current spread of investments and counterparty exposure for October 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 October there have been no new green investments undertaken.

Council currently holds 5.51% or \$27.94M in ESG investments at 31 October 2021.

### Portfolio Return

Interest rates on investments in the month, ranged from 0.23% to 3.18%, all of which exceeded the monthly Bank Bill Swap Rate (BBSW) benchmark of 0.01%.

The weighted running yield for October of 0.92% for Central Coast Council is favourable compared to the rolling three-year benchmark bank bill swap (BBSW) Index of 0.64% 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 Impact

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.

2.2 Investment Report for October 2021 (contd)

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**Link to Community Strategic Plan**

Theme 4: Responsible

**Goal G: Good governance and great partnerships**

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

**Attachments**

1	Summary of Investments as at 31 October 2021	Provided Under Separate Cover	D14924611
2	Summary of Restrictions as at 31 October 2021	Provided Under Separate Cover	D14928833
3	Investment Report for October 2021 - Graphs 1, 2 and 3	Provided Under Separate Cover	D14924638
4	Treasury Direct Trading Limits Report at 31 October 2021	Provided Under Separate Cover	D14924655
5	Treasury Direct Portfolio Valuation Report at 31 October 2021	Provided Under Separate Cover	D14924645

2.2  
Attachment 1

Investment Report for October 2021  
Summary of Investments as at 31 October 2021

Central Coast Council Summary of Investments as at 31-October-2021							
Financial Institution	Type of Investment	Short Term Rating	Long Term Rating	Maturity Date	Portfolio Balance \$	As a % of the total Portfolio	Interest Rate %
<b>CASH AT CALL:</b>							
Westpac Banking Corporation	Corporate Investment Account	A-1+	AA	Daily	1,790	0.00%	0.00%
Macquarie Bank	At Call	A-1	A	Daily	25,075,826	4.94%	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	10,116,970	1.99%	0.55%
<b>Total Cash At Call</b>					<b>35,195,586</b>	<b>6.94%</b>	
<b>TERM DEPOSITS, FLOATING RATE NOTES &amp; BONDS:</b>							
Westpac Banking Corporation	Term Deposit	A-1+	AA	26-Nov-2021	5,000,000	0.99%	BBSW + 0.93%
Newcastle Permanent Building Society	Floating Rate Note	A-2	BBB	24-Jan-2022	10,035,319	1.98%	BBSW + 1.65%
Rabo Bank	Term Deposit	P-1	A	12-Dec-2022	10,000,000	1.97%	3.18%
Westpac Banking Corporation	Term Deposit	A-1+	AA	27-Nov-2023	5,000,000	0.99%	BBSW + 0.93%
Bank of Queensland	Term Deposit	A-2	BBB	26-Sep-2024	10,000,000	1.97%	2.00%
NSW Treasury Corporation	Bonds	A-1+	AA	20-Mar-2025	1,986,712	0.39%	1.25%
NSW Treasury Corporation	Bonds	A-1+	AA	15-Nov-2028	15,951,444	3.14%	3.00%
Bank of Queensland	Term Deposit	A-2	BBB	16-Jun-2025	10,000,000	1.97%	1.53%
National Australia Bank	Term Deposit	A-1+	AA	14-Jun-2024	10,000,000	1.97%	1.15%
AMP limited	Term Deposit	A-2	BBB	14-Jun-2022	5,000,000	0.99%	1.40%
Bank of China Australia	Float TCD	A1	A	06-Nov-2023	8,057,207	1.59%	0.84%
China Construction Bank	Floating Rate Note	A1	A	24-Jun-2022	9,041,769	1.78%	0.95%
AMP limited	Floating Rate Note	A-2	BBB	30-Mar-2022	2,001,443	0.39%	1.07%
Bank of China Australia	Floating Rate Note	A1	A	18-Aug-2023	3,421,107	0.67%	0.81%
Bank of China Australia	Float TCD	A1	A	27-Oct-2023	2,816,296	0.56%	0.82%
Bank of Communications Co. Ltd. Sydney Branch	Float TCD	A-	A	29-Sep-2023	2,916,866	0.58%	0.85%
Canadian Imperial Bank of Commerce	Floating Rate Note	A	A	09-Jun-2023	3,045,669	0.60%	1.36%
Canadian Imperial Bank of Commerce	Floating Rate Note	A	A	09-Jun-2023	5,086,666	1.00%	1.36%
Bendigo and Adelaide Bank	Bonds	A-2	BBB	06-Sep-2024	5,367,300	1.06%	1.70%
HSBC Sydney Branch	Bonds	A-1	AA	27-Sep-2024	1,465,100	0.29%	1.50%
Macquarie Bank	Bonds	A-1	A	12-Feb-2025	14,897,318	2.94%	1.70%
Macquarie Bank	Bonds	A-1	A	12-Feb-2025	9,804,531	1.93%	1.70%
UBS Australia Limited	Bonds	A	A	30-Jul-2025	3,872,930	0.76%	1.20%
UBS Australia Limited	Floating Rate Note	A	A	30-Jul-2025	5,077,003	1.00%	0.00%
Bendigo and Adelaide Bank	Floating Rate Note	A-2	BBB	02-Dec-2025	9,957,515	1.96%	0.53%
Industrial & Commercial Bank of China Ltd	Floating Rate Note	A	A	24-Feb-2023	10,054,855	1.98%	0.78%
National Australia Bank	Term Deposit	A-1+	AA	31-Jan-2022	850,000	0.17%	0.42%
Newcastle Permanent Building Society	Floating Rate Note	A-2	BBB	04-Mar-2026	995,873	0.20%	0.64%
Members Banking Group Limited t/as RACQ Bank	Floating Rate Note	A2	BBB	24-Feb-2023	1,004,167	0.20%	0.94%
UBS Australia Limited	Floating Rate Note	A	A	26-Feb-2026	6,781,911	1.34%	0.51%
Macquarie Bank	Floating Rate Note	A-1	A	09-Dec-2025	9,951,919	1.96%	0.49%
Bendigo and Adelaide Bank	Floating Rate Note	A-2	BBB	02-Dec-2025	9,957,515	1.96%	0.53%
UBS Australia Limited	Floating Rate Note	A	A	26-Feb-2026	11,948,560	2.36%	0.51%
Auswide Bank	Floating Rate Note	A3	BBB	22-Mar-2024	12,023,663	2.37%	0.62%
QPCU LTD t/a QBANK	Floating Rate Note	A3	BBB	22-Mar-2024	4,493,617	0.89%	0.77%
UBS Australia Limited	Floating Rate Note	A	A	30-Jul-2025	5,061,982	1.00%	0.94%
Bendigo and Adelaide Bank	Floating Rate Note	A-2	BBB	02-Dec-2025	9,944,837	1.96%	0.53%
Macquarie Bank	Floating Rate Note	A-1	A	09-Dec-2025	9,946,108	1.96%	0.49%
Credit Union Australia	Floating Rate Note	A2	BBB	22-Apr-2026	10,971,536	2.16%	0.68%
AMP limited	Term Deposit	A-2	BBB	11-Feb-2022	5,000,000	0.99%	0.55%
Members Equity Bank	Term Deposit	A2	BBB	20-May-2022	10,000,000	1.97%	0.50%
NSW Treasury Corporation	Term Deposit	A-1+	AA	03-May-2022	8,098,000	1.60%	0.30%
National Australia Bank	Term Deposit	A-1+	AA	03-Jun-2022	807,000	0.16%	0.33%
Members Equity Bank	Term Deposit	A2	BBB	09-Nov-2021	5,000,000	0.99%	0.45%
Members Equity Bank	Term Deposit	A2	BBB	09-May-2022	5,000,000	0.99%	0.50%
Members Equity Bank	Term Deposit	A2	BBB	09-Jun-2022	5,000,000	0.99%	0.50%
MyState Bank	Floating Rate Note	P-2	BBB	16-Jun-2025	9,499,838	1.87%	0.66%
Members Equity Bank	Term Deposit	A2	BBB	30-Jun-2022	5,000,000	0.99%	0.50%
Bendigo and Adelaide Bank	Floating Rate Note	A-2	BBB	18-Jun-2026	9,951,751	1.96%	0.66%
Bank of Queensland	Term Deposit	A-2	BBB	08-Jul-2026	5,000,000	0.99%	0.60%
Bendigo and Adelaide Bank	Floating Rate Note	A-2	BBB	18-Jun-2026	2,288,895	0.45%	0.66%
Bank of Queensland	Floating Rate Note	A-2	BBB	06-May-2026	4,978,660	0.98%	0.64%

2.2  
Attachment 1

Investment Report for October 2021  
Summary of Investments as at 31 October 2021

Central Coast Council Summary of Investments as at 31-October-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	Floating Rate Note	A-2	BBB	22-Jul-2024	4,000,000	0.79%	0.40%
Bank of Queensland	Floating Rate Note	A-2	BBB	22-Jul-2026	3,000,000	0.59%	0.58%
Bendigo and Adelaide Bank	Floating Rate Note	A-2	BBB	18-Jun-2026	2,985,537	0.59%	0.66%
Members Equity Bank	Term Deposit	A2	BBB	13-Dec-2021	4,000,000	0.79%	0.35%
Macquarie Bank	Bonds	A-1	A	07-Aug-2024	9,977,023	1.97%	1.75%
Northern Territory Treasury Corporation	Bonds	A	AA	15-Dec-2026	4,999,992	0.99%	1.40%
National Australia Bank	Term Deposit	A-1+	AA	20-Dec-2021	5,000,000	0.99%	0.25%
National Australia Bank	Term Deposit	A-1+	AA	25-Nov-2021	5,000,000	0.99%	0.25%
Macquarie Bank	Floating Rate Note	A-1	A	07-Aug-2024	3,026,690	0.60%	0.82%
Macquarie Bank	Bonds	A-1	A	07-Aug-2024	1,995,433	0.39%	1.75%
Suncorp Bank	Bonds	A	A	30-Jul-2024	1,000,516	0.20%	1.85%
Members Equity Bank	Term Deposit	A2	BBB	22-Dec-2021	5,000,000	0.99%	0.24%
SunCorp Bank	Floating Rate Note	A	A	15-Sep-2026	2,882,632	0.57%	0.00%
Bank Of Queensland	Term Deposit	A-2	BBB	18-Jan-2022	5,000,000	0.99%	0.29%
Bank Of Queensland	Term Deposit	A-2	BBB	11-Jan-2022	5,000,000	0.99%	0.29%
SunCorp Bank	Bonds	A	A	30-Jul-2024	1,500,774	0.30%	1.85%
Bendigo and Adelaide Bank	Bonds	A-2	BBB	06-Sep-2024	2,489,626	0.49%	1.70%
Bendigo and Adelaide Bank	Bonds	A-2	BBB	06-Sep-2024	1,494,184	0.29%	1.70%
Westpac Banking Corporation	Bonds	A-1+	AA	16-Aug-2024	2,846,914	0.56%	2.25%
Bendigo and Adelaide Bank	Floating Rate Note	A-2	BBB	02-Dec-2025	995,332	0.20%	0.53%
SunCorp Bank	Floating Rate Note	A	A	24-Feb-2026	4,975,359	0.98%	0.46%
Bendigo and Adelaide Bank	Floating Rate Note	A-2	BBB	02-Dec-2025	4,478,977	0.88%	0.53%
National Australia Bank	Floating Rate Note	A-1+	AA	24-Aug-2026	6,949,084	1.37%	0.42%
Bank Of Queensland	Term Deposit	A-2	BBB	18-Feb-2022	5,000,000	0.99%	0.34%
Judo Bank	Term Deposit	Unrated	BBB	16-Mar-2022	4,000,000	0.79%	0.53%
Judo Bank	Term Deposit	Unrated	BBB	23-Mar-2022	5,000,000	0.99%	0.53%
National Australia Bank	Floating Rate Note	A-1+	AA	19-Jun-2024	5,072,110	1.00%	0.93%
Judo Bank	Term Deposit	Unrated	BBB	03-Dec-2021	5,000,000	0.99%	0.23%
Suncorp Bank	Floating Rate Note	A	A	15-Sep-2026	9,940,112	1.96%	0.49%
Total Term Deposit & Bonds:					472,023,181	93.06%	
<b>TOTAL PORTFOLIO</b>					<b>507,218,767</b>	<b>100.00%</b>	
Current					159,029,117	31.35%	
Non-Current					348,189,650	68.65%	
<b>TOTAL PORTFOLIO</b>					<b>507,218,767</b>	<b>100.00%</b>	

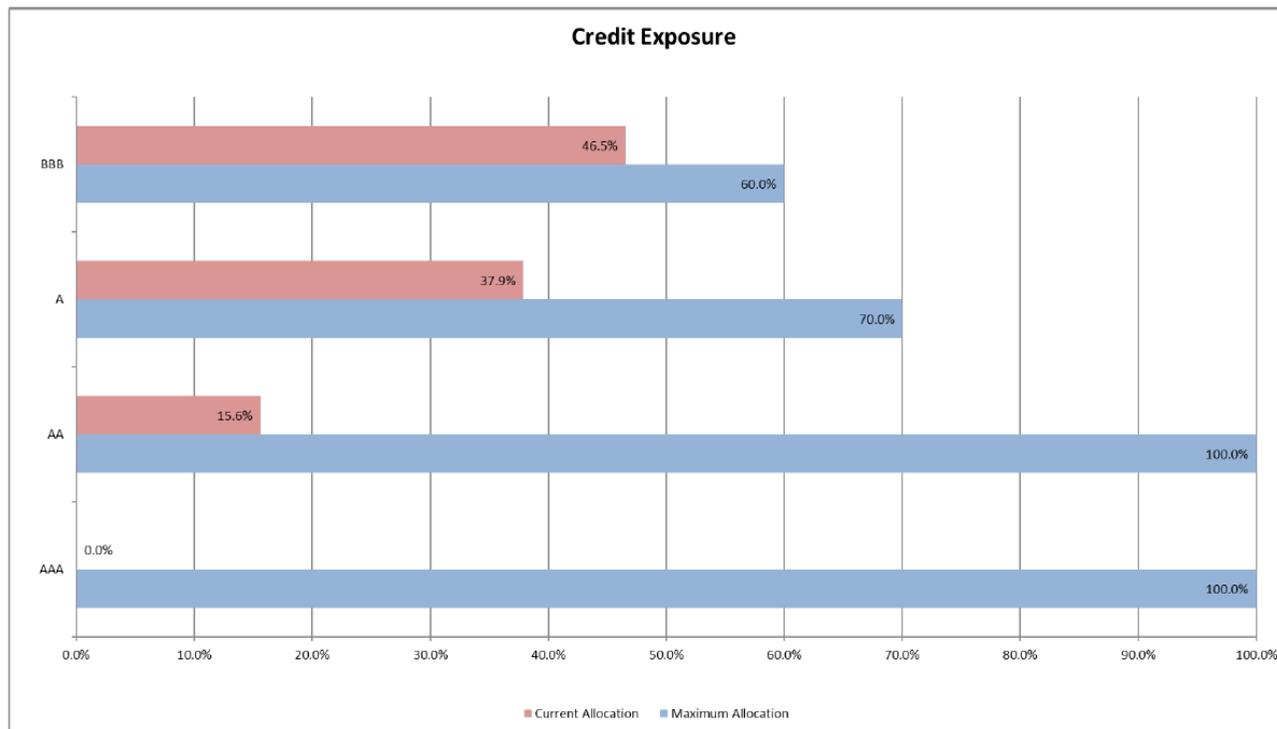
Green Investments

0

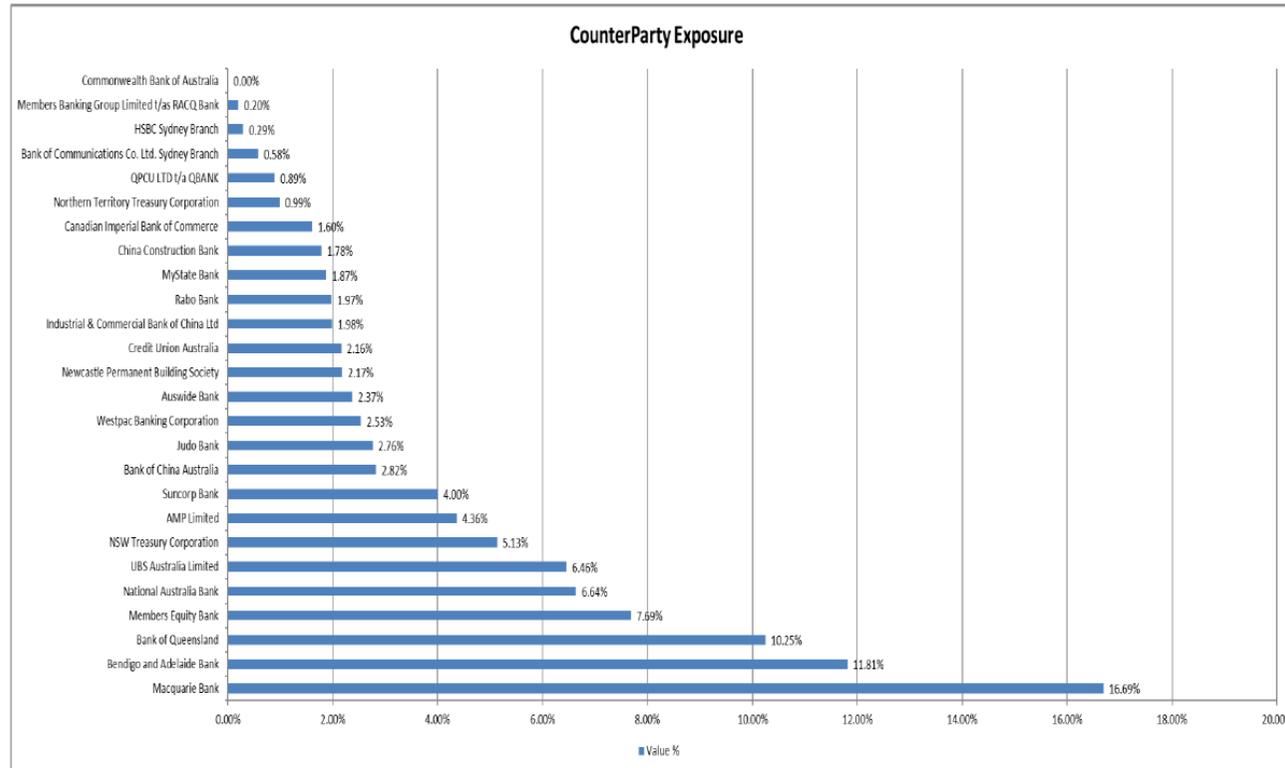
**SUMMARY OF RESTRICTIONS as at 31 October 2021**

		Oct-21
FUND	SOURCE	Principal Amount \$'000
<b>GENERAL FUND</b>	Developer contributions	103,958
	Developer contributions – bonus provisions	5,463
	Developer Contributions – Sec 94A Levy	18,711
	Developer contributions – VPA	2,722
	Specific purpose unexpended grants	10,495
	Self insurance claims	5,667
	Stormwater Levy	572
	RMS Advance	1,316
	Holiday Parks	15,036
	Cemeteries	806
	Coastal Open Space	6,609
	Bio Banking	311
	Crown Land Business Enterprises	1,436
	Crown Land Patonga Camping Ground	1,007
	Other External	413
	Terrigal Tourism Special Rate Levy	0
	Tourism Special Rate	3,800
	Gosford CBD Special Rate Levy	365
	Gosford Parking Station Special Rate Levy	1,258
	The Entrance Town Centre Special Rate Levy	392
	Toukley Town Centre Special Rate Levy	188
	Wyong Town Centre Special Rate Levy	38
	<b>TOTAL GENERAL FUND RESTRICTIONS</b>	
<b>Water FUND</b>	Developer contributions	2,124
	Developer contributions – VPA	1,055
	Specific purpose unexpended grants	2,255
	Self insurance claims	1,087
	Other External	0
	<b>TOTAL WATER FUND RESTRICTIONS</b>	
<b>SEWER FUND</b>	Developer contributions	18,994
	Developer contributions – VPA	495
	Self insurance claims	2,164
	Specific purpose unexpended grants	0
<b>TOTAL SEWER FUND RESTRICTIONS</b>		<b>21,653</b>
<b>DRAINAGE FUND</b>	Developer contributions	34,996
	Developer contributions – VPA	1,372
	Specific purpose unexpended grants	10
	Other External	100
	<b>TOTAL DRAINAGE FUND RESTRICTIONS</b>	
<b>DOMESTIC WASTE FUND</b>	Specific purpose unexpended grants	0
	Domestic Waste Management	92,507
	<b>TOTAL WASTE FUND RESTRICTIONS</b>	
<b>TOTAL EXTERNALLY RESTRICTED FUNDS</b>		<b>337,719</b>
<b>GENERAL FUND</b>		90,150
<b>Water FUND</b>		1,026
<b>SEWER FUND</b>		877
<b>DRAINAGE FUND</b>		55
<b>DOMESTIC WASTE FUND</b>		0
<b>INTERNALLY RESTRICTED FUNDS</b>		<b>92,108</b>

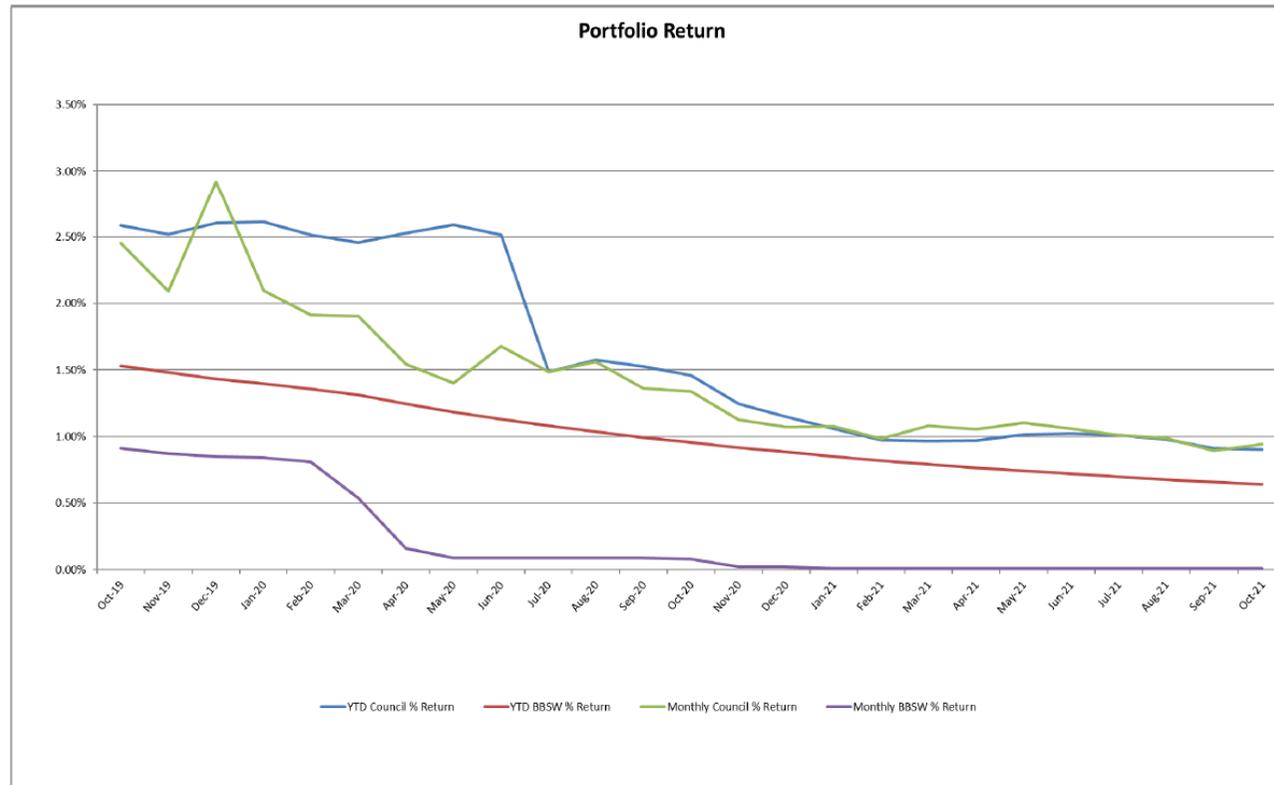
Graph 1 – Credit Exposure



Graph 2 – Counter Party Exposure



Graph 3 – Portfolio Returns





Trading Limit Report 125  
Central Coast Council  
As At 31 October 2021

1 Issuer Trading Limits

Issuer	Issuer Rating Group (Long Term)	Issuer Parent Entity	Already Traded (with Issuer Group Face Value Notional)	Limit For Book or Entity	Trading Limit	Trading Limit Type	Trading Limit Value	Trading Limit Used (%)	Trading Limit Available (%)	Trading Limit Available (Value)	Trading Limit Exceeded (%)	Trading Limit Exceeded (\$)
AMP Bank Ltd	BBB+ to BBB-		22,110,969.52	Book	10.00	% of 506,720,586.09	50,672,058.61	44.00	56.00	28,555,089	0.00	0
ANZ Banking Group Ltd	AA+ to AA-		0.00	Book	100.00	% of 506,720,586.09	506,720,586.09	0.00	100.00	506,720,586	0.00	0
Auswide Bank Limited	BBB+ to BBB-		12,000,000.00	Book	10.00	% of 506,720,586.09	50,672,058.61	24.00	76.00	38,672,059	0.00	0
Bank of China (Australia) Limited	A+ to A-		8,000,000.00	Book	20.00	% of 506,720,586.09	101,344,117.22	8.00	92.00	93,344,117	0.00	0
Bank of China Limited	A+ to A-		6,200,000.00	Book	20.00	% of 506,720,586.09	101,344,117.22	6.00	94.00	95,144,117	0.00	0
Bank of Communications Co. Ltd. Sydney Branch	A+ to A-		2,900,000.00	Book	20.00	% of 506,720,586.09	101,344,117.22	3.00	97.00	98,444,117	0.00	0
Bank of Melbourne	AA+ to AA-	Westpac Banking Corporation Ltd	20,899,790.40	Book	100.00	% of 506,720,586.09	506,720,586.09	4.00	96.00	485,820,796	0.00	0
Bank of Queensland Ltd	A+ to A-		91,000,000.00	Book	20.00	% of 506,720,586.09	101,344,117.22	90.00	10.00	10,344,117	0.00	0
BankSA	AA+ to AA-	Westpac Banking Corporation Ltd	20,899,790.40	Book	100.00	% of 506,720,586.09	506,720,586.09	4.00	96.00	485,820,796	0.00	0
BankWest Ltd	AA+ to AA-	Commonwealth Bank of Australia Ltd	1,000.00	Book	100.00	% of 506,720,586.09	506,720,586.09	0.00	100.00	506,719,586	0.00	0
Bendigo & Adelaide Bank Ltd	A+ to A-		60,190,000.00	Book	20.00	% of 506,720,586.09	101,344,117.22	59.00	41.00	41,154,117	0.00	0
Canadian Imperial Bank of Commerce	AA+ to AA-		8,000,000.00	Book	30.00	% of 506,720,586.09	152,016,175.83	5.00	95.00	144,016,176	0.00	0
China Construction Bank	A+ to A-		9,000,000.00	Book	20.00	% of 506,720,586.09	101,344,117.22	9.00	91.00	92,344,117	0.00	0
Commonwealth Bank of Australia Ltd	AA+ to AA-		1,000.00	Book	100.00	% of 506,720,586.09	506,720,586.09	0.00	100.00	506,719,586	0.00	0
Credit Union Australia Ltd	BBB+ to BBB-		11,000,000.00	Book	10.00	% of 506,720,586.09	50,672,058.61	22.00	78.00	39,672,059	0.00	0
HSBC Bank Australia Ltd	A+ to A-		0.00	Book	30.00	% of 506,720,586.09	152,016,175.83	0.00	100.00	152,016,176	0.00	0
HSBC Sydney Branch	A+ to A-		1,480,000.00	Book	20.00	% of 506,720,586.09	101,344,117.22	1.00	99.00	99,864,117	0.00	0
Industrial & Commercial Bank of China Ltd	A+ to A-		10,000,000.00	Book	20.00	% of 506,720,586.09	101,344,117.22	10.00	90.00	91,344,117	0.00	0
Judo Bank	BBB+ to BBB-		14,000,000.00	Book	10.00	% of 506,720,586.09	50,672,058.61	28.00	72.00	36,672,059	0.00	0
Macquarie Bank	A+ to A-		85,075,826.17	Book	20.00	% of 506,720,586.09	101,344,117.22	84.00	16.00	16,268,291	0.00	0
Members Banking Group Limited t/as RACQ Bank	BBB+ to BBB-		1,000,000.00	Book	10.00	% of 506,720,586.09	50,672,058.61	2.00	98.00	49,672,059	0.00	0
Members Equity Bank Ltd	A+ to A-	Bank of Queensland Ltd	91,000,000.00	Book	20.00	% of 506,720,586.09	101,344,117.22	90.00	10.00	10,344,117	0.00	0
MyState Bank Ltd	BBB+ to BBB-		9,500,000.00	Book	10.00	% of 506,720,586.09	50,672,058.61	19.00	81.00	41,172,059	0.00	0
National Australia Bank Ltd	AA+ to AA-		33,657,000.00	Book	100.00	% of 506,720,586.09	506,720,586.09	7.00	93.00	473,063,586	0.00	0
Newcastle Permanent Building Society Ltd	BBB+ to BBB-		11,000,000.00	Book	10.00	% of 506,720,586.09	50,672,058.61	22.00	78.00	39,672,059	0.00	0
Northern Territory Treasury Corporation	AA+ to AA-		5,000,000.00	Book	100.00	% of 506,720,586.09	506,720,586.09	1.00	99.00	501,720,586	0.00	0
NSW Treasury Corporation	AA+ to AA-		17,000,000.00	Book	100.00	% of 506,720,586.09	506,720,586.09	3.00	97.00	489,720,586	0.00	0
QPCU LTD t/a QBANK	BBB+ to BBB-		4,500,000.00	Book	10.00	% of 506,720,586.09	50,672,058.61	9.00	91.00	46,172,059	0.00	0
Rabobank Australia Ltd	AA+ to AA-		10,000,000.00	Book	30.00	% of 506,720,586.09	152,016,175.83	7.00	93.00	142,016,176	0.00	0
Rural Bank Ltd	A+ to A-	Bendigo & Adelaide Bank Ltd	60,190,000.00	Book	20.00	% of 506,720,586.09	101,344,117.22	59.00	41.00	41,154,117	0.00	0



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Central Coast Council  
As At 31 October 2021

1 Issuer Trading Limits

Issuer	Issuer Rating Group (Long Term)	Issuer Parent	Already Traded (with Issuer Group) Face Value	Limit For Book or Entity Notional	Trading Limit	Trading Limit Type	Trading Limit Value	Trading Limit Used (%)	Trading Limit Available (%)	Trading Limit Available (Value)	Trading Limit Exceeded (%)	Trading Limit Exceeded (\$)
St George Bank Limited	AA+ to AA-	Westpac Banking Corporation Ltd	20,899,790.40	Book	100.00	% of 506,720,586.09	506,720,586.09	4.00	96.00	485,820,796	0.00	0
Suncorp Bank	A+ to A-		20,400,000.00	Book	20.00	% of 506,720,586.09	101,344,117.22	20.00	80.00	80,944,117	0.00	0
UBS Australia Ltd	A+ to A-		32,800,000.00	Book	20.00	% of 506,720,586.09	101,344,117.22	32.00	68.00	68,544,117	0.00	0
Westpac Banking Corporation Ltd	AA+ to AA-		20,899,790.40	Book	100.00	% of 506,720,586.09	506,720,586.09	4.00	96.00	485,820,796	0.00	0
			720,610,957.29				7,246,104,381.09			6,525,493,425		0
		(Excluding Parent Group Duplicates)	506,720,586.09									



2 Security Rating Group Trading Limits

Security Rating Group	Already Traded Face Value	Limit For Book or Trading Entity	Trading Limit Type	Trading Limit Value	Trading Limit Used (%)	Trading Limit Available (%)	Trading Limit Available (Value)	Trading Limit Exceeded (%)	Trading Limit Exceeded (\$)
AAA	0.00	Book	100.00 % of 506,720,586.09	506,720,586.09	0.00	100.00	506,720,586	0.00	0
AA+ to AA-	69,802,700.40	Book	100.00 % of 506,720,586.09	506,720,586.09	14.00	86.00	436,917,796	0.00	0
A+ to A-	264,045,826.17	Book	70.00 % of 506,720,586.09	354,704,410.26	74.00	26.00	90,658,584	0.00	0
A1+	24,755,000.00	Book	100.00 % of 506,720,586.09	506,720,586.09	5.00	95.00	481,965,586	0.00	0
A1	9,000,000.00	Book	70.00 % of 506,720,586.09	354,704,410.26	3.00	97.00	345,704,410	0.00	0
A2	76,000,000.00	Book	60.00 % of 506,720,586.09	304,032,351.65	25.00	75.00	228,032,352	0.00	0
A3	14,000,000.00	Book	60.00 % of 506,720,586.09	304,032,351.65	5.00	95.00	290,032,352	0.00	0
BBB+ to BBB-	49,116,069.52	Book	60.00 % of 506,720,586.09	304,032,351.65	16.00	84.00	254,915,382	0.00	0
	506,720,586.09			3,141,667,633.76			2,634,947,048		0

Notes  
1. In instances where long securities have a term remaining which is less than 365 days, the issuer's short term rating is used instead of the security's (presumably long term) rating.



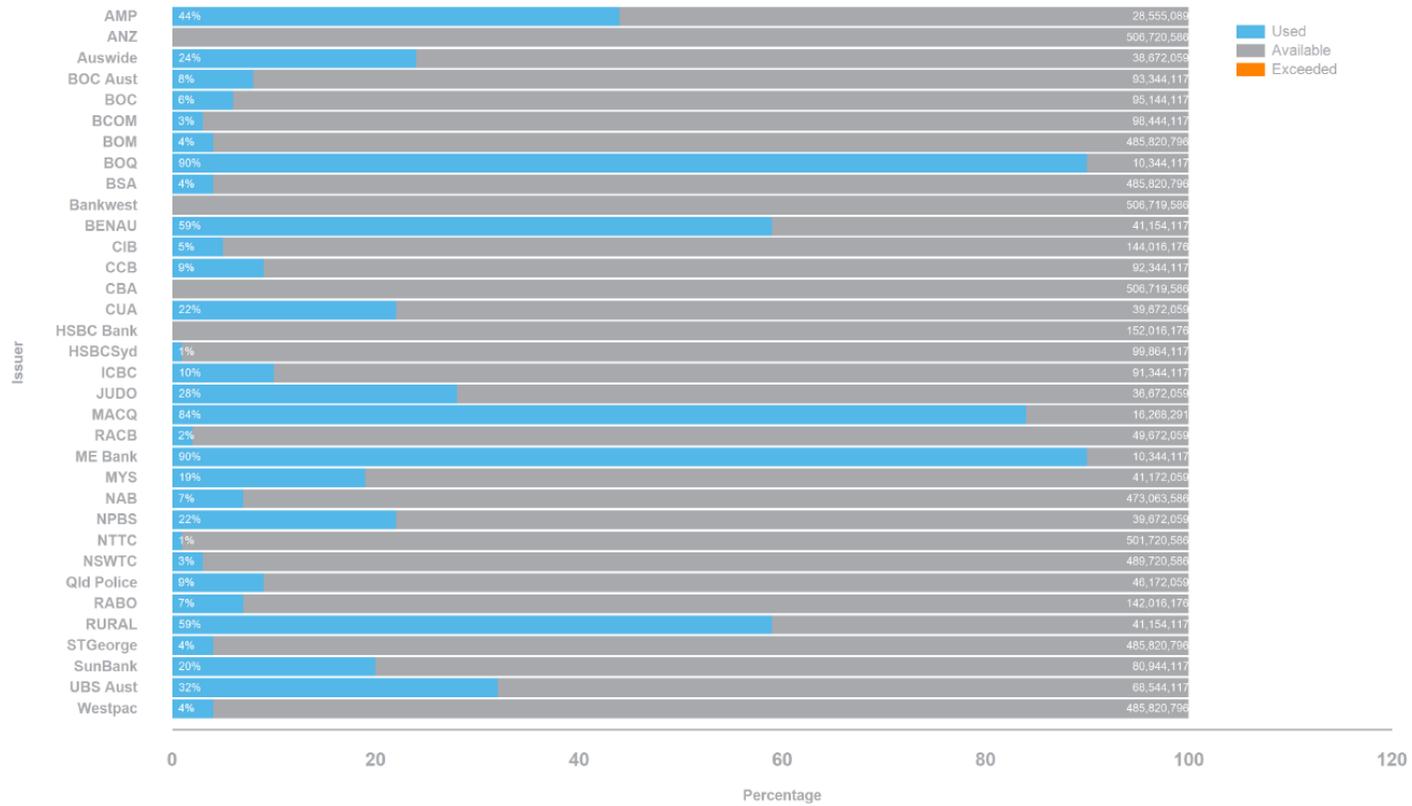
3 Term Group Trading Limits

Term Group	Already Traded Face Value	Limit For Book or Trading Entity	Trading Limit Type	Trading Limit Value	Trading Limit Used (%)	Trading Limit Available (%)	Trading Limit Available (Value)	Trading Limit Exceeded (%)	Trading Limit Exceeded (\$)
0-1 Year	158,950,586.09	Book	100.00 % of 506,720,586.09	506,720,586.09	31.00	69.00	347,770,000	0.00	0
1-3 Year	127,770,000.00	Book	70.00 % of 506,720,586.09	354,704,410.26	36.00	64.00	226,934,410	0.00	0
3-5 Year	200,000,000.00	Book	40.00 % of 506,720,586.09	202,688,234.44	99.00	1.00	2,688,234	0.00	0
5+ Year	20,000,000.00	Book	5.00 % of 506,720,586.09	25,336,029.30	79.00	21.00	5,336,029	0.00	0
	506,720,586.09			1,089,449,260.09			582,728,673		0



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Central Coast Council  
As At 31 October 2021

Issuer Trading Limits





Trading Limit Report 125  
Central Coast Council  
As At 31 October 2021





Trading Limit Report 125  
Central Coast Council  
As At 31 October 2021





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Report Code: TSSBP125EXT-00.16  
Report Description: Trading Limit Performance As At Date  
Parameters:  
As At/Scenario Date: 31 October 2021  
Balance Date: 3 November 2021 (but 31 Oct 2021 used instead)  
Trading Entity: Central Coast Council  
Trading Book: Central Coast Council  
Report Mode: BalOnly  
Using Face Value  
Trading Entity and Book Limits  
Effects of Parent/Child Issuers Not Ignored



# Investment Report Pack

Central Coast Council

1 October 2021 to 31 October 2021



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1. Securities Held By Trading Book Maturing Post 31 October 2021

Latest Deal Code	Latest Deal Settlement Date	Issuer	ISIN	WAL / Interim Maturity Date	Next Coupon Date	Coupon Rate/Latest Yield	Coupon Frequency	Security Type	Security Rating	Face Value Notional	Current Face Value Notional	Market Value
Central Coast Council												
LC114678	31 Oct 2021	Macquarie Bank		1 Nov 2021		0.30	Nil	At Call In	Moodys A2	25,075,826.17	25,075,826.17	25,075,826.17
LC112808	9 Sep 2021	Westpac Banking Corporation Ltd		1 Nov 2021		0.00	Nil	At Call	S&P AA-	1,790.40	1,790.40	1,790.40
LC113800	30 Sep 2021	AMP Bank Ltd		1 Nov 2021		0.55	Nil	At Call	S&P BBB	10,116,969.52	10,116,969.52	10,116,969.52
LC105387	6 Apr 2021	Commonwealth Bank of Australia Ltd		1 Nov 2021		0.00	Nil	At Call	S&P AA-	1,000.00	1,000.00	1,000.00
LX107761	9 Jun 2021	Members Equity Bank Ltd		9 Nov 2021	9 Nov 2021	0.45	Maturity	TD	S&P ST A2	5,000,000.00	5,000,000.00	5,008,876.70
LX111504	26 Aug 2021	National Australia Bank Ltd		25 Nov 2021	25 Nov 2021	0.25	Maturity	TD	S&P ST A1+	5,000,000.00	5,000,000.00	5,002,260.25
LC097340	26 Nov 2018	Westpac Banking Corporation Ltd		26 Nov 2021	26 Nov 2021	0.83	Quarterly	FRD	S&P AA-	5,000,000.00	5,000,000.00	5,007,534.85
LX113798	13 Oct 2021	Judo Bank		3 Dec 2021	3 Dec 2021	0.23	Maturity	TD	S&P ST A3	5,000,000.00	5,000,000.00	5,000,567.10
LX110792	11 Aug 2021	Members Equity Bank Ltd		13 Dec 2021	13 Dec 2021	0.35	Maturity	TD	Moodys ST P-2	4,000,000.00	4,000,000.00	4,003,106.84
LX111503	26 Aug 2021	National Australia Bank Ltd		20 Dec 2021	20 Dec 2021	0.25	Maturity	TD	S&P ST A1+	5,000,000.00	5,000,000.00	5,002,260.25
LC112884	24 Sep 2021	Members Equity Bank Ltd		22 Dec 2021	22 Dec 2021	0.24	Maturity	TD	Moodys ST P-2	5,000,000.00	5,000,000.00	5,001,216.45
LX112475	10 Sep 2021	Bank of Queensland Ltd		11 Jan 2022	11 Jan 2022	0.29	Maturity	TD	Moodys ST P-2	5,000,000.00	5,000,000.00	5,002,026.05
LX112474	10 Sep 2021	Bank of Queensland Ltd		18 Jan 2022	18 Jan 2022	0.29	Maturity	TD	Moodys ST P-2	5,000,000.00	5,000,000.00	5,002,026.05
LC08632	26 Nov 2018	Newcastle Permanent Building Society Ltd	AU3FN0034021	24 Jan 2022	24 Jan 2022	1.89	Quarterly	FRN	S&P BBB	10,000,000.00	10,000,000.00	10,038,100.00
LC101767	20 Jan 2021	National Australia Bank Ltd		31 Jan 2022	31 Jan 2022	0.42	Maturity	TD	S&P AA-	850,000.00	850,000.00	852,689.72
LC106581	12 May 2021	AMP Bank Ltd		11 Feb 2022	11 Feb 2022	0.55	Maturity	TD	S&P ST A2	5,000,000.00	5,000,000.00	5,012,958.90
LX112589	17 Sep 2021	Bank of Queensland Ltd		18 Feb 2022	18 Feb 2022	0.34	Maturity	TD	Moodys ST P-2	5,000,000.00	5,000,000.00	5,002,049.30
LX112590	17 Sep 2021	Judo Bank		16 Mar 2022	16 Mar 2022	0.53	Maturity	TD	S&P ST A3	4,000,000.00	4,000,000.00	4,002,555.60
LX112847	23 Sep 2021	Judo Bank		23 Mar 2022	23 Mar 2022	0.53	Maturity	TD	S&P ST A3	5,000,000.00	5,000,000.00	5,002,758.90
LC09254	15 Dec 2020	AMP Bank Ltd	AU3FN0035283	30 Mar 2022	30 Dec 2021	1.07	Quarterly	FRN	S&P BBB	2,000,000.00	2,000,000.00	2,003,260.00
LC107572	4 May 2021	Westpac Banking Corporation Ltd		3 May 2022	3 May 2022	0.30	Maturity	TD	S&P ST A1+	8,098,000.00	8,098,000.00	8,109,980.59
LX107763	9 Jun 2021	Members Equity Bank Ltd		9 May 2022	9 May 2022	0.50	Maturity	TD	S&P ST A2	5,000,000.00	5,000,000.00	5,009,863.00
LX106771	21 May 2021	Members Equity Bank Ltd		20 May 2022	20 May 2022	0.50	Maturity	TD	S&P ST A2	10,000,000.00	10,000,000.00	10,022,328.80
LC108589	4 Jun 2021	National Australia Bank Ltd		3 Jun 2022	3 Jun 2022	0.33	Maturity	TD	S&P ST A1+	807,000.00	807,000.00	808,087.13
LX107765	9 Jun 2021	Members Equity Bank Ltd		9 Jun 2022	9 Jun 2022	0.50	Maturity	TD	S&P ST A2	5,000,000.00	5,000,000.00	5,009,863.00
LC08633	16 Jun 2020	AMP Bank Ltd		14 Jun 2022	14 Jun 2022	1.40	Annual	TD	S&P BBB	5,000,000.00	5,000,000.00	5,026,273.95
LC08637	8 Dec 2020	China Construction Bank	AU0000049520	24 Jun 2022	24 Dec 2021	0.95	Quarterly	FRN	S&P A	9,000,000.00	9,000,000.00	9,050,400.00
LX108726	1 Jul 2021	Members Equity Bank Ltd		30 Jun 2022	30 Jun 2022	0.50	Maturity	TD	S&P ST A2	5,000,000.00	5,000,000.00	5,008,356.15
LC08634	13 Dec 2017	Rabobank Australia Ltd		12 Dec 2022	12 Dec 2022	3.18	Annual	TD	Moodys Aa3	10,000,000.00	10,000,000.00	10,280,537.00
LC103143	4 Mar 2021	Members Banking Group Limited t/as RACQ Bank	AU3FN0053146	24 Feb 2023	24 Nov 2021	0.94	Quarterly	FRN	S&P BBB+	1,000,000.00	1,000,000.00	1,005,920.00
LC100672	27 Jan 2021	Industrial & Commercial Bank of China Ltd	AU3FN0053161	24 Feb 2023	24 Nov 2021	0.78	Quarterly	FRN	Moodys A1	10,000,000.00	10,000,000.00	10,069,400.00



Latest Deal Code	Latest Deal Settlement Date	Issuer	ISIN	WAL / Interim Maturity Date	Next Coupon Date	Coupon Rate/Latest Yield	Coupon Frequency	Security Type	Security Rating	Face Value Notional	Current Face Value Notional	Market Value
LC100282	12 Jan 2021	Canadian Imperial Bank of Commerce	AU3FN0054441	9 Jun 2023	9 Dec 2021	1.36	Quarterly	FRN	Fitch AA-	8,000,000.00	8,000,000.00	8,147,840.00
LC100248	12 Jan 2021	Bank of China Limited	AU3FN0055463	18 Aug 2023	18 Nov 2021	0.81	Quarterly	FRN	S&P A	3,400,000.00	3,400,000.00	3,426,690.00
LC100250	12 Jan 2021	Bank of Communications Co. Ltd. Sydney Branch	AU3FN0056529	29 Sep 2023	29 Dec 2021	0.85	Quarterly	FloatTCD	S&P A-	2,900,000.00	2,900,000.00	2,919,024.00
LC100260	12 Jan 2021	Bank of China Limited	AU3FN0057162	27 Oct 2023	27 Jan 2022	0.82	Quarterly	FloatTCD	S&P A	2,800,000.00	2,800,000.00	2,816,548.00
LC07432	23 Nov 2020	Bank of China (Australia) Limited	AU3FN0057337	6 Nov 2023	8 Nov 2021	0.84	Quarterly	FloatTCD	Moody's A1	8,000,000.00	8,000,000.00	8,073,040.00
LC07342	26 Nov 2018	Westpac Banking Corporation Ltd		27 Nov 2023	27 Nov 2021	0.94	Quarterly	FRD	S&P AA-	5,000,000.00	5,000,000.00	5,008,369.85
LC103940	22 Mar 2021	QPCU LTD t/a QBANK	AU3FN0059416	22 Mar 2024	22 Dec 2021	0.77	Quarterly	FRN	S&P BBB-	4,500,000.00	4,500,000.00	4,497,300.00
LC103795	22 Mar 2021	Auswide Bank Limited	AU3FN0059317	22 Mar 2024	22 Dec 2021	0.82	Quarterly	FRN	Moody's Baa2	12,000,000.00	12,000,000.00	12,031,560.00
LC06635	16 Jun 2020	National Australia Bank Ltd		14 Jun 2024	16 Jun 2022	1.15	Annual	TD	S&P AA-	10,000,000.00	10,000,000.00	10,043,164.40
LC112680	28 Sep 2021	National Australia Bank Ltd	AU3FN0048724	19 Jun 2024	20 Dec 2021	0.93	Quarterly	FRN	S&P AA-	5,000,000.00	5,000,000.00	5,077,350.00
LX109584	22 Jul 2021	Bank of Queensland Ltd		22 Jul 2024	24 Jan 2022	0.40	Quarterly	FRD	Moody's A3	4,000,000.00	4,000,000.00	4,000,394.52
LC112603	20 Sep 2021	Suncorp Bank	AU3CB0265403	30 Jul 2024	30 Jan 2022	1.85	Semi Annual	Fixed	S&P A+	2,500,000.00	2,500,000.00	2,513,075.00
LC111488	27 Aug 2021	Macquarie Bank	AU3FN0049367	7 Aug 2024	8 Nov 2021	0.82	Quarterly	FRN	S&P A+	3,000,000.00	3,000,000.00	3,032,250.00
LC111489	27 Aug 2021	Macquarie Bank	AU3CB0265593	7 Aug 2024	7 Feb 2022	1.75	Semi Annual	Fixed	S&P A+	12,000,000.00	12,000,000.00	12,021,360.00
LC112606	20 Sep 2021	Westpac Banking Corporation Ltd	AU3CB0263275	16 Aug 2024	16 Feb 2022	2.25	Semi Annual	Fixed	S&P AA-	2,800,000.00	2,800,000.00	2,880,032.00
LC112605	20 Sep 2021	Bendigo & Adelaide Bank Ltd	AU3CB0266377	6 Sep 2024	6 Mar 2022	1.70	Semi Annual	Fixed	Moody's A3	9,390,000.00	9,390,000.00	9,375,163.80
LC06636	26 Sep 2019	Bank of Queensland Ltd		26 Sep 2024	26 Sep 2022	2.00	Annual	TD	Moody's A3	10,000,000.00	10,000,000.00	10,019,178.10
LC100324	14 Jan 2021	HSBC Sydney Branch	AU3CB0267078	27 Sep 2024	27 Mar 2022	1.50	Semi Annual	Fixed	S&P A+	1,480,000.00	1,480,000.00	1,467,168.40
LC100354	14 Jan 2021	Macquarie Bank	AU3CB0270387	12 Feb 2025	12 Feb 2022	1.70	Semi Annual	Fixed	Moody's A2	25,000,000.00	25,000,000.00	24,795,000.00
LC06683	21 Nov 2019	NSW Treasury Corporation	AU3SG0002025	20 Mar 2025	20 Mar 2022	1.25	Semi Annual	Fixed	S&P AA+	2,000,000.00	2,000,000.00	1,989,520.00
LC06637	16 Jun 2020	Bank of Queensland Ltd		16 Jun 2025	16 Jun 2022	1.53	Annual	TD	Moody's A3	10,000,000.00	10,000,000.00	10,057,427.40
LC107738	16 Jun 2021	MyState Bank Ltd	AU3FN0061024	16 Jun 2025	16 Dec 2021	0.86	Quarterly	FRN	Moody's Baa2	9,500,000.00	9,500,000.00	9,507,600.00
LC100329	14 Jan 2021	UBS Australia Ltd	AU3CB0273407	30 Jul 2025	30 Jan 2022	1.20	Semi Annual	Fixed	S&P A+	4,000,000.00	4,000,000.00	3,885,160.00
LC104737	7 Apr 2021	UBS Australia Ltd	AU3FN0055307	30 Jul 2025	31 Jan 2022	0.94	Quarterly	FRN	S&P A+	10,000,000.00	10,000,000.00	10,139,500.00
LC112609	20 Sep 2021	Bendigo & Adelaide Bank Ltd	AU3FN0057634	2 Dec 2025	2 Dec 2021	0.53	Quarterly	FRN	Moody's A3	35,500,000.00	35,500,000.00	35,364,745.00
LX105597	19 Apr 2021	Macquarie Bank	AU3FN0057709	9 Dec 2025	9 Dec 2021	0.49	Quarterly	FRN	S&P A+	20,000,000.00	20,000,000.00	19,912,000.00
LC112608	20 Sep 2021	Suncorp Bank	AU3FN0058343	24 Feb 2026	24 Nov 2021	0.46	Quarterly	FRN	S&P A+	5,000,000.00	5,000,000.00	4,979,650.00
LC103543	11 Mar 2021	UBS Australia Ltd	AU3FN0058808	26 Feb 2026	26 Nov 2021	0.51	Quarterly	FRN	S&P A+	18,800,000.00	18,800,000.00	18,747,924.00
LC103141	4 Mar 2021	Newcastle Permanent Building Society Ltd	AU3FN0058699	4 Mar 2026	6 Dec 2021	0.84	Quarterly	FRN	S&P BBB	1,000,000.00	1,000,000.00	996,840.00
LC105450	22 Apr 2021	Credit Union Australia Ltd	AU3FN0059721	22 Apr 2026	24 Jan 2022	0.88	Quarterly	FRN	Moody's Baa1	11,000,000.00	11,000,000.00	10,973,380.00
LC109088	9 Jul 2021	Bank of Queensland Ltd	AU3FN0060406	6 May 2026	8 Nov 2021	0.84	Quarterly	FRN	Moody's A3	5,000,000.00	5,000,000.00	4,986,200.00
LC109586	23 Jul 2021	Bendigo & Adelaide Bank Ltd	AU3FN0061081	18 Jun 2026	20 Dec 2021	0.86	Quarterly	FRN	Moody's A3	15,300,000.00	15,300,000.00	15,237,576.00



Latest Deal Code	Latest Deal Settlement Date	Issuer	ISIN	WAL / Interim Maturity Date	Next Coupon Date	Coupon Rate/Latest Yield	Coupon Frequency	Security Type	Security Rating	Face Value Notional	Current Face Value Notional	Market Value
LX109029	8 Jul 2021	Bank of Queensland Ltd		8 Jul 2026	10 Jan 2022	0.80	Quarterly	FRD	Moodys A3	5,000,000.00	5,000,000.00	5,001,902.05
LX109587	22 Jul 2021	Bank of Queensland Ltd		22 Jul 2026	24 Jan 2022	0.58	Quarterly	FRD	Moodys A3	3,000,000.00	3,000,000.00	3,000,429.03
LC112610	20 Sep 2021	National Australia Bank Ltd	AU3FN0062659	24 Aug 2026	24 Nov 2021	0.42	Quarterly	FRN	S&P AA-	7,000,000.00	7,000,000.00	6,954,570.00
LC113804	15 Oct 2021	Suncorp Bank	AU3FN0062964	15 Sep 2026	15 Dec 2021	0.49	Quarterly	FRN	Moodys A1	12,900,000.00	12,900,000.00	12,830,727.00
LC111486	26 Aug 2021	Northern Territory Treasury Corporation		15 Dec 2026	15 Dec 2021	1.40	Semi Annual	Fixed	Moodys Aa3	5,000,000.00	5,000,000.00	5,012,650.00
LC06875	15 Nov 2018	NSW Treasury Corporation	AU3SG0001878	15 Nov 2028	15 Nov 2021	3.00	Semi Annual	Fixed	S&P AA+	15,000,000.00	15,000,000.00	16,159,800.00
										506,720,586.09	506,720,586.09	508,402,951.21
<b>Total</b>										506,720,586.09	506,720,586.09	508,402,951.21

Coupon Rate is the full coupon rate at the next coupon date if that next coupon exists.



## 2. Interest and Distribution Income Received For 1 October 2021 to 31 October 2021

Security ISIN	Security	Issuer	Income Expense Code	Settlement Date	Face Value (Basis of Interest Calculation)	Consideration Notional	Income Type	Trading Book
	BOQ 0.58 08 Jul 2026 1826DAY FRD	Bank of Queensland Ltd	IEI183762	8 Oct 2021	5,000,000.00	7,624.66	Security Coupon Interest	Central Coast Council
	MACQ 0.8 12 Oct 2021 454DAY TD	Macquarie Bank	IEI183851	12 Oct 2021	10,000,000.00	19,506.85	Security Coupon Interest	Central Coast Council
	BOQ 0.4 22 Jul 2024 1096DAY FRD	Bank of Queensland Ltd	IEI172336	22 Oct 2021	4,000,000.00	4,032.88	Security Coupon Interest	Central Coast Council
	BOQ 0.4 22 Jul 2024 1096DAY FRD	Bank of Queensland Ltd	IEI186063	22 Oct 2021		252.05	Security Coupon Interest Adjustment - Income	Central Coast Council
	BOQ 0.58 22 Jul 2026 1826DAY FRD	Bank of Queensland Ltd	IEI172337	22 Oct 2021	3,000,000.00	4,385.75	Security Coupon Interest	Central Coast Council
	BOQ 0.58 22 Jul 2026 1826DAY FRD	Bank of Queensland Ltd	IEI186064	22 Oct 2021		189.04	Security Coupon Interest Adjustment - Income	Central Coast Council
AU3FN0059721	CUA 0.68 22 Apr 2026 FRN	Credit Union Australia Ltd	IEI185834	22 Oct 2021	11,000,000.00	19,546.85	Security Coupon Interest	Central Coast Council
AU3FN0034021	NPBS 1.65 24 Jan 2022 FRN	Newcastle Permanent Building Society Ltd	IEI185366	25 Oct 2021	10,000,000.00	41,760.27	Security Coupon Interest	Central Coast Council
AU3FN0057162	BOC 0.78 27 Oct 2023 FloatTCD	Bank of China Limited	IEI186040	27 Oct 2021	2,800,000.00	5,680.61	Security Coupon Interest	Central Coast Council
	ME Bank 0.4 28 Oct 2021 119DAY TD	Members Equity Bank Ltd	IEI186068	28 Oct 2021	5,000,000.00	6,520.55	Security Coupon Interest	Central Coast Council
AU3FN0055307	UBS Aust 0.87 30 Jul 2025 FRN	UBS Australia Ltd	IEI186213	29 Oct 2021	10,000,000.00	22,201.51	Security Coupon Interest	Central Coast Council
						<b>131,701.02</b>		



### 3. Acquisitions, Disposals and Maturities Between 1 October 2021 and 31 October 2021

Security	Issuer	Security ISIN	Deal Code	Acquisition/ Disposal	Transaction Date	Settlement Date	Face Value Original	Face Value Current	Bond Factor	Capital Price	Accrued Interest Price	Gross Price	Consideration Notional
MACQ 0.8 12 Oct 2021 454DAY TD	Macquarie Bank		LC91149	Maturity	12 Oct 2021		10,000,000.00	10,000,000.00	1.00000000	100.000	0.000	100.000	(10,000,000.00)
JUDO 0.23 03 Dec 2021 51DAY TD	Judo Bank		LX113798	Acquisition	13 Oct 2021	13 Oct 2021	5,000,000.00	5,000,000.00	1.00000000	100.000	0.000	100.000	5,000,000.00
SunBank 0.48 15 Sep 2020 FRN	Suncorp Bank	AU3FN0062904	LC113804	Acquisition	13 Oct 2021	15 Oct 2021	10,000,000.00	10,000,000.00	1.00000000	99.858	0.040	99.898	9,989,800.00
ME Bank 0.4 28 Oct 2021 110DAY TD	Members Equity Bank Ltd		LX108734	Maturity	28 Oct 2021		5,000,000.00	5,000,000.00	1.00000000	100.000	0.000	100.000	(5,000,000.00)
MACQ At Call In	Macquarie Bank		LC114678	Acquisition	31 Oct 2021	31 Oct 2021	4,892.61	4,892.61	1.00000000	100.000	0.000	100.000	4,892.61
													(5,307.39)

Notes

1. The maturity of 'MBS' type securities are excluded from the above list
2. At maturity, securities are assumed to be priced at capital price = 100, accrued interest = 0
3. To avoid misleading maturity data, the reporting period should start immediately after a month end and the reporting period should be kept small (e.g. 1 month).



4. Interest Income Accrued As At 31 October 2021

Latest Deal Code	Security	WAL / Interim Maturity Date	Issue Date	Prior Coupon Date	Next Coupon Date	Accrual Period (Days)	Coupon Rate	Franking Credit Rate	Coupon Frequency	Face Value Notional	Current Face Value Notional	Latest Purchase Consideration	Market Value	Accrued Interest
LC113600	AMP At Call	1 Nov 2021	31 Oct 2020	26 Apr 2021		188	0.5500		Nil	10,116,969.52	10,116,969.52	4,571.36	10,116,969.52	28,660.13
LC105387	CBA At Call	1 Nov 2021	31 Oct 2020	31 Dec 2020		304	0.0100		Nil	1,000.00	1,000.00	69,000.00	1,000.00	0.08
LX107781	ME Bank 0.45 09 Nov 2021 153DAY TD	9 Nov 2021	9 Jun 2021		9 Nov 2021	144	0.4500		Maturity	5,000,000.00	5,000,000.00	5,000,000.00	5,008,876.70	8,876.71
LX111504	NAB 0.25 25 Nov 2021 91DAY TD	25 Nov 2021	28 Aug 2021		25 Nov 2021	66	0.2500		Maturity	5,000,000.00	5,000,000.00	5,000,000.00	5,002,260.25	2,260.27
LC97340	Westpac 0.82 26 Nov 2021 1096DAY FRD	26 Nov 2021	26 Nov 2018	26 Aug 2021	26 Nov 2021	66	0.8334		Quarterly	5,000,000.00	5,000,000.00	5,000,000.00	5,007,534.85	7,534.85
LX113798	JUDO 0.23 03 Dec 2021 51DAY TD	3 Dec 2021	13 Oct 2021		3 Dec 2021	18	0.2300		Maturity	5,000,000.00	5,000,000.00	5,000,000.00	5,000,567.10	567.12
LX110792	ME Bank 0.35 13 Dec 2021 124DAY TD	13 Dec 2021	11 Aug 2021		13 Dec 2021	81	0.3500		Maturity	4,000,000.00	4,000,000.00	4,000,000.00	4,003,106.84	3,106.85
LX111503	NAB 0.25 20 Dec 2021 116DAY TD	20 Dec 2021	28 Aug 2021		20 Dec 2021	66	0.2500		Maturity	5,000,000.00	5,000,000.00	5,000,000.00	5,002,260.25	2,260.27
LC112884	ME Bank 0.24 22 Dec 2021 89DAY TD	22 Dec 2021	24 Sep 2021		22 Dec 2021	37	0.2400		Maturity	5,000,000.00	5,000,000.00	5,000,000.00	5,001,216.45	1,216.44
LX112475	BOQ 0.29 11 Jan 2022 123DAY TD	11 Jan 2022	10 Sep 2021		11 Jan 2022	51	0.2900		Maturity	5,000,000.00	5,000,000.00	5,000,000.00	5,002,026.05	2,026.03
LX112474	BOQ 0.29 18 Jan 2022 130DAY TD	18 Jan 2022	10 Sep 2021		18 Jan 2022	51	0.2900		Maturity	5,000,000.00	5,000,000.00	5,000,000.00	5,002,026.05	2,026.03
LC98632	NPBS 1.65 24 Jan 2022 FRN	24 Jan 2022	24 Jan 2017	25 Oct 2021	24 Jan 2022	6	1.6920		Quarterly	10,000,000.00	10,000,000.00	10,032,300.00	10,038,100.00	2,781.37
LC101767	NAB 0.42 31 Jan 2022 367DAY TD	31 Jan 2022	29 Jan 2021		31 Jan 2022	275	0.4200		Maturity	850,000.00	850,000.00	850,000.00	852,689.72	2,689.73
LC108581	AMP 0.55 11 Feb 2022 275DAY TD	11 Feb 2022	12 May 2021		11 Feb 2022	172	0.5500		Maturity	5,000,000.00	5,000,000.00	5,000,000.00	5,012,958.90	12,958.90
LX112589	BOQ 0.34 18 Feb 2022 154DAY TD	18 Feb 2022	17 Sep 2021		18 Feb 2022	44	0.3400		Maturity	5,000,000.00	5,000,000.00	5,000,000.00	5,002,049.30	2,049.32
LX112590	JUDO 0.53 16 Mar 2022 180DAY TD	16 Mar 2022	17 Sep 2021		16 Mar 2022	44	0.5300		Maturity	4,000,000.00	4,000,000.00	4,000,000.00	4,002,555.60	2,555.62
LX112847	JUDO 0.53 23 Mar 2022 181DAY TD	23 Mar 2022	23 Sep 2021		23 Mar 2022	38	0.5300		Maturity	5,000,000.00	5,000,000.00	5,000,000.00	5,002,758.90	2,758.90
LC99254	AMP 1.05 30 Mar 2022 FRN	30 Mar 2022	30 Mar 2017	30 Sep 2021	30 Dec 2021	31	1.0696		Quarterly	2,000,000.00	2,000,000.00	2,008,640.00	2,003,260.00	1,816.85
LC107572	Westpac 0.3 03 May 2022 364DAY TD	3 May 2022	4 May 2021		3 May 2022	180	0.3000		Maturity	8,098,000.00	8,098,000.00	8,098,000.00	8,109,980.59	11,980.60
LX107763	ME Bank 0.5 09 May 2022 334DAY TD	9 May 2022	9 Jun 2021		9 May 2022	144	0.5000		Maturity	5,000,000.00	5,000,000.00	5,000,000.00	5,009,863.00	9,863.01
LX106771	ME Bank 0.5 20 May 2022 364DAY TD	20 May 2022	21 May 2021		20 May 2022	163	0.5000		Maturity	10,000,000.00	10,000,000.00	10,000,000.00	10,022,328.80	22,328.77
LC108589	NAB 0.33 03 Jun 2022 364DAY TD	3 Jun 2022	4 Jun 2021		3 Jun 2022	149	0.3300		Maturity	807,000.00	807,000.00	807,000.00	808,087.13	1,087.13
LX107765	ME Bank 0.5 09 Jun 2022 365DAY TD	9 Jun 2022	9 Jun 2021		9 Jun 2022	144	0.5000		Maturity	5,000,000.00	5,000,000.00	5,000,000.00	5,009,863.00	9,863.01
LC98633	AMP 1.4 14 Jun 2022 728DAY TD	14 Jun 2022	16 Jun 2020	16 Jun 2021	14 Jun 2022	137	1.4000		Annual	5,000,000.00	5,000,000.00	5,000,000.00	5,026,273.95	26,273.97
LC98837	CCB 0.93 24 Jun 2022 FRN	24 Jun 2022	24 Jun 2019	24 Sep 2021	24 Dec 2021	37	0.9480		Quarterly	9,000,000.00	9,000,000.00	9,090,810.00	9,050,400.00	8,630.63
LX108726	ME Bank 0.5 30 Jun 2022 364DAY TD	30 Jun 2022	1 Jul 2021		30 Jun 2022	122	0.5000		Maturity	5,000,000.00	5,000,000.00	5,000,000.00	5,008,356.15	8,356.16
LC98634	RABO 3.18 12 Dec 2022 1825DAY TD	12 Dec 2022	13 Dec 2017	13 Dec 2020	12 Dec 2022	322	3.1800		Annual	10,000,000.00	10,000,000.00	10,000,000.00	10,280,537.00	280,536.99
LC103143	RACB 0.93 24 Feb 2023 FRN	24 Feb 2023	24 Feb 2020	24 Aug 2021	24 Nov 2021	68	0.9407		Quarterly	1,000,000.00	1,000,000.00	1,008,600.00	1,005,920.00	1,752.54
LC100672	ICBC 0.77 24 Feb 2023 FRN	24 Feb 2023	24 Feb 2020	24 Aug 2021	24 Nov 2021	68	0.7807		Quarterly	10,000,000.00	10,000,000.00	10,077,800.00	10,069,400.00	14,544.55
LC100282	CIB 1.35 09 Jun 2023 FRN	9 Jun 2023	9 Jun 2020	9 Sep 2021	9 Dec 2021	52	1.3604		Quarterly	8,000,000.00	8,000,000.00	3,068,280.00	8,147,840.00	15,504.83
LC100248	BOC 0.8 18 Aug 2023 FRN	18 Aug 2023	18 Aug 2020	18 Aug 2021	18 Nov 2021	74	0.8100		Quarterly	3,400,000.00	3,400,000.00	3,426,112.00	3,426,690.00	5,583.45
LC100250	BOOM 0.83 29 Sep 2023 FloatTCD	29 Sep 2023	29 Sep 2020	29 Sep 2021	29 Dec 2021	32	0.8486		Quarterly	2,900,000.00	2,900,000.00	2,920,387.00	2,919,024.00	2,157.54



Investment Report Pack  
Central Coast Council  
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Latest Deal Code	Security	WAL / Interim Maturity Date	Issue Date	Prior Coupon Date	Next Coupon Date	Accrual Period (Days)	Coupon Rate	Franking Credit Rate	Coupon Frequency	Face Value Notional	Current Face Value Notional	Latest Purchase Consideration	Market Value	Accrued Interest
LC100260	BOC 0.78 27 Oct 2023 FloatTCD	27 Oct 2023	27 Oct 2020	27 Oct 2021	27 Jan 2022	4	0.8213		Quarterly	2,800,000.00	2,800,000.00	2,824,304.00	2,816,548.00	252.02
LC97432	BOC Aust 0.83 08 Nov 2023 FloatTCD	8 Nov 2023	8 Nov 2020	8 Aug 2021	8 Nov 2021	86	0.8400		Quarterly	8,000,000.00	8,000,000.00	8,045,280.00	8,073,040.00	15,833.42
LC97342	Westpac 0.93 27 Nov 2023 182DAY FRD	27 Nov 2023	28 Nov 2018	27 Aug 2021	27 Nov 2021	65	0.9400		Quarterly	5,000,000.00	5,000,000.00	5,000,000.00	5,008,369.85	8,369.86
LC103940	Qld Police 0.75 22 Mar 2024 FRN	22 Mar 2024	22 Mar 2021	22 Sep 2021	22 Dec 2021	39	0.7659		Quarterly	4,500,000.00	4,500,000.00	4,500,000.00	4,497,300.00	3,682.62
LC103795	Auswide 0.6 22 Mar 2024 FRN	22 Mar 2024	22 Mar 2021	22 Sep 2021	22 Dec 2021	39	0.6159		Quarterly	12,000,000.00	12,000,000.00	12,000,000.00	12,031,580.00	7,897.02
LC96835	NAB 1.15 14 Jun 2024 1459DAY TD	14 Jun 2024	16 Jun 2020	16 Jun 2021	16 Jun 2022	137	1.1500		Annual	10,000,000.00	10,000,000.00	10,000,000.00	10,043,164.40	43,164.38
LC112880	NAB 0.82 19 Jun 2024 FRN	19 Jun 2024	19 Jun 2019	20 Sep 2021	20 Dec 2021	41	0.9329		Quarterly	5,000,000.00	5,000,000.00	5,001,550.00	5,077,350.00	5,239.58
LX109584	BOQ 0.4 22 Jul 2024 1096DAY FRD	22 Jul 2024	22 Jul 2021	22 Oct 2021	24 Jan 2022	9	0.4000		Quarterly	4,000,000.00	4,000,000.00	4,000,000.00	4,000,394.62	394.52
LC112603	SunBank 1.85 30 Jul 2024 Fixed	30 Jul 2024	30 Jul 2019	30 Jul 2021	30 Jan 2022	93	1.8500		Semi Annual	2,500,000.00	2,500,000.00	1,554,390.00	2,513,075.00	11,784.25
LC111488	MACQ 0.8 07 Aug 2024 FRN	7 Aug 2024	7 Aug 2019	9 Aug 2021	8 Nov 2021	83	0.8150		Quarterly	3,000,000.00	3,000,000.00	3,044,970.00	3,032,250.00	5,559.86
LC111489	MACQ 1.75 07 Aug 2024 Fixed	7 Aug 2024	7 Aug 2019	7 Aug 2021	7 Feb 2022	85	1.7500		Semi Annual	12,000,000.00	12,000,000.00	2,062,420.00	12,021,380.00	48,904.11
LC112606	Westpac 2.25 16 Aug 2024 Fixed	16 Aug 2024	16 May 2019	16 Aug 2021	16 Feb 2022	76	2.2500		Semi Annual	2,800,000.00	2,800,000.00	2,940,476.00	2,860,032.00	13,117.81
LC112605	BENAU 1.7 06 Sep 2024 Fixed	6 Sep 2024	6 Sep 2019	6 Sep 2021	6 Mar 2022	55	1.7000		Semi Annual	9,390,000.00	9,390,000.00	1,542,195.00	9,375,163.80	24,053.84
LC96836	BOQ 2.26 Sep 2024 1827DAY TD	26 Sep 2024	26 Sep 2019	26 Sep 2021	26 Sep 2022	35	2.0000		Annual	10,000,000.00	10,000,000.00	10,000,000.00	10,019,178.10	19,178.08
LC100324	HSBCSyd 1.5 27 Sep 2024 Fixed	27 Sep 2024	27 Sep 2019	27 Sep 2021	27 Mar 2022	34	1.5000		Semi Annual	1,480,000.00	1,480,000.00	1,533,132.00	1,467,168.40	2,067.95
LC100354	MACQ 1.7 12 Feb 2025 Fixed	12 Feb 2025	12 Feb 2020	12 Aug 2021	12 Feb 2022	80	1.7000		Semi Annual	25,000,000.00	25,000,000.00	10,510,000.00	24,795,000.00	93,150.68
LC96863	NSWTC 1.25 20 Mar 2025 Fixed	20 Mar 2025	21 Nov 2019	20 Sep 2021	20 Mar 2022	41	1.2500		Semi Annual	2,000,000.00	2,000,000.00	2,000,000.00	1,989,520.00	2,808.22
LC96837	BOQ 1.53 16 Jun 2025 1826DAY TD	16 Jun 2025	16 Jun 2020	16 Jun 2021	16 Jun 2022	137	1.5300		Annual	10,000,000.00	10,000,000.00	10,000,000.00	10,057,427.40	57,427.40
LC107738	MYS 0.65 16 Jun 2025 FRN	16 Jun 2025	16 Jun 2021	16 Sep 2021	16 Dec 2021	45	0.6627		Quarterly	9,500,000.00	9,500,000.00	9,500,000.00	9,507,600.00	7,761.76
LC100329	UBS Aust 1.2 30 Jul 2025 Fixed	30 Jul 2025	30 Jul 2020	30 Jul 2021	30 Jan 2022	93	1.2000		Semi Annual	4,000,000.00	4,000,000.00	4,120,240.00	3,885,160.00	12,230.14
LC104737	UBS Aust 0.87 30 Jul 2025 FRN	30 Jul 2025	30 Jul 2020	29 Oct 2021	31 Jan 2022	2	0.9402		Quarterly	10,000,000.00	10,000,000.00	5,083,750.00	10,139,500.00	515.18
LC112609	BENAU 0.52 02 Dec 2025 FRN	2 Dec 2025	2 Dec 2020	2 Sep 2021	2 Dec 2021	59	0.5327		Quarterly	35,500,000.00	35,500,000.00	4,512,240.00	35,364,745.00	30,568.22
LX105597	MACQ 0.48 09 Dec 2025 FRN	9 Dec 2025	9 Dec 2020	9 Sep 2021	9 Dec 2021	52	0.4904		Quarterly	20,000,000.00	20,000,000.00	9,979,100.00	19,912,000.00	13,973.04
LC112608	SunBank 0.45 24 Feb 2026 FRN	24 Feb 2026	24 Feb 2021	24 Aug 2021	24 Nov 2021	68	0.4607		Quarterly	5,000,000.00	5,000,000.00	5,010,350.00	4,979,650.00	4,201.45
LC103543	UBS Aust 0.5 26 Feb 2026 FRN	26 Feb 2026	26 Feb 2021	26 Aug 2021	26 Nov 2021	66	0.5134		Quarterly	18,800,000.00	18,800,000.00	12,013,800.00	18,747,924.00	17,452.79
LC103141	NPBS 0.63 04 Mar 2026 FRN	4 Mar 2026	4 Mar 2021	6 Sep 2021	6 Dec 2021	55	0.6420		Quarterly	1,000,000.00	1,000,000.00	1,002,420.00	996,840.00	967.40
LC105450	CUA 0.68 22 Apr 2026 FRN	22 Apr 2026	22 Apr 2021	22 Oct 2021	24 Jan 2022	9	0.6800		Quarterly	11,000,000.00	11,000,000.00	11,000,000.00	10,973,380.00	1,844.38
LC109088	BOQ 0.63 06 May 2026 FRN	6 May 2026	6 May 2021	6 Aug 2021	8 Nov 2021	86	0.6400		Quarterly	5,000,000.00	5,000,000.00	5,026,950.00	4,986,200.00	7,539.73
LC109586	BENAU 0.65 18 Jun 2026 FRN	18 Jun 2026	18 Jun 2021	20 Sep 2021	20 Dec 2021	41	0.6629		Quarterly	15,300,000.00	15,300,000.00	3,019,110.00	15,237,576.00	11,392.80
LX109029	BOQ 0.58 08 Jul 2026 1826DAY FRD	8 Jul 2026	8 Jul 2021	8 Oct 2021	10 Jan 2022	23	0.6037		Quarterly	5,000,000.00	5,000,000.00	5,000,000.00	5,001,902.05	1,902.07
LX109587	BOQ 0.58 22 Jul 2026 1826DAY FRD	22 Jul 2026	22 Jul 2021	22 Oct 2021	24 Jan 2022	9	0.5800		Quarterly	3,000,000.00	3,000,000.00	3,000,000.00	3,000,429.03	429.04
LC112610	NAB 0.41 24 Aug 2026 FRN	24 Aug 2026	24 Aug 2021		24 Nov 2021	68	0.4207		Quarterly	7,000,000.00	7,000,000.00	7,012,180.00	6,954,570.00	5,488.39
LC113804	SunBank 0.48 15 Sep 2026 FRN	15 Sep 2026	15 Sep 2021		15 Dec 2021	46	0.4910		Quarterly	12,900,000.00	12,900,000.00	9,989,800.00	12,830,727.00	7,982.45
LC111486	NTTC 1.4 15 Dec 2026 - Issued 26 August 2021 - CCC Fixed	15 Dec 2026	26 Aug 2021		15 Dec 2021	66	1.4000		Semi Annual	5,000,000.00	5,000,000.00	5,000,000.00	5,012,650.00	12,657.53

2.2  
Attachment 5

Investment Report for October 2021  
Treasury Direct Portfolio Valuation Report at 31 October 2021



Investment Report Pack  
Central Coast Council  
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Latest Deal Code	Security	WAL / Interim Maturity Date	Issue Date	Prior Coupon Date	Next Coupon Date	Accrual Period (Days)	Coupon Rate	Franking Credit Rate	Coupon Frequency	Face Value Notional	Current Face Value Notional	Latest Purchase Consideration	Market Value	Accrued Interest
LC96875	NSWTC 3 15 Nov 2028 Fixed	15 Nov 2028	15 Nov 2018	15 May 2021	15 Nov 2021	169	3.0000		Semi Annual	15,000,000.00	15,000,000.00	15,000,000.00	16,159,800.00	208,356.16
										481,642,969.52	481,642,969.52		483,325,334.64	1,212,844.80

Notes:

- Coupon Rate is the full coupon rate at the next coupon date if that next coupon exists.
- Accrued Interest is calculated as Current Face Value x Coupon Rate ( Adjusted by Franking Credit Rate ) x ( Days Since Prior Coupon or Issue Date / 365).
- The accrued interest component of the Market Value does not consider the franking credit rate and is instead based upon market prices.
- Immaterial differences in Accrued Interest and the accrued interest portion of Market Value may arise because Market Value is calculated using a rounded "price per 100" value.



5. Portfolio Valuation As At 31 October 2021

Security	Security Rating	ISIN	Face Value Original	Face Value Current	FI Cap Price/ Unit Price/ Share Price	Unit Count/ Share Count	Accrued Interest Price	Market Value	% Total Value	Running Yield	Weighted Running Yield
<b>At Call Deposit</b>											
AMP At Call	S&P BBB		10,116,969.52	10,116,969.52	100.000		0.000	10,116,969.52	1.99%	0.55%	
CBA At Call	S&P AA-		1,000.00	1,000.00	100.000		0.000	1,000.00	0.00%	0.01%	
Westpac At Call	S&P AA-		1,790.40	1,790.40	100.000		0.000	1,790.40	0.00%	0.00%	
			10,119,759.92	10,119,759.92				10,119,759.92	1.99%		0.55%
<b>At Call Investment</b>											
MACQ At Call In	Moody's A2		25,075,826.17	25,075,826.17	100.000		0.000	25,075,826.17	4.93%	0.30%	
			25,075,826.17	25,075,826.17				25,075,826.17	4.93%		0.30%
<b>Fixed Rate Bond</b>											
BENAU 1.7 06 Sep 2024 Fixed	Moody's A3	AU3CB0266377	9,390,000.00	9,390,000.00	99.584		0.258	9,375,163.80	1.84%	1.64%	
HSBCSyd 1.5 27 Sep 2024 Fixed	S&P A+	AU3CB0267078	1,480,000.00	1,480,000.00	98.992		0.141	1,467,168.40	0.29%	1.45%	
MACQ 1.75 07 Aug 2024 Fixed	S&P A+	AU3CB0265593	12,000,000.00	12,000,000.00	99.774		0.404	12,021,360.00	2.36%	1.70%	
MACQ 1.7 12 Feb 2025 Fixed	Moody's A2	AU3CB0270387	25,000,000.00	25,000,000.00	98.810		0.370	24,795,000.00	4.88%	1.63%	
NTTC 1.4 15 Dec 2026 - Issued 26 August 2021 - CCC Fixed	Moody's Aa3		5,000,000.00	5,000,000.00	100.000		0.253	5,012,650.00	0.99%	1.40%	
NSWTC 1.25 20 Mar 2025 Fixed	S&P AA+	AU3SG0002025	2,000,000.00	2,000,000.00	99.334		0.142	1,989,520.00	0.39%	1.25%	
NSWTC 3 15 Nov 2028 Fixed	S&P AA+	AU3SG0001878	15,000,000.00	15,000,000.00	106.354		1.378	16,159,800.00	3.18%	3.00%	
SunBank 1.85 30 Jul 2024 Fixed	S&P A+	AU3CB0265403	2,500,000.00	2,500,000.00	100.055		0.468	2,513,075.00	0.49%	1.79%	
UBS Aust 1.2 30 Jul 2025 Fixed	S&P A+	AU3CB0273407	4,000,000.00	4,000,000.00	96.826		0.303	3,885,160.00	0.76%	1.17%	
Westpac 2.25 16 Aug 2024 Fixed	S&P AA-	AU3CB0263275	2,800,000.00	2,800,000.00	101.679		0.465	2,860,032.00	0.58%	2.15%	
			79,170,000.00	79,170,000.00				80,078,929.20	15.75%		1.87%
<b>Floating Rate Deposit</b>											
BOQ 0.4 22 Jul 2024 1096DAY FRD	Moody's A3		4,000,000.00	4,000,000.00	100.000		0.010	4,000,394.52	0.79%	0.40%	
BOQ 0.58 08 Jul 2026 1826DAY FRD	Moody's A3		5,000,000.00	5,000,000.00	100.000		0.038	5,001,902.05	0.98%	0.60%	
BOQ 0.58 22 Jul 2026 1826DAY FRD	Moody's A3		3,000,000.00	3,000,000.00	100.000		0.014	3,000,429.03	0.59%	0.58%	
Westpac 0.82 26 Nov 2021 1096DAY FRD	S&P ST A1+		5,000,000.00	5,000,000.00	100.000		0.151	5,007,534.85	0.98%	0.83%	
Westpac 0.93 27 Nov 2023 1827DAY FRD	S&P AA-		5,000,000.00	5,000,000.00	100.000		0.167	5,008,369.85	0.99%	0.94%	
			22,000,000.00	22,000,000.00				22,018,630.30	4.33%		0.69%
<b>Floating Rate Note</b>											
AMP 1.05 30 Mar 2022 FRN	S&P BBB	AU3FN0035283	2,000,000.00	2,000,000.00	100.072		0.091	2,003,260.00	0.39%	1.07%	
Auswide 0.6 22 Mar 2024 FRN	Moody's Baa2	AU3FN0059317	12,000,000.00	12,000,000.00	100.197		0.066	12,031,560.00	2.37%	0.62%	
BOC 0.8 18 Aug 2023 FRN	S&P A	AU3FN0055463	3,400,000.00	3,400,000.00	100.821		0.164	3,426,690.00	0.67%	0.80%	
BOQ 0.83 06 May 2026 FRN	Moody's A3	AU3FN0060406	5,000,000.00	5,000,000.00	99.573		0.151	4,986,200.00	0.98%	0.64%	
BENAU 0.52 02 Dec 2025 FRN	Moody's A3	AU3FN0057634	35,500,000.00	35,500,000.00	99.533		0.086	35,364,745.00	6.96%	0.53%	
BENAU 0.65 18 Jun 2026 FRN	Moody's A3	AU3FN0061081	15,300,000.00	15,300,000.00	99.518		0.074	15,237,576.00	3.00%	0.66%	



Investment Report Pack  
Central Coast Council  
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Security	Security Rating	ISIN	Face Value Original	Face Value Current	FI Cap Price/ Unit Price/ Share Price	Unit Count/ Share Count	Accrued Interest Price	Market Value	% Total Value	Running Yield	Weighted Running Yield
CIB 1.35 09 Jun 2023 FRN	Fitch AA-	AU3FN0054441	8,000,000.00	8,000,000.00	101.854		0.194	8,147,840.00	1.60%	1.33%	
CCB 0.93 24 Jun 2022 FRN	S&P A	AU0000049520	9,000,000.00	9,000,000.00	100.464		0.096	9,050,400.00	1.78%	0.94%	
CUA 0.68 22 Apr 2026 FRN	Moody's Baa1	AU3FN0059721	11,000,000.00	11,000,000.00	99.740		0.018	10,973,380.00	2.16%	0.68%	
ICBC 0.77 24 Feb 2023 FRN	Moody's A1	AU3FN0053161	10,000,000.00	10,000,000.00	100.549		0.145	10,069,400.00	1.98%	0.78%	
MACQ 0.8 07 Aug 2024 FRN	S&P A+	AU3FN0049367	3,000,000.00	3,000,000.00	100.890		0.185	3,032,250.00	0.60%	0.80%	
MACQ 0.48 09 Dec 2025 FRN	S&P A+	AU3FN0057709	20,000,000.00	20,000,000.00	99.490		0.070	19,912,000.00	3.92%	0.49%	
RACB 0.93 24 Feb 2023 FRN	S&P BBB+	AU3FN0053146	1,000,000.00	1,000,000.00	100.417		0.175	1,005,920.00	0.20%	0.93%	
MYS 0.65 16 Jun 2025 FRN	Moody's Baa2	AU3FN0061024	9,500,000.00	9,500,000.00	99.998		0.082	9,507,600.00	1.87%	0.66%	
NAB 0.92 19 Jun 2024 FRN	S&P AA-	AU3FN0048724	5,000,000.00	5,000,000.00	101.442		0.105	5,077,350.00	1.00%	0.92%	
NAB 0.41 24 Aug 2026 FRN	S&P AA-	AU3FN0062659	7,000,000.00	7,000,000.00	99.273		0.078	6,954,570.00	1.37%	0.42%	
NPBS 1.65 24 Jan 2022 FRN	S&P BBB	AU3FN0034021	10,000,000.00	10,000,000.00	100.353		0.028	10,038,100.00	1.07%	1.69%	
NPBS 0.63 04 Mar 2026 FRN	S&P BBB	AU3FN0058699	1,000,000.00	1,000,000.00	99.587		0.097	996,840.00	0.20%	0.64%	
Old Police 0.75 22 Mar 2024 FRN	S&P BBB-	AU3FN0059416	4,500,000.00	4,500,000.00	99.858		0.082	4,497,300.00	0.88%	0.77%	
SunBank 0.45 24 Feb 2026 FRN	S&P A+	AU3FN0058343	5,000,000.00	5,000,000.00	99.507		0.086	4,979,650.00	0.98%	0.46%	
SunBank 0.48 15 Sep 2026 FRN	Moody's A1	AU3FN0062964	12,900,000.00	12,900,000.00	99.401		0.062	12,830,727.00	2.52%	0.49%	
UBS Aust0.87 30 Jul 2025 FRN	S&P A+	AU3FN0055307	10,000,000.00	10,000,000.00	101.390		0.005	10,139,500.00	1.99%	0.92%	
UBS Aust0.5 26 Feb 2026 FRN	S&P A+	AU3FN0058608	18,800,000.00	18,800,000.00	99.630		0.093	18,747,924.00	3.69%	0.51%	
			218,900,000.00	218,900,000.00				219,010,782.00	43.08%		0.71%
Floating Rate TCD											
BOC Aust0.83 06 Nov 2023 FloatTCD	Moody's A1	AU3FN0057337	8,000,000.00	8,000,000.00	100.715		0.198	8,073,040.00	1.59%	0.84%	
BOC 0.78 27 Oct 2023 FloatTCD	S&P A	AU3FN0057162	2,800,000.00	2,800,000.00	100.582		0.009	2,816,548.00	0.55%	0.82%	
BCOM 0.83 29 Sep 2023 FloatTCD	S&P A-	AU3FN0056529	2,900,000.00	2,900,000.00	100.582		0.074	2,919,024.00	0.57%	0.84%	
			13,700,000.00	13,700,000.00				13,808,612.00	2.72%		0.83%
Term Deposit											
AMP 0.55 11 Feb 2022 275DAY TD	S&P ST A2		5,000,000.00	5,000,000.00	100.000		0.259	5,012,958.90	0.99%	0.55%	
AMP 1.4 14 Jun 2022 728DAY TD	S&P ST A2		5,000,000.00	5,000,000.00	100.000		0.525	5,026,273.95	0.99%	1.40%	
BOQ 0.29 11 Jan 2022 123DAY TD	Moody's ST P-2		5,000,000.00	5,000,000.00	100.000		0.041	5,002,026.05	0.98%	0.29%	
BOQ 0.29 18 Jan 2022 130DAY TD	Moody's ST P-2		5,000,000.00	5,000,000.00	100.000		0.041	5,002,026.05	0.98%	0.29%	
BOQ 0.34 18 Feb 2022 154DAY TD	Moody's ST P-2		5,000,000.00	5,000,000.00	100.000		0.041	5,002,049.30	0.98%	0.34%	
BOQ 2 26 Sep 2024 1827DAY TD	Moody's A3		10,000,000.00	10,000,000.00	100.000		0.192	10,019,178.10	1.97%	2.00%	
BOQ 1.53 16 Jun 2025 1826DAY TD	Moody's A3		10,000,000.00	10,000,000.00	100.000		0.574	10,057,427.40	1.98%	1.53%	
JUDO 0.23 03 Dec 2021 51DAY TD	S&P ST A3		5,000,000.00	5,000,000.00	100.000		0.011	5,000,567.10	0.98%	0.23%	
JUDO 0.53 16 Mar 2022 180DAY TD	S&P ST A3		4,000,000.00	4,000,000.00	100.000		0.064	4,002,555.60	0.79%	0.53%	
JUDO 0.53 23 Mar 2022 181DAY TD	S&P ST A3		5,000,000.00	5,000,000.00	100.000		0.055	5,002,758.90	0.98%	0.53%	
ME Bank 0.45 09 Nov 2021 153DAY TD	Moody's ST P-2		5,000,000.00	5,000,000.00	100.000		0.178	5,008,876.70	0.99%	0.45%	
ME Bank 0.35 13 Dec 2021 124DAY TD	Moody's ST P-2		4,000,000.00	4,000,000.00	100.000		0.078	4,003,106.84	0.79%	0.35%	



Security	Security Rating	ISIN	Face Value Original	Face Value Current	FI Cap Price/ Unit Price/ Share Price	Unit Count/ Share Count	Accrued Interest Price	Market Value	% Total Value	Running Yield	Weighted Running Yield
ME Bank 0.24 22 Dec 2021 89DAY TD	Moody's ST P-2		5,000,000.00	5,000,000.00	100.000		0.024	5,001,216.45	0.98%	0.24%	
ME Bank 0.5 09 May 2022 334DAY TD	Moody's ST P-2		5,000,000.00	5,000,000.00	100.000		0.197	5,009,863.00	0.99%	0.50%	
ME Bank 0.5 20 May 2022 364DAY TD	Moody's ST P-2		10,000,000.00	10,000,000.00	100.000		0.223	10,022,328.80	1.97%	0.50%	
ME Bank 0.5 09 Jun 2022 365DAY TD	Moody's ST P-2		5,000,000.00	5,000,000.00	100.000		0.197	5,009,863.00	0.99%	0.50%	
ME Bank 0.5 30 Jun 2022 364DAY TD	Moody's ST P-2		5,000,000.00	5,000,000.00	100.000		0.167	5,008,356.15	0.99%	0.50%	
NAB 0.25 25 Nov 2021 91DAY TD	S&P ST A1+		5,000,000.00	5,000,000.00	100.000		0.045	5,002,260.25	0.98%	0.25%	
NAB 0.25 20 Dec 2021 118DAY TD	S&P ST A1+		5,000,000.00	5,000,000.00	100.000		0.045	5,002,260.25	0.98%	0.25%	
NAB 0.42 31 Jan 2022 367DAY TD	S&P ST A1+		850,000.00	850,000.00	100.000		0.316	852,689.72	0.17%	0.42%	
NAB 0.33 03 Jun 2022 364DAY TD	S&P ST A1+		807,000.00	807,000.00	100.000		0.135	808,087.13	0.16%	0.33%	
NAB 1.15 14 Jun 2024 1459DAY TD	S&P AA-		10,000,000.00	10,000,000.00	100.000		0.432	10,043,164.40	1.98%	1.15%	
RABO 3.18 12 Dec 2022 1825DAY TD	Fitch AA-		10,000,000.00	10,000,000.00	100.000		2.805	10,280,537.00	2.02%	3.18%	
Westpac 0.3 03 May 2022 364DAY TD	S&P ST A1+		8,098,000.00	8,098,000.00	100.000		0.148	8,109,980.59	1.60%	0.30%	
			137,755,000.00	137,755,000.00				138,290,411.62	27.20%		0.88%
Total Portfolio			508,720,586.09	508,720,586.09				508,402,951.21	100.00%		0.92%



6. Portfolio Valuation By Categories As At 31 October 2021

Short Term Issuer/Security Rating Group	Market Value	% Total Value
A3	14,005,881.60	2.75%
A2	64,108,945.19	12.61%
A1+	24,782,812.78	4.87%
Portfolio Total	102,897,639.57	20.24%

Market Value by Security Rating Group (Short Term)



Long Term Issuer/Security Rating Group	Market Value	% Total Value
BBB+ to BBB-	61,170,929.52	12.03%
A+ to A-	272,797,758.47	53.66%
AA+ to AA-	71,536,623.65	14.07%
Portfolio Total	405,505,311.64	79.76%

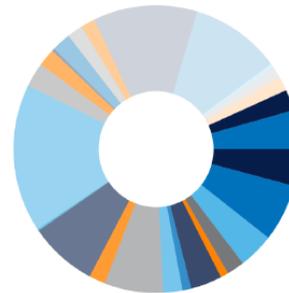
Market Value by Security Rating Group (Long Term)





Issuer	Market Value	% Total Value
AMP Bank Ltd	22,159,462.37	4.36%
Auswide Bank Limited	12,031,560.00	2.37%
Bank of China (Australia) Limited	8,073,040.00	1.59%
Bank of China Limited	6,243,238.00	1.23%
Bank of Communications Co. Ltd. Sydney Branch	2,919,024.00	0.57%
Bank of Queensland Ltd	52,071,632.50	10.24%
Bendigo & Adelaide Bank Ltd	59,977,484.80	11.80%
Canadian Imperial Bank of Commerce	8,147,840.00	1.60%
China Construction Bank	9,050,400.00	1.78%
Commonwealth Bank of Australia Ltd	1,000.00	0.00%
Credit Union Australia Ltd	10,973,380.00	2.16%
HSBC Sydney Branch	1,467,168.40	0.29%
Industrial & Commercial Bank of China Ltd	10,069,400.00	1.98%
Judo Bank	14,005,881.60	2.75%
Macquarie Bank	84,836,436.17	16.69%
Members Banking Group Limited t/as RACQ Bank	1,005,920.00	0.20%
Members Equity Bank Ltd	39,063,610.94	7.68%
MyState Bank Ltd	9,507,600.00	1.87%
National Australia Bank Ltd	33,740,381.75	6.64%
Newcastle Permanent Building Society Ltd	11,034,940.00	2.17%
Northern Territory Treasury Corporation	5,012,650.00	0.99%
NSW Treasury Corporation	18,149,320.00	3.57%
QPCU LTD t/a QBANK	4,497,300.00	0.88%
Rabobank Australia Ltd	10,280,537.00	2.02%
Suncorp Bank	20,323,452.00	4.00%
UBS Australia Ltd	32,772,584.00	6.45%
Westpac Banking Corporation Ltd	20,987,707.69	4.13%
Portfolio Total	508,402,951.21	100.00%

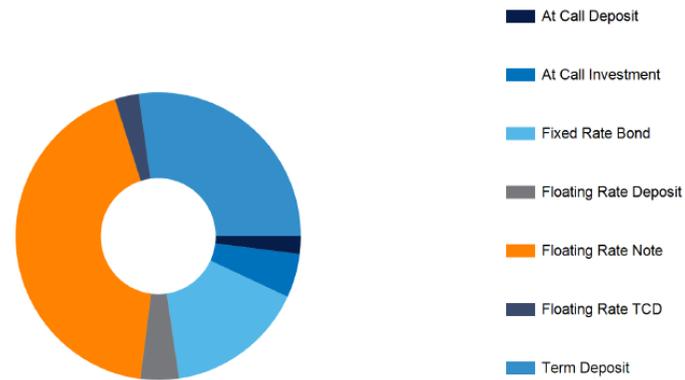
Market Value by Issuer





Security Type	Market Value	% Total Value
At Call Deposit	10,119,759.92	1.99%
At Call Investment	25,075,826.17	4.93%
Fixed Rate Bond	80,078,929.20	15.75%
Floating Rate Deposit	22,018,630.30	4.33%
Floating Rate Note	219,010,782.00	43.08%
Floating Rate TCD	13,808,612.00	2.72%
Term Deposit	138,290,411.62	27.20%
Portfolio Total	508,402,951.21	100.00%

Market Value by Security Type





Term Remaining	Market Value	% Total Value
0 to < 1 Year	159,184,985.66	31.31%
1 to < 3 Years	128,685,365.07	25.31%
3 to < 5 Years	199,360,150.48	39.21%
5+ Years	21,172,450.00	4.16%
Portfolio Total	508,402,951.21	100.00%

Note: Term Remaining is calculated using a weighted average life date (WAL) where appropriate and available otherwise the interim (initial) maturity date is used.

Market Value by Term Remaining





### 7. Performance Statistics For Period Ending 31 October 2021

Trading Book		1 Month	3 Month	12 Month	Since Inception
Central Coast Council					
	Portfolio Return (1)	-0.56%	-0.59%	-0.13%	0.03%
	Performance Index (2)	0.00%	0.00%	0.03%	0.03%
	Excess Performance (3)	-0.56%	-0.59%	-0.16%	0.00%

Notes

- 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 (Bloomberg Page BAUBL)
- 3 Excess performance is the rate of return of the portfolio in excess of the Performance Index

Trading Book	Weighted Average Running Yield
Central Coast Council	0.92



**9. Realised Gains (Losses) - Fixed Interest Dealing For 1 October 2021 to 31 October 2021**

No realised gains or losses from fixed interest dealing to report for entered period.



**9b. Realised Gains (Losses) - Share Dealing For 1 October 2021 to 31 October 2021**

No realised gains or losses from share dealing to report for entered period.



### 10. Realised Gains (Losses) - Principal Repayments For 1 October 2021 to 31 October 2021

No realised gains or losses from principal repayments to report for entered period.

Total Realised Gains (Losses)			
Fixed Interest Dealing	Principal Repayments	Total	Notes (1) The Acquisition Gross Price includes any accrued interest included in the purchase price.
		0.00	



11. Unrealised FI Capital Gains (Losses) As At 31 October 2021

Security	Acquisition Deal	Acquisition Date	Acquisition Yield/ Interest Rate	Acquisition Face Value Original	Balance Face Value Original	Bond Factor Current	Balance Face Value Current	Acquisition Capital Price	Acquisition Capital Consideration	Current Capital Price	CCP For Discount Securities	Current Capital Consideration	Current Capital Consideration Adjusted	Unrealised Capital Gain (Loss)
AMP 1.05 30 Mar 2022 FRN														
	LC99254	11 Dec 2020	0.900000	2,000,000.00	2,000,000.00	1.00000000	2,000,000.00	100.195	2,003,900.00	100.072000	100.072000	2,001,440.00	2,001,440.00	(2,460.00)
					2,000,000.00		2,000,000.00	100.195	2,003,900.00			2,001,440.00	2,001,440.00	(2,460.00)
Auswide 0.6 22 Mar 2024 FRN														
	LC103795	16 Mar 2021	0.600000	12,000,000.00	12,000,000.00	1.00000000	12,000,000.00	100.000	12,000,000.00	100.197000	100.197000	12,023,640.00	12,023,640.00	23,640.00
					12,000,000.00		12,000,000.00	100.000	12,000,000.00			12,023,640.00	12,023,640.00	23,640.00
BCOM 0.83 29 Sep 2023 FloatTCD														
	LC100250	8 Jan 2021	0.580000	2,900,000.00	2,900,000.00	1.00000000	2,900,000.00	100.670	2,919,430.00	100.582000	100.582000	2,916,878.00	2,916,878.00	(2,552.00)
					2,900,000.00		2,900,000.00	100.670	2,919,430.00			2,916,878.00	2,916,878.00	(2,552.00)
BENAU 0.52 02 Dec 2025 FRN														
	LC100679	22 Jan 2021	0.430000	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	100.427	10,042,700.00	99.533000	99.533000	9,953,300.00	9,953,300.00	(89,400.00)
	LC103542	9 Mar 2021	0.470000	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	100.229	10,022,900.00	99.533000	99.533000	9,953,300.00	9,953,300.00	(69,600.00)
	LC104738	1 Apr 2021	0.480000	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	100.183	10,018,300.00	99.533000	99.533000	9,953,300.00	9,953,300.00	(65,000.00)
	LC112807	16 Sep 2021	0.460000	1,000,000.00	1,000,000.00	1.00000000	1,000,000.00	100.246	1,002,460.00	99.533000	99.533000	995,330.00	995,330.00	(7,130.00)
	LC112809	16 Sep 2021	0.460000	4,500,000.00	4,500,000.00	1.00000000	4,500,000.00	100.246	4,511,070.00	99.533000	99.533000	4,478,985.00	4,478,985.00	(32,085.00)
					35,500,000.00		35,500,000.00	100.274	35,597,430.00			35,334,215.00	35,334,215.00	(263,215.00)
BENAU 0.65 18 Jun 2026 FRN														
	LC108717	30 Jun 2021	0.580000	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	100.334	10,033,400.00	99.518000	99.518000	9,951,800.00	9,951,800.00	(81,600.00)
	LC109084	7 Jul 2021	0.570000	2,300,000.00	2,300,000.00	1.00000000	2,300,000.00	100.382	2,308,786.00	99.518000	99.518000	2,288,914.00	2,288,914.00	(19,872.00)
	LC109586	21 Jul 2021	0.530000	3,000,000.00	3,000,000.00	1.00000000	3,000,000.00	100.573	3,017,190.00	99.518000	99.518000	2,985,540.00	2,985,540.00	(31,650.00)
					15,300,000.00		15,300,000.00	100.388	15,359,376.00			15,226,254.00	15,226,254.00	(133,122.00)
BENAU 1.7 06 Sep 2024 Fixed														
	LC100360	12 Jan 2021	0.600000	5,390,000.00	5,390,000.00	1.00000000	5,390,000.00	103.956	5,603,228.40	99.584000	99.584000	5,367,577.60	5,367,577.60	(235,650.80)
	LC112804	16 Sep 2021	0.710000	2,500,000.00	2,500,000.00	1.00000000	2,500,000.00	102.896	2,572,400.00	99.584000	99.584000	2,489,600.00	2,489,600.00	(82,800.00)
	LC112805	16 Sep 2021	0.760000	1,500,000.00	1,500,000.00	1.00000000	1,500,000.00	102.747	1,541,205.00	99.584000	99.584000	1,493,760.00	1,493,760.00	(47,445.00)
					9,390,000.00		9,390,000.00	103.481	9,716,833.40			9,350,937.60	9,350,937.60	(365,895.80)
BOC 0.78 27 Oct 2023 FloatTCD														
	LC100280	8 Jan 2021	0.530000	2,800,000.00	2,800,000.00	1.00000000	2,800,000.00	100.692	2,819,376.00	100.582000	100.582000	2,816,296.00	2,816,296.00	(3,080.00)
					2,800,000.00		2,800,000.00	100.692	2,819,376.00			2,816,296.00	2,816,296.00	(3,080.00)
BOC 0.8 18 Aug 2023 FRN														
	LC100248	8 Jan 2021	0.550000	3,400,000.00	3,400,000.00	1.00000000	3,400,000.00	100.644	3,421,896.00	100.621000	100.621000	3,421,114.00	3,421,114.00	(782.00)
					3,400,000.00		3,400,000.00	100.644	3,421,896.00			3,421,114.00	3,421,114.00	(782.00)

2.2  
Attachment 5

Investment Report for October 2021  
Treasury Direct Portfolio Valuation Report at 31 October 2021



Investment Report Pack  
Central Coast Council  
1 October 2021 to 31 October 2021

Security	Acquisition Deal	Acquisition Date	Acquisition Yield Interest Rate	Acquisition Face Value Original	Balance Face Value Original	Bond Factor Current	Balance Face Value Current	Acquisition Capital Price	Acquisition Capital Consideration	Current Capital Price	CCP For Discount Securities	Current Capital Consideration	Current Capital Consideration Adjusted	Unrealised Capital Gain (Loss)
BOC Aust 0.83 06 Nov 2023 FloatTCD														
	LC97432	19 Nov 2020	0.050000	8,000,000.00	8,000,000.00	1.00000000	8,000,000.00	100.526	8,042,080.00	100.715000	100.715000	8,057,200.00	8,057,200.00	15,120.00
					8,000,000.00		8,000,000.00	100.526	8,042,080.00			8,057,200.00	8,057,200.00	15,120.00
BOQ 0.83 06 May 2026 FRN														
	LC109088	7 Jul 2021	0.540000	5,000,000.00	5,000,000.00	1.00000000	5,000,000.00	100.422	5,021,100.00	99.573000	99.573000	4,978,650.00	4,978,650.00	(42,450.00)
					5,000,000.00		5,000,000.00	100.422	5,021,100.00			4,978,650.00	4,978,650.00	(42,450.00)
CCB 0.93 24 Jun 2022 FRN														
	LC98637	4 Dec 2020	0.409200	9,000,000.00	9,000,000.00	1.00000000	9,000,000.00	100.801	9,072,090.00	100.464000	100.464000	9,041,760.00	9,041,760.00	(30,330.00)
					9,000,000.00		9,000,000.00	100.801	9,072,090.00			9,041,760.00	9,041,760.00	(30,330.00)
CIB 1.35 09 Jun 2023 FRN														
	LC100257	8 Jan 2021	0.450000	5,000,000.00	5,000,000.00	1.00000000	5,000,000.00	102.148	5,107,400.00	101.654000	101.654000	5,082,700.00	5,082,700.00	(24,700.00)
	LC100262	8 Jan 2021	0.450000	3,000,000.00	3,000,000.00	1.00000000	3,000,000.00	102.148	3,064,440.00	101.654000	101.654000	3,049,620.00	3,049,620.00	(14,820.00)
					8,000,000.00		8,000,000.00	102.148	8,171,840.00			8,132,320.00	8,132,320.00	(39,520.00)
CUA 0.88 22 Apr 2026 FRN														
	LC105450	13 Apr 2021	0.680000	11,000,000.00	11,000,000.00	1.00000000	11,000,000.00	100.000	11,000,000.00	99.740000	99.740000	10,971,400.00	10,971,400.00	(28,600.00)
					11,000,000.00		11,000,000.00	100.000	11,000,000.00			10,971,400.00	10,971,400.00	(28,600.00)
HSBCSyd 1.5 27 Sep 2024 Fixed														
	LC100324	12 Jan 2021	0.640000	1,480,000.00	1,480,000.00	1.00000000	1,480,000.00	103.138	1,526,442.40	98.992000	98.992000	1,465,081.60	1,465,081.60	(61,360.80)
					1,480,000.00		1,480,000.00	103.138	1,526,442.40			1,465,081.60	1,465,081.60	(61,360.80)
ICBC 0.77 24 Feb 2023 FRN														
	LC100672	22 Jan 2021	0.460000	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	100.639	10,063,900.00	100.549000	100.549000	10,054,900.00	10,054,900.00	(9,000.00)
					10,000,000.00		10,000,000.00	100.639	10,063,900.00			10,054,900.00	10,054,900.00	(9,000.00)
MACQ 0.48 09 Dec 2025 FRN														
	LC103204	2 Mar 2021	0.470000	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	100.046	10,004,800.00	99.490000	99.490000	9,949,000.00	9,949,000.00	(55,600.00)
	LX105597	15 Apr 2021	0.540000	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	99.733	9,973,300.00	99.490000	99.490000	9,949,000.00	9,949,000.00	(24,300.00)
					20,000,000.00		20,000,000.00	99.890	19,977,900.00			19,898,000.00	19,898,000.00	(79,900.00)
MACQ 0.8 07 Aug 2024 FRN														
	LC111486	25 Aug 2021	0.300000	3,000,000.00	3,000,000.00	1.00000000	3,000,000.00	101.459	3,043,770.00	100.890000	100.890000	3,026,700.00	3,026,700.00	(17,070.00)
					3,000,000.00		3,000,000.00	101.459	3,043,770.00			3,026,700.00	3,026,700.00	(17,070.00)
MACQ 1.7 12 Feb 2025 Fixed														
	LC100341	12 Jan 2021	0.610000	15,000,000.00	15,000,000.00	1.00000000	15,000,000.00	104.384	15,657,800.00	98.810000	98.810000	14,821,500.00	14,821,500.00	(836,100.00)
	LC100354	12 Jan 2021	0.610000	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	104.384	10,438,400.00	98.810000	98.810000	9,881,000.00	9,881,000.00	(557,400.00)
					25,000,000.00		25,000,000.00	104.384	26,096,000.00			24,702,500.00	24,702,500.00	(1,393,500.00)

2.2  
Attachment 5

Investment Report for October 2021  
Treasury Direct Portfolio Valuation Report at 31 October 2021



Investment Report Pack  
Central Coast Council  
1 October 2021 to 31 October 2021

Security	Acquisition Deal	Acquisition Date	Acquisition Yield/ Interest Rate	Acquisition Face Value Original	Balance Face Value Original	Bond Factor Current	Balance Face Value Current	Acquisition Capital Price	Acquisition Capital Consideration	Current Capital Price	CCP For Discount Securities	Current Capital Consideration	Current Capital Consideration Adjusted	Unrealised Capital Gain (Loss)
MACQ 1.75 07 Aug 2024 Fixed														
	LC110793	11 Aug 2021	0.780000	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	102.855	10,285,500.00	99.774000	99.774000	9,977,400.00	9,977,400.00	(308,100.00)
	LC111489	25 Aug 2021	0.710000	2,000,000.00	2,000,000.00	1.00000000	2,000,000.00	103.028	2,060,520.00	99.774000	99.774000	1,995,480.00	1,995,480.00	(65,040.00)
					12,000,000.00		12,000,000.00	102.884	12,348,020.00			11,972,880.00	11,972,880.00	(373,140.00)
MYS 0.65 16 Jun 2025 FRN														
	LC107738	7 Jun 2021	0.650000	9,500,000.00	9,500,000.00	1.00000000	9,500,000.00	100.000	9,500,000.00	99.998000	99.998000	9,499,810.00	9,499,810.00	(190.00)
					9,500,000.00		9,500,000.00	100.000	9,500,000.00			9,499,810.00	9,499,810.00	(190.00)
NAB 0.41 24 Aug 2026 FRN														
	LC112810	16 Sep 2021	0.380000	7,000,000.00	7,000,000.00	1.00000000	7,000,000.00	100.143	7,010,010.00	99.273000	99.273000	6,949,110.00	6,949,110.00	(60,900.00)
					7,000,000.00		7,000,000.00	100.143	7,010,010.00			6,949,110.00	6,949,110.00	(60,900.00)
NAB 0.92 19 Jun 2024 FRN														
	LC112880	24 Sep 2021	0.250000	5,000,000.00	5,000,000.00	1.00000000	5,000,000.00	101.811	5,090,550.00	101.442000	101.442000	5,072,100.00	5,072,100.00	(18,450.00)
					5,000,000.00		5,000,000.00	101.811	5,090,550.00			5,072,100.00	5,072,100.00	(18,450.00)
NPBS 0.63 04 Mar 2026 FRN														
	LC103141	2 Mar 2021	0.580000	1,000,000.00	1,000,000.00	1.00000000	1,000,000.00	100.242	1,002,420.00	99.587000	99.587000	995,870.00	995,870.00	(6,550.00)
					1,000,000.00		1,000,000.00	100.242	1,002,420.00			995,870.00	995,870.00	(6,550.00)
NPBS 1.65 24 Jan 2022 FRN														
	LC96832	26 Nov 2018	1.650000	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	100.000	10,000,000.00	100.353000	100.353000	10,035,300.00	10,035,300.00	35,300.00
					10,000,000.00		10,000,000.00	100.000	10,000,000.00			10,035,300.00	10,035,300.00	35,300.00
NSWTC 1.25 20 Mar 2025 Fixed														
	LC96863	21 Nov 2019	1.250000	2,000,000.00	2,000,000.00	1.00000000	2,000,000.00	100.000	2,000,000.00	99.334000	99.334000	1,986,680.00	1,986,680.00	(13,320.00)
					2,000,000.00		2,000,000.00	100.000	2,000,000.00			1,986,680.00	1,986,680.00	(13,320.00)
NSWTC 3 15 Nov 2028 Fixed														
	LC96875	15 Nov 2018	3.000000	15,000,000.00	15,000,000.00	1.00000000	15,000,000.00	100.000	15,000,000.00	106.354000	106.354000	15,953,100.00	15,953,100.00	953,100.00
					15,000,000.00		15,000,000.00	100.000	15,000,000.00			15,953,100.00	15,953,100.00	953,100.00
NTTC 1.4 15 Dec 2026 - Issued 26 August 2021 - CCC Fixed														
	LC111486	26 Aug 2021	1.400000	5,000,000.00	5,000,000.00	1.00000000	5,000,000.00	100.000	5,000,000.00	100.000000	100.000000	5,000,000.00	5,000,000.00	0.00
					5,000,000.00		5,000,000.00	100.000	5,000,000.00			5,000,000.00	5,000,000.00	0.00
Old Police 0.75 22 Mar 2024 FRN														
	LC103940	17 Mar 2021	0.750000	4,500,000.00	4,500,000.00	1.00000000	4,500,000.00	100.000	4,500,000.00	99.858000	99.858000	4,493,610.00	4,493,610.00	(6,390.00)
					4,500,000.00		4,500,000.00	100.000	4,500,000.00			4,493,610.00	4,493,610.00	(6,390.00)
RACB 0.93 24 Feb 2023 FRN														
	LC103143	2 Mar 2021	0.500000	1,000,000.00	1,000,000.00	1.00000000	1,000,000.00	100.839	1,008,390.00	100.417000	100.417000	1,004,170.00	1,004,170.00	(4,220.00)
					1,000,000.00		1,000,000.00	100.839	1,008,390.00			1,004,170.00	1,004,170.00	(4,220.00)

2.2  
Attachment 5

Investment Report for October 2021  
Treasury Direct Portfolio Valuation Report at 31 October 2021



Investment Report Pack  
Central Coast Council  
1 October 2021 to 31 October 2021

Security	Acquisition Deal	Acquisition Date	Acquisition Yield Interest Rate	Acquisition Face Value Original	Balance Face Value Original	Bond Factor Current	Balance Face Value Current	Acquisition Capital Price	Acquisition Capital Consideration	Current Capital Price	CCP For Discount Securities	Current Capital Consideration	Current Capital Consideration Adjusted	Unrealised Capital Gain (Loss)
SunBank 0.45 24 Feb 2026 FRN														
	LC112608	16 Sep 2021	0.410000	5,000,000.00	5,000,000.00	1.00000000	5,000,000.00	100.173	5,008,850.00	99.507000	99.507000	4,975,350.00	4,975,350.00	(33,300.00)
					5,000,000.00		5,000,000.00	100.173	5,008,850.00			4,975,350.00	4,975,350.00	(33,300.00)
SunBank 0.48 15 Sep 2026 FRN														
	LC112472	9 Sep 2021	0.406300	2,900,000.00	2,900,000.00	1.00000000	2,900,000.00	100.340	2,909,860.00	99.401000	99.401000	2,882,629.00	2,882,629.00	(27,231.00)
	LC113804	13 Oct 2021	0.510000	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	99.858	9,985,800.00	99.401000	99.401000	9,940,100.00	9,940,100.00	(45,700.00)
					12,900,000.00		12,900,000.00	99.966	12,895,660.00			12,822,729.00	12,822,729.00	(72,931.00)
SunBank 1.85 30 Jul 2024 Fixed														
	LC111490	25 Aug 2021	0.700000	1,000,000.00	1,000,000.00	1.00000000	1,000,000.00	103.322	1,033,220.00	100.055000	100.055000	1,000,550.00	1,000,550.00	(32,670.00)
	LC112603	16 Sep 2021	0.080000	1,500,000.00	1,500,000.00	1.00000000	1,500,000.00	103.365	1,550,475.00	100.055000	100.055000	1,500,825.00	1,500,825.00	(49,650.00)
					2,500,000.00		2,500,000.00	103.348	2,583,695.00			2,501,375.00	2,501,375.00	(82,320.00)
UBS Aust 0.5 26 Feb 2026 FRN														
	LC103200	2 Mar 2021	0.480000	6,800,000.00	6,800,000.00	1.00000000	6,800,000.00	100.098	6,806,864.00	99.630000	99.630000	6,774,840.00	6,774,840.00	(31,824.00)
	LC103543	9 Mar 2021	0.480000	12,000,000.00	12,000,000.00	1.00000000	12,000,000.00	100.096	12,011,520.00	99.630000	99.630000	11,955,600.00	11,955,600.00	(55,920.00)
					18,800,000.00		18,800,000.00	100.097	18,818,184.00			18,730,440.00	18,730,440.00	(87,744.00)
UBS Aust 0.87 30 Jul 2025 FRN														
	LC100676	22 Jan 2021	0.403100	5,000,000.00	5,000,000.00	1.00000000	5,000,000.00	102.081	5,104,050.00	101.390000	101.390000	5,069,500.00	5,069,500.00	(34,550.00)
	LC104737	1 Apr 2021	0.510000	5,000,000.00	5,000,000.00	1.00000000	5,000,000.00	101.511	5,075,550.00	101.390000	101.390000	5,069,500.00	5,069,500.00	(6,050.00)
					10,000,000.00		10,000,000.00	101.796	10,179,600.00			10,139,000.00	10,139,000.00	(40,600.00)
UBS Aust 1.2 30 Jul 2025 Fixed														
	LC100329	12 Jan 2021	0.050000	4,000,000.00	4,000,000.00	1.00000000	4,000,000.00	102.458	4,098,320.00	96.826000	96.826000	3,873,040.00	3,873,040.00	(225,280.00)
					4,000,000.00		4,000,000.00	102.458	4,098,320.00			3,873,040.00	3,873,040.00	(225,280.00)
Westpac 2.25 16 Aug 2024 Fixed														
	LC112606	16 Sep 2021	0.580000	2,800,000.00	2,800,000.00	1.00000000	2,800,000.00	104.803	2,934,484.00	101.679000	101.679000	2,847,012.00	2,847,012.00	(87,472.00)
					2,800,000.00		2,800,000.00	104.803	2,934,484.00			2,847,012.00	2,847,012.00	(87,472.00)
														(2,558,484.60)

Note: The summary values for Acquisition Capital Price are the weighted average acquisition capital prices based upon the Balance Face Value Current for each security.



**11b. Unrealised Unit/Share Capital Gains (Losses) As At 31 October 2021**

No unrealised gains or losses (for unit trusts and shares) to report for entered period.



**12. Associated Cash Statement for Settlement Period 1 October 2021 to 31 October 2021 inclusive**

No associated cash transactions to report for entered period.



### 13. Tax Summary For 1 October 2021 to 31 October 2021

Interest Income	131,701.02
Realised Gains (Losses) - Fixed Interest Dealing	0.00
Realised Gains (Losses) - Principal Repayments	0.00
<b>Total</b>	<b>131,701.02</b>



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BRISBANE OFFICE: LEVEL 38, 71 EAGLE STREET, BRISBANE QLD, 4000 T 61 7 3123 5370 F 61 7 3123 5371

Report Code: TEPACK020EXT-01.82  
Report Description: Investment Report Pack  
Parameters:  
Trading Entity: Central Coast Council  
Trading Book: Central Coast Council  
Settlement Date Base  
History Start Date: 1 Jan 2000  
Income Expense Status: Authorised  
FI Deal Status: Contract  
Exclude Cash  
Exclude Unallocated Cash  
Exclude Negative Unit Holdings



**Item No:** 2.5  
**Title:** Council's Land Sales Program - Update  
**Department:** Corporate Affairs



23 November 2021 Ordinary Council Meeting

Reference: F2020/03104 - D14915647  
Author: Joe O'Connor, Commercial Property Manager, Commercial Property  
Manager: Jamie Barclay, Unit Manager Development and Property  
Executive: Natalia Cowley, Director Corporate Affairs and Chief Financial Officer

### Recommendation

***That Council note that the following properties have been sold and will be removed from Council's land register:***

- a) 18 Dunvegan Street, Mannering Park (Lot 154 DP 218427)***
- b) 44 Springall Ave, Wyongah (Lot 210 DP 26178)***
- c) 6 Wyndora Ave, San Remo (Lot 10 DP 1207459)***
- d) 165 Main Road, Toukley (Lot 3 DP 22986)***
- e) 9 Thompson Street, Long Jetty (Lot 21 Sec 1 DP 13225)***
- f) 3 Bounty Close, Tuggerah (Lot 2073 DP 1052715)***
- g) 1a Lucca Road, Wyong (Lot 24 DP 1220033)***
- h) 11-23 Wyong Road, Tuggerah (Lots 15-21 DP 25373)***

### Report purpose

To provide an update on Council's Land Sales program and to remove various land that has been sold from its land register.

### Executive Summary

Council is continuing the path to financial recovery and sustainability with further actions implemented from the adopted Business Recovery Plan. Part of the significant steps being undertaken, include the sale of Council assets which are underperforming or surplus to Council's current and future needs. This process is crucial to deliver a much-needed boost to Council's financial position and provide confidence to our lenders that Council operations can continue sustainably, and loans serviced.

### Background

Council resolved to sell and prepare for sale various Council owned land at its meetings of 30 November 2020, being known as the Tranche 1 properties. Sale of assets listed in Tranche 2 commenced 5 Mar 2021, these included a group of properties resolved for sale by the

**2.5 Council's Land Sales Program - Update (contd)**

former Wyong Shire Council, so no further resolution was required. On 27 April 2021, Council resolved to sell a further group of properties known as Tranche 3.

**Current Status**

As of the writing of this report, the list of properties sold are as follows:

Property Address	Lot/DP	Settlement Date	Valuation Price	Sale Price
18 Dunvegan Street, Mannering Park	Lot 154 DP 218427	1/06/2021	\$240,000	\$240,000
44 Springall Ave, Wyongah	Lot 210 DP 26178	2/06/2021	\$325,000	\$420,000
6 Wyndora Ave, San Remo	Lot 10 DP 1207459	4/06/2021	\$280,000	\$280,000
165 Main Road, Toukley	Lot 3 DP 22986	4/06/2021	\$530,000	\$660,000
9 Thompson Street, Long Jetty	Lot 21 Sec 1 DP 13225	4/06/2021	\$475,000	\$475,000
3 Bounty Close, Tuggerah*	Lot 2073 DP 1052715	21/06/2021	\$652,088	\$652,000
1a Lucca Road, Wyong	Lot 24 DP 1220033	19/07/2021	\$2,500,000	\$4,850,000
11-23 Wyong Road, Tuggerah	Lots 15-21 DP 25373	11/11/2021	\$130,000	\$130,000
<b>TOTAL VALUE</b>		<b>As of 11/11/2021</b>	<b>\$5,132,088</b>	<b>\$7,707,000</b>

The properties were sold either at auction or by private treaty, for not less than the market valuations. Please refer to *Attachment 1* which provides valuations for each of the properties sold.

Included in this group of sales is the sale of 3 Bounty Close, Tuggerah, relating to an agreement resolved by the former Wyong Shire Council. The lessee of 3 Bounty Close, Tuggerah exercised its option to purchase the land and Council sold this property in line with a market valuation.

**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.

The sale of these properties achieved a sale's value of \$7,707,000 (excluding GST) and have contributed to Council's financial recovery.

**2.5 Council's Land Sales Program - Update (contd)**

---

**Link to Community Strategic Plan**

Theme 4: Responsible

**Goal G: Good governance and great partnerships**

R-G2: Communicate openly and honestly with the community to build a relationship based on transparency, understanding, trust and respect.

**Risk Management**

Risk mitigation has been achieved during the sales process through ensuring adequate due diligence. This process included:

- Reviewing these sites against Council resolutions and historical records
- Ensuring Council retains ownership of land that is needed for its current and future service delivery
- Ensuring that any sale would not contravene legislative requirements
- Consultation with internal stakeholders affected by the disposal of these assets.

Council staff have engaged with independent property development experts Michael Filo and Steve Rowe to execute the functions of the Independent Advisory Group. The Advisory Group's function is to provide an independent panel to review asset sales program prior to going to Council, review and advise on conditional sales for commercial and industrial sales and to review opportunities and advise Council on potential highest and best use analysis to ensure Council is receiving value for the sale.

**Attachments**

- 1  Valuations Provided Under Separate Cover D14923397

# K & T Property Consultants Pty Ltd

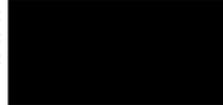
## REAL ESTATE VALUERS & LAND ECONOMISTS

Page 1

### CURRENT MARKET VALUATION (SHORT FORM)

**Instructing Party:** Central Coast Council  
**Postal Address:** P.O. Box 20  
WYONG, NSW 2259  
**Property Owners:** Central Coast Council

**Contact:**  
**Ph:**  
**email:**



#### 1. PROPERTY SUMMARY

**PROPERTY ADDRESS:** 18 Dunvegan Street, MANNERING PARK NSW 2259  
**TITLE DETAILS:** Lot 154 in DP 218427(title search & plan copies attached) **Site Area:** 607 m<sup>2</sup>  
**ZONING/INSTRUMENT:** R2 Residential Low Density in Wyong LEP 2013. **LGA:** Central Coast Council  
**LOCATION:** Mannering Park is an established residential area on the southern shores of Lake Macquarie. The subject property is situated at the western corner of Dunvegan and Griffith Streets. Mannering Park has local shops on Vales Point Road, a public school, and various community facilities including boat ramps. A locality map for the suburb and property is attached.  
**SERVICES:** Bitumen sealed road, with no kerb or gutter. Electricity, town water, sewerage & land-line telephone services are all located nearby the property.  
**BRIEF DESCRIPTION:** An irregular shaped and undeveloped lot, with a relatively wide frontage of 34.881 metres to Dunvegan Street and a shallow depth of up to 16.828 metres at its northeast corner. The land is near level and has a southeast aspect. Surrounding land uses include residential (mostly free-standing dwellings) opposite and to each side. Adjacent to the rear (northwest) is a "Big 4" cabin, caravan and camping park. The property is uncleared and presently contains 20+ mature native trees. Apart from side and rear boundary fencing, no improvements were observed to the land.

#### 2. SALES EVIDENCE

Address	Sale Date	Price	Brief Comments	In Comparison to Subject
6 Kenneth Place, Mannering Pk	26.06.2020	\$340,000	711.7 m <sup>2</sup> , vacant lot, cleared, regular shape.	Larger land, better location, more valuable.
11 Dunvegan St, Mannering Pk	17.09.2020	\$415,000	556.4 m <sup>2</sup> , 2 bed old style house, land ~ \$265K.	Better shape lot, cleared, more valuable.
37 Gynea Cres, Mannering Pk	25.09.2020	\$280,000	505.9 m <sup>2</sup> , vacant lot, cleared, regular shape.	Clear, better shape & locale, more valuable

#### Additional Comments:

Subject lot features a quiet location within 400 metres of the Lake Macquarie shoreline. Councils DA Tracker website records no history of development application or approval. The lot will likely require clearing of mature trees prior to development.

#### 3. VALUATION

**Interest Valued:** Fee Simple with Vacant Possession  
**Market Value:** \$240,000 (Two Hundred & Forty Thousand Dollars)

I hereby certify that I have personally inspected this property on the date below and have carried out the assessment above as at that date. Neither I, nor any member of this firm, has any conflict of interest, or direct, indirect or financial interest in relation to this property that is not disclosed herein. This report is for the use only of the party to which it is addressed, Central Coast Council, and for the Asset Disposal purposes. It is not to be used for any other purpose. No responsibility is accepted or undertaken to third parties in respect thereof. This report does not constitute a structural survey This report may not be relied on for Mortgage purposes.

**Valuer:** Robert Meggs  
**Qualifications/Reg.#:** F.A.P.I., CPV, API Member 68120  
**Inspection & Valuation Date:** 6 January 2021  
**Valuer's File Reference:** 2110ManneringPark18WDunveganSt

**Valuer's Signature:**



**Firm:** K & T Property Consultants Pty Limited  
**Address:** 500 Kyola Rd, KULNURA NSW 2250  
**Phone:** 02 4376 1451  
**Mobile:** 0429 44 33 10  
**Email:** ktpropty@ozemail.com.au

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CLAUSES OF LIMITATION

1. **Documentary Information supplied to us** - I have been provided with copies of various documents as indicated in the report. It is assumed that these copies are a true reproduction of the original documents and that no subsequent dealings have occurred which would materially affect the intention or form of the documents.
2. **Verbal Information supplied to us** - It has been necessary in certain cases to rely upon verbal advice from various parties and statutory authorities as mentioned in the report. Where possible, I have endeavoured to verify this information from other sources, however, in the event of this information being found to be false, misleading or provided with the intention of being misleading, I reserve the right to revise my report and the advice contained herein.
3. **Land Identification Survey** - I have not been provided with a full Identification Survey relating to the land and have assumed that no encroachments exist by or over the subject property.
4. **Condition of Improvements** - It is assumed that unless otherwise stated in the report, the improvements described comply with the relevant provisions required by statutory and other authorities. A structural survey has not been undertaken, however, exposed and accessible parts of the improvements have been inspected. We are therefore unable to state the improvements are free from defect, however, the obvious condition and repair of the improvements have been taken into account in providing our opinion of value.
5. **Site Specific Environmental Matters** - Although I am not aware of any soil structure or site contamination problems, neither a geo-technical survey or an environmental audit report have been examined for the subject property. My valuation therefore assumes that there does not exist a matter of such nature that may noticeably affect the property's value.
6. **Use of Valuation Document and Information Therein** - This valuation is provided for the use of the client named, and for the purpose stated, in the report. No responsibility is accepted to any third party for any reason for the whole or part of the contents of the report.
7. **Reproduction of Valuation Document and Information Therein** - It is agreed that neither the whole nor any part of the report is to be reproduced in any document, circular or statement without first obtaining the written consent of K&T Property Consultants Pty Ltd as to the form and context in which it is to appear.
8. **Goods & Services Tax** - Unless specifically stated all property prices/values within this report, including the final valuation amount do not include a GST factor. The comparable sale prices quoted in this report for second hand residential properties have been assumed to be GST free unless it is otherwise stated in this report.
9. **The Currency of the Valuation and Reliance Thereon** - This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). I do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, I do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of 3 months from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.
10. **Disclosure statement - impact of COVID-19.** - The market is being impacted by the uncertainty caused by the COVID-19 pandemic. As at the date of valuation we consider that there is market uncertainty resulting in significant valuation uncertainty. This valuation is therefore reported on the basis of 'significant valuation uncertainty'. As a result, less certainty exists than normal and a higher degree of caution should be attached to our valuation than normally would be the case. Given the unknown future impact that COVID-19 might have on markets, we recommend that the user(s) of this report review this valuation periodically.

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## **APPENDICES**

LOCATION MAP,  
(Source WHEREIS Mapping website)

COPY OF FOLIO SEARCH CERTIFICATE 154/218427

COPY OF DEPOSITED PLAN DP 218427

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LOCALITY MAPS (Source WHEREIS Mapping)



18 Dunvegan Street, Mannering Park NSW 2259

4

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COPY OF FOLIO SEARCH CERTIFICATE 154/218427

NEW SOUTH WALES LAND REGISTRY SERVICES - TITLE SEARCH  
-----

FOLIO: 154/218427  
-----

SEARCH DATE	TIME	EDITION NO	DATE
5/1/2021	10:48 AM	-	-

VOL 9523 FOL 105 IS THE CURRENT CERTIFICATE OF TITLE

LAND  
-----

LOT 154 IN DEPOSITED PLAN 218427  
AT MANNERING PARK  
LOCAL GOVERNMENT AREA CENTRAL COAST  
PARISH OF WALLARAH COUNTY OF NORTHUMBERLAND  
TITLE DIAGRAM DP218427

FIRST SCHEDULE  
-----

THE COUNCIL OF THE SHIRE OF WYONG (PURSUANT TO SECTION 340A  
LOCAL GOVERNMENT ACT, 1919) (T J555438)

SECOND SCHEDULE (2 NOTIFICATIONS)  
-----

- 1 LAND EXCLUDES MINERALS AND IS SUBJECT TO RESERVATIONS AND  
CONDITIONS IN FAVOUR OF THE CROWN - SEE CROWN GRANT(S)
- 2 EXCEPTING LAND BELOW A DEPTH FROM THE SURFACE OF 30.48 METRES

NOTATIONS  
-----

UNREGISTERED DEALINGS: NIL

\*\*\* END OF SEARCH \*\*\*

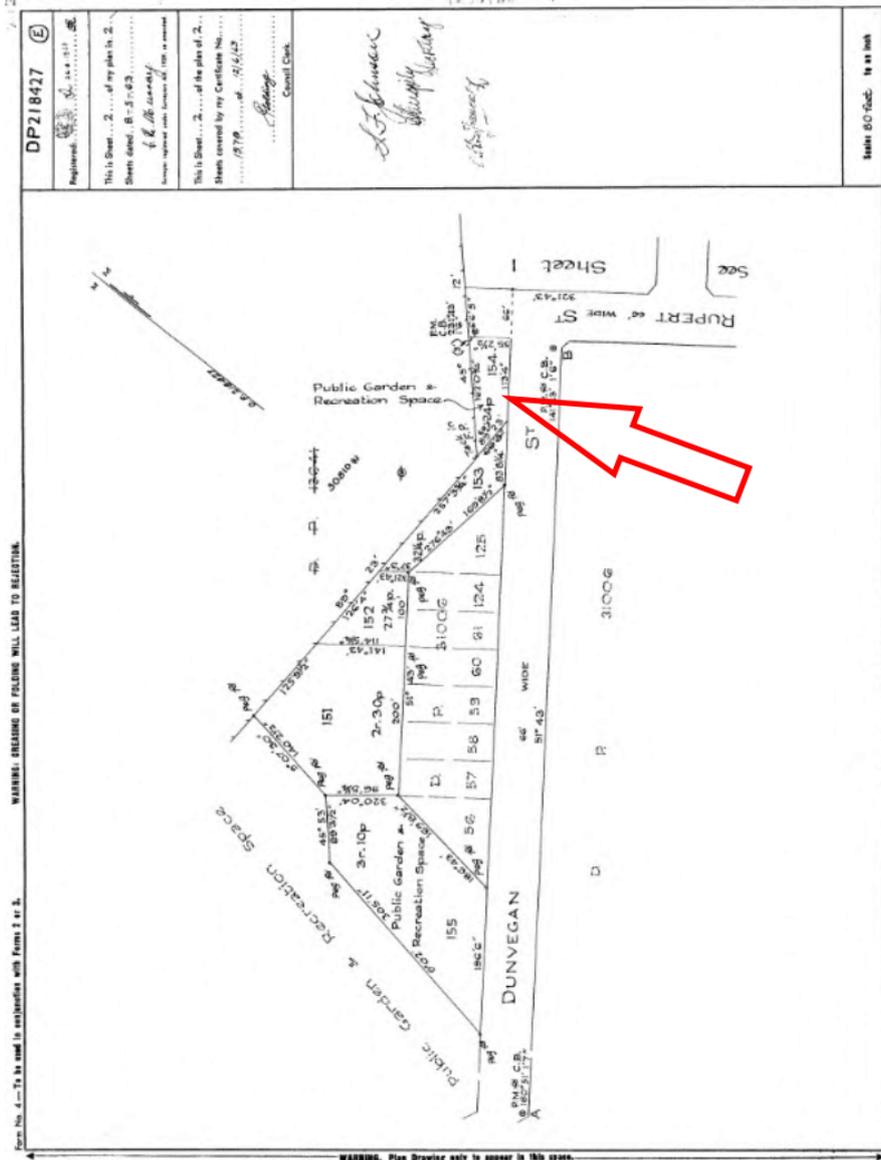
2110 CCC 8 lots

PRINTED ON 5/1/2021

Search Date/Time:05/01/2021 10:48AM

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COPY OF DEPOSITED PLAN DP 218427



18 Dunvegan Street, Mannering Park NSW 2259

6



**K & T Property Consultants Pty Ltd**  
**REAL ESTATE VALUERS & LAND ECONOMISTS**

Page 1

**CURRENT MARKET VALUATION (SHORT FORM)**

**Instructing Party:** Central Coast Council  
**Postal Address:** P.O. Box 20  
WYONG, NSW 2259  
**Property Owners:** Central Coast Council

**Contact:**  
**Ph:**  
**email:**



**1. PROPERTY SUMMARY**

**PROPERTY ADDRESS:** 44 Springall Avenue, WYONGAH NSW 2259  
**TITLE DETAILS:** Lot 210 in DP 26178 (title search & plan copies attached) **Site Area:** 663.9 m<sup>2</sup>  
**ZONING/INSTRUMENT:** R2 Residential Low Density in Wyong LEP 2013. **LGA:** Central Coast Council  
**LOCATION:** Wyongah is an established residential suburb on the western shores of Tuggerah Lake. The subject property is situated on the western side of Springall Avenue, just to the north of Rene Avenue. Local shops are within 500 metres on Tuggerawong Road. Wadalba Shopping Centre and Wyong Hospital are about 2 kilometres distant. The suburb has various community facilities including a boat ramp to Tuggerah lake. A locality map for the suburb and property is attached.  
**SERVICES:** Bitumen sealed road, no kerb and gutter to Springall Avenue. Electricity, town water, sewerage & land-line telephone services are all located nearby to the property.  
**BRIEF DESCRIPTION:** A regular shaped and undeveloped lot, 15.24 metres by 43.9 metres deep. The lot has a second frontage to Dorset Street at its rear. The land has an east aspect with a cross slope towards the south. The property contains 7 established native trees and for the most part has a grass ground cover. A concrete footpath passes through the southern side of the land and links Springall Ave to Dorset Street. The surrounding land uses are residential (mostly free-standing dwellings).

**2. SALES EVIDENCE**

Address	Sale Date	Price	Brief Comments	In Comparison to Subject
23 Springall Ave, Wyongah	30.01.2020	\$430,000	524.9 m <sup>2</sup> , 3 bed framed/clad house, land ~\$300K.	Smaller lot, similar position, less valuable.
21 Springall Ave, Wyongah	06.05.2020	\$435,000	512.2 m <sup>2</sup> , 4 bed framed/clad house, land ~ \$300K.	Smaller lot, similar position, less valuable.
2 Murrawal Road, Wyongah	01.10.2020	\$490,000	841 m <sup>2</sup> , 3 bed house, needing work, land ~ \$400K.	Larger lot, better position, more valuable

**Additional Comments:**

The subject lot is benefitted by two street frontages. It is about 700 metres from the Tuggerah Lake Foreshore. The Councils DA Tracker has no record of applications or approvals for the lot. Clearing of trees may be required prior to development.

**3. VALUATION**

**Interest Valued:** Fee Simple with Vacant Possession  
**Market Value:** \$325,000 (Three Hundred & Twenty Five Thousand Dollars)

I hereby certify that I have personally inspected this property on the date below and have carried out the assessment above as at that date. Neither I, nor any member of this firm, has any conflict of interest, or direct, indirect or financial interest in relation to this property that is not disclosed herein. This report is for the use only of the party to which it is addressed, Central Coast Council, and for the Asset Disposal purposes. It is not to be used for any other purpose. No responsibility is accepted or undertaken to third parties in respect thereof. This report does not constitute a structural survey This report may not be relied on for Mortgage purposes.

**Valuer:** Robert Meggs  
**Qualifications/Reg.#:** F.A.P.I., CPV, API Member 68120  
**Inspection & Valuation Date:** 6 January 2021  
**Valuer's File Reference:** 2110 Wyongah44SpringallAv

**Valuer's Signature:**



**Firm:** K & T Property Consultants Pty Limited  
**Address:** 500 Kyola Rd, KULNURA NSW 2250  
**Phone:** 02 4376 1451  
**Mobile:** 0429 44 33 10  
**Email:** ktpropty@ozemail.com.au



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3. **Land Identification Survey** - I have not been provided with a full Identification Survey relating to the land and have assumed that no encroachments exist by or over the subject property.
4. **Condition of Improvements** - It is assumed that unless otherwise stated in the report, the improvements described comply with the relevant provisions required by statutory and other authorities. A structural survey has not been undertaken, however, exposed and accessible parts of the improvements have been inspected. We are therefore unable to state the improvements are free from defect, however, the obvious condition and repair of the improvements have been taken into account in providing our opinion of value.
5. **Site Specific Environmental Matters** - Although I am not aware of any soil structure or site contamination problems, neither a geo-technical survey or an environmental audit report have been examined for the subject property. My valuation therefore assumes that there does not exist a matter of such nature that may noticeably affect the property's value.
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**K & T PROPERTY CONSULTANTS**

## **APPENDICES**

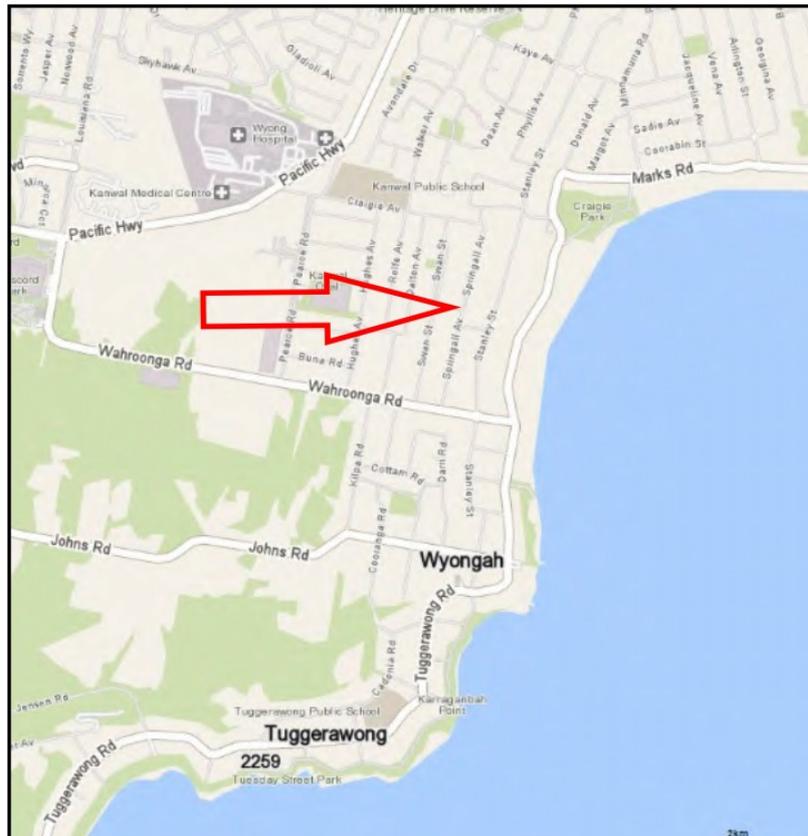
LOCATION MAP,  
(Source WHEREIS Mapping website)

COPY OF FOLIO SEARCH CERTIFICATE

COPY OF DEPOSITED PLAN

K & T PROPERTY CONSULTANTS

LOCALITY MAPS (Source WHEREIS Mapping)



44 Springall Avenue, Wyongah NSW 2259

4

K & T PROPERTY CONSULTANTS

COPY OF FOLIO SEARCH CERTIFICATE 210/26178

```
NEW SOUTH WALES LAND REGISTRY SERVICES - TITLE SEARCH
-----
FOLIO: 210/26178
-----
SEARCH DATE      TIME      EDITION NO      DATE
-----
5/1/2021        10:51 AM        -                -

VOL 7911 FOL 161 IS THE CURRENT CERTIFICATE OF TITLE
LAND
-----
LOT 210 IN DEPOSITED PLAN 26178
LOCAL GOVERNMENT AREA CENTRAL COAST
PARISH OF MUNMORAH COUNTY OF NORTHUMBERLAND
TITLE DIAGRAM DP26178

FIRST SCHEDULE
-----
THE COUNCIL OF THE SHIRE OF WYONG (T M348270)

SECOND SCHEDULE (3 NOTIFICATIONS)
-----
1  RESERVATIONS AND CONDITIONS IN THE CROWN GRANT(S)
2  664848  LAND EXCLUDES MINERALS
3  A242696  RIGHT OF WAY APPURTENANT TO THE LAND ABOVE
      DESCRIBED AFFECTING THE LAND SHOWN SO BURDENED IN VOL
      6512 FOL 187

NOTATIONS
-----
UNREGISTERED DEALINGS: NIL

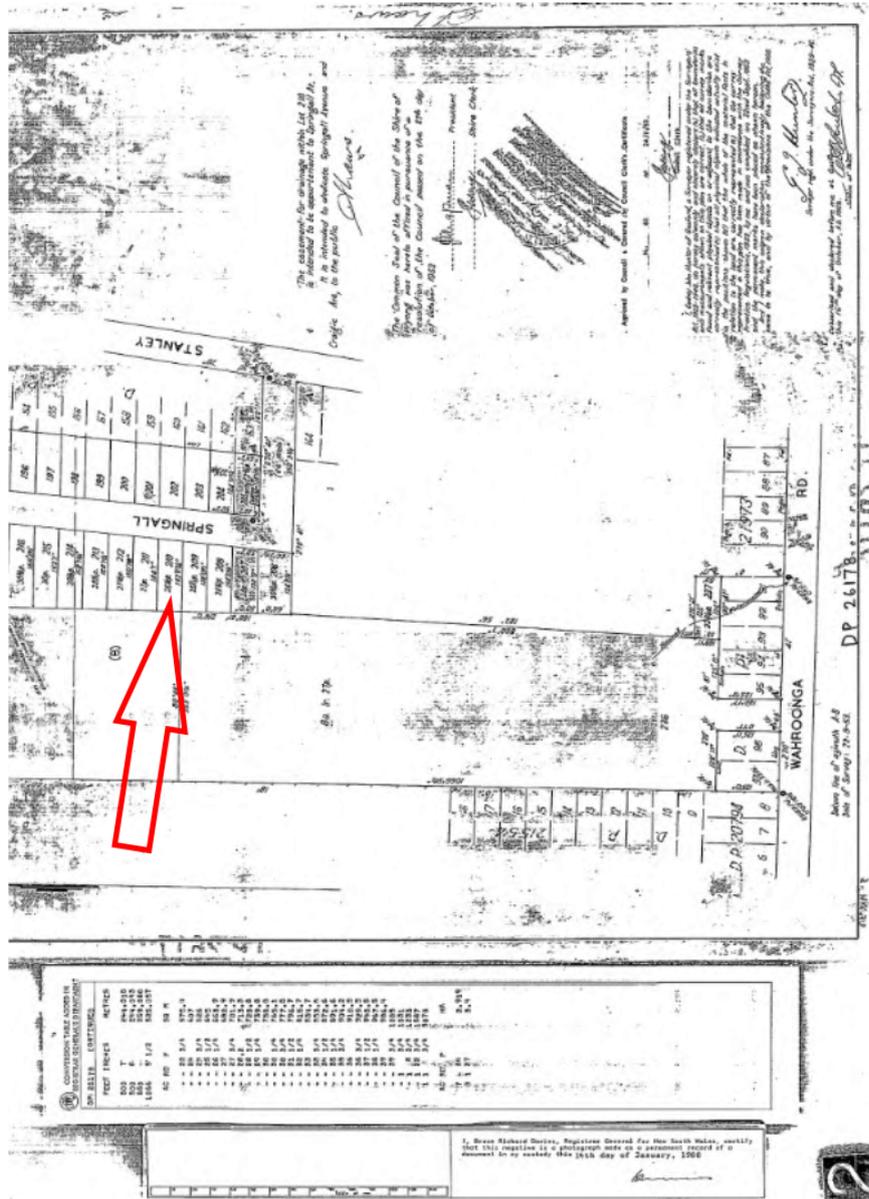
*** END OF SEARCH ***

2110 CCC 8 lots                                PRINTED ON 5/1/2021

Search Date/Time: 05/01/2021 10:50AM
```

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COPY OF DEPOSITED PLAN DP 26178



# K & T Property Consultants Pty Ltd

## REAL ESTATE VALUERS & LAND ECONOMISTS

Page 1

### CURRENT MARKET VALUATION (SHORT FORM)

**Instructing Party:** Central Coast Council  
**Postal Address:** P.O. Box 20  
WYONG, NSW 2259  
**Property Owners:** Central Coast Council

**Contact:**  
**Ph:**  
**email:**



#### 1. PROPERTY SUMMARY

**PROPERTY ADDRESS:** 6 Wyndora Avenue, SAN REMO NSW 2262  
**TITLE DETAILS:** Lot 10 in DP 1207459(title search & plan copies attached) **Site Area:** 577 m<sup>2</sup>  
**ZONING/INSTRUMENT:** R2 Residential Low Density in Wyong LEP 2013. **LGA:** Central Coast Council  
**LOCATION:** San Remo is an established residential area on the northern shores of Budgewoi Lake. The subject property is situated towards the eastern end of Wyndora Avenue, about 40 metres in from Iluka Avenue. Local shops are nearby on Liamena Avenue. The suburb also has the Northlakes Shopping Centre, Northlakes Public School, and various community facilities including boat ramps. A locality map for the suburb and property is attached.  
**SERVICES:** Bitumen sealed road, with no kerb or gutter. Electricity, town water, sewerage & land-line telephone services are all located nearby to the property.  
**BRIEF DESCRIPTION:** An irregular shaped and undeveloped lot, with a relatively wide street frontage of 28.07 metres and a variable depth of up to 28.69 metres on it's eastern side. The land has a northerly aspect with a low side street situation. The lot is mostly clear, though it has 10+ mature native trees and a bamboo stand. The adjacent land to the west and south is a Council reserve that contains a concrete & masonry block lined stormwater drainage channel just inside the common boundary. The surrounding other land uses are predominantly residential (mostly free-standing dwellings).

#### 2. SALES EVIDENCE

Address	Sale Date	Price	Brief Comments	In Comparison to Subject
90 Taronga Ave, San Remo	11.08.2020	\$330,000	575.4 m <sup>2</sup> , vacant lot, part clear, regular shape.	Better shape & position, more valuable.
8 Katoomba Ave, San Remo	16.10.2020	\$365,000	575.4 m <sup>2</sup> , 2 bed old style cabin, land ~ \$315K.	Better shape & position, more valuable.
42 Catalina Road, San Remo	21.10.2020	\$405,000	556.4 m <sup>2</sup> , 2 bed clad cottage, land ~ \$305K.	Better shape & position, more valuable

#### Additional Comments:

Subject lot features a quiet location about 350 metres from the Budgewoi Lake Front Reserve. Councils DA Tracker website has no record of application or approval for the lot. The lot requires clearing of mature trees & bamboo prior to development.

#### 3. VALUATION

**Interest Valued:** Fee Simple with Vacant Possession  
**Market Value:** \$280,000 (Two Hundred & Eighty Thousand Dollars)

I hereby certify that I have personally inspected this property on the date below and have carried out the assessment above as at that date. Neither I, nor any member of this firm, has any conflict of interest, or direct, indirect or financial interest in relation to this property that is not disclosed herein. This report is for the use only of the party to which it is addressed, Central Coast Council, and for the Asset Disposal purposes. It is not to be used for any other purpose. No responsibility is accepted or undertaken to third parties in respect thereof. This report does not constitute a structural survey. This report may not be relied on for Mortgage purposes.

**Valuer:** Robert Meggs  
**Qualifications/Reg.#:** F.A.P.I., CPV, API Member 68120  
**Inspection & Valuation Date:** 6 January 2021  
**Valuer's File Reference:** 2110SanRemo6WyndoraAv  
**Valuer's Signature:**



**Firm:** K & T Property Consultants Pty Limited  
**Address:** 500 Kyola Rd, KULNURA NSW 2250  
**Phone:** 02 4376 1451  
**Mobile:** 0429 44 33 10  
**Email:** ktpropty@ozemail.com.au

"Liability limited by a scheme approved under Professional Standards Legislation."



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CLAUSES OF LIMITATION

1. **Documentary Information supplied to us** - I have been provided with copies of various documents as indicated in the report. It is assumed that these copies are a true reproduction of the original documents and that no subsequent dealings have occurred which would materially affect the intention or form of the documents.
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3. **Land Identification Survey** - I have not been provided with a full Identification Survey relating to the land and have assumed that no encroachments exist by or over the subject property.
4. **Condition of Improvements** - It is assumed that unless otherwise stated in the report, the improvements described comply with the relevant provisions required by statutory and other authorities. A structural survey has not been undertaken, however, exposed and accessible parts of the improvements have been inspected. We are therefore unable to state the improvements are free from defect, however, the obvious condition and repair of the improvements have been taken into account in providing our opinion of value.
5. **Site Specific Environmental Matters** - Although I am not aware of any soil structure or site contamination problems, neither a geo-technical survey or an environmental audit report have been examined for the subject property. My valuation therefore assumes that there does not exist a matter of such nature that may noticeably affect the property's value.
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**K & T PROPERTY CONSULTANTS**

## **APPENDICES**

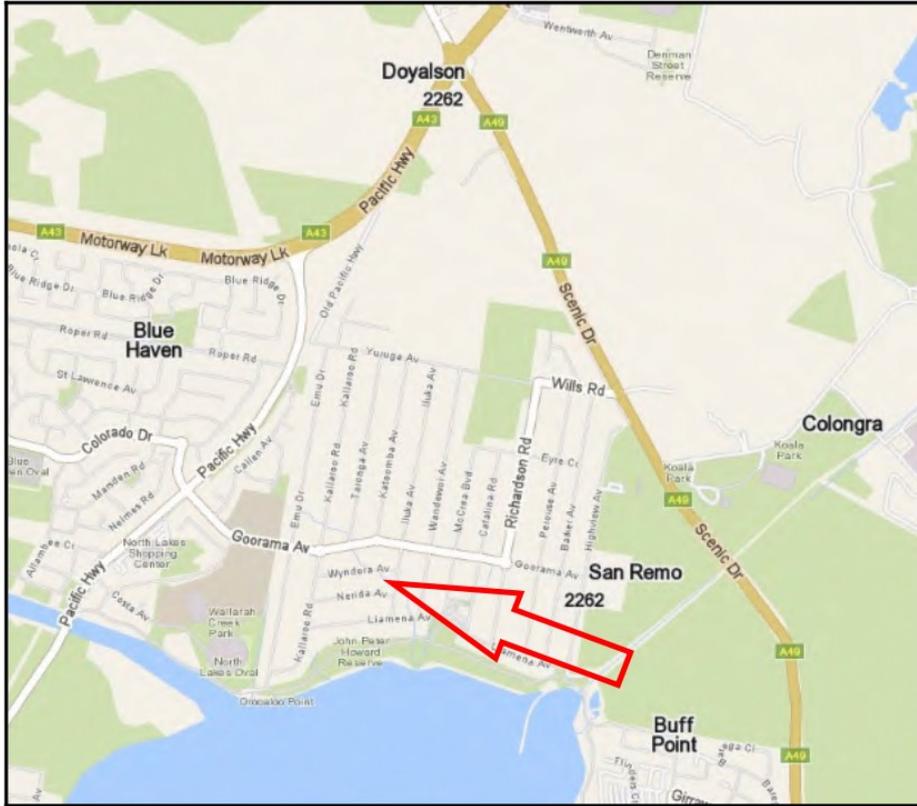
LOCATION MAP,  
(Source WHEREIS Mapping website)

COPY OF FOLIO SEARCH CERTIFICATE

COPY OF DEPOSITED PLAN

K & T PROPERTY CONSULTANTS

LOCALITY MAPS (Source WHEREIS Mapping)



6 Wyndora Avenue, San Remo NSW 2262

4

K & T PROPERTY CONSULTANTS

COPY OF FOLIO SEARCH CERTIFICATE 10/1207459

NEW SOUTH WALES LAND REGISTRY SERVICES - TITLE SEARCH  
-----

FOLIO: 10/1207459  
-----

SEARCH DATE	TIME	EDITION NO	DATE
5/1/2021	10:50 AM	1	10/11/2015

LAND  
-----

LOT 10 IN DEPOSITED PLAN 1207459  
AT SAN REMO  
LOCAL GOVERNMENT AREA CENTRAL COAST  
PARISH OF MUNMORAH COUNTY OF NORTHUMBERLAND  
TITLE DIAGRAM DP1207459

FIRST SCHEDULE  
-----

WYONG SHIRE COUNCIL

SECOND SCHEDULE (3 NOTIFICATIONS)  
-----

- 1 LAND EXCLUDES MINERALS AND IS SUBJECT TO RESERVATIONS AND CONDITIONS IN FAVOUR OF THE CROWN - SEE CROWN GRANT(S)
- 2 H138267 COVENANT AFFECTING THE PART(S) SHOWN SO BURDENED IN THE TITLE DIAGRAM
- 3 K446621 COVENANT AFFECTING THE PART(S) SHOWN SO BURDENED IN THE TITLE DIAGRAM

NOTATIONS  
-----

UNREGISTERED DEALINGS: NIL

\*\*\* END OF SEARCH \*\*\*

2110 CCC 8 lots

PRINTED ON 5/1/2021

Search Date/Time: 05/01/2021 10:50AM

K & T PROPERTY CONSULTANTS

COPY OF DEPOSITED PLAN DP 1207459



6 Wyndora Avenue, San Remo NSW 2262

6



**K & T Property Consultants Pty Ltd**  
**REAL ESTATE VALUERS & LAND ECONOMISTS**

Page 1

**CURRENT MARKET VALUATION (SHORT FORM)**

**Instructing Party:** Central Coast Council  
**Postal Address:** P.O. Box 20  
WYONG, NSW 2259  
**Property Owners:** Central Coast Council

**Contact:**  
**Ph:**  
**email:**



**1. PROPERTY SUMMARY**

**PROPERTY ADDRESS:** 165 Main Road, TOUKLEY NSW 2263  
**TITLE DETAILS:** Lot 3 DP22986 & DP 216651 (title & plan copies attached) **Site Area:** 708 m<sup>2</sup> (approx.)  
**ZONING/INSTRUMENT:** R3 Residential Medium Density in Wyong LEP 2013. **LGA:** Central Coast Council  
**LOCATION:** Toukley is an established residential suburb situated between the Pacific Ocean, Tuggerah and Budgewoi Lakes. The subject property is located at the intersection of Main Road and Dunleigh Street, about 400 metres west of the Toukley Town Centre. The Dunleigh Street intersection is controlled by traffic lights as it is the western end of a bypass route around the Town Centre. A locality map for the suburb and property is attached.  
**SERVICES:** Bitumen sealed road with concrete kerb, gutter and footpath (to Main Road) . Electricity, town water, sewerage & land-line telephone services are all located nearby to the property.  
**BRIEF DESCRIPTION:** A near regular shaped, cleared and vacant lot, with width of 15.767 metres and average depth of 44.9 metres. The lot has a side frontage to Dunleigh Street. The land is near level and has a grass ground cover. The surrounding land uses are residential and include medium density developments opposite, adjacent (west) and to the rear (4 storey under construction).

**2. SALES EVIDENCE**

Address	Sale Date	Price	Brief Comments	In Comparison to Subject
43 Victoria Avenue, Toukley	26.06.2020	\$580,000	659.5 m <sup>2</sup> , vacant, level, regular shape near shops.	Smaller lot, better position, more valuable.
13 James Road, Toukley	04.09.2020	\$520,000	695.6 m <sup>2</sup> , 4 bed old style clad house - land value.	Similar size & position, similar value.
4 Peel Street, Toukley	10.09.2020	\$470,000	575.7 m <sup>2</sup> , 1 bed framed & clad cabin - land value.	Smaller lot, similar position, less valuable.

**Additional Comments:**

Though situated on a busy local traffic route, as a medium density development site, the subject property is well positioned nearby to the Toukley Town Centre, community facilities, public transport and lake front reserves. The Councils DA Tracker has no record of applications or approvals for the lot.

**3. VALUATION**

**Interest Valued:** Fee Simple with Vacant Possession  
**Market Value:** \$530,000 (Five Hundred & Thirty Thousand Dollars)

I hereby certify that I have personally inspected this property on the date below and have carried out the assessment above as at that date. Neither I, nor any member of this firm, has any conflict of interest, or direct, indirect or financial interest in relation to this property that is not disclosed herein. This report is for the use only of the party to which it is addressed, Central Coast Council, and for the Asset Disposal purposes. It is not to be used for any other purpose. No responsibility is accepted or undertaken to third parties in respect thereof. This report does not constitute a structural survey This report may not be relied on for Mortgage purposes.

**Valuer:** Robert Meggs  
**Qualifications/Reg.#:** F.A.P.I., CPV, API Member 68120  
**Inspection & Valuation Date:** 7 January 2021  
**Valuer's File Reference:** 2110Toukley165MainRd

**Valuer's Signature:**



**Firm:** K & T Property Consultants Pty Limited  
**Address:** 500 Kyola Rd, KULNURA NSW 2250  
**Phone:** 02 4376 1451  
**Mobile:** 0429 44 33 10  
**Email:** ktpropty@ozemail.com.au

"Liability limited by a scheme approved under Professional Standards Legislation."



K & T PROPERTY CONSULTANTS

### CLAUSES OF LIMITATION

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**K & T PROPERTY CONSULTANTS**

## **APPENDICES**

LOCATION MAP,  
(Source WHEREIS Mapping website)

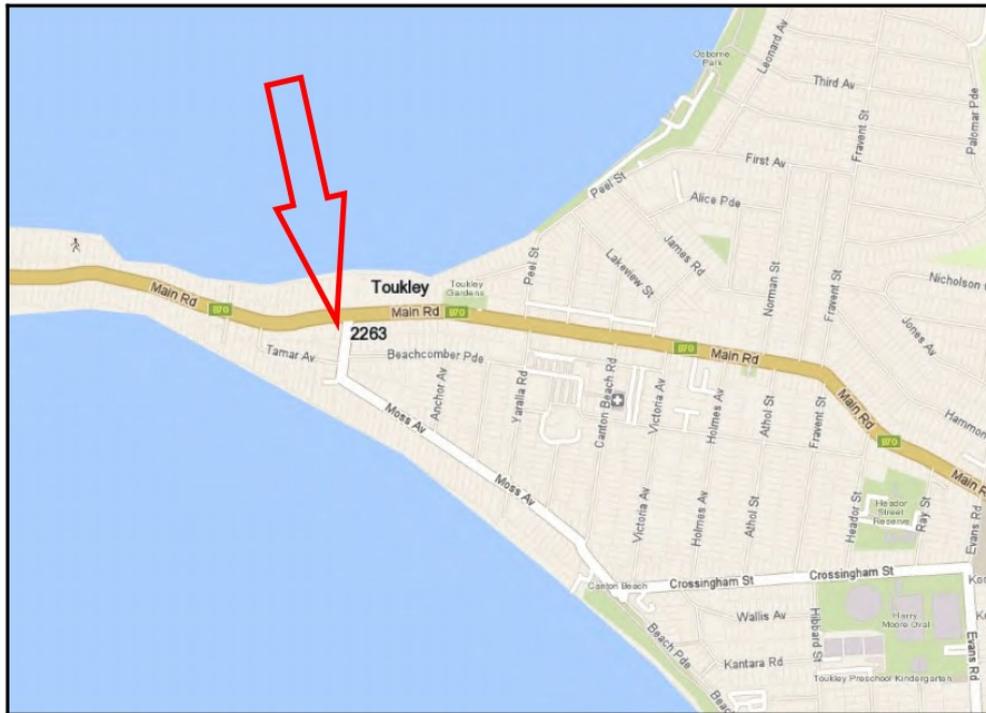
COPY OF FOLIO SEARCH CERTIFICATE

COPY OF DEPOSITED PLAN DP 22986

COPY OF ROAD WIDENING PLAN DP 216651

K & T PROPERTY CONSULTANTS

LOCALITY MAPS (Source WHEREIS Mapping)



165 Main Road, Toukley NSW 2263

4

K & T PROPERTY CONSULTANTS

COPY OF FOLIO SEARCH CERTIFICATE 3/22986

NEW SOUTH WALES LAND REGISTRY SERVICES - TITLE SEARCH  
-----

FOLIO: 3/22986  
-----

SEARCH DATE	TIME	EDITION NO	DATE
5/1/2021	3:24 PM	1	29/5/1990

LAND  
-----

LOT 3 IN DEPOSITED PLAN 22986  
LOCAL GOVERNMENT AREA CENTRAL COAST  
PARISH OF WALLARAH COUNTY OF NORTHUMBERLAND  
TITLE DIAGRAM DP22986

FIRST SCHEDULE  
-----

THE COUNCIL OF THE SHIRE OF WYONG (T Y135255)

SECOND SCHEDULE (2 NOTIFICATIONS)  
-----

1 RESERVATIONS AND CONDITIONS IN THE CROWN GRANT(S)  
\* 2 THE INTEREST(S) OF THE COUNCIL OF THE SHIRE OF WYONG IN THE  
ADDITION TO EXISTING ROAD SHOWN IN DP216651

NOTATIONS  
-----

NOTE: THE CERTIFICATE OF TITLE FOR THIS FOLIO OF THE REGISTER DOES  
NOT INCLUDE SECURITY FEATURES INCLUDED ON COMPUTERISED  
CERTIFICATES OF TITLE ISSUED FROM 4TH JANUARY, 2004. IT IS  
RECOMMENDED THAT STRINGENT PROCESSES ARE ADOPTED IN VERIFYING THE  
IDENTITY OF THE PERSON(S) CLAIMING A RIGHT TO DEAL WITH THE LAND  
COMPRISED IN THIS FOLIO.

UNREGISTERED DEALINGS: NIL

\*\*\* END OF SEARCH \*\*\*

2110 CCC 8 lots PRINTED ON 5/1/2021





**K & T Property Consultants Pty Ltd**  
**REAL ESTATE VALUERS & LAND ECONOMISTS**

Page 1

**CURRENT MARKET VALUATION (SHORT FORM)**

**Instructing Party:** Central Coast Council  
**Postal Address:** P.O. Box 20  
WYONG, NSW 2259  
**Property Owners:** Central Coast Council

**Contact:**  
**Ph:**  
**email:**



**1. PROPERTY SUMMARY**

**PROPERTY ADDRESS:** 9 Thompson Street, LONG JETTY NSW 2261  
**TITLE DETAILS:** Lot 21 Section 1 DP13225 (title & plan copies attached) **Site Area:** 676.6 m<sup>2</sup>  
**ZONING/INSTRUMENT:** B2 Local Centre in Wyong LEP 2013. **LGA:** Central Coast Council  
**LOCATION:** Long Jetty is an established residential suburb situated on the peninsula between Tuggerah Lake and the Pacific Ocean. The subject property is located midway in the western section of Thomson Street, between The Entrance Road and Tuggerah Lake. Local shops are close-by on The Entrance Road. The Bay Village Shopping Centre at Bateau Bay is within 2.5 kilometres. A locality map for the suburb and property is attached.  
**SERVICES:** Bitumen sealed road with concrete kerb, gutter and footpath. Electricity, town water, sewerage & land-line telephone services are all located nearby to the property.  
**BRIEF DESCRIPTION:** A regular shaped, vacant and part cleared lot, with width of 15.85 metres and depth of 42.67 metres. The lot is part bitumen paved and used for public car parking. The rear part of the lot has established trees that are encroaching upon the parking area. The surrounding land uses are commercial in nature and include a dental surgery (west), car park (east) and the Long Jetty Senior Citizens Club Opposite.

**2. SALES EVIDENCE**

Address	Sale Date	Price	Brief Comments	In Comparison to Subject
1 Elden Street, Toukley	13.12.2019	\$413,000	575 m <sup>2</sup> , B2 zone, commercial cottage, land ~ \$300.	Smaller size, inferior position, less valuable
4 Pacific Street, Long Jetty	01.06.2020	\$635,000	677 m <sup>2</sup> , B2 zone, 3 bed, clad house, land ~ \$485K.	Similar size & position, similar value
253 The Ent. Rd, The Entrance	17.12.2020	\$490,000	692 m <sup>2</sup> , B2 zone, fringe com. building, land value.	Similar size, better position, more valuable.

**Additional Comments:**

A commercial zoned vacant lot with an "off-main-street" position between the busy Entrance Road and Tuggerah Lake foreshore reserve. The Councils DA Tracker has no record of applications or approvals for the lot.

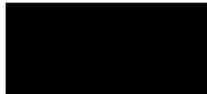
**3. VALUATION**

**Interest Valued:** Fee Simple with Vacant Possession  
**Market Value:** \$475,000 (Four Hundred & Seventy Five Thousand Dollars)

I hereby certify that I have personally inspected this property on the date below and have carried out the assessment above as at that date. Neither I, nor any member of this firm, has any conflict of interest, or direct, indirect or financial interest in relation to this property that is not disclosed herein. This report is for the use only of the party to which it is addressed, Central Coast Council, and for the Asset Disposal purposes. It is not to be used for any other purpose. No responsibility is accepted or undertaken to third parties in respect thereof. This report does not constitute a structural survey This report may not be relied on for Mortgage purposes.

**Valuer:** Robert Meggs  
**Qualifications/Reg.#:** F.A.P.I., CPV, API Member 68120  
**Inspection & Valuation Date:** 7 January 2021  
**Valuer's File Reference:** 2110LongJetty9ThompsonSt

**Valuer's Signature:**



**Firm:** K & T Property Consultants Pty Limited  
**Address:** 500 Kyola Rd, KULNURA NSW 2250  
**Phone:** 02 4376 1451  
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8. **Goods & Services Tax** - Unless specifically stated all property prices/values within this report, including the final valuation amount do not include a GST factor. The comparable sale prices quoted in this report for second hand residential properties have been assumed to be GST free unless it is otherwise stated in this report.
9. **The Currency of the Valuation and Reliance Thereon** - This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). I do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, I do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of 3 months from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.
10. **Disclosure statement - impact of COVID-19.** - The market is being impacted by the uncertainty caused by the COVID-19 pandemic. As at the date of valuation we consider that there is market uncertainty resulting in significant valuation uncertainty. This valuation is therefore reported on the basis of 'significant valuation uncertainty'. As a result, less certainty exists than normal and a higher degree of caution should be attached to our valuation than normally would be the case. Given the unknown future impact that COVID-19 might have on markets, we recommend that the user(s) of this report review this valuation periodically.

**K & T PROPERTY CONSULTANTS**

## **APPENDICES**

LOCATION MAP,  
(Source WHEREIS Mapping website)

COPY OF FOLIO SEARCH CERTIFICATE 21/1/13225

COPY OF DEPOSITED PLAN DP 13225



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COPY OF FOLIO SEARCH CERTIFICATE 21/1/13225

NEW SOUTH WALES LAND REGISTRY SERVICES - TITLE SEARCH  
-----

FOLIO: 21/1/13225  
-----

SEARCH DATE	TIME	EDITION NO	DATE
5/1/2021	3:26 PM	-	-

VOL 4471 FOL 45 IS THE CURRENT CERTIFICATE OF TITLE  
LAND  
-----  
LOT 21 OF SECTION 1 IN DEPOSITED PLAN 13225  
LOCAL GOVERNMENT AREA CENTRAL COAST  
PARISH OF TUGGERAH COUNTY OF NORTHUMBERLAND  
TITLE DIAGRAM DP13225

FIRST SCHEDULE  
-----  
THE COUNCIL OF THE SHIRE OF WYONG (T M397023)

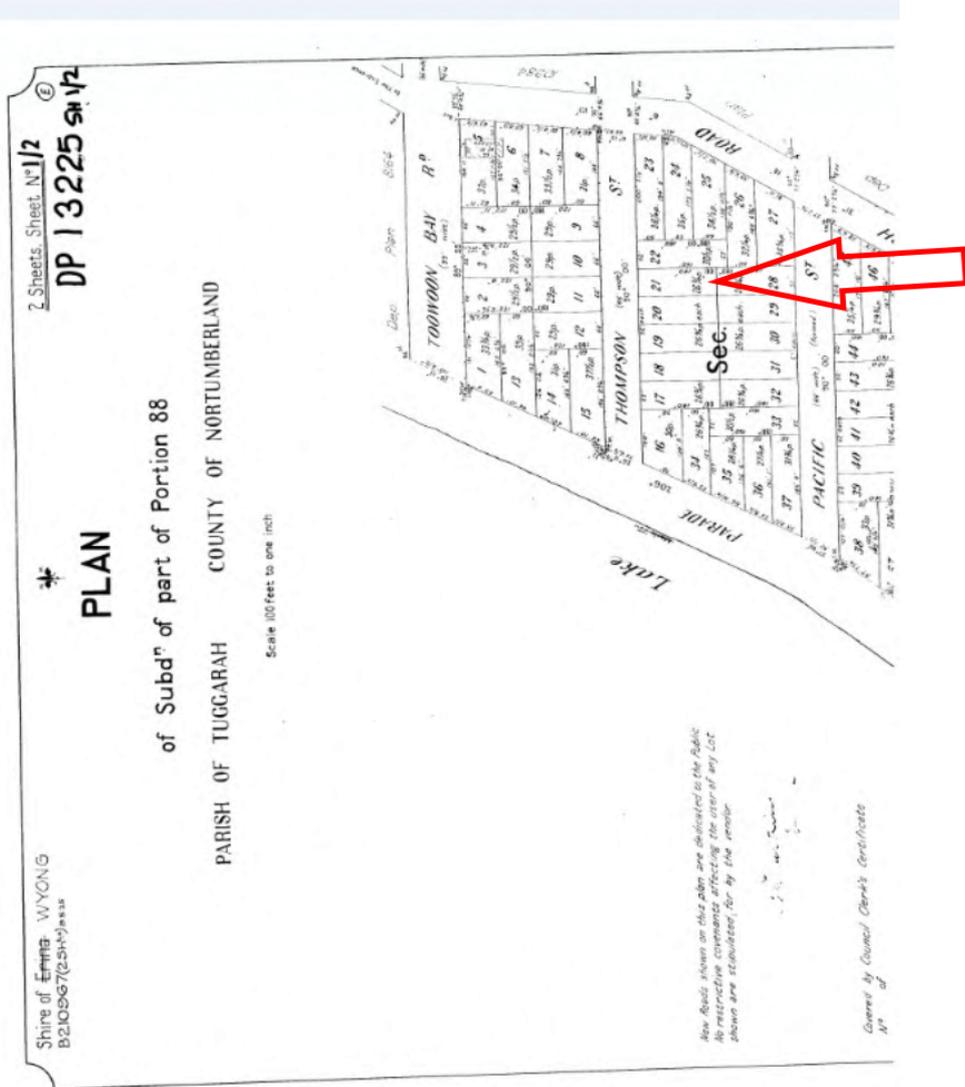
SECOND SCHEDULE (1 NOTIFICATION)  
-----  
1 LAND EXCLUDES MINERALS AND IS SUBJECT TO RESERVATIONS AND  
CONDITIONS IN FAVOUR OF THE CROWN - SEE CROWN GRANT(S)

NOTATIONS  
-----  
UNREGISTERED DEALINGS: NIL  
\*\*\* END OF SEARCH \*\*\*

2110 CCC 8 lots PRINTED ON 5/1/2021

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COPY OF DEPOSITED PLAN DP 13225, SECTION 1



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CONVERSION TABLE ADDED IN REGISTERS GENERAL DEPARTMENT			CONVERSION TABLE ADDED IN REGISTERS GENERAL DEPARTMENT			CONVERSION TABLE ADDED IN REGISTERS GENERAL DEPARTMENT			CONVERSION TABLE ADDED IN REGISTERS GENERAL DEPARTMENT		
DP 13225	SM	1/2	DP 13225	SM	1/2	DP 13225	SM	1/2	DP 13225	SM	1/2
FEET INCHES	METRES		FEET INCHES	METRES		AC RD #	SM	M	FEET INCHES	METRES	
0	0.000		134	11 1/2	42.368				4	11 3/4	3.495
1	0.305		143	-	42.67				4	-	1.83
2	0.61		152	-	42.965				25	-	30.47
3	0.915		161	1 1/4	43.25				27	7	31.508
4	1.22		170	2 1/2	43.538				46	11	32.67
5	1.525		179	3 1/2	43.82				52	-	32.91
6	1.83		188	4 1/2	44.105				58	-	33.15
7	2.135		197	5 1/2	44.39				66	6 1/2	37.07
8	2.44		206	6 1/2	44.675				68	-	37.308
9	2.745		215	7 1/2	44.96				68	-	37.308
10	3.05		224	8 1/2	45.245				68	-	37.308
11	3.355		233	9 1/2	45.53				70	2 1/2	37.4
12	3.66		242	10 1/2	45.815				77	2 3/4	32.24
13	3.965		251	11 1/2	46.1				81	11	26.87
14	4.27		260	-	46.385				93	4	28.48
15	4.575		269	1 1/4	46.67				106	8 1/2	32.205
16	4.88		278	2 1/4	46.955				107	8 3/4	28.98
17	5.185		287	3 1/4	47.24				120	-	39.625
18	5.49		296	4 1/4	47.525				132	8 3/4	36.405
19	5.795		305	5 1/4	47.81				133	9 1/2	46.68
20	6.1		314	6 1/4	48.095				134	4	42.67
21	6.405		323	7 1/4	48.38				147	3 1/2	48.505
22	6.71		332	8 1/4	48.665				151	7 1/2	46.275
23	7.015		341	9 1/4	48.95				163	-	48.77
24	7.32		350	10 1/4	49.235				164	2	30.24
25	7.625		359	11 1/4	49.52				164	6	46.705
26	7.93		368	12 1/4	49.805				168	6 1/2	50.76
27	8.235		377	1 1/2	50.09				174	5 1/4	39.65
28	8.54		386	2 1/2	50.375				174	6 1/4	50.77
29	8.845		395	3 1/2	50.66				188	10 1/2	35.12
30	9.15		404	4 1/2	50.945				188	10 1/2	35.12
31	9.455		413	5 1/2	51.23				188	5 3/4	42.44
32	9.76		422	6 1/2	51.515				188	5 3/4	42.44
33	10.065		431	7 1/2	51.8				194	6 3/4	39.2
34	10.37		440	8 1/2	52.085				194	11	46.25
35	10.675		449	9 1/2	52.37				204	-	43.78
36	10.98		458	10 1/2	52.66				204	-	43.78
37	11.285		467	11 1/2	52.945				204	-	43.78
38	11.59		476	12 1/2	53.23				204	-	43.78
39	11.895		485	-	53.515				204	-	43.78
40	12.2		494	1 1/4	53.8				204	-	43.78
41	12.505		503	2 1/4	54.085				204	-	43.78
42	12.81		512	3 1/4	54.37				204	-	43.78
43	13.115		521	4 1/4	54.66				204	-	43.78
44	13.42		530	5 1/4	54.945				204	-	43.78
45	13.725		539	6 1/4	55.23				204	-	43.78
46	14.03		548	7 1/4	55.515				204	-	43.78
47	14.335		557	8 1/4	55.8				204	-	43.78
48	14.64		566	9 1/4	56.085				204	-	43.78
49	14.945		575	10 1/4	56.37				204	-	43.78
50	15.25		584	11 1/4	56.66				204	-	43.78
51	15.555		593	12 1/4	56.945				204	-	43.78
52	15.86		602	-	57.23				204	-	43.78
53	16.165		611	1 1/4	57.515				204	-	43.78
54	16.47		620	2 1/4	57.8				204	-	43.78
55	16.775		629	3 1/4	58.085				204	-	43.78
56	17.08		638	4 1/4	58.37				204	-	43.78
57	17.385		647	5 1/4	58.66				204	-	43.78
58	17.69		656	6 1/4	58.945				204	-	43.78
59	17.995		665	7 1/4	59.23				204	-	43.78
60	18.3		674	8 1/4	59.515				204	-	43.78
61	18.605		683	9 1/4	59.8				204	-	43.78
62	18.91		692	10 1/4	60.085				204	-	43.78
63	19.215		701	11 1/4	60.37				204	-	43.78
64	19.52		710	12 1/4	60.66				204	-	43.78
65	19.825		719	-	60.945				204	-	43.78
66	20.13		728	1 1/4	61.23				204	-	43.78
67	20.435		737	2 1/4	61.515				204	-	43.78
68	20.74		746	3 1/4	61.8				204	-	43.78
69	21.045		755	4 1/4	62.085				204	-	43.78
70	21.35		764	5 1/4	62.37				204	-	43.78
71	21.655		773	6 1/4	62.66				204	-	43.78
72	21.96		782	7 1/4	62.945				204	-	43.78
73	22.265		791	8 1/4	63.23				204	-	43.78
74	22.57		800	9 1/4	63.515				204	-	43.78
75	22.875		809	10 1/4	63.8				204	-	43.78
76	23.18		818	11 1/4	64.085				204	-	43.78
77	23.485		827	12 1/4	64.37				204	-	43.78
78	23.79		836	-	64.66				204	-	43.78
79	24.095		845	1 1/4	64.945				204	-	43.78
80	24.4		854	2 1/4	65.23				204	-	43.78
81	24.705		863	3 1/4	65.515				204	-	43.78
82	25.01		872	4 1/4	65.8				204	-	43.78
83	25.315		881	5 1/4	66.085				204	-	43.78
84	25.62		890	6 1/4	66.37				204	-	43.78
85	25.925		899	7 1/4	66.66				204	-	43.78
86	26.23		908	8 1/4	66.945				204	-	43.78
87	26.535		917	9 1/4	67.23				204	-	43.78
88	26.84		926	10 1/4	67.515				204	-	43.78
89	27.145		935	11 1/4	67.8				204	-	43.78
90	27.45		944	12 1/4	68.085				204	-	43.78
91	27.755		953	-	68.37				204	-	43.78
92	28.06		962	1 1/4	68.66				204	-	43.78
93	28.365		971	2 1/4	68.945				204	-	43.78
94	28.67		980	3 1/4	69.23				204	-	43.78
95	28.975		989	4 1/4	69.515				204	-	43.78
96	29.28		998	5 1/4	69.8				204	-	43.78
97	29.585		1007	6 1/4	70.085				204	-	43.78
98	29.89		1016	7 1/4	70.37				204	-	43.78
99	30.195		1025	8 1/4	70.66				204	-	43.78
100	30.5		1034	9 1/4	70.945				204	-	43.78
101	30.805		1043	10 1/4	71.23				204	-	43.78
102	31.11		1052	11 1/4	71.515				204	-	43.78
103	31.415		1061	12 1/4	71.8				204	-	43.78
104	31.72		1070	-	72.085				204	-	43.78
105	32.025		1079	1 1/4	72.37				204	-	43.78
106	32.33		1088	2 1/4	72.66				204	-	43.78
107	32.635		1097	3 1/4	72.945				204	-	43.78
108	32.94		1106	4 1/4	73.23				204	-	43.78
109	33.245		1115	5 1/4	73.515				204	-	43.78
110	33.55		1124	6 1/4	73.8				204	-	43.78
111	33.855		1133	7 1/4	74.085				204	-	43.78
112	34.16		1142	8 1/4	74.37				204	-	43.78
113	34.465		1151	9 1/4	74.66				204	-	43.78
114	34.77		1160	10 1/4	74.945				204	-	43.78
115	35.075		1169	11 1/4	75.23				204	-	43.78
116	35.38		1178	12 1/4	75.515				204	-	43.78
117	35.685		1187	-	75.8				204	-	43.78
118	35.99		1196	1 1/4	76.085				204	-	43.78
119	36.295		1205	2 1/4	76.37				204	-	43.78
120	36.6		1214	3 1/4	76.66				204	-	43.78
121	36.905		1223	4 1/4	76.945				204	-	43.78
122	37.21		1232	5 1/4	77.23				204	-	43.78
123	37.515		1241	6 1/4	77.515				204	-	43.78
124	37.82		1250	7 1/4	77.8				204	-	43.78
125	38.125		1259	8 1/4	78.085				204	-	43.78
126	38.43		1268	9 1/4	78.37				204	-	43.78
127	38.735		1277	10 1/4	78.66				204	-	43.78
128	39.04		1286	11 1/4	78.945				204	-	43.78
129	39.345		1295	12 1/4	79.23				204	-	43.78
130	39.65										



## Valuation Report

### 3 Bounty Close Tuggerah NSW 2259

3 February 2020

Under instruction from  
Aubrey Brown Lawyers and Effective Legal  
Solutions



Reference: JY/13145

Knight Frank Newcastle  
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## Executive Summary



3 BOUNTY CLOSE TUGGERAH NSW 2259		
Instructing Party	Aubrey Brown Lawyers and Effective Legal Solutions	
Client	Aubrey Brown Lawyers and Effective Legal Solutions	
Our Reference	JY/13145	
Interest Valued	Unencumbered Freehold Interest	
Relying Party and Purpose of Valuation	Central Coast Council and Central Coast Training Group Limited for sale/purchase negotiation purposes.	
Basis of Valuation	In accordance with the lease and in particular Clause 27.4, there is no mention of the "Basis of Valuation" and only that "Market Value" is to be determined when or if the lessor or lessee exercises the Put/Call Option. On that basis, we have valued the property in accordance with the standard definition of Market Value, inter-alia ".... The price that would be paid by a willing but not anxious buyer from a willing but not anxious seller.....".	
Land Area	3,622 m <sup>2</sup>	
Title Details	Local Govt. Area (LGA) Wyong Deposited Plan (DP) 1052715 Lot 2073	
Zoning	B7 Business Park subject to the Wyong Local Environmental Plan 2013	
Description	Commercial office building divided in to a number of suites (currently six (6) sub-tenancy agreements), with associated car parking.	
NLA	1,494 m <sup>2</sup>	
Valuation Methodology	Income and Market Approaches- Direct Comparison & Capitalisation Methods	
Date of Inspection	23 November 2020	
Valuation Date	3 February 2020	
Report Date	3 February 2021	
Income Particulars	<b>At Passing Rents</b>	<b>At Market Rates</b>
Gross Income	\$44,880 pa	\$306,200 pa
Adopted Outgoings	\$44,750 pa	\$ 44,750 pa
Estimated Net Income	\$130 pa	\$261,450 pa
Adopted Capitalisation Rate	7.00%	
Adopted Value	<b>\$652,088 (exclusive of GST)</b>	
Passing Initial Yield	0.23%	
Core Market Yield	7.00%	
Rate/m <sup>2</sup> of NLA	\$436/m <sup>2</sup>	
Valuer's Details	<b>Jeffrey Young AAPI</b> API Member No. 62952 <b>Certified Practising Valuer</b>	<b>Matthew Shaw AAPI</b> API Member No. 17321 <b>Certified Practising Valuer</b> Director <i>(Counter signatory only)</i>



#### Key Points

- The current lease reflects a "Peppercorn Rent", currently at \$130p.a. net. Outgoings adopted by us amount to \$44,750p.a.
- The lease is for 40 years and expires in 2054. A Call Option is currently being exercised by the tenant in accordance with the lease.
- The "Agreement" quoting the call option, refers to the property being valued at a market level. We have chosen to value the property as at the date of valuation taking in to account the "Peppercorn Lease Agreement" in place. Should subsequent advice be provided concerning valuation methodology, we reserve the right to reassess this report as and when required.
- **The valuation herein reflects the passing rental until the end of "Term Certain", i.e. 2054 and the terminal value of the property at that point. We note the tenant has rights of occupation for a further 2 x 5 years, as per the lease. Exercising these options would significantly impact on the value assessed herein by extending the terminal value assessment of the property for a further 10 years until 2064.**
- **The value of the property with "Vacant Possession" has been assessed at \$3.7m and this is the assessment we would be adopting for a mortgage valuation under similar circumstances, i.e. where the sitting tenant is buying the property from the landlord. We note in this case the lease would in effect be extinguished with the opportunity of a "market rental" being able to be achieved.**
- We refer the reliant party/parties to the Valuation Uncertainty and the Subject Property statement and the SWOT analysis herein. In the current COVID-19 pandemic the reliant party should apply an abundance of caution and monitor and review the situation utilising internal and external research and resources on a regular basis as it evolves.

#### Critical Conditions

- In our assessment of value, we have adopted the principle that the tenancy agreement is "watertight" assuming both the tenant and the landlord fulfill their obligations throughout the lease term expiring in 2054.
- We have also adopted the principle that the market value as at 3 February 2020 (the date the Option Clause was exercised by the tenant) is significantly impacted by the lease until its expiry in 2054 by a "Peppercorn Rental" only being paid and not "Market Rental".
- Clause 17.7 of the "Deed" executed on 10 July 2013 between Wyong Council (now Central Coast Council) and Central Coast Group Training Limited states inter alia, "...the lessee acknowledges the improvements are owned by the Lessor and the Lessee must make no claim for compensation in relation to such improvements". Further correspondence from both parties representing the lessee and lessor have confirmed the basis of valuation and we have not considered the ownership of the improvements as a separate issue. E.g. the establishment of a ground lease between the land owner (say CCGT), the lessee (Central Coast Council as the owner of the improvements) and a sub-lessee or occupier (say CCGT or any alternative)
- This Valuation Report is prepared for the client named above for acquisition purposes and is not to be used or relied by any other party for any other purpose. It is subject to the terms and conditions, disclaimers, qualifications and limitations contained in the Report and any annexures thereto.
- No responsibility is accepted by the Valuer and/or Knight Frank Newcastle in the event that the client to which this Report is addressed, or any other agreed additional reliant party(s) noted in this Report, relies, uses, distributes, publishes and /or otherwise represents anything contained in the Report for any other purpose apart from that expressly noted previously.
- No responsibility is accepted by the Valuer and/or Knight Frank Newcastle to any other parties who rely, use, distribute, publish and/or otherwise represent anything contained in the Report for any purpose.
- The valuation is also conditional upon the important notices, disclaimers and qualifications contained within the body of this report.

## Executive Summary (Cont'd)



### IVSC Disclosure: Significant Valuation Uncertainty

The IVS / API state that where there is Market Uncertainty *"The impact on sale prices and volumes will not be known until the market has stabilised and a new normal is in place"*.

Where there is Significant Valuation Uncertainty in respect of the subject property, we make the following Significant Valuation Uncertainty Disclosure – per the IVS Valuation Report Disclosure Requirement:

- The market that the property/asset is transacted and/or valued in is being impacted by the uncertainty that the COVID-19 outbreak has caused. Market conditions are changing daily at present. As at the date of valuation we consider that there is a Market Uncertainty resulting in Significant Valuation Uncertainty.
  - This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the Valuer could not reasonably have been aware of as at the date of valuation). We do not accept responsibility or liability for any losses arising from such subsequent changes in value.
  - Given the valuation uncertainty noted, we recommend that the user(s) of this report review this valuation periodically
- The definitions herein provide clarity on the meaning of Market Uncertainty and Valuation Uncertainty.**  
**Our statement as to Significant Valuation Uncertainty in respect to the subject property is outlined next.**

### Important Notice

*This Executive Summary forms a part of and should not be used or read independently from the complete report. Particular attention is drawn to the Qualifications, Important Notices and Disclaimers included in this report. Liability limited by a scheme approved under Professional Standards Legislation.*

## SWOT Analysis



### Strengths

- Premises ideally suited to their current use
- Strong owner occupier presence within the local market.
- Ample off-street parking
- Flexibility of the tenancy areas. Currently six (6) sub-tenancy agreements over what we believe to be 8 Suites.

### Weaknesses

- Currently leased on a "Peppercorn Rental" until 2054 with 2 x 5 year options available thereafter.
- **The sale in the open market would be significantly below its market value with vacant possession.**

### Opportunities

- Sell the Property with vacant possession and unencumbered.
- Sell the Property with a market rental value lease/s in place.

### Threats

- COVID19 effect on commercial property cannot be predicted. A moderate to deep recession is a risk that is not priced into the current valuation. Any valuation assessment in this market is subject to a new heightened level of market volatility.

### Buyer Profile

- Sitting tenant purchaser enabling the current lease agreement to be extinguished and maximise the capital value of the property.
- Entrepreneurial investors seeking a capital return on the property (based upon past property value movements) over the following 40 years and then realising the asset's value in 2054.

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## Qualifications



1. This report is prepared for the private and confidential use of the client named in Section 1 of this report, and only for the purpose outlined in Section 1. It should not be relied on by the client for any other purpose and should not be reproduced in whole or part for any other purpose without the express written consent of Knight Frank Newcastle. Any party that is not the named client may not rely on this report for any purpose and should obtain their own valuation before acting in any way in respect of the subject property.
2. The valuation specifically may not be relied upon by any party in connection with any Managed Investment Scheme (within the meaning of the Corporations Law) which:
  1. Has as its prime or as a substantial purpose, the provision of tax benefits to investors; or
  2. Is involved in any form of direct or indirect investment in primary production including "property used for primary production".
3. Unless otherwise stated, all valuation figures stated herein are net of GST, are on a before tax basis, are before acquisition or selling expenses, and do not reflect any withholding amounts or impact upon sale proceeds that may apply under foreign investor transaction legislation (including under mortgagee sale conditions).
4. Reliance on this report should only be taken upon sighting an original document received by the Reliant Party directly from Knight Frank or through a Panel Management System authorised by the client and countersigned by a senior executive of Knight Frank Newcastle. The counter-signatory verifies that this report is genuine and issued and endorsed by Knight Frank Newcastle. The opinion of value expressed in this report, however, has been arrived at by the prime signatory acting as the valuer. Please note that Matthew Shaw has not inspected the subject property, and counter-signs this report only in his capacity of Director, Knight Frank Newcastle, Knight Frank Newcastle.
5. This valuation is current at the date of valuation only. The timing and extent of market movements is impossible to accurately predict and we do not attempt to do so. The value assessed herein may change significantly and unexpectedly over a relatively short period as a result of general market movements, or factors specific to the particular property as identified in this report. Losses resulting from such movement in value subsequent to the date of valuation are not foreseeable and we do not accept any duty to protect your financial interests against such movements in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this value is relied upon after the expiration of 3 months from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.
6. In accordance with industry guidelines and requirements, Knight Frank Newcastle cannot assign or confirm the original or initial valuation after the expiration of 3 months from the date of valuation. Any written assignment of the valuation by Knight Frank Newcastle within this 3 month period is required to contain a statement that the valuer has not re-inspected the property nor undertaken further investigations or analysis since the original/initial valuation and accepts no responsibility for reliance upon the original/initial valuation other than as a valuation of the property at the original/initial date of valuation.
7. This valuation is conditional on there being no material change (including as a result of general market movements, or factors specific to the particular property) between the date of inspection, date of issue and the date of valuation that would impact on the value of the subject property. Should such an event occur, the valuer should be contacted for comment prior to reliance upon the valuation.
8. This valuation is not intended to be used to provide financial advice, express or implied, and we confirm that the valuer and Knight Frank Newcastle is not licensed to provide financial product advice under the *Corporations Act 2001*.
9. This valuation report is to be read in its entirety and in particular we draw your attention to the Important Notices set out in the body of the report and the Critical Conditions section of the Executive Summary.

## Qualifications



10. Any objective information, data or calculations set out in the Valuation will be accurate so far as is reasonably expected from a qualified valuer, reflecting due skill, care and diligence.
11. The law of the Australian state in which a property is located will apply in every respect in relation to the valuation and the agreement with the client which shall be deemed to have been made in that state of Australia. In the event of a dispute arising in connection with a valuation, unless expressly agreed otherwise in writing by Knight Frank, the client, and any third party using the valuation, all will submit to the jurisdiction of the Australian Courts only. This will apply wherever the property or the client is located or the advice is provided.

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## 1. Introduction

### 1.1 Instructions

<b>Instructing Party</b>	Aubrey Brown Lawyers and Effective Legal Solutions
<b>Bank Applicant / Reference</b>	Aubrey Brown Lawyers and Effective Legal Solutions JY/13145
<b>Relying Party/Parties &amp; Purpose of Valuation</b>	Central Coast Council and Central Coast Training Group Limited for other purposes (see request details)
<b>Basis of Valuation as instructed</b>	Market Value subject to existing Peppercorn Lease Agreement
<b>Date of Inspection</b>	23 November 2020
<b>Date of Valuation</b>	3 February 2020
<b>Date of Report</b>	3 February 2021

A copy of the Letter of Instruction is appended.

The valuation has been prepared in accordance with the Australian Property Institute's Practice Standards.

### 1.2 Pecuniary Interest Declaration

The valuer has no pecuniary interest in the said property, past, present or prospective, and the opinion expressed is free of any bias in this regard.

### 1.3 Definitions

**Market Value** is defined by the API as:

*"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion."*

**Valuation Uncertainty** (per API Guideline) is defined as:

*"The possibility that the Valuer's professional opinion as to the Market Value of the asset may differ from the price that could be achieved in a transfer of the asset as at the valuation date, assuming all other market conditions and variables remain constant. There are three broad categories of Valuation Uncertainty: Market Uncertainty, Model Uncertainty and Input Uncertainty."*

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**Market Uncertainty** (per API guideline) is defined as:

*"Market Uncertainty comes about when a market, as at the valuation date, is disrupted by current or very recent events such as sudden economic or political crises.*

*The event(s) that cause market uncertainty may be macroeconomic, for example the current COVID-19 outbreak, or microeconomic such as a change to a law or regulation which resets or disrupts a market sector. In the real estate market, both macro or microeconomic event(s) may result in valuation uncertainty as the only evidence available to be considered by the Valuer is most likely to have taken place before the event occurred and the impact of which was not reflected in market evidence. The impact on sale prices and volumes will not be known until the market has stabilised and a new normal is in place."*

**Note: The extent of Market Uncertainty differs across asset classes, as transactional evidence comes to light. However, conditions potentially remain volatile.**

**Model Uncertainty** (per API guideline) is defined as:

*"Model Uncertainty arises from the actual valuation model (or methodology) utilised by the Valuer. There may be situations where different valuation models (methodologies) are used to provide an indication of value, and that the different models produce a different outcome. This can result in model uncertainty as the selection of the most appropriate model may of itself be as source of uncertainty."*

**Note: We do not consider there to be Model Uncertainty in the current environment.**

**Input Uncertainty** (per API guideline) is defined as:

*"Input uncertainty arises where there are a number of equally reasonable or feasible inputs or assumptions, that the Valuer can utilise, and their impact on the outcome of the valuation can be measured by applying reasonably alternative inputs. For example, if the inputs are based on historical data, then the assumptions and methods made to adjust the data to current market conditions applicable at the validation date can be a source of uncertainty."*

**Note: Where there is Input Uncertainty arising from a paucity or absence of empirical data, arising from the current market conditions, this is outlined in the valuation assumptions and rationale herein.**

**Highest and Best Use** (IVSC and endorsed by the Australian Property Institute) is defined as:

*"The use of an asset that maximises its potential and that is physically possible, legally permissible and financially feasible."*

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## 2. Land Particulars

### 2.1 Location

#### Position

- Tuggerah is a suburb to the south of the Wyong CBD and is approximately 92km north of the Sydney CBD. The area is a developing suburb on the Central Coast region and is the Business Hub, Major Shopping Area and Financial District for the Central Coast Council. The suburb is a mixture of semi-rural, residential and light industrial properties and is an attraction for Central Coast residents and some tourism.
- Property is located at the end of a cul-de-sac in close proximity to Ourimbah Creek.

#### Surrounding and Adjoining Development

- Property is surrounded by light industrial users and bulky goods retailers.
- Surrounding accommodation comprises a Veterinary clinic, various commercial office tenancies, ELD Ford, The Speedway Garage, Choices Flooring, Totally Workwear, Sydney Tools. Pedders Suspension and Aussie Saddlery.

#### Road System and Access

- Legal access to the Property is via Bounty Close.
- Bounty Close is accessed off Reliance Drive which in turn is accessed off Wyong Road to the east which is a major road linking Wyong with Gosford. The Pacific Highway is also located north of the site accesses Wyong Road, an arterial thoroughfare through Tuggerah.

#### Services and Amenities

- All of the usual statutory services including electricity, water, sewer and drainage are available to the Property.



This map is included by courtesy of Google Maps

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## 2.2 Title Details & Site Description

<b>Registered Owner</b>	Wyong Shire Council	
<b>Title Description</b>	Local Govt. Area (LGA) Wyong Deposited Plan (DP) 1052715 Lot 2073	
<b>Registered Address</b>	3 Bounty Close Tuggerah NSW 2259	
<b>Identification</b>	The Property has been identified by reference to the Deposited Plan and physical inspection of the Property.	
<b>Physical Description</b>	A level, generally rectangular shaped lot with one adjoining property and Ourimbah Creek to the other.	
<b>Dimensions</b>	<b>Description</b>	<b>Measurement</b>
	Street Boundary	33.545 m
	Western Boundary	44.930 m
	Southern Boundary	85.865 m
	Northern Boundary	80.000 m
	<b>Total Site Area</b>	3,622 m <sup>2</sup>

## 2.3 Easements and Encumbrances

Reference should be made to the Title Search attached, which details encumbrances and interests noted on title. The following notifications are recorded on title:

Dealing	Description
DP866815	Restriction(s) on the use of land
DP873983	Restriction(s) on the use of land
DP873983	Easement to drain water 5 wide affecting the part(s) shown so burdened in the title diagram
DP1027618	Restriction(s) on the use of land
DP1052715	Easement to drain water 3 metre(s) wide affecting the part(s) shown so burdened in the title diagram
AI968343	Lease to Central Coast Group Training Limited expires: 30/6/2054.

Dealing DP873983- The restriction on the use of Land has not been searched. We note the restriction is located to the southern boundary and is located adjoining the nearby Ourimbah Creek. We understand the restriction applies to the potential flooding of the site during times of heavy rainfall. We recommend legal due diligence be undertaken if deemed necessary.

Further restrictions and easements have not been searched. With a fully developed site, they may not impact on the marketability of the Property. Legal due diligence can be sought if required.

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**Important Notice**

Although our title search (attached) does not show any unregistered dealings, it is noted that not all encumbrances may be recorded on the title documents provided to us. Our valuation is made on the basis that the property is free from mortgages, charges and other financial liens and is conditional on there being no encumbrances or interests other than those reported on our title search which materially affect the value, marketability and continued utility of the property. Should any encumbrances, encroachments, restrictions, leases or covenants which are not noted in this report be discovered which are material, our valuation would change, as would our recommendation as to its suitability for mortgage security purposes (if made).

**2.4 Town Planning Details**

<b>Planning Scheme</b>	Wyong Local Environmental Plan 2013
<b>Zoning / Designation</b>	B7 Business Park
<b>Zone Objectives</b>	<p><b>1. Objectives of zone</b></p> <ul style="list-style-type: none"> <li>To provide a range of office and light industrial uses.</li> <li>To encourage employment opportunities.</li> <li>To enable other land uses that provide facilities or services to meet the day to day needs of workers in the area.</li> <li>To permit limited residential accommodation that contributes to the provision of employment opportunities.</li> </ul> <p><b>2. Permitted without consent</b></p> <p>Nil</p> <p><b>3. Permitted with consent</b></p> <p>Centre-based child care facilities; Food and drink premises; Garden centres; Hardware and building supplies; Hotel or motel accommodation; Kiosks; Light industries; Neighbourhood shops; Office premises; Oyster aquaculture; Passenger transport facilities; Respite day care centres; Roads; Serviced apartments; Sewage reticulation systems; Shop top housing; Tank-based aquaculture; Warehouse or distribution centres; Water reticulation systems; Water storage facilities; Any other development not specified in item 2 or 4</p> <p><b>4. Prohibited</b></p> <p>Agriculture; Air transport facilities; Airstrips; Amusement centres; Animal boarding or training establishments; Boat building and repair facilities; Camping grounds; Caravan parks; Cemeteries; Commercial premises; Correctional centres; Crematoria; Depots; Eco-tourist facilities; Entertainment facilities; Exhibition homes; Exhibition villages; Extractive industries; Farm buildings; Forestry; Freight transport facilities; Function centres; Heavy industrial storage establishments; Highway service centres; Home occupations (sex services); Industrial retail outlets; Industries; Marinas; Mortuaries; Open cut mining; Pond-based aquaculture; Registered clubs; Residential accommodation; Resource recovery facilities; Restricted premises; Rural industries; Sewerage systems; Storage premises; Tourist and visitor accommodation; Truck depots; Vehicle body repair workshops; Vehicle repair stations; Waste disposal facilities; Water supply systems; Wharf or boating facilities</p>
<b>Heritage Controls</b>	Online searches confirm that the property is not listed in the NSW State Heritage Inventory database.

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<b>Development / Planning Permits</b>	Online searches indicate there are no current or recent development applications relating to the subject property.
<b>Comments</b>	The improvements conform with the provisions of the Town Planning Scheme.

**Important Notice**

The above information was obtained from the public records of Council's Town Planning Department and should verification be required, an application to Council may be obtained for a Certificate issued under the provisions of Section 10.7 of the Environmental Planning & Assessment Act, 1979. Should such Certificate not confirm the abovementioned zoning and development guidelines, the matter should be referred immediately to the valuer for consideration and review of the valuation, if appropriate.

**2.5 Mine Subsidence**

The land does not lie within a Mines Subsidence District proclaimed under the Coal Mine Subsidence Compensation Act 2017.

**2.6 Flood Planning**

The Property has not been identified as being a Flood Planning Area per Wyong Council online mapping service.

**2.7 Bushfire Prone**

The Property has been identified as being Bush Fire Prone Land:  
Vegetation Category 1 (pub. 2017-10-11)  
Vegetation Buffer (pub. 2017-10-11)  
as per Wyong Council Online Mapping Services.

**2.8 Highest & Best Use**

Taking into consideration the property's land size, built improvements, zoning classification and the existing leases, we believe that the Highest and Best Use of the property under a Torrens/Freehold Title (if applic.) taking in to account the surrounding built environment, as at the date of valuation is as its current use.

**2.9 Environmental Considerations**

**Site Contamination**

<b>Historical Uses</b>	The current improvements were constructed in Circa 2014. The use prior to this date is unknown.
<b>Registered on the EPA List/Statement of Environmental Audit</b>	No

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<b>Perceived Environmental Risk</b>	We confirm that there are no perceived environmental risks or problems associated with the subject property in relation to its present and known historical uses, and we further confirm that we have found no information in our enquiries to necessitate the instigation of a detailed environmental audit, subject to important notice below.
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**Important Notice**

No soil tests or environmental studies have been made available for our perusal and we do not have any expertise as environmental consultants nor are we qualified to provide an assessment of the contamination of land. We have undertaken the following steps to assess whether there are any obvious signs of contamination:

- Site inspection
- Review existing site use and historical site use (so far as it is identifiable from the current site owners)
- Review of EPA list (see above) Planning controls over the subject property

As a result of the above investigation we have been unable to identify any obvious signs of contamination. However we are unable to assess whether there are any latent signs of contamination or other indicators beyond the investigations referred to above. The assessed value could well decrease if material contaminants are present. This valuation is conditional on the site being free of contamination and any party relying on this valuation does so on the basis that Knight Frank Newcastle accepts no liability for any loss relating to contamination.

**Asbestos Materials**

Hazardous Materials Audit Provided	No
Identified Asbestos at Inspection	No
Potential for unsighted Asbestos	No

**Important Notice**

Effective 1 January 2012, all places of work built prior to 2003 require an asbestos assessment to be conducted and the establishing of an asbestos register and maintenance plan. Alternately, if no asbestos is found on site, a record stating such will need to be kept on site.

No asbestos reports have been made available for our perusal and we do not have any expertise in asbestos identification or assessment. We have undertaken the following steps to assess whether there are any obvious signs of asbestos:

- Internal and external visual inspection
- We have not inspected the building beyond the surface of the internal and external building fabric

As a result of the above investigation we have been unable to identify any obvious signs of asbestos however as discussed above, this does not mean the building is free of asbestos. We are unable to assess whether there are any latent signs of asbestos or other indicators beyond the investigations referred to above. The assessed value could well decrease if asbestos which is material to the valuation is present. This valuation is conditional on the site being free of asbestos and any party relying on this valuation does so on the basis that Knight Frank Newcastle accepts no liability for any loss relating to asbestos.

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### 3. Improvements

#### 3.1 Inspection

In response to the unprecedented public health risk currently presented by the Coronavirus, Knight Frank Valuation & Advisory is taking due care to protect our staff and clients.

We have followed the API "Guidelines for API Prepared Time of Crisis And/Or State of Emergency Impacting Physical Inspections of Real Property" and concluded that a full physical inspection of the Property that a Valuer is customarily required to complete under professional practice standards or at law (where applicable) was possible and has been undertaken accordingly.

#### 3.2 General Description

The property comprises 0a purpose built single level office building with on site parking.

Current configuration allows for multiple tenancies which has occurred with up to five (5) different occupants currently on the premises.

With the exception of the head lessee, the sub-tenants are all on short term individual leases.

#### 3.3 Lettable Areas

The total lettable areas (NLA) based on calculations are as follows:

Component	NLA m <sup>2</sup>
Offices	1,494
<b>Total</b>	<b>1,494 m<sup>2</sup></b>
Awning	258

Building areas have been established in accordance with the International Property Measurement Standards: Office Buildings (IPMS 2- Office) with measurements taken on site during our inspection. We strongly recommend tenant lettable areas be established by a suitably qualified surveyor. Should there be a significant difference between those areas established by a surveyor and those noted in this report, we reserve the right to reassess our valuation accordingly.

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### 3.4 Building Construction and Services

<b>External Walls &amp; Façade</b>	Glazing, concrete tilt panels and fibrecement/Iron sheeting to the awnings
<b>Floors</b>	Concrete with varying finishes
<b>Internal Walls</b>	Plasterboard, feature timber, glass and painted concrete panel
<b>Frame</b>	Steel and timber trusses
<b>Windows and Doors</b>	Aluminium framed with frameless automatic sliding doors to the southern end occupancy. Some flyscreens are installed.
<b>Ceilings</b>	Suspended acoustic panels, plasterboard, open ceilings reflecting sisalation and wire mesh beneath the roof.
<b>Lighting</b>	LED tubes and downlights
<b>Roof</b>	Iron
<b>Security</b>	Alarm system and CCTV in some areas.
<b>Backup Power</b>	N/A
<b>Lift/Services Core</b>	N/A
<b>Air-conditioning</b>	Ducted reverse cycle and split system units.
<b>Fire Services</b>	Fire hydrants and hand-held fire extinguishers
<b>Age and Condition</b>	Built Circa 2014 and in good condition for its age.

### 3.5 Accommodation and Features

Comprises of 5 individual occupancies with varying configurations, many completed at the expense of each tenant.

The head lessee has a reception, open plan and individual offices, training and meeting rooms, staff lunchroom, client kitchenettes, toilets and store rooms.

Remaining tenancies have generally their own fitout, however with the end of some tenancies, this has reverted to the ownership of the head lessee. Generally they are all offer partitioned offices. Toilets are central to the building with some kitchen areas available.

There is an awning to the eastern and northern elevations of the building with a concrete pathway.

Staff and client parking totalling 37 lined spaces are available being constructed of concrete with stormwater drainage and concrete kerbing.

Landscaping is installed to the street frontage and the eastern elevations, while plastic rain water tanks on site and used for toilet flushing, laundry and gardens.

Fencing (where installed) is steel post with barbed wire strands while concrete paving is installed to the perimeter of the building.

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## 4. Market Overview

### 4.1 Central Coast Overview

Located approximately an hour from Sydney and Newcastle, the Central Coast offers a coastal lifestyle, a regional city in Gosford, a strategic position for business logistics operations and a mobile workforce.

Key industries include, health and social services, manufacturing, retail, construction, and accommodation and food services. The region offers connectivity to key labour and consumer markets and a viable alternate business and residential location to Sydney.

There has been a strong increase in land values across the Central Coast Council area. The increase was consistent across all market segments, one exception being the commercial zone lands which showed a moderate increase.

The increases have been driven by strong demand and competition from out of area buyers, together with affordability in comparison to the Sydney market for similar. Other significant drivers include progressive main road upgrades improving access to and throughout the region, particularly the M1 Motorway upgrades.

With an estimated population of 342,047 people in June 2018, the Central Coast is a quickly growing region, driven in part by population pressures in Sydney. The NSW Government introduced the Central Coast Regional Plan 2036 to grow the population, create excess of 24,000 jobs and increase the supply of housing. Health Care, Social Assistance, Retail and construction industries were the largest industries of employment across the Central Coast. The region offers connectivity to key labour and consumer markets and is a viable alternate business and residential location to Sydney.

#### Recent Activity:

The University of Newcastle began construction of the \$72.5 million Central Coast Medical School and Central Coast Research Institute adjacent to the Gosford Hospital.

- Joint Venture between AA Crown Holdings and Northside Group lodged a State Significant Development Application for \$350 million development of a private hospital in West Gosford. Pending approval, the development is expected to be completed 2022, subsequently Commercialhq and Gibbens Group will develop a \$30 million Medical Precinct adjacent to the private hospital on the 3.1ha site.
- The Kibbleplex sites ('Gosford Alive') State Significant Development comprises of a \$280 million for 5 towers above a podium with mixed-use residential, retail, entertainment and recreation.
- In September 2019, St Hilliers lodged a masterplan DA with the NSW Department of Planning for a mixed-used precinct with their previous development Central Coast Quarter.

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The five main commercial/industrial areas for the Central Coast are:

- Tuggerah Business Park
- Berkley Vale
- Somersby
- North Wyong
- Warnervale

The Northern Growth Corridor is the main industrial areas for the Central Coast as it includes the Tuggerah Business Park, Berkley Vale, North Wyong, Tuggerah and the Wyong Employment Zone. The Southern Growth Corridor includes Somersby, West and North Gosford, Lisarow and Erina.

The Wyong Employment Zone (WEZ) comprises the Warnervale Business Park, plus Precincts 11, 13 and 14.

North Wyong Industrial Area includes Nexus, a next generation workspace that combines the best of serviced offices and co-working facilities. The area zoned 4a General Industrial was established about 40 years ago and comprises approximately 150 hectares while two areas either side, zoned Enterprise Corridors. The Pacific Industrial Estate an adjoining area developed in recent years has vacant land selling for around \$200 plus per square metre. Major businesses in the area include Dulmison Australia, FMC, Heyden Frames and Trusses, Pacific Labels, Alfa Laval Aalborg Pty Ltd, Parchem and Cordina Chickens.

The Tuggerah Business Park is the premier industrial area for the Central Coast. Across 75 hectares the area has more than 200 businesses with manufacturers, distribution centres, warehouses, construction companies and commercial services. National and international companies include Hachette Australia, Belkin, and the NSW Police Assistance Line Call Centre.

The Berkley Vale industrial area houses two of Australia's major food companies- Mars Food Australia and Sanitarium.

The Warnervale Business Park cover 47.6 hectares near the Freeway and Sparks Road interchange. A number of small logistics companies and distributors are based in the Park. Major businesses include Sanitarium, Woolworths Distribution Centre and Coastal transport Services.

Overall, there has been a moderate increase in the commercial/industrial property market. Low interest rates, increased demand, firming returns and strengthening rents continue to support the general increase in capital values and underlying land values across the sector. Continual population growth support increased demand for goods and services providers resulting in an improving level of enquiry and commitment from industrial tenants. A limited supply and increased land sales activity in the Business Development zone is absorbing strong demand with land prices seen to have lifted over the past 12 months.

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#### 4.2 Implications for the Subject Property

Whilst the onset of the Covid-19 pandemic has impacted sentiment, discussions with local agents indicate that enquire for commercial and industrial land continues to remain relatively strong. The close proximity of the Tuggerah Business Park to the Tuggerah Super Centre including many of the main trade retail stores in Australia, the nearby Tuggerah Train Station and the Westfields Shopping Centre in Tuggerah, make this location ideal for attracting staff and business. Access to the Pacific Hwy and the M1 Motorway make this park a hub for business. It therefore offers appeal to both tenants and owner occupiers given the more affordable cost of land compared to commercial/industrial markets in Sydney.

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## 5. Financial Summary

### 5.1 Tenancy Overview

A summary of the lease is as follows:

<b>Lessor</b>	<b>Wyong Shire Council</b>
<b>Lessee</b>	Central Coast Group Training Limited ACN 370 025 20176
<b>Demised Premises</b>	3 Bounty Close Tuggerah
<b>Commencement Date</b>	1 July 2014
<b>Term</b>	Forty (40) years
<b>Expiry</b>	30 June 2054
<b>Options</b>	2 x 5 years
<b>Commencing Rental</b>	\$120 per annum net + GST
<b>Current Rental</b>	\$130 per annum net + GST
<b>Rental Review</b>	CPI annually
<b>Outgoings</b>	100% payable by the tenant.
<b>Permitted Use</b>	Provision of services which support the wellbeing and development of persons aged between 15 and 25 years of age, by providing education, training and employment
<b>Guarantor</b>	N/A
<b>Fitout</b>	N/A- Refer Funding Agreement between The Commonwealth of Australia and Wyong Shire Council for the construction of the premises at 3 Bounty Close. Central Coast Group Training contribution was for fitout to the value of \$250,000.
<b>Put / Call Option</b>	Clause 27- (27.2- Call Option) From 1 February 2020 the Lessor grants the Lessee an option to purchase the Land and the Premises on the terms set out in the contract. Clause 27- (27.3- Put Option) Appears invalid in its wording and has been amended in accordance with document dated 16 July 2014. A Put Option is the Lessee granting the Lessor an option requiring the Lessee to purchase the property. Document 3 February 2020 provided confirms the Lessee has exercised their Call Option to purchase the property in accordance with Clause 27.2
<b>Incentive</b>	Nil
<b>Comments</b>	We note the Land was owned by CCGT Ltd prior to the development of the site. The land was transferred to Wyong Shire Council at no cost enabling funding from the Federal Government for the development of the site. A lease for 40 years was entered in to between the Wyong Shire Council (Lessor) and CCGT Ltd (Lessee) for 40 years at a Peppercorn Rent of \$120 per annum with CPI reviews annually with a Call/Put Option agreed with an effective date of anytime after 1 February 2020. Lessee fitout contribution is quoted in the Funding Agreement to an amount of \$250,000. The Call Option is now exercised as at 3 February 2020 with this valuation fulfilling the requirements under Clause 27.4 of the Lease. The amount of the valuation is only one option for setting the sale price with the second being "by agreement". The instruction to proceed with this valuation assumes both parties are requiring a "Registered Valuer" to determine the "Contract Price" to be adopted.

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### 5.2 Statutory Valuation Assessments

Relevant Date	1 July 2020
Unimproved Land Value	\$700,000
Average Unimproved Value	\$629,000

### 5.3 Outgoings

The outgoings are based upon the information provided by the tenant.

Outgoings	2020 Actual		KFV Assessment	
	per annum	Rate (NLA)	per annum	Rate (NLA)
Statutory Expenses				
Council Rates	\$7,500	\$5.03	\$7,500	\$5.03
Water Rates	\$2,000	\$1.34	\$2,000	\$1.34
<b>Total</b>	<b>\$9,500</b>	<b>\$6.37</b>	<b>\$9,500</b>	<b>\$6.37</b>
Operating Expenses				
Insurance	\$10,200	\$6.84	\$10,200	\$6.84
Air conditioning	\$2,900	\$1.95	\$2,900	\$1.95
Cleaning (Non Recoverable)	\$1,600	\$1.07	\$1,600	\$1.07
Fire Protection	\$1,500	\$1.01	\$1,500	\$1.01
Lifts & Escalators	\$500	\$0.34	\$500	\$0.34
Repairs & Maintenance	\$7,550	\$5.06	\$7,550	\$5.06
Miscellaneous	\$2,000	\$1.34	\$2,000	\$1.34
Management	-	-	\$9,000	\$6.04
<b>Total</b>	<b>\$26,250</b>	<b>\$17.61</b>	<b>\$35,250</b>	<b>\$23.64</b>
<b>Grand Total</b>	<b>\$35,750</b>	<b>\$23.98</b>	<b>\$44,750</b>	<b>\$30.01</b>

Our adopted outgoings reflect a rate of \$30/m<sup>2</sup> which is considered to be at below current market levels of \$50/m<sup>2</sup> - \$70/m<sup>2</sup>. The tenant is responsible for 100% of Outgoings, so the impact the abovementioned difference has on the valuation is \$0.00 (Nil)

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#### 5.4 Net Market Income Assessment

In order to determine appropriate market rentals for the subject property, we have had regard to leasing evidence within comparable tenancies within the local market. We summarise the more relevant leasing transactions considered in our assessment as follows:

##### Rental Evidence

##### Central Coast

Property	Comm. Date	Term	Net Rent	Outgoings	Estimated Gross Rent	Type	Reviews
<b>GROUND SUITE/280 MANN STREET GOSFORD NSW</b> 	Nov 2019	5 years	\$201/m <sup>2</sup> pa	\$65/m <sup>2</sup> pa	\$266/m <sup>2</sup> pa	Gross	3.0%
<p>Original ground level suite divided in to two suites. Formerly 1,325.5sqm now 750sqm + 575.5sqm. The larger suite lease for \$215,000 ground p.a. with a 1 x 5 year option. A Rent free period of 5 months was included, as was 8 car spaces but not rentalised within the lease. A demolition clause applies in the option period. The suite was leased to the Parole Board as part of Property NSW. Outgoings were assessed at \$65/sqm.</p> <p><b>Comparison:</b> Significantly smaller than the subject property within a more central area. Inferior fitout and presentation. The subject would have lower levels of rental value on the basis of location and size.</p>							
<b>2/10 RELIANCE DRIVE TUGGERAH NSW</b> 	Oct 2020	3 years 3 months 2 days	\$101/m <sup>2</sup> pa	\$20/m <sup>2</sup> pa	\$121/m <sup>2</sup> pa	Net	2.5%
<p>Precast concrete warehouse and associated office with roller floor access. Office comprises private offices and lunchroom.</p> <p>Previously leased to Toll Priority, new tenant is a gymnastics centre. Four month rent free on \$60,000 p.a. net. We have not been provided with outgoings for the property and have assessed on a rate of \$20/sqm.</p> <p><b>Comparison:</b> Significantly smaller than the subject property and located within the same estate. Far inferior fitout and presentation and also offers a warehouse component. The subject would have higher levels of rental value.</p>							

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Property	Comm. Date	Term	Net Rent	Outgoings	Estimated Gross Rent	Type	Reviews
<b>7/1 RELIANCE DRIVE TUGGERAH NSW</b> 	May 2020	4 years 2 months 2 days	\$114/m <sup>2</sup> pa	\$20/m <sup>2</sup> pa	\$134/m <sup>2</sup> pa	Net	3%
<p>Modern industrial complex with mix of smaller and larger industrial units. Unit comprises 428 sqm warehouse and 107 sqm office accommodation.</p> <p>Net lease of \$60,800 p.a. with a 2 month rent free incentive. We have not been provided with any outgoings, and have assessed them to be \$20/sqm.</p> <p><b>Comparison:</b> Significantly smaller than the subject property and located within the same estate. Far inferior fitout and presentation. The subject would have higher levels of rental value.</p>							
<b>9/1 RELIANCE DRIVE TUGGERAH NSW</b> 	Sept 2020	4 years 2 months 2 days	\$114/m <sup>2</sup> pa	\$20/m <sup>2</sup> pa	\$134/m <sup>2</sup> pa	Net	3%
<p>Modern industrial complex with mix of smaller and larger industrial units. Unit comprises 354 sqm warehouse and 240 sqm office accommodation.</p> <p>Net lease of \$60,800 p.a. with a 2 month rent free incentive. We have not been provided with any outgoings, and have assessed them to be \$20/sqm.</p> <p><b>Comparison:</b> Significantly smaller than the subject property and located within the same estate. Far inferior fitout and presentation and also offers a warehouse component. The subject would have higher levels of rental value.</p>							
<b>1/8 RELIANCE DRIVE TUGGERAH NSW</b> 	Jan 2020	3 years 2 days	\$90/m <sup>2</sup> pa	n/a	\$90/m <sup>2</sup> pa	Gross	CPI
<p>Modern industrial strata unit with associated office accommodation. Comprises ground floor reception/showroom, first floor office and a high clearance warehouse with mezzanine with three roller doors and drive through capability.</p> <p>Gross lease \$76,364 p.a. For analysis purposes we have assessed outgoings to be \$20 sqm for an analysed net rent of \$69.94/sqm.</p> <p><b>Comparison:</b> Significantly smaller than the subject property and located within the same estate. Far inferior fitout and presentation and also offers a warehouse component. The subject would have higher levels of rental value.</p>							

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Property	Comm. Date	Term	Net Rent	Outgoings	Estimated Gross Rent	Type	Reviews
<b>12 PIONEER AVENUE TUGGERAH NSW</b>	Jul 2019	2 years 2 months 1 day	\$188/m <sup>2</sup> pa	\$20/m <sup>2</sup> pa	\$208/m <sup>2</sup> pa	Net	CPI or 3% per annum
	<p>Modern industrial units located in the Tuggerah Business Park.</p> <p>High clearance workshop with office/storage mezzanine. Includes kitchenette, amenities and automotive roller door access. Lease includes a two month rent free incentive. We have estimated outgoings to be \$20/sqm.</p> <p><b>Comparison:</b> Significantly smaller than the subject property and located within the same estate. Far inferior fitout and presentation and also offers a warehouse component. The subject would have higher levels of rental value.</p>						

Properties within the immediate locality generally offer a warehouse component and therefore do not necessarily compare directly to the subject property. Alternatively, those that do office only accommodation are generally significantly smaller by comparison. These smaller tenancies are showing rental levels from \$200/m<sup>2</sup> upwards.

The warehouse component rentals noted above show levels overall of between \$90/m<sup>2</sup> to \$188/m<sup>2</sup> p.a. net and are typically towards the level end of this range.

The best evidence available for the subject property is the suite at 280 Mann Street Gosford, which is a 750sqm "B" Grade office suite with 8 car spaces. The lease is for a five year period with an option for 5 years. Taking in to account the incentive, shows an effective rental of \$201/m<sup>2</sup>. Being smaller and located in a more central area, we believe the overall \$rate per square metre would be higher than the subject property.

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Newcastle Based Rentals

Property	Comm. Date	Term	Face Rent	Outgoings	Estimated Gross Rent	Type	Reviews
<b>45 WATT STREET NEWCASTLE NSW</b>	Jun 2020	3 years 2 months	\$475/m <sup>2</sup> pa	\$100/m <sup>2</sup> pa	\$575/m <sup>2</sup> pa	Net	ANNUAL 3%
	<p>The property is known as Watt Street Commercial, a stepped five-storey complex, the former David Maddison Clinical Sciences Building, completed in 1982, and re-developed in 2013 into a commercial office building.</p> <p>Part floor lease deal on Level 6. Tenancy was previously occupied by PRD Newcastle.</p> <p>Lease includes 6 car parking spaces. Assuming a rate of \$3,000/pspa over the car parking, the net face rental over the office component equates to \$442/m<sup>2</sup>.</p> <p>Two months rent free equating to a net incentive of 5.3%</p> <p>Assumed outgoings of \$100/m<sup>2</sup></p> <p><b>Comparison:</b> Far superior improvements, although smaller overall in a far superior location in central Newcastle. The subject would not achieve a rental at this level.</p>						
<b>275-279 KING STREET NEWCASTLE NSW</b>	Apr 2020	3 years	\$432/m <sup>2</sup> pa	\$34/m <sup>2</sup> pa	\$466/m <sup>2</sup> pa	Net	3% Annual
	<p>Two storey freestanding commercial accommodation 100% leased to the Commonwealth Government of Australia within Newcastle's CBD. Total NLA of 1,944 sqm with 301 sqm of parking and 65sqm of terrace accommodation across the 1,247.60 sqm site area.</p> <p>Site has approximately 35 m frontage to King Street and 33 m frontage at the rear to Gibson Street with a third boundary of 36 m along John Street.</p> <p>Ground floor has open office/customer area with staff kitchen and full amenities. There is a passenger lift with access to the first floor with two internal stair cases. Vehicle access is via Gibson St to the first floor parking comprising of 12 secure spaces. First floor also includes breakout areas, open office, 5 x training rooms and amenities.</p> <p>Height Limit: 20 m / FSR: 2.5:1</p> <p>Commonwealth of Australia represented by the Services Australia on a gross lease of \$839,330 p.a. (exclusive of GST) with outgoings estimated to be \$66,207.20 p.a. The car parking is approximately \$1,785/bay p.a. and is included within the lease.</p> <p><b>Comparison:</b> Far superior improvements although larger overall in a far superior location in central Newcastle. The subject would not achieve a rental at this level.</p>						

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Property	Comm. Date	Term	Face Rent	Outgoings	Estimated Gross Rent	Type	Reviews
<b>24 HONEYSUCKLE DRIVE NEWCASTLE NSW</b> 	Feb 2020	5 years	\$380/m <sup>2</sup> pa	\$107/m <sup>2</sup> pa	\$487/m <sup>2</sup> pa	Net	3.25%
<p>Modern office tower known as the GHD building. 4.5 NABERS rated building with good harbor views available.</p> <p>New lease to Property NSW which was struck with only a 2 month net rent free incentive provided (equating to 3.3%).</p> <p>Lease deal is considered largely an effective deal. Assuming incentives of circa 15%, this deal would equate to approximately \$420/m<sup>2</sup> on a net face basis.</p> <p><b>Comparison:</b> Far superior improvements although smaller overall in a far superior location in central Newcastle. The subject would not achieve a rental at this level.</p>							
<b>1/239-245 DENISON STREET BROADMEADOW NSW</b> 	Oct 2019	5 years	\$195/m <sup>2</sup> pa	\$34/m <sup>2</sup> pa	\$229/m <sup>2</sup> pa	Net	3%
<p>2 level, 759sqm walkup office building with off street open car parking. Ground floor suite with 12 car spaces. Initial rental of \$148,005 per annum net plus \$25,799 outgoings. Car spaces included in the rental. 3 months rent free (not outgoings) at lease commencement.</p> <p><b>Comparison:</b> 50% smaller than the subject property and inferior by comparison. On balance, the overall rental would be considered similar to the subject property.</p>							
<b>HILLTOP PLAZA 330 CHARLESTOWN ROAD CHARLESTOWN NSW</b> 	Sep 2019	3 years	\$250/m <sup>2</sup> pa	\$75/m <sup>2</sup> pa	\$325/m <sup>2</sup> pa	Net	3% Annual
<p>A c.50 year old 2 level plus rooftop carpark property.</p> <p>Suites 8, 10 &amp; 11 on the ground floor leased for an expanded office. We have estimated outgoings at \$75/sqm.</p> <p><b>Comparison:</b> A superior located property in a retail based area and it is significantly smaller in area. Overall the subject property would have a lower \$rate per square metre.</p>							

The abovementioned additional rentals identified within the Newcastle area for similar quality premises, are generally considered superior due to the locational attributes. These rental are in excess of \$380/m<sup>2</sup> gross and average around \$425/m<sup>2</sup> to \$475/m<sup>2</sup> p.a. gross.

The two properties in Broadmeadow and Charlestown provide a better indication of rental value for the subject and in particular the Broadmeadow property which again has a smaller building area of only 759m<sup>2</sup>.

Given the size of the subject property and the 37 car spaces available on site, we believe a fair market rental to be approximately \$175/m<sup>2</sup> net (inclusive of car spaces), with outgoings of approximately \$60/m<sup>2</sup>, totalling \$235/m<sup>2</sup> gross.

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Based on the rents outlined, we have assessed the market rent of the subject to be as follows:

Tenant	NLA (m <sup>2</sup> )	No. of Car spaces	Lease Type	Net Face Assumptions		
				Passing (\$/m <sup>2</sup> pa)	Market (\$/m <sup>2</sup> pa)	Differential (%)
CCGT Limited	1,491	37	Net	-	\$175	-99.95%
<b>Average Rentals</b>						
Average Office Rentals				-	\$175	-

### 5.5 Net Income Summary (Passing versus Adopted Market)

The table below summarises the adopted market income as at the date of valuation.

Tenant	Passing Rent	Market Rent
CCGT Limited	\$130	\$261,450
Total Rental Income	\$130	\$261,450
Less Passing Rebates & Rent Free	-	-
Plus Outgoings Recoveries	\$44,750	\$44,750
Less Rental for Deferred Tenancies	-	-
<b>Gross Income</b>	<b>\$44,880</b>	<b>\$306,200</b>
Less Outgoings	\$44,750	\$44,750
<b>Net Income</b>	<b>\$130</b>	<b>\$261,450</b>

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## 6. Valuation Rationale

### 6.1 Valuation Methodology and Considerations

We have adopted a two step assessment of the current market value of the subject property.

1. Initially we have considered the "Vacant Possession" value which excludes the impact the onerous "Peppercorn Rent" has on the property. This is provided for information purposes only and is not used in the assessment of value subject to the existing lease.
2. Secondly, we have adopted a discounted cash flow (DCF) assessment of the income stream between the date of valuation until the end of the existing lease term. We note, the tenant does have rights for a further 2 x 5 year options for renewal of the lease, however making further assumptions to include this period only detracts from the reliability of the assessment. Should these option periods be added to the cash flow, there would be a negative impact on the current value given the property could not be sold unencumbered and with vacant possession until 2064.

#### **Vacant Possession Valuation**

Establishing the market value with "Vacant Possession", the appropriate method of assessment is considered to be via reconciliation between the capitalisation and direct comparison methods, with rents and yields assessed on a consistent net face basis unless otherwise stated.

We have had particular regard to the following sales in assessing our valuation parameters.

Property	Sale Price	Sale Date	Site Area	Area	Core Yield	Rate/m <sup>2</sup>
7/1 RELIANCE DRIVE TUGGERAH NSW	\$875,000	Dec 2020	Strata <sup>2</sup>	535 m <sup>2</sup>	6.16%	\$1,636
	<p>Modern industrial complex with mix of smaller and larger industrial units. Unit comprises 428 sqm warehouse and 107 sqm office accommodation.</p> <p>Property sold with vacant possession in December 2019 for \$875,000 exclusive of GST. We have assessed the Property on a notional lease of 3 years with 9 months letting up and a 10% incentive. Based on a rate per square metre of \$110/sqm net and estimated outgoings of \$20/sqm, reflects a core market yield of 6.16%.</p> <p><b>Comparison:</b> Significantly smaller than the subject property and located within the same estate. Far inferior fitout and presentation and also offers a warehouse component. The subject would have higher levels of value per square metre.</p>					

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Property	Sale Price	Sale Date	Site Area	Area	Core Yield	Rate/m <sup>2</sup>
<b>67 WEBB STREET</b> <b>EAST GOSFORD NSW</b> 	\$2,000,000	Aug 2020	1,745 m <sup>2</sup>	712 m <sup>2</sup>	n/a	\$2,809
<p>Zoned B2 with opportunity to redevelop into boarding house accommodation subject to council approval.</p> <p>Featuring 11 individual suites and over 50% current occupancy rate and constructed over a number of buildings.</p> <p>Situated in East Gosford, the space offers ample natural light, 15 parking spaces and convenient access to the nearby freeway, public transport and surrounding suburbs.</p> <p><b>Comparison:</b> <i>Smaller than the subject property in an inferior position. Multiple tenancies. Inferior improvements. Given the differences in size and quality of improvements, on balance, the subject would likely achieve a similar level of value per square metre overall.</i></p>						
<b>7/16 RELIANCE DRIVE</b> <b>TUGGERAH NSW</b> 	\$945,000	May 2020	Strata	302 m <sup>2</sup>	5.22%	\$3,129
<p>Modern industrial strata unit with open accommodation suitable for varying fitouts. Cold shell includes amenities block and mezzanine accommodation.</p> <p>Property sold vacant. It is currently being marketed for lease at \$53,000 p.a. net reflecting \$175/sqm net. Analysed on a notional 3 year lease with a nine month letting up allowance an 10% incentive and outgoings assessed at \$20/sqm, reflects a core yield of 5.122.</p> <p><b>Comparison:</b> <i>A significantly smaller but modern strata unit without any fitout included. Given the differences in size, this property would attract a greater number of buyers and/or tenants alike and therefore attract a firmer cap rate. For similar reason plus the "new" state of the improvements, a likely higher \$rate per square metre would apply.</i></p>						
<b>12/1 RELIANCE DRIVE</b> <b>TUGGERAH NSW</b> 	\$1,081,000	Feb 2020	Strata	739 m <sup>2</sup>	7.11%	\$1,462
<p>Modern industrial strata unit comprising office/showroom and warehouse accommodation. Warehouse is approximately 372.5 sqm, ground floor showroom is 44 sqm, and the office and amenities comprise 322.7 sqm for a total GLA of 739.2sqm.</p> <p>Sale was marketed and sold by the vendor with intervention of an agent with vacant possession.</p> <p>We have analysed the Property on a notional 3 year lease with 9 months letting up and a 10% incentive. Allowing \$115/sqm net and \$20/sqm for outgoings reflects a core yield of 7.11%</p> <p><b>Comparison:</b> <i>Significantly smaller than the subject property and located within the same estate. Far inferior fitout and presentation and also offers a warehouse component. The subject would have higher levels of value.</i></p>						

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Property	Sale Price	Sale Date	Site Area	Area	Core Yield	Rate/m <sup>2</sup>
1/41 BELLEVUE ROAD FORRESTERS BEACH NSW	\$2,350,000	Feb 2020	Strata	1,123 m <sup>2</sup>	9.14%	\$2,093
	<p>Refurbished 1,123 sqm premises comprising:</p> <ul style="list-style-type: none"> <li>- Indoor Aquatic Centre/Gym:</li> <li>- Physiotherapist:</li> </ul> <p>Sold in February 2020 with two tenancies.</p> <ul style="list-style-type: none"> <li>- Indoor Aquatic Centre/Gym:</li> <li>est. 1994 – 10 yr. lease to 2027 + options to 2037</li> <li>- Physiotherapist:</li> <li>est. 2006 – 5 yr. lease to 2023</li> </ul> <p>Rental increases up to 3% pa Estimated Net Income: \$214,805 pa + GST</p> <p><b>Comparison:</b> An inferior located property with less exposure and being purpose built for swim and gym purposes together with para-medical uses. Good level of parking on site. Long term tenancies. The subject would attract greater interest for a variety of tenancies or owner occupiers and therefore represent a firmer yield.</p>					

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Property	Sale Price	Sale Date	Site Area	Area	Core Yield	Rate/m <sup>2</sup>
<b>18 RELIANCE DRIVE</b> <b>TUGGERAH NSW</b> 	\$10,129,000	Dec 2019	13,840 m <sup>2</sup>	6,257 m <sup>2</sup>	6.67%	\$1,619
<p>Erected on the site is a functional, freestanding industrial building. It was constructed in two stages being in circa 2001 for the front section (Leda occupied area) and a new high-tech warehouse (Hachette occupied area attached to the pre-existing building) built in 2019.</p> <p>The brand new warehouse is attached to the pre-existing Leda facility and has been built to exacting specifications in order to permit the latest technology in vertical goods storage.</p> <p>The concrete floor has been specifically built to have a variance of only 6mm across its entirety. This enables a very efficient use of high-bay racking thereby maximising goods storage efficiency.</p> <p>Direct access has been created between this building and Hachette's adjacent building at 9 Pioneer Avenue via a heavy duty interconnected concrete driveway</p> <p>This property was sold via an expressions of interest campaign marketed by Burgess Rawson which closed 11 December 2019. The EOI campaign marketed the property as part of a portfolio with the neighboring 9 Pioneer Avenue facility occupied by Hachette.</p> <p>We have been advised that there was significant interest from private investors and smaller institutional groups with the purchaser being a private investor.</p> <p>The property was sold with a 6.3 year WALE by income remaining. The lease to Leda commenced in February 2019, whilst the lease to Hachette for the new rear facility commenced in November 2019. The net rent as at the date of the transaction was \$675,303 pa, with the Leda lease comprising 2.5% fixed increases until expiry in February 2024, and the Hachette lease comprising 3% fixed annual increases until lease expiry in October 2027.</p> <p>Our DCF assumes letting up of 12 months (50% renewal probability), incentives of 10% on assumed lease terms of 5 years, and 13% leasing agent fees.</p> <p>Our cashflow assumes 2.6% 10-yr average compounded growth and a total capital expenditure allowance of \$292,889 representing \$46.81/m<sup>2</sup> of GLA.</p> <p>Assumed terminal yield of 7.00%</p> <p><b>Comparison:</b> A significantly larger land site and building area located nearby. On the basis of size alone, the subject would have higher levels of value per square metre. In addition, this property has a warehouse component and it also offers a strong WALE. On balance the subject would have a softer yield.</p>						

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Property	Sale Price	Sale Date	Site Area	Area	Core Yield	Rate/m <sup>2</sup>
<b>1-3/1 PIONEER AVENUE TUGGERAH NSW</b> 	\$2,800,000	Apr 2019	Strata	703 m <sup>2</sup>	8.15%	\$3,983
<p>3 adjoining strata titled lots providing 703sqm of internal office space and 241sqm of external area, totalling 944sqm of Strata area. It includes 22 open car spaces.</p> <p>Sold subject to lease to Bishop Collins Chartered Accountants at a passing net rental of \$228,475 per annum (\$325/m<sup>2</sup> p.a. net) including car spaces. Lease term, start date, reviews and incentives not advised.</p> <p><b>Comparison:</b> Significantly smaller than the subject property in a superior location. Opportunity for future sale of smaller strata lots. The analysed yield appears above market levels although the property was advertised with an attractive yield. The subject would have lower \$rates per square given the differences in size and the ability of sale of 1, 2 or 3 of the strata units when the property becomes vacant.</p>						
<b>4 ACE CRESCENT TUGGERAH NSW</b> 	\$2,272,000	Apr 2019	2,023 m <sup>2</sup>	1,160 m <sup>2</sup>	5.87%	\$1,959
<p>Freestanding pre-cast concrete panel industrial building with warehouse accessed via 2 x roller doors, ground floor showroom and first floor office. Remainder of site improved with concrete yard and parking. Located within the Bulky Goods precinct including McDonald's, Hungry Jack's, Super Centre, Officeworks, Bunnings, Westfield, M1 Pacific Motorway and Tuggerah Train Station nearby.</p> <p>Sold at Auction by Burgess Rawson. 5 year lease expiring October. 2023 + options to 2033 to ASX listed Dulux. Net lease, tenant responsible for the payment of outgoings, as per the lease. Net Income: \$133,400 pa + GST.</p> <p><b>Comparison:</b> An older industrial area by comparison with inferior improvements including a warehouse component. The subject would have higher \$rates psm due mainly to the quality of the improvements.</p>						
<b>6/16 RELIANCE DRIVE TUGGERAH NSW</b>	\$1,135,000	Jan 2019	4,296 m <sup>2</sup>	4,296 m <sup>2</sup>	n/a	\$264
<p>Level commercial land with flexible uses including light industrial and commercial.</p> <p><b>Comparison:</b> Larger in land area with values having increased since the date of sale. The subject would offer a higher level of land value per square metre by comparison.</p>						

The most recent sales indicate core yields ranging from 5.22% to 9.14%, the upper level being for an indoor aquatic centre and physiotherapy located in a residential area to the lower end being for a new strata unit sold as a "cold shell".

Generally, the lower yields reflect lower priced properties or a national tenant with strong leasing covenants.

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The property at 1-3/1 Pioneer Ave is a good comparable with regards to use, however this property is in a better location and offers the ability for future sale of one or more of the strata units. The yield remains high by comparison to the other sales throughout the area. We do not believe the subject would achieve overall values per square metre at this level.

Those properties with a warehouse component generally achieve lower \$rates psm compared to the subject however given the price bracket, often attract firm yields.

The property located in Ace Crescent Tuggerah which sold in April 2019 is smaller in land and building area and does have a workshop component. The property is used also for showroom purposes to a national paint brand. It is however located within an older industrial area and presents to a lower standard compared to the subject. Overall the subject would likely be higher overall value psm with a softer yield.

The subject property is unique in so far as its leasing covenant which effectively reduces the marketability to the sitting tenant or an investor seeking capital growth over the long term with 33 years remaining in the existing lease, plus the addition of 2 x 5 year options.

As there is no evidence available of similar properties with Peppercorn Rents, consequently we have adopted indicative comparison rates with the evidence available and made appropriate below the line adjustments reflecting the minimal rental returns.

We believe the subject property to have the following value parameters when assessing its market value with vacant possession:

Core Market Yield- 7.00% (+/- 0.25%)  
Overall \$rate psm- \$2,500/m<sup>2</sup> (+/- \$250/m<sup>2</sup>)

#### Income Approach

Under this approach we have utilised the capitalisation method of assessment whereby the assessed net face market income (as at the date of valuation), is capitalised at an appropriate market yield to establish the property's market value fully leased.

<b>Core Market Yield Basis</b>			
<i>Market Income</i>			
Office		\$261,450	
Plus: Outgoings Recoveries		\$44,750	
Gross Annual Income		\$306,200	
Less: Outgoings		\$44,750	
Net Annual Income		\$261,450	
Less: Annual ongoing vacancy @ 0 of Gross Market Income		-	
Net Annual Income (after ongoing Vacancy allowances)		\$261,450	
Capitalised at	6.75%	7.00%	7.25%
<b>Core Value Range (assuming fully leased)</b>	<b>\$3,873,333</b>	<b>\$3,735,000</b>	<b>\$3,606,207</b>
Rate per m <sup>2</sup> of Lettable Area	\$2,593	\$2,500	\$2,414

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**Market Approach**

This approach utilises the direct comparison method and identifies comparable sales on a dollar rate per square metre of lettable area and compares the equivalent rates to the subject to establish the property's market value. This method is somewhat subjective given the fact that specific items of income and expenditure are difficult to directly reflect and compare when adopting a rate per metre.

Our calculations under this basis of valuation are as follows:

NLA			
Rate/m <sup>2</sup> of NLA	\$2,250/m <sup>2</sup>	to	\$2,750/m <sup>2</sup>
Resultant Value Range	\$3,361,500	to	\$4,108,500

**Vacant Possession Valuation Reconciliation**

The resultant values under the primary bases of valuation are noted below.

Valuation Approach	Valuation Range		
Income	\$3,735,000		
Market	\$3,361,500	to	\$4,108,500

Based upon the analysis, a value of **\$3,700,000** (exclusive of GST) has been adopted as the Vacant Possession Value, which represents a balance between the capitalisation and direct comparison approach.

**Valuation subject to the existing lease**

Adopting the rental value assessed above i.e. \$261,450p.a. net, we have undertaken a discounted cash flow assessment adopting the following parameters:

1. Market rental growth projected through to the end of the existing lease term i.e. 30 June 2054. For the purposes of this assessment, we have adopted CPI reviews annually which is consistent with the existing lease. We note adopting market reviews at any time during the remaining lease period, would only add further assumptions in to the DCF and add to the uncertainty of the results.
2. Both the market and the passing rental have been increased in accordance with CPI forecasts through to July 2054. We have maintained consistency throughout the majority of the following 33 years of the lease by adopting 2.0% CPI rises after the initial 3 years from 1 July 2020 which have been 1.0%, 1.5% & 1.5%.

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3. For the year commencing 1 July 2054, we have adopted a terminal yield consistent with current yields in the investment property market. NB. Terminal yields in DCF's are often 0.50%-1.0% softer compared to initial yields or Capitalisation Rates with DCF's most often used over a ten year period only. Given the length of the lease and therefore the projected cash flow, there remains further uncertainty as to the level of yields in the market place in 2054. We have adopted 7.0% as the terminal yield for the 12 month projected net income from 1 July 2054 to 30 June 2055.
4. The assessed market rental value of the property in 2054/55 (i.e. today's market rentals escalated annually by CPI to 2054/55), has been capitalised at the terminal yield, establishing the value of the property as at the end of the lease. In this case the value is \$7,180,412
5. Finally, the monthly cash flow of the passing rental together with the terminal value has been discounted back to the date of valuation, establishing a market value today, subject to the existing lease, at \$652,088.

An extract from our calculations identifying the market and passing rental, the projected growth in CPI, the discount rate and terminal yield, the assessed Terminal Market Value and the Net Present Value (NPV) of \$652,088 is quoted below.

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Year	CPI Increase	Annual Passing Rent	Annual Market Rent
03-July-2020	1.00%	\$130.00	\$261,450.00
03-July-2021	1.50%	\$133.27	\$268,025.47
03-July-2022	1.50%	\$135.27	\$272,045.85
03-July-2023	2.00%	\$137.97	\$277,486.77
03-July-2024	2.00%	\$140.73	\$283,036.50
03-July-2025	2.00%	\$143.55	\$288,697.23
03-July-2026	2.00%	\$146.42	\$294,471.18
03-July-2027	2.00%	\$149.35	\$300,360.60
03-July-2028	2.00%	\$152.33	\$306,367.81
03-July-2029	2.00%	\$155.38	\$312,495.17
03-July-2030	2.00%	\$158.49	\$318,745.07
03-July-2031	2.00%	\$161.66	\$325,119.97
03-July-2032	2.00%	\$164.89	\$331,622.37
03-July-2033	2.00%	\$168.19	\$338,254.82
03-July-2034	2.00%	\$171.55	\$345,019.92
03-July-2035	2.00%	\$174.98	\$351,920.31
03-July-2036	2.00%	\$178.48	\$358,958.72
03-July-2037	2.00%	\$182.05	\$366,137.90
03-July-2038	2.00%	\$185.69	\$373,460.65
03-July-2039	2.00%	\$189.41	\$380,929.87
03-July-2040	2.00%	\$193.20	\$388,548.46
03-July-2041	2.00%	\$197.06	\$396,319.43
03-July-2042	2.00%	\$201.00	\$404,245.82
03-July-2043	2.00%	\$205.02	\$412,330.74
03-July-2044	2.00%	\$209.12	\$420,577.35
03-July-2045	2.00%	\$213.30	\$428,988.90
03-July-2046	2.00%	\$217.57	\$437,568.68
03-July-2047	2.00%	\$221.92	\$446,320.05
03-July-2048	2.00%	\$226.36	\$455,246.45
03-July-2049	2.00%	\$230.89	\$464,351.38
03-July-2050	2.00%	\$235.51	\$473,638.41
03-July-2051	2.00%	\$240.22	\$483,111.18
03-July-2052	2.00%	\$245.02	\$492,773.40
03-July-2053	2.00%	\$249.92	\$502,628.87
03-June-2054	2.00%	\$249.92	\$502,628.87
<b>Terminal Value</b>			
Market Rent in 2054			\$502,628.87
Capitalised at 7.00% Terminal Yield			\$7,180,412.41
<b>Net Present Value of Cashflow</b>			
<b>(annual passing rent + terminal value discounted at 7.00%)</b>			<b>\$652,088</b>

6.2 Contract of Sale/Transaction History

The property has not sold in the last three calendar years.

Aubrey Brown Lawyers and Effective Legal Solutions



## 7. Additional Requirements

### 7.1 Marketability

With the existing lease in place, the marketability of the property would be compromised to the point of a limited number of investors or alternatively the sitting tenant (lessee).

The sale of the property on the open market would require an investor undertaking a similar assessment of value as completed within this valuation. Assuming similar parameters are adopted within a cash flow, the results would be the same. Hence, an investor seeking a 7.0% return over a 33 year period is an attractive option.

We acknowledge there are both positives and negatives associated with the sale to a third party including the upside to an investment being the potential closure of the business and realising the market value at the time (which could be anytime from now until the end of the lease) and the long term growth of 7.0% on the investment. The downside being the inputs to the DCF and do they reflect the market over time; the terminal value of the property; alternative property investments providing a 7.0% having less restrictions to the landlord; and finally these alternative investments would require a significantly greater initial capital outlay assuming a similar level of improvements were purchased.

We are of the opinion that a purchaser would be secured within an extended marketing campaign over a period of at least 12 months, assuming a formal marketing campaign carried out by a recognised commercial / industrial agent experienced in the locality.

### 7.2 Covid-19

The recent outbreak of the global Coronavirus (COVID-19) is causing heightened uncertainty in both local and global market conditions, which could have a significant impact on property markets. Small businesses and corporations are facing cash flow risk over the coming months due to disruption to business supply chains and shutdowns. Sharp declines have been seen in sharemarkets globally, including Australia. The initial threat to Australian tourism, the education sector and retailers, has quickly broadened to the entire economy and there is a looming threat of recession.

It will take time for the empirical data to be available to more accurately measure the overall impact. Whilst history indicates that some equilibrium can be expected to return to the market once the crisis has passed, it will take time to absorb the various issues. As a result there is less certainty with regard to valuations in the current market conditions.

This crisis may lead to a material impact upon real estate values in the region however the effects are currently unknown and will largely depend on both the scale and longevity of the outbreak. As such, there remain downside risks for property values over the short to medium term. The situation is volatile and circumstances have deteriorated quickly. We recommend investors and lenders in particular exercise a higher degree of caution and closely monitor market conditions as well as seek property advice and valuation updates on a regular basis.

Aubrey Brown Lawyers and Effective Legal Solutions



### 7.3 Goods and Services Tax (GST)

Unless otherwise stated, all valuation figures stated herein are net of GST, are on a before tax basis, are before acquisition or selling expenses, and do not reflect any withholding amounts or impact upon sale proceeds that may apply under foreign investor transaction legislation (including under mortgagee sale conditions). Legal and taxation advice would be required to determine the impact of these factors. We recommend that the reliance party/s satisfy themselves as to the potential impact of the recently introduced foreign investor transaction legislation and obtain advice to ensure that the realisable value/funds upon any sale of the asset would not be impacted.

Aubrey Brown Lawyers and Effective Legal Solutions



## 8. Valuation Certification

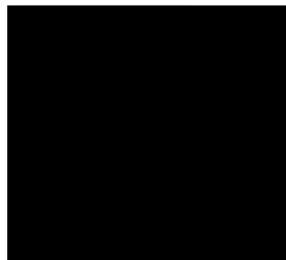
Acting under instructions from Aubrey Brown Lawyers and Effective Legal Solutions, Knight Frank Newcastle has undertaken a valuation of 3 Bounty Close Tuggerah NSW. We confirm that we have inspected the property as described herein and have prepared this report.

Subject to the overriding stipulations contained within the body of this report, we are of the opinion that the market value of the subject property assuming a sale of the unencumbered freehold interest, **subject to the existing lease** and relevant to prevailing levels of value as at 3 February 2020 for acquisition purposes under the Call Option exercised is:

**\$652,088 (exclusive of GST)**

*(Six Hundred & Fifty Two Thousand & Eighty Eight Dollars (exclusive of GST))*

This certificate of valuation forms part of and should not be used or read independently from the complete report.



### **Knight Frank Newcastle**

**Disclaimer – Important Notice to Third Parties**

*This report is prepared for the private and confidential use of the client named in Section 1 only for the purpose outlined in Section 1. It should not be relied on by the client for any other purpose and should not be reproduced in whole or part for any other purpose without the express written consent of Knight Frank Newcastle. Any party that is not the named client may not rely on this report for any purpose and should obtain their own valuation before acting in any way in respect of the subject property.*

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LETTER OF INSTRUCTION

---



4<sup>th</sup> September 2020

Knight Frank Valuers  
Suite 1, Ground Floor  
168 Parry Street  
NEWCASTLE NSW 2300

Dear Mr Young,

RE: VALUATION 3 BOUNTY CLOSE, TUGGERAH NSW 2259

Thank you for email of 25 August.

We advise as follows:-

1. The buildings on the property are approximately 1500m2.
2. Clause 27.4 sets out the method for determining the valuer which is a fairly standard commercial valuation clause. It does not refer to the Lessee purchasing per se but refers to "a willing but not anxious buyer" from "a willing but not anxious seller." In other words, this requires a notional buyer and seller divorced from the lessor and lessee and also subject to the lease as any notional buyer must take subject to the lease.
3. Clause 17.7 only takes place at the expiration or termination of the Lease. The lease is still current, so we do not see this clause has any relevance.
4. The Lessee has exercised the option in accordance with the Lease requirements. Given the 40 year lease at peppercorn rent the Lessee expects the valuation to be nominal. However it is bound by the terms of the option to purchase at valuation.
  - a. No – the valuation is subject to the lease as above and to things like the lessee's ownership of fixtures and fittings.
  - b. Yes – but the valuation is of the property as a whole subject to the lease not just the land
  - c. No – see above

p 02 4353 2655 f 02 4353 4647  
e info@ccgt.com.au  
a 3 Bounty Close Tuggerah NSW 2259  
Postal Address: PO Box 3100, Tuggerah NSW 2259  
[www.ccggt.com.au](http://www.ccggt.com.au)





-2-

d. The valuation required is of the whole of the property including improvements but subject to the Lease.

Jeff, could you please confirm you are able to perform the valuation as requested, as we may have to source another firm noting that the option was exercised in early February, not that you are in anyway responsible for these extensive delays

Yours sincerely,



Greg Best  
General Manager  
Central Coast Group Training

p 02 4353 2655 f 02 4353 4647  
e info@ccgt.com.au  
a 3 Bounty Close Tuggerah NSW 2259  
Postal Address: PO Box 3100, Tuggerah NSW 2259  
[www.ccg.com.au](http://www.ccg.com.au)





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TITLE DOCUMENTS

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NEW SOUTH WALES LAND REGISTRY SERVICES - TITLE SEARCH

FOLIO: 2073/1052715

SEARCH DATE	TIME	EDITION NO	DATE
18/11/2020	12:05 PM	5	6/11/2014

LAND

LOT 2073 IN DEPOSITED PLAN 1052715  
AT TUGGERAH  
LOCAL GOVERNMENT AREA CENTRAL COAST  
PARISH OF TUGGERAH COUNTY OF NORTHUMBERLAND  
TITLE DIAGRAM DP1052715

FIRST SCHEDULE

WYONG SHIRE COUNCIL (TZ AH903387)

SECOND SCHEDULE (6 NOTIFICATIONS)

1	DP866815	RESTRICTION(S) ON THE USE OF LAND
2	DP873983	RESTRICTION(S) ON THE USE OF LAND
3	DP873983	EASEMENT TO DRAIN WATER 5 WIDE AFFECTING THE PART(S) SHOWN SO BURDENED IN THE TITLE DIAGRAM
4	DP1027618	RESTRICTION(S) ON THE USE OF LAND
5	DP1052715	EASEMENT TO DRAIN WATER 3 METRE(S) WIDE AFFECTING THE PART(S) SHOWN SO BURDENED IN THE TITLE DIAGRAM
6	AI968343	LEASE TO CENTRAL COAST GROUP TRAINING LIMITED EXPIRES: 30/6/2054.

NOTATIONS

UNREGISTERED DEALINGS: NIL

\*\*\* END OF SEARCH \*\*\*

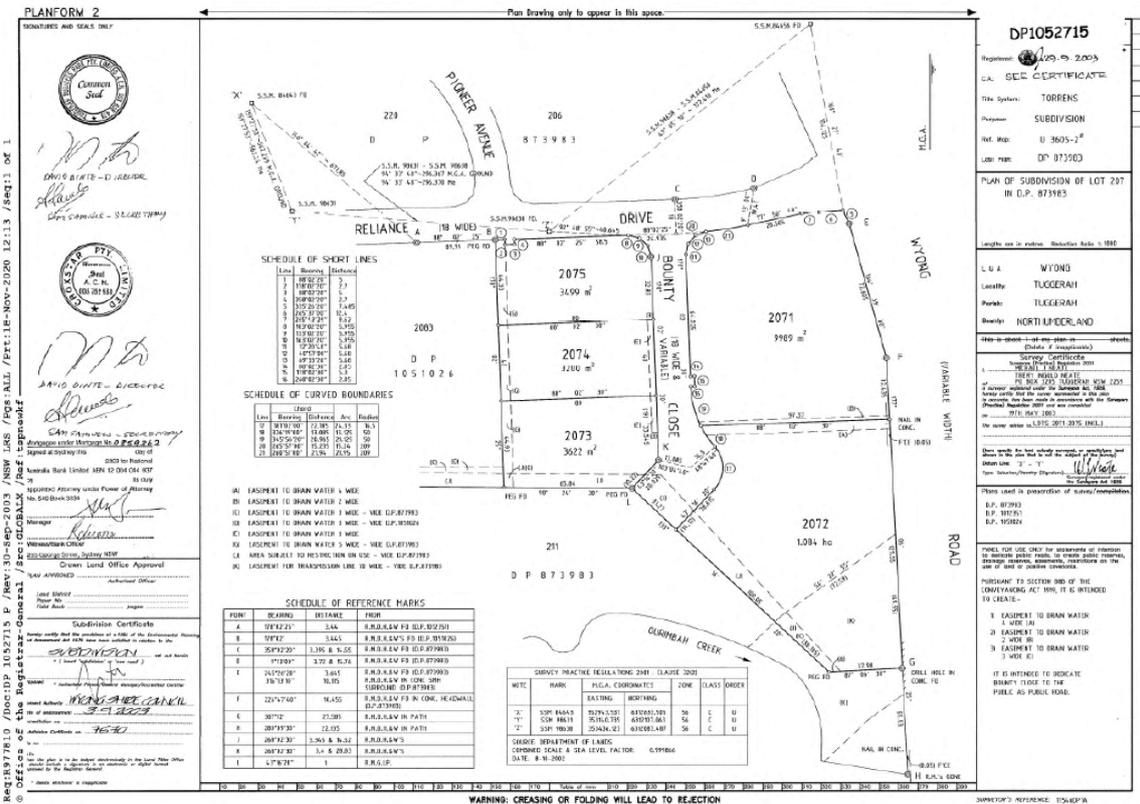
tsnewkf

PRINTED ON 18/11/2020

Obtained from NSW LRS on 18 November 2020 11:05 AM AEST

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\* Any entries preceded by an asterisk do not appear on the current edition of the Certificate of Title. Warning: the information appearing under notations has not been formally recorded in the Register. GlobalX hereby certifies that the information contained in this document has been provided electronically by the Registrar General in accordance with Section 96B(2) of the Real Property Act 1900. Note: Information contained in this document is provided by GlobalX Pty Ltd, ABN 35 099 032 596, www.globalx.com.au an approved NSW Information Broker.





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COVID-19 TERMS AND CONDITIONS

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**KNIGHT FRANK VALUATION & ADVISORY**

**ANNEXURE A**

**COVID-19 TERMS AND CONDITIONS**

**BACKGROUND**

- A The COVID-19 Pandemic impacts the way Knight Frank Valuation & Advisory can provide valuations in two significant ways. Firstly, it will often limit the ability of our valuers to conduct inspections of property. Secondly, the impact COVID-19 will have on the property market is uncertain.
- B This document explains important matters you should be aware of when you review our valuation in light of the COVID-19 pandemic. This document forms part of the terms and conditions of our appointment and will be annexed to our valuation report and will form annexure A to our retainer agreement with you. It is prepared in the utmost good faith for these reasons:
- (i) to protect public safety
  - (ii) to protect the health and safety of our clients and staff during this unprecedented health crisis
  - (iii) to ensure compliance with the terms of our professional indemnity insurance policies.

**IMPORTANT MATTERS**

**1. PROPERTY INSPECTIONS**

Social distancing requirements have been mandated by all governments in Australia. These requirements vary in each state and can be changed on a daily basis.

Knight Frank Valuation & Advisory will always endeavour to inspect a property whenever possible. However, such inspection may be prevented or denied for any of the following reasons:

- a) the lockdown of a facility or institution that is the subject property of the valuation;
- b) concerns regarding the health and well-being of those residing in the subject property of the valuation;
- c) an occupant having been exposed and tested positive to coronavirus disease (COVID-19) or has returned to the Commonwealth of Australia within the immediately preceding days of the scheduled date of the inspection; and/or
- d) concerns regarding the health and well-being of the valuer or agent.

where it is clearly established that such prevention or denial is specifically in response to any action taken in controlling, preventing or suppressing the transmission of coronavirus disease (COVID-19).

The valuer will then endeavour to confirm the physical features from a variety of other means available to them. The nature of the information provided and the analysis undertaken will be set out in the valuation report.

**Knight Frank Valuation & Advisory, COVID-19 Terms & Conditions**  
Effective April 2020



**2. WRITING VALUATION REPORTS**

It is too early to know what impact the COVID-19 pandemic will have on property markets. An analysis of market value necessarily assumes a willing buyer and willing seller. Given the significant disruption caused by the COVID-19 pandemic, this assumption is a difficult one to make. It is distinctly possible that property values could reduce significantly in a short space of time. Knight Frank Valuation & Advisory does not accept any risk or exposure to losses caused by such a disruption in the market.

Our valuation will address any specific risks posed by COVID-19 to the property being valued.

It is also likely that our valuation will include market movement statements that are mandated by our insurers. One such statement is as follows:

*"This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements and factors specific to the particular property). Currently market movement in property values may be exacerbated by the COVID-19 pandemic making it extremely difficult to predict or forecast property values in the current environment and it remains far too early in the progress of the COVID-19 pandemic to understand its full impact on property values. As such the lender should apply an abundance of caution and monitor and review the situation utilising the lenders own internal and external research and resources on a regular basis and as it evolves. We do not accept responsibility or liability for losses arising from such subsequent changes in value. Should the subject property be able to be reinspected, it is the prerogative of the Instructing Party/ Client to reinstruct the Valuer at a later date."*

**3. APIV GUIDELINES**

The Australian Property Institute has released a guideline "Guidelines for API Prepared Time of Crisis And/Or State of Emergency Impacting Physical Inspections of Real Property". These guidelines are available on the API website.

Knight Frank Valuation & Advisory will comply with these guidelines. In summary, we will endeavour to physically inspect the property the subject of a valuation, unless we consider that a physical inspection poses an unacceptable risk to the health to the public, our clients and/or staff.

**KNIGHT FRANK VALUATION & ADVISORY**

**9 APRIL 2020**

Knight Frank Valuation & Advisory, COVID-19 Terms & Conditions  
Effective April 2020



## Valuation Report

**Confidential**  
**1A Lucca Road**  
**Wyong NSW 2259**

12 January 2021

Under instruction from  
Central Coast Council



Reference: CK/13177

Knight Frank Newcastle  
Suite 1, Ground Floor  
168 Parry Street, Newcastle NSW 2300  
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## Executive Summary



1A Lucca Road Wyong NSW 2259			
<b>Instructing Party</b>	Central Coast Council		
<b>Interest Valued</b>	Unencumbered Freehold Interest		
			
<b>Relying Party and Purpose of Valuation</b>	Central Coast Council for potential disposal purposes. The valuation may not be relied upon for any other purpose.		
<b>Basis of Valuation</b>	Market Value		
<b>Land Area</b>	15,040 m <sup>2</sup>		
<b>Title Details</b>	Local Govt. Area (LGA) Wyong Deposited Plan (DP) 1220033 Lot 24		
<b>Zoning</b>	B6 Enterprise Corridor subject to the Wyong Local Environmental Plan 2013		
<b>Description</b>	The subject Property comprises a vacant block of commercial/industrial land located on the corner of the Pacific Highway and Lucca Road at Wyong. Whilst the site enjoys exposure from the Pacific Highway it is affected by a transmission easement transecting the western end of the site.		
<b>Valuation Methodology</b>	Direct Comparison approach		
<b>Date of Inspection</b>	12 January 2021		
<b>Inspection Status</b>	We have followed the API "Guidelines for API Prepared Time of Crisis And/Or State of Emergency Impacting Physical Inspections of Real Property" and the "COVID-19 Terms & Conditions - Annexure A" and concluded that a full physical inspection of the Property that a Valuer is customarily required to complete under professional practice standards or at law (where applicable) was possible and has been undertaken accordingly.		
<b>Valuation Date</b>	12 January 2021		
<b>Adopted Value</b>	<b>\$2,500,000 (exclusive of GST)</b>		
<b>Rate/m<sup>2</sup> of Site Area</b>	\$166/m <sup>2</sup>		
<b>Valuer's Details</b>	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <b>Christopher Keats</b>, AAPI                      API Member No. 69339  <b>Certified Practising Valuer</b>  <b>Director</b> </td> <td style="width: 50%; vertical-align: top;"> <b>Sean Fox</b> AAPI                      API Member No. XXX  <b>Certified Practising Valuer</b>                      Director  <i>(Counter signatory only)</i> </td> </tr> </table>	<b>Christopher Keats</b> , AAPI API Member No. 69339 <b>Certified Practising Valuer</b> <b>Director</b>	<b>Sean Fox</b> AAPI API Member No. XXX <b>Certified Practising Valuer</b> Director <i>(Counter signatory only)</i>
<b>Christopher Keats</b> , AAPI API Member No. 69339 <b>Certified Practising Valuer</b> <b>Director</b>	<b>Sean Fox</b> AAPI API Member No. XXX <b>Certified Practising Valuer</b> Director <i>(Counter signatory only)</i>		



#### Key Points

- Limited vacant land available in the North Wyong Industrial Park. Subject has prime exposure to The Pacific Highway and is located at the entrance to the industrial park, although is impacted by power easement over the site.
- We note Council's intention to commence sewer connection works in the near future. It is recommended that these works are completed prior to marketing the Property for sale.
- We refer the reliant party/parties to the Valuation Uncertainty and the Subject Property statement, the SWOT analysis herein. In the current COVID-19 pandemic the reliant party should apply an abundance of caution and monitor and review the situation utilising internal and external research and resources on a regular basis as it evolves.

#### Recommendations

- Further to our last full valuation report, we are still of the opinion that the highest and best use of the site is the development of a light industrial subdivision or industrial strata unit complex with battle-axe access along the northern boundary from Lucca Road.
- Allowing for setbacks from the drainage easement on the eastern end of the site along with appropriate setbacks from the transmission lines across the site, we are of the opinion that the developable footprint would be in the order of 8,000m<sup>2</sup> – 8,500m<sup>2</sup>. The western portion of the site nearby the transmission lines would be suitable for storage purposes only. We recommend that Council seek planning advice in this regard.
- Whilst there is scope to subdivide the developable portion, there may also be benefit in developing the parcel as a single user site. Given the exposure to the Pacific Highway, the site may be suitable for a car showroom or corporate headquarters. The development as a single user site would be predicated on the ability to achieve the necessary on-grade car parking ratio, given the issues relating to the existing transmission lines.

#### Critical Conditions

- Our advice is limited and qualified based on the information supplied to us by Central Coast Council.
- In the absence of development costs and planning advice we have undertaken the valuation using the Direct Comparison method of valuation only.
- No responsibility is accepted by the Valuer and/or Knight Frank Newcastle to any other parties who rely, use, distribute, publish and/or otherwise represent anything contained in the Report for any purpose.
- The valuation is also conditional upon the important notices, disclaimers and qualifications contained within the body of this report.

#### IVSC Disclosure: Significant Valuation Uncertainty

The IVS / API state that where there is Market Uncertainty *"The impact on sale prices and volumes will not be known until the market has stabilised and a new normal is in place"*.

Where there is Significant Valuation Uncertainty in respect of the subject property, we make the following Significant Valuation Uncertainty Disclosure – per the IVS Valuation Report Disclosure Requirement:

- The market that the property/asset is transacted and/or valued in is being impacted by the uncertainty that the COVID-19 outbreak has caused. Market conditions are changing daily at present. As at the date of valuation we consider that there is a Market Uncertainty resulting in Significant Valuation Uncertainty.
- This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the Valuer could not reasonably have been aware of as at the date of valuation). We do not accept responsibility or liability for any losses arising from such subsequent changes in value.

## Executive Summary (Cont'd)



- Given the valuation uncertainty noted, we recommend that the user(s) of this report review this valuation periodically

The definitions herein provide clarity on the meaning of Market Uncertainty and Valuation Uncertainty. Our statement as to Significant Valuation Uncertainty in respect to the subject property is outlined next.

### Valuation Uncertainty and the Subject Property

In the specific case of this valuation there are limited site sales for industrial englobo land parcels in Wyong in order to provide a guide to a suitable rate per square metre of site area to apply to the subject property. This may be more related to a general lack of potential supply of larger industrial land parcels in Wyong rather than any possible negative effects of COVID – 19.

As such there is less uncertainty than would be the case of there were no transactions however there remains uncertainty in relation to prevailing market rents and the evidence to hand does not equate to a weight of definitive market evidence in a very dynamic market. As such significant valuation uncertainty does exist but in this instance is less pronounced compared to situations where there is no comparable post COVID market evidence.

### Important Notice

*This Executive Summary forms a part of and should not be used or read independently from the complete report. Particular attention is drawn to the Qualifications, Important Notices and Disclaimers included in this report. Liability limited by a scheme approved under Professional Standards Legislation.*

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## Qualifications



1. This report is prepared for the private and confidential use of the client named in Section 1 of this report, and only for the purpose outlined in Section 1. It should not be relied on by the client for any other purpose and should not be reproduced in whole or part for any other purpose without the express written consent of Knight Frank Newcastle. Any party that is not the named client may not rely on this report for any purpose and should obtain their own valuation before acting in any way in respect of the subject property.
2. Unless otherwise stated, all valuation figures stated herein are net of GST, are on a before tax basis, are before acquisition or selling expenses, and do not reflect any withholding amounts or impact upon sale proceeds that may apply under foreign investor transaction legislation (including under mortgagee sale conditions).
3. Reliance on this report should only be taken upon sighting an original document received by the Reliant Party directly from Knight Frank and countersigned by a senior executive of Knight Frank Newcastle. The counter-signatory verifies that this report is genuine and issued and endorsed by Knight Frank Newcastle. The opinion of value expressed in this report, however, has been arrived at by the prime signatory acting as the valuer. Please note that Sean Fox has not inspected the subject property, and counter-signs this report only in his capacity of Director, Knight Frank Newcastle, Knight Frank Newcastle.
4. This valuation is current at the date of valuation only. The timing and extent of market movements is impossible to accurately predict and we do not attempt to do so. The value assessed herein may change significantly and unexpectedly over a relatively short period as a result of general market movements, or factors specific to the particular property as identified in this report. Losses resulting from such movement in value subsequent to the date of valuation are not foreseeable and we do not accept any duty to protect your financial interests against such movements in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this value is relied upon after the expiration of 3 months from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.
5. In accordance with industry guidelines and requirements, Knight Frank Newcastle cannot assign or confirm the original or initial valuation after the expiration of 3 months from the date of valuation. Any written assignment of the valuation by Knight Frank Newcastle within this 3 month period is required to contain a statement that the valuer has not re-inspected the property nor undertaken further investigations or analysis since the original/initial valuation and accepts no responsibility for reliance upon the original/initial valuation other than as a valuation of the property at the original/initial date of valuation.
6. This valuation is conditional on there being no material change (including as a result of general market movements, or factors specific to the particular property) between the date of inspection, date of issue and the date of valuation that would impact on the value of the subject property. Should such an event occur, the valuer should be contacted for comment prior to reliance upon the valuation.
7. This valuation is not intended to be used to provide financial advice, express or implied, and we confirm that the valuer and Knight Frank Newcastle is not licensed to provide financial product advice under the *Corporations Act 2001*.
8. This valuation report is to be read in its entirety and in particular we draw your attention to the Important Notices set out in the body of the report and the Critical Conditions section of the Executive Summary.
9. Any objective information, data or calculations set out in the Valuation will be accurate so far as is reasonably expected from a qualified valuer, reflecting due skill, care and diligence.
10. The law of the Australian state in which a property is located will apply in every respect in relation to the valuation and the agreement with the client which shall be deemed to have been made in that state of Australia. In the event of a dispute arising in connection with a valuation, unless expressly agreed otherwise in writing by Knight Frank, the client, and any third party using the valuation, all will submit to the jurisdiction of the Australian Courts only. This will apply wherever the property or the client is located or the advice is provided.



## 1. Introduction

### 1.1 Instructions

<b>Instructing Party</b>	Central Coast Council
<b>Reference</b>	CK/13177
<b>Relying Party/Parties &amp; Purpose of Valuation</b>	Central Coast Council for potential disposal purposes
<b>Basis of Valuation as instructed</b>	Market Value
<b>Date of Inspection</b>	12 January 2021
<b>Date of Valuation</b>	12 January 2021

A copy of the Letter of Instruction is appended.

The valuation has been prepared in accordance with the Australian Property Institute's Practice Standards.

### 1.2 Pecuniary Interest Declaration

The valuer has no pecuniary interest in the said property, past, present or prospective, and the opinion expressed is free of any bias in this regard.

### 1.3 Definitions

**Market Value** is defined by the API as:

*"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion."*

**Valuation Uncertainty** (per API Guideline) is defined as:

*"The possibility that the Valuer's professional opinion as to the Market Value of the asset may differ from the price that could be achieved in a transfer of the asset as at the valuation date, assuming all other market conditions and variables remain constant. There are three broad categories of Valuation Uncertainty: Market Uncertainty, Model Uncertainty and Input Uncertainty."*



**Market Uncertainty** (per API guideline) is defined as:

*"Market Uncertainty comes about when a market, as at the valuation date, is disrupted by current or very recent events such as sudden economic or political crises. The event(s) that cause market uncertainty may be macroeconomic, for example the current COVID-19 outbreak, or microeconomic such as a change to a law or regulation which resets or disrupts a market sector. In the real estate market, both macro or microeconomic event(s) may result in valuation uncertainty as the only evidence available to be considered by the Valuer is most likely to have taken place before the event occurred and the impact of which was not reflected in market evidence. The impact on sale prices and volumes will not be known until the market has stabilised and a new normal is in place."*

**Note: The extent of Market Uncertainty differs across asset classes, as transactional evidence comes to light. However, conditions potentially remain volatile.**

**Highest and Best Use** (IVSC and endorsed by the Australian Property Institute) is defined as:

*"The use of an asset that maximises its potential and that is physically possible, legally permissible and financially feasible."*



## 2. Land Particulars

### 2.1 Location

#### Position

- The Property is situated on the corner of the Pacific Highway and Lucca Road at Wyong.
- Wyong is a suburb of the Central Coast region of New South Wales, Australia, situated on the Main North Railway Line and nearby to the Sydney-Newcastle Freeway (M1 Motorway) about 95 km north of Sydney and about 60 km south of Newcastle.
- The Property is located within the North Wyong Industrial Estate with good access both northbound and southbound from the M1 Freeway via on/off ramps at Tuggerah (approx. 8 km) and Warnervale (approx. 11 km).

#### Surrounding and Adjoining Development

- The Property is situated within the established North Wyong Industrial Estate and is surrounded by industrial and commercial users.

#### Road System and Access

- Lucca Road is the main link road through North Wyong Industrial Estate off the Pacific Highway.
- Connects with Pacific Highway which is the main link road to M1 Pacific Motorway.
- Legal access to the site is available directly off Lucca Road.

#### Services and Amenities

- All of the usual services of electricity, water, and drainage are available to the Property. We have been advised from Central Coast Council that sewer is not connected to the Property.



This map is included by courtesy of Google Maps



This map is included by courtesy of Six Maps

2.2 Title Details & Site Description

<b>Registered Owner</b>	Wyong Shire Council	
<b>Title Description</b>	Local Govt. Area (LGA) Wyong Deposited Plan (DP) 1220033 Lot 24	
<b>Registered Address</b>	1A Lucca Road Wyong NSW 2259	
<b>Identification</b>	The Property has been identified by reference to the Deposited Plan and physical inspection of the Property.	
<b>Physical Description</b>	The site is gently sloping in topography and lightly timbered with native gumtrees	
<b>Dimensions</b>	<b>Description</b>	<b>Measurement</b>
	South Boundary	171.36 m
	North Boundary	253.965 m
	East Boundary	61.070 m
	West Boundary (incl. splayed corner)	61.370 m
	<b>Total Site Area</b>	<b>15,040m<sup>2</sup></b>



### 2.3 Easements and Encumbrances

Reference should be made to the Title Search attached, which details encumbrances and interests noted on title. The following notifications are recorded on title:

Dealing	Description
	Reservations and conditions in The Crown Grant(s)
DP1076270	Easement to drain water 2.5 metres wide affecting the part(s) shown so burdened in DP1076270
DP1217787	Easement for electricity and other purposes 6.6 metre(s) wide affecting the part(s) shown so burdened in the title diagram
DP1217787	Easement for electricity and other purposes variable width affecting the part(s) shown so burdened in the title diagram
DP1217787	Easement for gas main 6.6 metre(s) wide affecting the part(s) shown so burdened in the title diagram
DP1217787	Easement for drainage of water 3 metre(s) wide affecting the part(s) shown so burdened in the title diagram
DP1217787	Easement for telecommunication equipment 3 metre(s) wide affecting the part(s) shown so burdened in the title diagram
DP1217787	Easement for water supply 6.6 metre(s) wide affecting the part(s) shown so burdened in the title diagram

#### Important Notice

Although our title search (attached) does not show any unregistered dealings, it is noted that not all encumbrances may be recorded on the title documents provided to us. Our valuation is made on the basis that the property is free from mortgages, charges and other financial liens and is conditional on there being no encumbrances or interests other than those reported on our title search which materially affect the value, marketability and continued utility of the property. Should any encumbrances, encroachments, restrictions, leases or covenants which are not noted in this report be discovered which are material, our valuation would change, as would our recommendation as to its suitability for mortgage security purposes (if made).

### 2.4 Town Planning Details

<b>Planning Scheme</b>	Wyong Local Environmental Plan 2013
<b>Zoning / Designation</b>	B6 Enterprise Corridor
<b>Zone Objectives</b>	<p><b>1. Objectives of zone</b></p> <ul style="list-style-type: none"> <li>To promote businesses along main roads and to encourage a mix of compatible uses.</li> <li>To provide a range of employment uses (including business, office, retail and light industrial uses).</li> <li>To maintain the economic strength of centres by limiting retailing activity.</li> <li>To provide for residential uses, but only as part of a mixed use development.</li> <li>To provide primarily for businesses along key corridors.</li> </ul> <p><b>2. Permitted without consent</b></p> <p>Nil</p>



	<p><b>3. Permitted with consent</b></p> <p>Business premises; Community facilities; Food and drink premises; Garden centres; Hardware and building supplies; Hotel or motel accommodation; Kiosks; Landscaping material supplies; Light industries; Markets; Neighbourhood shops; Oyster aquaculture; Passenger transport facilities; Plant nurseries; Roads; Rural supplies; Serviced apartments; Sewage reticulation systems; Shop top housing; Specialised retail premises; Tank-based aquaculture; Timber yards; Vehicle sales or hire premises; Warehouse or distribution centres; Water reticulation systems; Water storage facilities; Any other development not specified in item 2 or 4</p> <p><b>4. Prohibited</b></p> <p>Agriculture; Air transport facilities; Airstrips; Animal boarding or training establishments; Boat building and repair facilities; Camping grounds; Caravan parks; Cemeteries; Correctional centres; Crematoria; Depots; Eco-tourist facilities; Exhibition homes; Exhibition villages; Extractive industries; Farm buildings; Forestry; Freight transport facilities; Heavy industrial storage establishments; Industrial retail outlets; Industries; Marinas; Mortuaries; Open cut mining; Pond-based aquaculture; Residential accommodation; Resource recovery facilities; Retail premises; Rural industries; Sewerage systems; Tourist and visitor accommodation; Waste disposal facilities; Water supply systems; Wharf or boating facilities</p>
<b>Heritage Controls</b>	Online searches confirm that the property is not listed in the NSW State Heritage Inventory database.
<b>Development / Planning Permits</b>	We are not aware of any current or recent development applications relating to the subject property.

**Important Notice**

The above information was obtained from the public records of Council's Town Planning Department and should verification be required, an application to Council may be obtained for a Certificate issued under the provisions of Section 10.7 of the Environmental Planning & Assessment Act, 1979. Should such Certificate not confirm the abovementioned zoning and development guidelines, the matter should be referred immediately to the valuer for consideration and review of the valuation, if appropriate.

**2.5 Environmental Considerations**

**Site Contamination**

<b>Historical Uses</b>	Not known
<b>Registered on the EPA List/Statement of Environmental Audit</b>	No



<b>Perceived Environmental Risk</b>	We confirm that there are no perceived environmental risks or problems associated with the subject property in relation to its present and known historical uses, and we further confirm that we have found no information in our enquiries to necessitate the instigation of a detailed environmental audit, <b>subject to important notice below.</b>
-------------------------------------	---

**Important Notice**

We do not have any expertise as environmental consultants nor are we qualified to provide an assessment of the contamination of land. We have undertaken the following steps to assess whether there are any obvious signs of contamination:

- Site inspection.
- Review existing site use and historical site use (so far as it is identifiable from the current site owners).
- Review of EPA list (see above).
- Planning controls over the subject property.

*As a result of the above investigation we have been unable to identify any obvious signs of contamination. However we are unable to assess whether there are any latent signs of contamination or other indicators beyond the investigations referred to above. The assessed value could well decrease if material contaminants are present and our assessment of the suitability of this property for mortgage security purposes would be adversely impacted. This valuation is conditional on the site being free of contamination and any party relying on this valuation does so on the basis that Knight Frank Newcastle accepts no liability for any loss relating to contamination.*

**2.6 Mine Subsidence**

The land does not lie within a Mines Subsidence District proclaimed under Section 15 of the Mines Subsidence Compensation Act 1961.

**2.7 Flood Planning**

The Property has not been identified as being a Flood Planning Area per Wyong Council online mapping service.

**2.8 Bushfire Prone**

The Property has been identified as being Bushfire Prone Land - Vegetation Buffer as per Wyong Council Online Mapping Services.

**2.9 Environmental Considerations**

**Site Contamination**

<b>Registered on the EPA List/Statement of Environmental Audit</b>	No
--	----



<b>Perceived Environmental Risk</b>	We confirm that there are no perceived environmental risks or problems associated with the subject property in relation to its present and known historical uses, and we further confirm that we have found no information in our enquiries to necessitate the instigation of a detailed environmental audit, subject to important notice below.
-------------------------------------	--

**Important Notice**

No soil tests or environmental studies have been made available for our perusal and we do not have any expertise as environmental consultants nor are we qualified to provide an assessment of the contamination of land. We have undertaken the following steps to assess whether there are any obvious signs of contamination:

- Site inspection
- Review existing site use and historical site use (so far as it is identifiable from the current site owners)
- Review of EPA list (see above)
- Planning controls over the subject property

As a result of the above investigation we have been unable to identify any obvious signs of contamination. However we are unable to assess whether there are any latent signs of contamination or other indicators beyond the investigations referred to above. The assessed value could well decrease if material contaminants are present and our assessment of the suitability of this property for mortgage security purposes would be adversely impacted. This valuation is conditional on the site being free of contamination and any party relying on this valuation does so on the basis that Knight Frank Newcastle accepts no liability for any loss relating to contamination.

**2.10 Highest & Best Use**

Taking into consideration the property's land size and land zoning we believe that the Highest and Best Use of the Property under a Torrens/Freehold Title taking in to account the surrounding built environment, as at the date of valuation is for industrial development purposes.



### 3. Site Description

#### 3.1 Inspection - Special Comment & Qualifications

In response to the unprecedented public health risk currently presented by the Coronavirus, Knight Frank Valuation & Advisory is taking due care to protect our staff and clients.

We have followed the API "Guidelines for API Prepared Time of Crisis And/Or State of Emergency Impacting Physical Inspections of Real Property" and concluded that a physical inspection of the Property that a Valuer is customarily required to complete under professional practice standards or at law (where applicable) was possible, and has been undertaken accordingly.

#### 3.2 General Description

The site is gently sloping in topography and lightly timbered with native gumtrees. The western end of the site is affected by a transmission easement which limits access from Lucca Road and may reduce the scope of development of the overall parcel. Additionally, the merging lane and adjacent stormwater drain, in our opinion, may prohibit vehicular access from the Pacific Highway.



Transmission easement



View to western boundary



Northern boundary



Subject Property



## 4. Market Overview

### 4.1 Central Coast Industrial Overview

The five main industrial areas for the Central Coast are:

- Tuggerah Business Park
- Berkley Vale
- Somersby
- North Wyong
- Warnervale

The Northern Growth Corridor is the main industrial areas for the Central Coast as it includes the Tuggerah Business Park, Berkley Vale, North Wyong, Tuggerah and the Wyong Employment Zone. The Southern Growth Corridor includes Somersby, West and North Gosford, Lisarow and Erina. The Wyong Employment Zone (WEZ) comprises the Warnervale Business Park, plus Precincts 11, 13 and 14.

North Wyong Industrial Area includes Nexus, a next generation workspace that combines the best of serviced offices and co-working facilities. The area zoned 4a General Industrial was established about 40 years ago and comprises approximately 150 hectares while two areas either side, zoned Enterprise Corridors. The Pacific Industrial Estate an adjoining area developed in recent years has vacant land selling for around \$200 plus per square metre. Major businesses in the area include Dulmison Australia, FMC, Heyden Frames and Trusses, Pacific Labels, Alfa Laval Aalborg Pty Ltd, Parchem and Cordina Chickens.

The Tuggerah Business Park is the premier industrial area for the Central Coast. Across 75 hectares the area has more than 200 businesses with manufacturers, distribution centres, warehouses, construction companies and commercial services. National and international companies include Hachette Australia, Belkin, and the NSW Police Assistance Line Call Centre.

The Berkley Vale industrial area houses two of Australia's major food companies- Mars Food Australia and Sanitarium.

The Warnervale Business Park cover 47.6 hectares near the Freeway and Sparks Road interchange. A number of small logistics companies and distributors are based in the Park. Major businesses include Sanitarium, Woolworths Distribution Centre and Coastal transport Services.

Overall there has been a moderate increase in the industrial property market. Low interest rates, increased demand, firming return and strengthening rents continue to support the general increase in capital values and underlying land values across the sector. Continual population growth support increased demand for goods and services providers resulting in an improving level of enquiry and commitment from industrial tenants. A limited supply and increased land sales activity in the Business Development zone is absorbing strong demand with land prices seen to have lifted over the past 12 months.



## 5. Financial Summary

### 5.1 Statutory Valuation Assessments

Relevant Date	1 July 2018	1 July 2019	1 July 2020
Unimproved Land Value	\$1,500,000	\$1,570,000	\$1,570,000
Average Unimproved Value	\$1,546,667		



## 6. Valuation Rationale

### 6.1 Valuation Methodology and Considerations

In assessing the Market Value "As Is" with vacant possession, the appropriate method of assessment is the direct comparison approach.

#### COVID 19

In the specific case of this valuation there are limited site sales for industrial englobo land parcels in Wyong in order to provide a guide to a suitable rate per square metre of site area to apply to the subject property. This may be more related to a general lack of potential supply of larger industrial land parcels in Wyong rather than any possible negative effects of COVID – 19.

### 6.2 Market Value 'As Is' with DA Consent

#### Direct Comparison on a dollar rate per square metre basis

This approach identifies comparable sales on a dollar rate per square metre of site area and compares the equivalent rates to the subject to establish the Market Value 'As Is' subject to the existing DA Consent.

We have had particular regard to the following industrial and commercial land sales in assessing our valuation parameters.

Property	Sale Price	Sale Date	Site Area	Zoning	Rate/m <sup>2</sup>
<b>85 PILE ROAD SOMERSBY NSW</b>	\$4,650,000	Aug 2020	22,500 m <sup>2</sup>	IN1	\$207
	<p>Large vacant industrial land. Cleared and level across 2.25 ha situated at the northern end of Pile Road. Services are available to the lot.</p> <p>Property sold to a local transport distribution user. Agent advised strong enquiry for the site given its size and future development potential.</p> <p><b>Comparison:</b> Slightly larger parcel of land with inferior main road exposure. Superior access to M1 Motorway. Overall, with the impact of the subject's electricity easement, a lower rate per square metre of site area is warranted.</p>				



Property	Sale Price	Sale Date	Site Area	Zoning	Rate/m <sup>2</sup>
<b>53 GINDURRA ROAD SOMERSBY NSW</b> 	\$1,950,000	Oct 2019	8,418 m <sup>2</sup>	IN1	\$232
<p>Vacant industrial land in Somersby well positioned near the M1 Motorway. Site is mostly cleared with IN1 General Industrial. Sewer, water and power are all available to the property.</p> <p><b>Comparison:</b> <i>Smaller site area, similar location. Lower rate per square metre of site area is warranted.</i></p>					
<b>22 AMSTERDAM CIRCUIT WYONG NSW</b> 	\$1,170,000	Sep 2019	4,231 m <sup>2</sup>	IN1	\$277
<p>Corner allotment in North Wyong Industrial Estate. Purchased by Cordina &amp; Son, who own large chicken processing / distribution building on the opposite side of Amsterdam Circuit.</p> <p><b>Comparison:</b> <i>Smaller site area, similar location. Lower rate per square metre of site area is warranted.</i></p>					
<b>12 RELIANCE DRIVE TUGGERAH NSW</b> 	\$1,850,000	July 2019	6,774 m <sup>2</sup>	B7	\$273
<p>DA approved for commercial development, which may or may not form the highest and best use of the site. Location within the Tuggerah Business Park.</p> <p><b>Comparison:</b> <i>Smaller site area, similar location. Lower rate per square metre of site area is warranted.</i></p>					
<b>20 DONALDSON STREET WYONG NSW</b> 	\$820,000	April 2019	4,002 m <sup>2</sup>	IN1	\$205
<p>Level industrial allotment within the North Wyong Industrial Estate. Occupying the north west corner of the intersection of Donaldson Street and Palm Tree Road. DA subsequently approved for 12 x industrial strata units.</p> <p><b>Comparison:</b> <i>Smaller site area, similar location. Lower rate per square metre of site area is warranted.</i></p>					



**Dated Sales Evidence**

The following sales are dated, although have been considered due to their location in Wyong. We note that the market is currently stronger than the sales made in 2017 and 2018.

Property	Sale Price	Sale Date	Site Area	Zoning	Rate/m <sup>2</sup>
<b>380 PACIFIC HIGHWAY WYONG NSW</b> 	\$1,800,000	Sep 2018	28,300 m <sup>2</sup>	B6	\$64
<p>Former sawmill site located on the Pacific Highway at Wyong. Zoned B6 - Enterprise Corridor.</p> <p>Sold in March 2017 with a delayed settlement to 6 September 2018.</p> <p><b>Comparison:</b> Situated in close proximity to the subject with exposure to the Pacific Highway. Smaller land area. Site requires clearing and fill. Overall inferior to the subject. A higher rate is warranted.</p>					
<b>1 DULMISON AVENUE WYONG NSW</b> 	\$1,340,000	Oct 2017	7,457 m <sup>2</sup>	B6	\$180
<p>B6 Enterprise Corridor parcel of land which enjoys good exposure to the Pacific Highway and Lucca Road.</p> <p>Purchased by Stevens Group from Wyong Council for development into commercial and industrial strata units. Sold with DA. Zoned B6 - Enterprise Corridor.</p> <p><b>Comparison:</b> Located directly opposite the subject. Superior site sold with DA. Superior 3 street frontages. Smaller development parcel. Overall superior. With superior current market conditions, a similar or lower rate is reasonable.</p>					
<b>460 PACIFIC HIGHWAY WYONG NSW</b> 	\$2,600,000	Sep 2017	47,370 m <sup>2</sup>	B6	\$55
<p>Sale of a cleared parcel of land zoned B6 Enterprise Corridor. Frontage to the Pacific Highway and access to Brussels Road. Zoned B6 - Enterprise Corridor.</p> <p>Sold by Landin Realty from Tuggerah. Selling agent reports the land suitable for subdivision into 12-14 lots (subject to Council Approval).</p> <p>Property previously sold November 2015 for \$1,725,000 excluding GST or \$36/m<sup>2</sup>.</p> <p><b>Comparison:</b> Significantly larger development parcel as compared to the subject. A higher rate per square metre of site area is warranted.</p>					

Whilst we have considered a wide range of sales, we are of the opinion that the most directly comparable sales is the now dated sale at 1 Dulmison Avenue (\$180/m<sup>2</sup>) located directly opposite the subject and the more recent sale of a larger site at 85 Pile Road, Somersby (\$207/m<sup>2</sup>).



We are of the opinion that an appropriate rate per square metre range lies at or below the sale at 85 Pile Road, Somersby. For the purposes of our assessment we have adopted a rate per square metre range of \$160/m<sup>2</sup> - \$180/m<sup>2</sup>, excluding GST.

### 6.3 Direct Comparison Approach

This approach identifies comparable sales on a dollar rate per square metre of site area and compares the equivalent rates to the subject to establish the property's market value. This approach is somewhat subjective given the fact that specific items of income and expenditure are difficult to directly reflect and compare when adopting a rate per metre.

Our calculations under this basis of valuation are as follows:

Site Area		\$/m <sup>2</sup> Site Area	Resultant Value	Rounded
15,040m <sup>2</sup>	@	\$160.00	\$2,406,400	\$2,400,000
15,040m <sup>2</sup>	@	\$180.00	\$2,707,200	\$2,700,000

Utilising the direct comparison method, we have assessed a site value range of \$2,400,000 to \$2,700,000 exclusive of GST which is reasonable. We have adopted a value at \$2,500,000 excluding GST.

We note that should a developable land area of say 8,250m<sup>2</sup> be adopted the adopted value of \$2,500,000 reflects \$303/m<sup>2</sup> of developable site area which is reasonable, albeit slightly above the upper end of the sales range set by the sale of 22 Amsterdam Circuit (4,231m<sup>2</sup>) at \$277/m<sup>2</sup> which does not have further subdivision potential.



## 7. Recommendations

We note that the subject Property is hindered by a number of development constraints.

Firstly, the access to the site is limited. During the course of our inspection we observed that there is very limited, if any, possibility of achieving an access lane into the Property from the Pacific Highway. The adjacent stormwater drain and east bound merging lane appears to prohibit the possibility of any direct site access from the highway. This sentiment has previously been confirmed with discussions with council and local agents.

The transmission easement running across the western end of the site also prohibits access to the site from Lucca Road. Typically, the efficiency of the site would be maximised with access from Lucca Road and creation of a central driveway with centre facing light industrial strata units position on the northern and southern sides of the site. However, the positioning of the transmission poles through the site prohibits the ability to provide central site access.

Secondly, we have been advised that sewer is not connected to the site. Council have advised its intention to commence sewer connection works in the near future. We recommend that these works be undertaken and completed in order to improve the marketability of the site.

Overall, we are of the opinion that the highest and best use of the site would be the development of a light industrial subdivision or industrial strata unit development with battle-axe access along the northern boundary. Allowing for setbacks from the drainage easement on the eastern end of the site along with appropriate setbacks from the transmission lines across the site, we are of the opinion that the developable footprint would be in the order of 8,000m<sup>2</sup> – 8,500m<sup>2</sup>. The western portion of the site nearby the transmission lines would be suitable for storage purposes only. We recommend that Council seek planning advice in this regard.

Whilst there is scope to subdivide the developable portion, there may also be benefit in developing the parcel as a single user site. Given the exposure to the Pacific Highway, the site may be suitable for a car showroom or corporate headquarters. The development as a single user site would be predicated on the ability to achieve the necessary on-grade car parking ratio, given the issues relating to the existing transmission lines.



## 8. Additional Requirements

### 8.1 Marketability

We are of the opinion that a purchaser for the site would be secured within a six month period, assuming a formal marketing campaign carried out by a recognised commercial agent experienced in the locality, and sewer connection has been complete.

### 8.2 Covid-19

The recent outbreak of the global Coronavirus (COVID-19) is causing heightened uncertainty in both local and global market conditions, which could have a significant impact on property markets. Small businesses and corporations are facing cash flow risk over the coming months due to disruption to business supply chains and shutdowns. Sharp declines have been seen in sharemarkets globally, including Australia. The initial threat to Australian tourism, the education sector and retailers, has quickly broadened to the entire economy and there is a looming threat of recession.

It will take time for the empirical data to be available to more accurately measure the overall impact. Whilst history indicates that some equilibrium can be expected to return to the market once the crisis has passed, it will take time to absorb the various issues. As a result there is less certainty with regard to valuations in the current market conditions.

This crisis may lead to a material impact upon real estate values in the region however the effects are currently unknown and will largely depend on both the scale and longevity of the outbreak. As such, there remain downside risks for property values over the short to medium term. The situation is volatile and circumstances have deteriorated quickly. We recommend investors and lenders in particular exercise a higher degree of caution and closely monitor market conditions as well as seek property advice and valuation updates on a regular basis.

### 8.3 Goods and Services Tax (GST)

Unless otherwise stated, all valuation figures stated herein are net of GST, are on a before tax basis, are before acquisition or selling expenses, and do not reflect any withholding amounts or impact upon sale proceeds that may apply under foreign investor transaction legislation (including under mortgagee sale conditions). Legal and taxation advice would be required to determine the impact of these factors. We recommend that the reliance party/s satisfy themselves as to the potential impact of the recently introduced foreign investor transaction legislation and obtain advice to ensure that the realisable value/funds upon any sale of the asset would not be impacted.



## 9. Valuation Certification

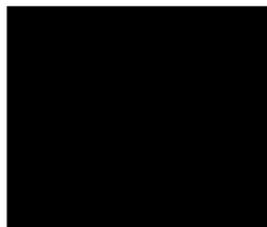
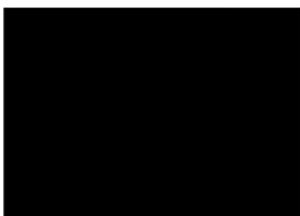
Acting under instructions from Central Coast Council, Knight Frank Newcastle has undertaken a valuation of Confidential 1A Lucca Road Wyong NSW. We confirm that we have inspected the property as described herein and have prepared this report.

Subject to the overriding stipulations contained within the body of this report, we are of the opinion that the market value of the subject property assuming a sale of the unencumbered freehold interest, with vacant possession and relevant to prevailing levels of value as at 12 January 2021 for potential disposal purposes is:

**\$2,500,000 (exclusive of GST)**

*(Two Million Five Hundred Thousand Dollars (exclusive of GST))*

This certificate of valuation forms part of and should not be used or read independently from the complete report.



### **Knight Frank Newcastle**

**Disclaimer – Important Notice to Third Parties**

*This report is prepared for the private and confidential use of the client named in Section 1 only for the purpose outlined in Section 1. It should not be relied on by the client for any other purpose and should not be reproduced in whole or part for any other purpose without the express written consent of Knight Frank Newcastle. Any party that is not the named client may not rely on this report for any purpose and should obtain their own valuation before acting in any way in respect of the subject property.*

**Liability limited by a scheme approved under Professional Standards Legislation.**



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LETTER OF INSTRUCTION

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**Central Coast Council**

PO Box 20  
Wyong NSW 2259  
ABN 73 149 644 003  
E [ask@centralcoast.nsw.gov.au](mailto:ask@centralcoast.nsw.gov.au)  
W [centralcoast.nsw.gov.au](http://centralcoast.nsw.gov.au)  
P 1300 463 954



**PURCHASE ORDER PUR1157611**

Page 1 of 1

**Supplier**

Knight Frank Newcastle  
PO Box 2020  
DANGAR NEW SOUTH WALES 2309

**Order Details**

**Order Date:** 14-Dec-20  
**Revision:** 0  
**Agreement No:**

**Contact:**

**Email:**

**Phone:** +61 (02)49205700

**Buyer:**

**Email:**

**Phone:** 61-4350 1675

Line	Qty	Unit	Item Description	Delivery Required By	Unit Price (excl. GST)	Line Total (excl. GST)
1			Valuation - 1A Lucca Road, Wyong - Fee Proposal	31-Jan-21		2,000.00
<b>Ship to:</b>			<b>Special Instructions</b>	Sub Total		2,000.00
<b>SERVICE ORDER</b>				GST		200.00
<b>SERVICE ORDER</b>				Total		2200.00
2259 AUSTRALIA						

**Council Contact**

**Receiver:**

**Email:**

**Phone:**

**Please Note:**

- The supply is bound by the Central Coast Council's Standard Conditions of Purchase which can be found at: <https://www.centralcoast.nsw.gov.au/purchase-order-conditions/>
- Where this order is issued in relation to a contract agreement the terms and conditions of the contract take precedence.
- Purchase Order Number must be quoted on delivery dockets and invoice.
- Submit invoices to [accountspayable@centralcoast.nsw.gov.au](mailto:accountspayable@centralcoast.nsw.gov.au) or PO Box 20 Wyong NSW 2259
- Depot hours 7:00am to 3:30pm Monday to Friday.



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TITLE DOCUMENTS

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NEW SOUTH WALES LAND REGISTRY SERVICES - TITLE SEARCH

FOLIO: 24/1220033

SEARCH DATE	TIME	EDITION NO	DATE
18/12/2020	10:31 AM	1	4/5/2016

LAND

LOT 24 IN DEPOSITED PLAN 1220033  
AT WYONG  
LOCAL GOVERNMENT AREA CENTRAL COAST  
PARISH OF MUNMORAH COUNTY OF NORTHUMBERLAND  
TITLE DIAGRAM DP1220033

FIRST SCHEDULE

WYONG SHIRE COUNCIL

SECOND SCHEDULE (8 NOTIFICATIONS)

- 1 RESERVATIONS AND CONDITIONS IN THE CROWN GRANT(S)
- 2 DP1076270 EASEMENT TO DRAIN WATER 2.5 METRES WIDE AFFECTING THE PART(S) SHOWN SO BURDENED IN DP1076270
- 3 DP1217787 EASEMENT FOR ELECTRICITY AND OTHER PURPOSES 6.6 METRE(S) WIDE AFFECTING THE PART(S) SHOWN SO BURDENED IN THE TITLE DIAGRAM
- 4 DP1217787 EASEMENT FOR ELECTRICITY AND OTHER PURPOSES VARIABLE WIDTH AFFECTING THE PART(S) SHOWN SO BURDENED IN THE TITLE DIAGRAM
- 5 DP1217787 EASEMENT FOR GAS MAIN 6.6 METRE(S) WIDE AFFECTING THE PART(S) SHOWN SO BURDENED IN THE TITLE DIAGRAM
- 6 DP1217787 EASEMENT FOR DRAINAGE OF WATER 3 METRE(S) WIDE AFFECTING THE PART(S) SHOWN SO BURDENED IN THE TITLE DIAGRAM
- 7 DP1217787 EASEMENT FOR TELECOMMUNICATION EQUIPMENT 3 METRE(S) WIDE AFFECTING THE PART(S) SHOWN SO BURDENED IN THE TITLE DIAGRAM
- 8 DP1217787 EASEMENT FOR WATER SUPPLY 6.6 METRE(S) WIDE AFFECTING THE PART(S) SHOWN SO BURDENED IN THE TITLE DIAGRAM

NOTATIONS

UNREGISTERED DEALINGS: NIL

\*\*\* END OF SEARCH \*\*\*

tspnewkf

PRINTED ON 18/12/2020

Obtained from NSW LRS on 18 December 2020 09:31 AM AEST

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\* Any entries preceded by an asterisk do not appear on the current edition of the Certificate of Title. Warning: the information appearing under notations has not been formally recorded in the Register. GlobalX hereby certifies that the information contained in this document has been provided electronically by the Registrar General in accordance with Section 96B(2) of the Real Property Act 1900. Note: Information contained in this document is provided by GlobalX Pty Ltd, ABN 35 099 032 596, www.globalx.com.au an approved NSW Information Broker.



Req:R123809 /Doc:DP 1220033 P /Rev:05-May-2016 /NSW LRS /Pgs:ALL /Prt:21-Oct-2019 09:58 /Seq:2 of 3  
© Office of the Registrar-General /Src:INFOTRACK /Ref:INFOTRACKS/12700

PLAN FORM 6 (2012)      WARNING: Creasing or folding will lead to rejection	
DEPOSITED PLAN ADMINISTRATION SHEET      Sheet 1 of 2      sheet(s)	
Registered:  4.5.2016 Title System: TORRENS Purpose: CONSOLIDATION	Office Use Only  Use Only <b>DP1220033 S</b>
<b>PLAN OF CONSOLIDATION OF LOT 1                      DP 243037 &amp; LOT 23 DP 1217787 AND                      LOT 21 DP 243037 &amp; LOT 22 DP 1217787</b>	LGA: WYONG Locality: NORTH WYONG Parish: MUNMORAH County: NORTHUMBERLAND
Crown Lands NSW/Western Lands Office Approval I, ..... (Authorised Officer) in approving this plan certify that all necessary approvals in regard to the allocation of the land shown herein have been given. Signature: ..... Date: ..... File Number: ..... Office: .....	Survey Certificate I, STEPHEN RICHARD THORNE of 48 MANN STREET GOSFORD NSW 2250 ... a surveyor registered under the <i>Surveying and Spatial Information Act                      2002</i> , certify that: *(a) The land shown in the plan was surveyed in accordance with the <i>Surveying and Spatial Information Regulation 2012</i> , is accurate and the survey was completed on 17/03/2016 *(b) The part of the land shown in the plan (being ...) was surveyed in accordance with the <i>Surveying and Spatial Information Regulation                      2012</i> , is accurate and the survey was completed on ..., the part not surveyed was compiled in accordance with that Regulation. *(c) The land shown in this plan was compiled in accordance with the <i>Surveying and Spatial Information Regulation 2012</i> . Signature  Dated: 17/03/2016 Surveyor ID: 2101 Datum Line: 'A' - 'B' Type: *Urban/*Rural The terrain is *Level-Undulating / *Steep-Mountainous. *Strike through if inapplicable. *Specify the land actually surveyed or specify any land shown in the plan that is not the subject of the survey.
Subdivision Certificate I, ..... *Authorised Person*General Manager*Accredited Certifier, certify that the provisions of s.109J of the <i>Environmental Planning and                      Assessment Act 1979</i> have been satisfied in relation to the proposed subdivision, new road or reserve set-out herein. Signature: ..... Accreditation number: ..... Consent Authority: ..... Date of endorsement: ..... Subdivision Certificate number: ..... File number: ..... *Strike through if inapplicable.	Plans used in the preparation of survey/compilation. DP 243037   DP 1076270   DP 1090455   DP 825156 DP 1217787 If space is insufficient continue on PLAN FORM 6A
Statements of intention to dedicate public roads, public reserves and drainage reserves.	Signatures, Seals and Section 88B Statements should appear on PLAN FORM 6A
Signatures, Seals and Section 88B Statements should appear on PLAN FORM 6A	Surveyor's Reference: <b>7152CONSOL</b>

Req:R123809 /Doc:DP 1220033 P /Rev:05-May-2016 /NSW LRS /Pgs:ALL /Prt:21-Oct-2019 09:58 /Seq:3 of 3  
© Office of the Registrar-General /Src: INFOTRACK /Ref: INFOTRACKS/12700

PLAN FORM 6A (2012)      WARNING: Creasing or folding will lead to rejection

<b>DEPOSITED PLAN ADMINISTRATION SHEET</b>		Sheet 2 of 2 sheet(s)
Registered:  4.5.2016 <b>PLAN OF CONSOLIDATION OF LOT 1 DP 243037 &amp; LOT 23 DP 1217787 AND LOT 21 DP 243037 &amp; LOT 22 DP 1217787</b>	Office Use Only  DP1220033  This sheet is for the provision of the following information as required: <ul style="list-style-type: none"> <li>A schedule of lots and addresses - See 60(c) <i>SSI Regulation 2012</i></li> <li>Statements of intention to create and release affecting interests in accordance with section 88B <i>Conveyancing Act 1919</i></li> <li>Signatures and seals- see 195D <i>Conveyancing Act 1919</i></li> <li>Any information which cannot fit in the appropriate panel of sheet 1 of the administration sheets.</li> </ul>	Office Use Only
Subdivision Certificate number: ..... Date of Endorsement: .....		
STREET ADDRESSES OF ALL LOTS ARE NOT AVAILABLE. <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%;"> <p>X </p> <p>Mary Ellen Wallace NAME OF WITNESS</p> <p>2 Hely St Wyong ADDRESS OF WITNESS</p> </div> <div style="width: 45%; text-align: center;"> <p>X </p> <p>MICHAEL ANTHONY DOWLING DIRECTOR, PROPERTY &amp; ECONOMIC DEVELOPMENT</p> <p>AUTHORISED OFFICER AS DELEGATE OF WYONG SHIRE COUNCIL PURSUANT TO S.378 OF THE LOCAL GOVERNMENT ACT 1993 AND I CERTIFY THAT I HAVE NO NOTICE OF REVOCATION OF SUCH DELEGATION</p> </div> </div>		
If space is insufficient use additional annexure sheet		
Surveyor's Reference: <b>7152CONSOL</b>		



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COVID – 19 TERMS AND CONDITIONS

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**KNIGHT FRANK VALUATION & ADVISORY**

**ANNEXURE A**

**COVID-19 TERMS AND CONDITIONS**

**BACKGROUND**

- A The COVID-19 Pandemic impacts the way Knight Frank Valuation & Advisory can provide valuations in two significant ways. Firstly, it will often limit the ability of our valuers to conduct inspections of property. Secondly, the impact COVID-19 will have on the property market is uncertain.
- B This document explains important matters you should be aware of when you review our valuation in light of the COVID-19 pandemic. This document forms part of the terms and conditions of our appointment and will be annexed to our valuation report and will form annexure A to our retainer agreement with you. It is prepared in the utmost good faith for these reasons:
- (i) to protect public safety
  - (ii) to protect the health and safety of our clients and staff during this unprecedented health crisis
  - (iii) to ensure compliance with the terms of our professional indemnity insurance policies.

**IMPORTANT MATTERS**

**1. PROPERTY INSPECTIONS**

Social distancing requirements have been mandated by all governments in Australia. These requirements vary in each state and can be changed on a daily basis.

Knight Frank Valuation & Advisory will always endeavour to inspect a property whenever possible. However, such inspection may be prevented or denied for any of the following reasons:

- a) the lockdown of a facility or institution that is the subject property of the valuation;
- b) concerns regarding the health and well-being of those residing in the subject property of the valuation;
- c) an occupant having been exposed and tested positive to coronavirus disease (COVID-19) or has returned to the Commonwealth of Australia within the immediately preceding days of the scheduled date of the inspection; and/or
- d) concerns regarding the health and well-being of the valuer or agent.

where it is clearly established that such prevention or denial is specifically in response to any action taken in controlling, preventing or suppressing the transmission of coronavirus disease (COVID-19).

The valuer will then endeavour to confirm the physical features from a variety of other means available to them. The nature of the information provided and the analysis undertaken will be set out in the valuation report.

**Knight Frank Valuation & Advisory, COVID-19 Terms & Conditions**  
Effective April 2020



## 2. WRITING VALUATION REPORTS

It is too early to know what impact the COVID-19 pandemic will have on property markets. An analysis of market value necessarily assumes a willing buyer and willing seller. Given the significant disruption caused by the COVID-19 pandemic, this assumption is a difficult one to make. It is distinctly possible that property values could reduce significantly in a short space of time. Knight Frank Valuation & Advisory does not accept any risk or exposure to losses caused by such a disruption in the market.

Our valuation will address any specific risks posed by COVID-19 to the property being valued.

It is also likely that our valuation will include market movement statements that are mandated by our insurers. One such statement is as follows:

*"This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements and factors specific to the particular property). Currently market movement in property values may be exacerbated by the COVID-19 pandemic making it extremely difficult to predict or forecast property values in the current environment and it remains far too early in the progress of the COVID-19 pandemic to understand its full impact on property values. As such the lender should apply an abundance of caution and monitor and review the situation utilising the lenders own internal and external research and resources on a regular basis and as it evolves. We do not accept responsibility or liability for losses arising from such subsequent changes in value. Should the subject property be able to be reinspected, it is the prerogative of the Instructing Party/ Client to reinstruct the Valuer at a later date."*

## 3. APIV GUIDELINES

The Australian Property Institute has released a guideline "Guidelines for API Prepared Time of Crisis And/Or State of Emergency Impacting Physical Inspections of Real Property". These guidelines are available on the API website.

Knight Frank Valuation & Advisory will comply with these guidelines. In summary, we will endeavour to physically inspect the property the subject of a valuation, unless we consider that a physical inspection poses an unacceptable risk to the health to the public, our clients and/or staff.

## KNIGHT FRANK VALUATION & ADVISORY

9 APRIL 2020

Knight Frank Valuation & Advisory, COVID-19 Terms & Conditions  
Effective April 2020





**Item No:** 5.1  
**Title:** Audit Office of NSW Annual Work Program 2021-2024  
**Department:** Corporate Affairs

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7 December 2021 Audit Risk and Improvement Committee Meeting

Reference: F2021/00030 - D14942113  
Author: Kelly Drover, Meeting Support Officer  
Manager: Edward Hock, Unit Manager, Governance and Legal Counsel  
Executive: Natalia Cowley, Director Corporate Affairs and Chief Financial Officer

### **Recommendation**

- 1 *That the Committee note the report on Audit Office of NSW Annual Work Program 2021-2024.*
- 2 *That the Committee make a recommendation that this report and the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

*The information provided in this report is current as at 18/11/2021.*

### **Summary**

The purpose of this report is to provide the Committee with the Audit Office of NSW Annual Work Program for 2021 – 2024.

At the 14 September 2021 Audit, Risk and Improvement Committee (ARIC) meeting, the Committee resolved:

*136/2021(ARIC) The Committee request that David Daniels, NSW Audit Office run through the Performance Audit Program at the December ARIC meeting.*

The Annual Work Program for 2021-2024 is provided to the Committee for information and further discussion.

### **Attachments**

1  Audit Office of NSW Annual Work Program 2021 - 24 D14942110



INSIGHTS FOR BETTER GOVERNMENT 30 JULY 2021

# Annual work program 2021-24



## Auditor-General's introduction

The Audit Office holds a privileged position as one of a small number of independent agencies that provide the checks and balances integral to our system of government.

Our core business is the conduct of audits, and our aim is to provide the New South Wales Parliament and the entities we audit with broader insights that inform and challenge government to improve outcomes for the community.

This plan is published at a very challenging time for the state government, for local councils and the university sector. Each are managing and responding to the impact of the COVID-19 pandemic, along with the consequences of other emergency events. And cyber security remains a key risk for all three sectors.

Recognising the pressures that arise from these challenges, the role of audit is to provide assurance that responses are timely, evidence based, well targeted, and effective. While speed of delivery is important, this must be appropriately balanced with a keen focus on:

- value for money and the appropriate use of public money
- risk identification and mitigation
- good governance and controls
- comprehensive record keeping
- transparency, and
- evaluation.

These considerations have framed our Annual Work Program for this year and the three-year outlook. And the program has left room for adjustment to respond to specific requests or emerging issues of significant public interest.

We have consulted broadly in the development of this program. We welcome any additional feedback on its content and on our approach to ensure our work continues to be relevant and to have a positive impact on public sector performance and financial management.



**Margaret Crawford**

Auditor-General for New South Wales

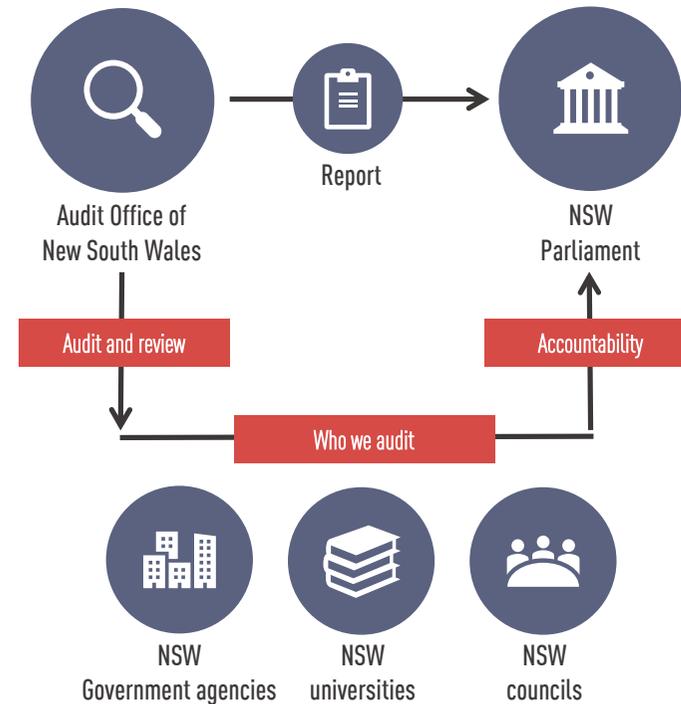
30 July 2021

Our role

WHAT WE DO

The Auditor-General reports to the New South Wales Parliament and is responsible for audits and related services. These audits aim to help hold government accountable for its use of public resources.

The Audit Office conducts financial and performance audits, principally under the *Government Sector Audit Act 1983* (GSA Act) and the *Local Government Act 1993* (LG Act) and examines allegations of serious and substantial waste of public money under the *Public Interest Disclosures Act 1994*. The Auditor-General can also be requested by the Treasurer, a minister or both Houses of Parliament to perform audit or audit-related services. These include audits of agencies' compliance with specific legislation, directions and regulations.



## Our role (cont.)

## FINANCIAL AUDITS

Our financial audits provide an objective and independent opinion on the financial statements of NSW Government agencies, NSW universities and their controlled entities, and NSW local councils.

Financial audits are a key part of effective public-sector governance and assess the adequacy of the financial reporting control frameworks of audited entities. The GSA Act also provides us with the mandate to report any waste and/or lack of probity or financial prudence in the management of public resources that we may identify during our audits.

Each year our financial audits also examine a small number of specific focus areas across the entities we audit. We look across the sectors we audit to identify common themes, issues or areas for improvement.

As well as our statutory financial audits, we perform other assurance audits and reviews, including providing assurance over Commonwealth grants and payments to the NSW Government and local councils under Commonwealth legislation.

For NSW Government agencies and universities, the results of each financial audit are reported to the head of the agency concerned, the responsible minister, the Treasurer, and the New South Wales Parliament.

For local councils, the results of each financial audit are reported to the local council concerned, the responsible minister, the Secretary of the Department of Planning, Industry and Environment, and the New South Wales Parliament.

Cluster and sector-wide reports are also provided to New South Wales Parliament.



## Our role (cont.)

## PERFORMANCE AUDITS

Our performance audits assess whether the activities of government entities are being carried out effectively, economically, efficiently and in compliance with relevant laws. Our mandate to conduct these audits is provided under the GSA Act and the LG Act. The Auditor-General can also be requested by the Treasurer, a minister or both Houses of Parliament to perform an audit or audit-related services.

Under the *Government Advertising Act 2011*, we are also required to conduct a performance audit of at least one government advertising campaign each year.

The activities examined by a performance audit may include a government program, project, or service, and can include all or part of an audited entity, or more than one entity. Performance audits can also consider issues which affect the whole state sector or local government sector.

For NSW Government agencies, the results of each performance audit are reported to the head of the agency concerned, the responsible minister, the Treasurer, and New South Wales Parliament.

For local councils, the results of each performance audit are reported to the local council concerned, the responsible minister, the Secretary of the Department of Planning, Industry and Environment, and Parliament.

Agencies and local councils have the opportunity to provide a formal response to each performance audit. This is included in the Auditor-General's Report to Parliament.

OTHER ASSURANCE  
REVIEWS

Each year we may select a topic for a compliance audit, which examines agency compliance with a specific area of legislation or policy.

We also review whether Members of the New South Wales Parliament complied with certain requirements outlined in the Parliamentary Remuneration Tribunal's Determination.



## Continued responses to emergencies in New South Wales

The COVID-19 pandemic continues to have a significant impact on the people and the public sector of New South Wales, and governments are continuing to assist communities in their recovery from the 2019–20 bushfires and subsequent flooding. The scale of government responses to these events has been significant and has required a wide-ranging response involving emergency response coordination, service delivery, governance and policy. Significant resources have been directed toward these responses, and in assisting rebuilding and economic recovery. Some systems and processes have changed to reflect the need for quick responses to immediate needs.

The increasing and changing risk environment presented by these events has meant that we have recalibrated and focused our efforts on providing assurance on how effectively aspects of these emergency responses have been delivered. This includes financial and governance risks arising from the scale and complexity of government responses to these events.

While these emergencies are having a significant impact today, they are also likely to continue to have an impact into the future. We will take a phased approach to ensuring that our work addresses the following elements of the emergencies and government responses:



## Continued responses to emergencies in New South Wales

### Financial audit focus areas in response to emergencies in New South Wales

Financial audits will have regard to the recent emergency events by considering:

- financial implications and trends for the public sector
- the delivery of new or expanded projects, programs, or services.

#### Financial implications

We will evaluate any financial implications stemming from these events, including:

- the impact on sector operating results
- the impact on the sector's overall financial position, with consideration of both revenue and expenditure impacts, the cost of new policy measures to respond to these events and funding to pay for new programs.

#### Stimulus funding and new programs

Some entities implemented significant programs aimed at responding to emergency events. We will review whether the entity has put in place processes to manage the changed and/or increased risks associated with these programs, such as:

- maintaining appropriate controls, including segregation of duties, and conflicts of interest declarations, within processes
- articulating clear responsibilities and lines of communication
- reporting progress and obstacles to the leadership/management team
- assigning accountability for the delivery of these programs/contracts.

## Continued responses to emergencies in New South Wales

### Performance audit focus areas in response to emergencies in New South Wales

We will focus our program of performance audits on government responses to the bushfire and flood emergency and COVID-19 to:

- deliver audits that address emergency planning, preparedness and responses, and
- include insights into how these emergencies have impacted other areas of public sector governance and service delivery through our broader program of work.

We will also be attentive to public sector governance arising from the emergencies, including risks relating to rapid service delivery, changes in governance, conflicts of interest, communication and transparency to the public, and record keeping.

Our planned performance audits addressing government responses to emergencies are set out below.

#### COVID intensive learning support program (Education)

This \$337 million program will employ up to an additional 5,500 staff to deliver small group teaching sessions across the State during 2021. The program aims to support students who were disadvantaged by school closures due to COVID-19. An audit in this area will focus on the justification for the program as well as planning and implementation. It could also consider whether the Department of Education has put in place arrangements to evaluate the impact of the program, which may take several years to be fully evident.

#### Bushfire recovery grants (Regional NSW)

In response to the 2019–20 bushfires, The Bushfire Local Economic Recovery (BLER) Package was established as part of the \$4.4 billion bushfire support program co-funded by the Commonwealth and the NSW Government for bushfire recovery, response and preparedness in New South Wales. BLER funding is intended to support job retention and creation in bushfire impacted regions, strengthen community resilience and reduce the impact of future natural disasters. An audit in this area will consider whether applications are being assessed and funds are being distributed in accordance with program objectives and guidelines. The audit could also look at the efficiency of grants administration and whether funds have been distributed and received in a timely manner.

## Continued responses to emergencies in New South Wales

### Virtual health care (Health)

Virtual health care, also known as telehealth, safely connects patients with health professionals to deliver care when and where it is needed. It complements face-to-face care. The COVID-19 Recovery Plan details a range of NSW Government recovery responses including a planned focus for NSW Health that involves a further rollout of digitisation and virtual services across the state. Virtual health care services received a major boost during the 2020 COVID-19 pandemic. Patients and clinicians embraced the service with a 700 per cent increase in February to May 2020 compared with the same period in 2019. This audit may examine the use of virtual care services, where clinically appropriate, and NSW Health's focus on sustainably embedding the virtual care model.

### Rural Fire Service preparedness and capability (Stronger Communities)

The NSW Rural Fire Service (RFS) is responsible for the prevention, mitigation and suppression of fires in rural fire districts. It is the lead combat agency for bush and grass fires in New South Wales. Following the 2019–20 bushfire season, the NSW Government allocated funding of \$700 million for the RFS. The NSW Bushfire Inquiry into the 2019–20 bushfire season recommended improvements to RFS's technology, data collection and analysis, communication infrastructure, equipment, fleet, and aviation assets and support to personnel. This audit may examine the effectiveness of RFS preparedness and capability to respond to bushfires.

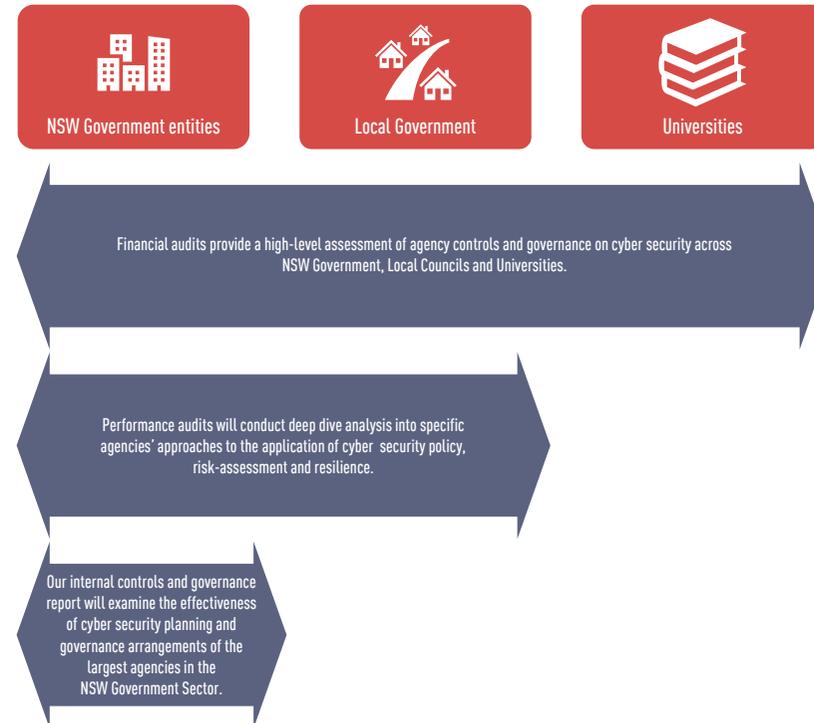
## Our approach to assessing the effectiveness of cyber security

Cyber security continues to be an area of focus for the work of the Audit Office. The increasing global interconnectivity between computer networks has dramatically increased the risk of cyber security incidents. Such incidents can harm government service delivery and may include the theft of information, denial of access to critical technology, or even the hijacking of systems for profit or malicious intent. These outcomes can also harm trust in government.

More broadly, outdated IT systems and capability present risks to government cyber security. Agencies need to be alert to the need to update and replace legacy systems, and regularly train and up-skill staff in their use. To add to this, cyber security risks have been exacerbated by recent emergencies, which have resulted in greater and more diverse use of digital technology.

The Audit Office's approach to auditing cyber security across state entities, local councils and universities involves:

- considering how agencies are responding to the risks associated with cyber security across our financial audits across the NSW public sector
- examining the effectiveness of cyber security planning and governance arrangements for large NSW state government agencies for our Internal Controls and Governance report
- conducting deep-dive performance audits of the effectiveness of specific agency activities in preparing for, and responding to cyber security risks.



## Our approach to assessing the effectiveness of cyber security (cont.)

### Financial audit

A significant number of remotely connected employees for an extended period may strain an entity's IT infrastructure and control environment. It is important to ensure network connections and controls are secure to mitigate the data protection risk associated with communicating through mobile applications. Where relevant, we will:

- assess whether security settings for remote connections and secure individual access mechanisms are in place and operating effectively
- determine the adequacy of network capabilities
- consider how agencies monitor the access of unauthorised computers to their network
- review the data back-up policy and the frequency and adequacy of back-up practices.

Our Internal Controls and Governance report will bring together the findings and recommendations from our 2020–21 financial audits that relate to the internal controls and governance of the largest NSW State Government agencies. Specific to cyber security, in 2021–22, this report will cover cyber security planning and governance arrangements in the largest agencies in the NSW Government sector.

### Performance audits

Cyber Security NSW first released the NSW Cyber Security Policy in 2019 following the Audit Office's sector-wide performance audit 'Detecting and responding to cyber security incidents'. In this program, we will focus on agency-specific performance audits that reference key policy frameworks and examine how effectively government entities are applying these to ensure effective preparation for, and responses to, cyber security risks. Our planned cyber security performance audits for the next three years include:

#### Managing information security risks in NSW Health

NSW Health, primarily through Local Health Districts, manages large volumes of information – including information stemming from patient care. Clinicians in busy hospital environments require timely access to data and systems to effectively treat patients. Increased accessibility may in turn increase the risk of poor data and system security practices. Recent experience in other jurisdictions has also demonstrated that operational assets that are controlled using technology may be targeted for cyber-attacks. All NSW Health organisations must comply with the NSW Government's Cyber Security Policy, as well as with NSW Health's own policy directive on electronic information security. This audit could assess how effectively NSW Health, particularly Local Health Districts and eHealth NSW, is ensuring the security of electronic information and systems used for patient care.

## Our approach to assessing the effectiveness of cyber security (cont.)

### Cyber Security NSW

Established in May 2019, Cyber Security NSW aims to build stronger cyber resilience across the whole of government by providing an integrated approach to preventing and responding to cyber security threats. The audit could examine the effectiveness and efficiency of Cyber Security NSW in safeguarding information, assets and services through its stated mandate.

### Security of student information

Schools collect and maintain detailed student data, including sensitive personal information. Schools can also require or encourage students to use third party software applications for learning and other school related activities. This audit will examine how effectively schools ensure student data is secure – both within their own systems and when provided to third parties.

### Cyber security in local councils

The increasing global interconnectivity between computer networks has dramatically increased the risk of cyber security incidents. Such incidents can harm local government service delivery and may include the theft of information, denial of access to critical technology, or even the hijacking of systems for profit or malicious intent. This audit will consider how well selected councils ensure they have effective cyber security measures in place.

## Our plan for 2021–22

### FINANCIAL AUDIT

We will carry out around 500 statutory financial audits of NSW Government agencies, NSW universities and NSW local government councils' financial statements, issuing over 1,050 assurance opinions. We will comment on the results of these audits and our examination of cluster specific and across-the-board focus areas in the Auditor-General's Reports to Parliament, detailed below.

#### Financial Audit Auditor-General's Reports to Parliament

##### Report on State Finances

This report will focus on the State's 2020–21 consolidated financial statements. It will comment on the key matters that have been the focus of our audit and highlight significant factors that have contributed to the State's financial results.

##### Internal Controls and Governance

This report will bring together the findings and recommendations from our 2020–21 financial audits that relate to the internal controls and governance of the largest NSW Government agencies. In 2021–22, this report will cover:

- Internal control trends
- Information technology controls
- Cyber security planning and governance arrangements
- Masterfile management
- Managing conflicts of interests
- Tracking and monitoring of the implementation of recommendations from performance audits and public inquiries.

##### Local government

This report will bring together findings and recommendations from our 2020–21 financial audits of local councils and will comment on financial reporting and performance, internal controls and governance, and areas of interest that are in focus during the conduct of our audits.

##### Universities

This report will analyse the results of the financial statement audits of the ten NSW universities and their controlled entities for the year ended 31 December 2021. It will comment on financial reporting and performance, internal controls and governance, and areas of interest that are in focus during the conduct of our audits.

##### Thematic reports: COVID-19 Response, Recovery and Impact

A series of reports will have regard to COVID-19 by considering the financial implications and trends at the State sector level, and the delivery of new or expanded projects, programs, or services.

## Our plan for 2021–22 (cont.)

### Financial Audit Auditor-General's Reports to Parliament

#### Nine State sector cluster reports

Our cluster-based reports will analyse the results of the 2020–21 financial statement audits of NSW Government agencies and comment on the quality and timeliness of financial statements, key accounting issues, and high risk observations from our audits. In 2020–21, our cluster reports will cover:

- Treasury
- Premier and Cabinet
- Customer Service
- Education
- Health
- Planning, Industry and Environment
- Regional NSW
- Stronger Communities
- Transport.

#### Members Entitlements

This report will analyse whether Members of NSW Parliament complied with certain requirements outlined in the Parliamentary Remuneration Tribunal's Determination.

## Our plan for 2021–22 (cont.)

### PERFORMANCE AUDIT

We plan to commence the following performance audits in 2021–22. Updates on audits already underway can be found on the [Audit Office Website](#). Our detailed three-year forward plan follows.

#### Whole-of-government/multi-agency

- Land and property: the effectiveness of strategic property portfolio management, and the integrity of processes and outcomes for property acquisitions and disposals
- Performance audit insights: Key findings from 2018–2021

#### Premier and Cabinet

- Managing heritage assets

#### Treasury

- Transport Asset Holding Entity (TAHE) (also in Transport)

#### Customer Service

- Building regulation—responding to combustible external cladding
- Government advertising

#### Transport

- Transport Asset Holding Entity (TAHE) (also in Treasury)
- Use of data in transport
- Unsolicited proposal for the Martin Place metro station

#### Education

- COVID intensive learning support program
- Student attendance

#### Health

- Managing information security risks in NSW Health
- Ambulance demand management
- Virtual health care

#### Stronger Communities

- NSW Trustee and Guardian
- Rural Fire Service preparedness and capability

#### Planning, Industry and Environment

- ePlanning portal
- Effectiveness of local government regulation and support
- Biodiversity offsets

#### Regional NSW

- Grants administration for disaster relief: bushfire recovery grants (also including Resilience NSW)

#### Local Government

- Effectiveness of financial management and governance in selected council(s)
- Development assessment process in local councils: assessment stage

Other topics we may commence in 2021–22 with available capacity include:

- Jobs for NSW (Premier and Cabinet)
- Outcome budgeting (NSW Treasury and selected agencies to be determined)
- NSW Telco Authority's Critical Communications Enhancement Program (Customer Service)
- Cyber Security NSW (Customer Service)
- Effectiveness of the land titles registry (Customer Service)
- Road safety (Transport for NSW)
- Coastal management (also in selected local councils)
- Special activation precincts (Regional NSW)
- Access to Legal Aid and community legal services (Stronger Communities)
- Road asset maintenance (Local Government)
- Investment in regional development

# Three-year performance audit program by cluster

## Whole-of-government/multi-agency - Performance audit

In addition to our planned cluster-specific performance audits, we plan to conduct the following multiagency performance audits. The specific agencies selected for inclusion in these audits will be identified during the preliminary scoping phase.



### PLANNED AUDITS TO 2021-22

Topic focus area	Brief overview
<p>Land and property: the effectiveness of strategic property portfolio management, and the integrity of processes and outcomes for property acquisitions and disposals</p>	<p>The NSW Government owns and manages a significant amount of land, and is acquiring more in support of its infrastructure objectives. The NSW Government also regularly disposes of property assets that are no longer required or suitable for their original purpose. Property transactions undertaken by the NSW Government can involve compulsory acquisitions, expressions of interest in the open property market, and direct negotiations. The outcomes of these processes can have significant impacts on the community. They can also involve the exchange of significant sums of public money, and need to be managed within a robust strategic framework to reduce waste, promote transparency and accountability, and ensure the best use of public resources. This performance audit topic has a number of components that may be addressed in a series. Over the course of this work, we will consider significant property transactions, as well as the management and oversight of the Government's property portfolio, and the governance of entities that manage these processes, including Crown Lands, Landcom and Property &amp; Development NSW (within the Department of Industry, Planning and Environment Cluster).</p>
<p>Performance audit insights: Key findings from 2018-2021</p>	<p>This report will analyse the key findings and recommendations from performance audits tabled in the New South Wales Parliament between July 2018 and June 2021, spanning varied areas of government activity. The report will present common findings and lessons from the past three years of performance audits with particular focus on issues relating to the integrity and transparency of decision making and processes, as well as the fundamentals of good governance such as probity controls and record keeping. We will also use this report to help determine areas of unaddressed risk across all parts of government, and to shape our future audit priorities.</p>

## Premier and Cabinet

The Premier and Cabinet cluster supports the Premier and the Cabinet to deliver the NSW Government's objectives. The cluster coordinates policy implementation and reform across government, manages the passage of significant legislation, supports the delivery of major projects and events, and leads intergovernmental relations. The cluster includes Aboriginal Affairs, arts and heritage functions.



### PLANNED AUDITS TO 2021-22

Topic focus area	Brief overview
Managing heritage assets	The NSW Government owns and manages a range of significant heritage assets across a number of government agencies. These assets include historic buildings, gardens, artefacts and Aboriginal places with heritage significance. This audit will consider whether these significant cultural assets and sites are being managed effectively and to the benefit of the community. This audit may examine how well the department oversees heritage asset management and the management and maintenance practices of a selection of agencies' portfolio of properties, relics and precincts. This audit may focus on assets in regional NSW, or Aboriginal cultural assets.
Jobs for NSW	Jobs for NSW is a statutory body established pursuant to the <i>Jobs for NSW Act 2015</i> . The intention was to utilise high level private sector business experience to drive the creation of new jobs, attract new businesses and facilitate economic development in NSW, through the provision of strategically targeted incentives from the \$190 million Jobs for NSW Fund. A target of 150,000 new jobs in the four years to 2020 was announced by the NSW Government. This audit will consider the effectiveness and efficiency of Jobs for NSW (and the Jobs for NSW Fund) in fulfilling its objectives.

## Premier and Cabinet (cont.)

## PLANNED AUDITS 2022–23 TO 2023–24

Topic focus area	Brief overview
Council amalgamations	<p>For the council amalgamations that took place in 2016, the NSW Government projected benefits would be realised over a 20-year period. The 2015 IPART Fit for the Future report found that reducing waste and red tape through local government mergers in metropolitan Sydney could free up to \$2.0 billion over 20 years for NSW ratepayers, which could stabilise council rates and fund new infrastructure for communities. It also quantified benefits available by merging selected regional councils.</p> <p>This audit will assess whether the NSW Government effectively planned for the amalgamations process, including whether advice supporting the decision to implement amalgamations was based on robust analysis and enabled an assessment of progress in achieving clearly-defined, long-term benefits.</p>
International engagement – trade and investment	<p>Investment NSW, a new NSW Government agency, was established in March 2021 with the 'mission' of enhancing the state's global position as a safe place to do business, attracting investment capital, and creating jobs. It brings together a number of groups from across government: Invest NSW, Global NSW, Destination NSW, Study NSW, Research and Development NSW, Office of the Chief Scientist &amp; Engineer, and the Waratah Research Network from the Department of Education, as well as visas and migration, the COVID-19 recovery plan, 24-hour economy, exports from NSW and support for business. It aims to be a one-stop-shop for the private sector — intended to attract and grow Australian and global companies, overseas capital, talent, tourists and international students. This audit could assess the economic development framework being used by Investment NSW to underpin its functions, as well as the effectiveness and efficiency of the incentives structure it uses to create new jobs and support small business and its approach to managing potential conflicts of interest and competitive neutrality issues.</p>

## Treasury

The Treasury cluster is the NSW Government's principal financial and economic adviser. Its role is to drive economic strategy and oversee governance of the State's finances. The cluster comprises several entities, including Treasury Corporation (TCorp), icare (Insurance and Care NSW), SAS Trustee Corporation, Ports of Newcastle, Port Botany and Port Kembla Lessor Companies, and Restart NSW Fund, that reports large expenditures in relation to whole-of-state assets and liabilities.



### PLANNED AUDITS TO 2021-22

Topic focus area	Brief overview
Transport Asset Holding Entity (Treasury and Transport agencies)	Established 1 July 2020, Transport Asset Holding Entity (TAHE) is a statutory state-owned corporation that holds rail property assets, rolling stock and rail infrastructure in the Sydney metropolitan area and limited country location. TAHE makes these assets available to Sydney Trains and NSW Trains for their operations. It also provides rail infrastructure to other operators under the terms of track access agreements. This audit will examine whether TAHE's operating model is fit-for-purpose to effectively and efficiently achieve the outcomes intended by government, particularly in relation to rail safety, and the extent to which key milestones have been achieved in the transition from RailCorp to TAHE and post-July 2020.
Outcome budgeting (Treasury and selected agencies)	Outcome budgeting was announced in the 2017-18 Budget as a reform that aimed to deliver better outcomes for the people of NSW through increased transparency, accountability, and value for money. The reform has been rolled out over several years, with an initial focus on creating a framework, developing performance measures, and piloting the reforms with selected agencies. NSW Treasury is working with agencies to implement the initiative. This audit will examine how effectively NSW Treasury has overseen the implementation of outcome budgeting to ensure that the reform's policy goals are achieved.

## Customer Service

The Department of Customer Service cluster is a service provider, regulator, and central agency of government. It brings together a range of transactional services; digital, data and design; and regulatory and compliance activities covering both citizens and businesses across NSW. The role includes Cyber Security, as well as the use of data and behavioural insights to drive customer service improvements.



### PLANNED AUDITS TO 2021-22

Topic focus area	Brief overview
Building regulation – responding to combustible external cladding	<p>Following fires at the Lacrosse Building in Melbourne in 2014 and the Grenfell Tower in London in 2017, the NSW Government began implementing a coordinated, whole-of-government policy response to the fire safety risks posed by combustible external cladding. An inter-agency NSW Cladding Taskforce, led by the Department of Customer Service, was established to implement the Government's ten-point fire safety reform plan. This audit may examine how effectively the Department of Customer Service, Department of Planning and Environment, Fire and Rescue NSW, and local councils are implementing the NSW Government's fire safety reforms, including to:</p> <ul style="list-style-type: none"> <li>• identify and remediate existing risks from the use of external cladding</li> <li>• prevent the future use of unsafe external cladding.</li> </ul>
Government advertising	<p>Under the <i>NSW Government Advertising Act 2011</i>, the Auditor-General is required to undertake a performance audit on government advertising activities undertaken by agencies in each financial year. This audit will examine selected government advertising campaigns approved and/or conducted in 2020-21.</p>
NSW Telco Authority's Critical Communications Enhancement Program	<p>This audit will examine how efficiently and effectively the NSW Telco Authority is leading the improvement of emergency and day-to-day operational communications for NSW Government agencies through the CCEP, with particular reference to the five Emergency Service Organisations (NSW Police Force, NSW Ambulance, Fire and Rescue NSW, NSW Rural Fire Service and the NSW State Emergency Service). It will assess the extent to which the program's progress and achievements to date have addressed the most significant risk faced by these organisations.</p>

## Customer Service (cont.)

## PLANNED AUDITS TO 2021-22

Topic focus area	Brief overview
Cyber Security NSW	Established in May 2019, Cyber Security NSW aims to build stronger cyber resilience across the whole-of-government by providing an integrated approach to preventing and responding to cyber security threats. The audit could examine the effectiveness and efficiency of Cyber Security NSW in safeguarding information, assets and services through its stated mandate.
Effectiveness of the land titles registry	Australian Registry Investments (trading as NSW Land Registry Services) was granted the right to operate the titling and registry operations of New South Wales in April 2017, under a 35-year concession which commenced on 1 July 2017. The NSW Government continues to guarantee title under the Torrens Assurance Fund (TAF). The Office of the Registrar General regulates NSW LRS as the operator of the NSW land titles registry under a regulator operator model. This audit could examine how effectively the Registrar General monitors NSW LRS's operation of the land titles registry in respect of defined service levels, KPIs and the integrity and security of the data in the register.

## Customer Service (cont.)

## PLANNED AUDITS 2022-23 TO 2023-24

Topic focus area	Brief overview
Building regulation – regulating to prevent building defects	<p>In response to high-profile examples of building defects, the NSW Government responded to heightened community concerns through a range of building regulation reforms. The reforms include the <i>Design and Building Practitioners Act 2020</i> and the <i>Residential Apartment Buildings (Compliance and Enforcement Powers) Act 2020</i>. The reforms have or will come into force progressively from mid-2020 through to July 2021. This regulatory reform will make a range of changes to building regulation, including:</p> <ul style="list-style-type: none"> <li>• greater consumer protections for owners' corporations, including a retrospective ten-year statutory duty owed to them by builders and developers to exercise reasonable care to avoid defects</li> <li>• requirements for designers, builders, professional engineers, and others carrying out specialist work to be registered as practitioners with the Department of Customer Service (the Department)</li> <li>• stronger investigation and enforcement powers for the Department and the newly established Building Commissioner, including to take disciplinary action against registered practitioners, issue 'stop work' orders, and require written undertakings from developers to remediate defective work.</li> </ul> <p>This audit may examine how effectively the department, including the Office of the Building Commissioner, has implemented these reforms to meet the intent of the legislation, and in a manner consistent with good regulatory practice.</p>
Digital Restart Fund	<p>NSW Government agencies rely on information and communications technology (ICT) to assist in delivering services. In NSW, more than 40 million transactions are performed by the government for customers each year. Consumers and businesses expect continuous service improvements from government in the same way they do from any service provider. The NSW Government aims to use technology and data to better integrate government services and massively improve the quality and level of services available. The Digital Restart Fund (the fund) was established in 2019 to accelerate whole-of-government digital transformation and enable iterative, multi-disciplinary approaches to digital/ICT planning, development and service provision and complements existing ICT investment approaches. In 2020, there was \$1.6 billion available in the fund. This audit would assess the governance and administration arrangements for the fund and whether it will achieve its objectives.</p>
Revenue NSW Hardship Policy	<p>The intention of this policy is to assist people that have a debt with Revenue NSW and are experiencing economic hardship, including those affected by natural disasters and COVID-19. The policy also applies to people experiencing homeless, or who are considered vulnerable due to mental illness, an intellectual disability or cognitive impairment, domestic violence, or substance misuse. This audit will consider effectiveness the policy in meeting its objectives and efficiency in the administration of this policy.</p>

## Transport

The Transport cluster plans and delivers infrastructure and integrated services across all modes of transport, including road, rail, bus, ferry, light rail, cycling. The cluster aims to contribute to economic growth in New South Wales by delivering integrated services, managing assets, and improving the transport system to enable the safe, efficient and reliable movement of people and goods.



### PLANNED AUDITS TO 2021-22

Topic focus area	Brief overview
Transport Asset Holding Entity (Transport and Treasury)	Established 1 July 2020, Transport Asset Holding Entity (TAHE) is a statutory state-owned corporation that holds rail property assets, rolling stock and rail infrastructure in the Sydney metropolitan area and limited country location. Transport Asset Entity (TAHE) makes these assets available to Sydney Trains and NSW Trains for their operations. It also provides rail infrastructure to other operators under the terms of track access agreements. This audit will examine whether TAHE's operating model is fit-for-purpose to effectively and efficiently achieve the outcomes intended by government, particularly in relation to rail safety, and the extent to which key milestones have been achieved in the transition from RailCorp to TAHE and post-July 2020.
Use of data in transport	Planners and managers in NSW's transport system rely on accurate data to ensure the system runs effectively and to the satisfaction of its customers. Good data is also important to citizens as it helps to drive accountability and transparency. Reliable data are also needed to ensure that future transport needs are identified, to ensure that infrastructure and service planning can take place. This audit may examine how effectively and efficiently Transport for NSW collects, analyses and uses relevant data for its operations and/or future transport modelling (for example: estimate and predict travel demand, identify opportunities for innovation and service improvement, quantify service reliability, inform infrastructure planning, and evaluate the effectiveness and efficiency of all modes of transport across NSW).
Unsolicited proposal for the Martin Place metro station	Sydney Metro is Australia's biggest public transport project. From the north-west, metro rail is being extended under Sydney Harbour, through new underground city stations and beyond to the south-west. This audit may consider whether: <ul style="list-style-type: none"> <li>the unsolicited proposal was effectively assessed, planned and managed (including benefits realisation)</li> <li>any land acquisitions relating to the project were managed effectively.</li> </ul>
Road safety	In 2021, the NSW Government set a state priority target to reduce road fatalities by 30 per cent by 2021 (from 2008 to 2010 levels) and launched a new road safety plan 'Toward Zero'. The plan features targeted initiatives intended to meet road safety goals, by addressing key trends, trauma risks and the types of crashes occurring on NSW roads. This audit may examine progress to date and review the effectiveness of the design and implementation of select initiatives.

## Transport (cont.)

## PLANNED AUDITS 2022–23 TO 2023–24

Topic focus area	Brief overview
The DRIVES system	<p>The Driver and Vehicle IT System (DRIVES) is the central system for motor vehicle registration and driver licensing in NSW, including collecting associated revenue and recording driving infringements. The DRIVES has increasing data processing needs and has a widespread impact on various agencies.</p> <p>This audit may examine how DRIVES data is managed and used, including the management and security of sensitive information.</p>
Privatisation of services	<p>In New South Wales, Transport for NSW (TfNSW) contracts private companies to operate some public transport services. This performance audit will consider Transport for NSW's approach to the privatisation of bus services. It may assess whether the goals of privatisation were well defined and whether benefits were realised.</p>
Natural disaster preparedness and responses	<p>Many agencies, including those in the Transport cluster, have funding allocated to respond to natural disasters. This can include events such as bushfires and severe weather conditions (such as flooding or storms) that can impact directly on transport infrastructure as well as affecting local communities and the economy. This audit will consider how effectively TfNSW applies this funding to prepare for, respond to, and recover from natural disaster events.</p>
Transport's environmental focus	<p>The former Roads and Maritime Services released an Environmental Sustainability Strategy 2019–2023 (the strategy), which outlined focus areas to address the most important environmental and sustainability issues associated with its activities. It also identifies how targets and measures for each focus area. This audit may consider how effectively and efficiently Transport for NSW is achieving the objectives of the strategy and identify lessons learned for other government agencies who are developing similar strategies.</p>

## Education

The Education cluster delivers and regulates education and training services for NSW students, workers and industry. This includes the early childhood education and care sector, government and non-government schools, and the vocational education and training sector.



## PLANNED AUDITS TO 2021-22

Topic focus area	Brief overview
COVID Intensive learning support program	This \$337 million program will employ up to an additional 5,500 staff to deliver small group teaching sessions across the State during 2021. The program aims to support students who were disadvantaged by school closures due to COVID-19. An audit in this area will focus on the justification for the program as well as planning and implementation. It could also consider whether the Department of Education has put in place arrangements to evaluate the impact of the program, which may take several years to be fully evident.
Student attendance	Poor attendance at school is related to poor student outcomes, particularly once patterns of non-attendance have been established. It is important that schools have reliable procedures and systems that record student attendance accurately to enable schools to identify whether any interventions or additional support is required. Poor attendance is a particular issue for Aboriginal students, where there is a gap in attendance of five percentage points in primary school which increases to 15 percentage points by year ten. An audit in this area could consider whether the Department has comprehensive information on student information and uses this information to inform effective strategies that address the needs of high-risk groups.

## Education (cont.)

## PLANNED AUDITS 2022–23 TO 2023–24

Topic focus area	Brief overview
Security of student information	Schools collect and maintain detailed student data, including sensitive personal information. Schools can also require or encourage students to use third party software applications for learning and other school related activities. This audit will examine how effectively schools ensure student data is secure – both within their own systems and when provided to third parties.
Student behaviour management	Around four per cent of public school students received a short-term-suspension in 2019. Aboriginal students and students with a disability or other complex needs are over-represented in these data. The NSW Ombudsman found gaps in the approach to behaviour management in a 2017 report. Since then, the department released a new Student Behaviour Strategy (the strategy) in March 2021. Our performance audit on this issue will consider the Department's progress since the Ombudsman's report and whether the new strategy is meeting its intended objectives.
Teacher and principal wellbeing	According to the 2020 People Matter Employee Survey, only 44 per cent of teachers agreed they were able to keep their work stress at an acceptable level. This performance audit will explore how effectively the department is ensuring the wellbeing of teachers and principals. The audit may look at issues such as bullying, support to respond to challenging student behaviour, workplace compensation claims, absenteeism, and management of complaints.
Literacy and numeracy in NSW schools	The Literacy and Numeracy Strategy 2017–2020 (the strategy) was a four-year plan to support the quality teaching of literacy and numeracy across NSW schools. Targeted strategies included early years intervention, guidance on explicit teaching and diagnostic assessments, more support in secondary schools, additional training for teacher education students, and evaluation to focus effort on what works. An audit in this area could consider whether the key elements in the strategy were implemented well, and whether the strategy was successful in improving education outcomes in the targeted areas.
Planning for curriculum change	In June 2020, the NSW Government released a comprehensive review of the school curriculum. The review recommended a new curriculum be introduced from Kindergarten to Year 12. Given the extent of recommended changes, the review stated that 'the new curriculum arrangements will need to be phased in over an extended period of time, and teachers will need to be provided with professional development and support'. The NSW Government has set an ambitious reform timeline, with the new curriculum to be implemented by 2024. This audit may examine how the NSW Education Standards Authority and the Department of Education are co-ordinating planning to successfully implement changes to the school curriculum.
Vocational education and training in schools	Vocational education and training (VET) courses can help students prepare for further education, training or employment. Students in NSW have the option of studying VET courses at school or through TAFE NSW or other training providers. The number of VET in school students in NSW fell from around 54,100 to 46,900 between 2015 and 2019. The NSW Curriculum Review report (2020) raised concerns about the cost, complexity and variable quality of VET in schools. This audit could examine whether students can access the courses they want, and the support and oversight of quality provided by the department.

## Education (cont.)

## PLANNED AUDITS 2022–23 TO 2023–24

Topic focus area	Brief overview
Supporting successful transitions between school and work	After leaving school, young people are particularly vulnerable in the labour market. In January 2021, the New South Wales youth unemployment rate (13 per cent) was twice that of the working age population (six per cent). In some regions of New South Wales, the youth unemployment rate is over 20 per cent. In 2014, the New South Wales Public Accounts Committee recommended the department evaluate the quality and appropriateness of career advice provided in schools to support successful transitions to work. An audit could examine whether the availability and quality of career advice has improved since that time.
Supporting students in remote areas	In terms of aggregated results, students in rural and remote areas of New South Wales underperform on major educational indicators when compared to students in metropolitan locations. Students in rural and remote areas also have lower attendance rates and engagement and are less likely to transition to further study. This audit will consider the effectiveness of the Department of Education's (the department) initiatives to reduce the gap in educational outcomes between rural and remote students and metropolitan students.
Supporting students with a disability	We last reported on this topic in 2016, which was followed by a NSW Parliamentary Inquiry in 2017. Both reports found significant shortcomings and recommended broad changes to the department. In response, the department launched a new disability strategy in 2019. An audit in this area could examine how well the department has implemented the 2019 Disability Strategy and whether it has addressed the findings made in the 2016 and 2017 reports.
Early childhood education	Children who participate in a quality early childhood education program are more likely to arrive at school equipped with the social, cognitive and emotional skills they need to engage in learning. We last reported on this topic in 2016 and recommended the department improve targeting of funding and efficiency of regulation. An audit in this area could examine how well the department supports universal access to quality early childhood education services. This could focus on regulatory oversight and grants administration.
Before and after school care	Before and after school care (BASC) services operate in more than 800 public schools in New South Wales as well as another 930 offsite locations. In April 2019, the NSW Government announced \$120 million to expand access to and reduce the cost of BASC. This funding includes \$50.0 million for new equipment and facility expansions and \$40.0 million for rental subsidies to service providers who can demonstrate savings have been passed on to families. This audit will consider how effectively the department has administered the BASC funding program to meet the government's objectives.

## Health

The Health cluster works to protect, maintain and improve the health and wellbeing of residents in New South Wales. It is also currently overseeing a significant investment in new capital works and renewal. The Health cluster takes in the Ministry of Health, as well as Local Health Districts and Speciality Networks, the 'Pillar' agencies, state-wide health services – such as Ambulance – and shared services.



## PLANNED AUDITS TO 2021–22

Topic focus area	Brief overview
Managing information security risks in NSW Health	NSW Health, primarily through Local Health Districts, manages large volumes of patient information. Clinicians in busy hospital environments require timely access to data and systems to effectively treat patients. Increased accessibility may in turn increase the risk of poor data and system security practices. Recent experience in other jurisdictions has also demonstrated that operational assets that are controlled using technology may be targeted for cyber attacks. All NSW Health organisations must comply with the NSW Government's Cyber Security Policy, as well as with NSW Health's own policy directive on electronic information security. This audit could assess how effectively NSW Health, particularly Local Health Districts and eHealth NSW, is ensuring the security of electronic information and systems used for patient care.
Ambulance demand management	New South Wales has experienced periods of high demand for ambulance services in metropolitan areas and ambulance services have needed to meet surges in demand. New South Wales has implemented strategies to manage its emergency responses, including the Sydney Ambulance Metropolitan Infrastructure Strategy that aims to reshape operations in metropolitan Sydney, transforming the majority of the 43 ambulance stations in the area into a network of NSW Ambulance superstations. This \$184 million program has created ambulance hubs that are supported by smaller, standby stations called Paramedic Response Points. This audit could assess impacts of this and other strategies in meeting demand for ambulance services and improving ambulance response times.
Virtual health care	Virtual health care, also known as telehealth, safely connects patients with health professionals to deliver care when and where it is needed. It complements face-to-face care. The COVID-19 Recovery Plan details a range of NSW Government recovery responses including a planned focus for NSW Health that involves a further rollout of digitization and virtual services across the state. Virtual health care services received a major boost during the 2020 COVID-19 pandemic. Patients and clinicians embraced the service with a 700 per cent increase in February to May 2020 compared with the same period in 2019. This audit may examine the use of virtual care services, where clinically appropriate, and NSW Health's focus on sustainably embedding the virtual care model.

## Health (cont.)

## PLANNED AUDITS 2022-23 TO 2023-24

Topic focus area	Brief overview
Access to specialist paediatric services	In the early stages of life, the health and wellbeing of children is monitored by clinicians at child and family health care centres or by GPs. If a clinician suspects that a child needs further assessment for a health condition, they will make a referral to a specialist paediatric service. Extended wait times for publicly funded specialist services can delay access to assessments, treatments and to NDIS funded support. This audit may assess the availability of specialist paediatric services and wait times for services across metropolitan, regional and rural areas.
Health workforce planning	Workforce planning has the potential to influence the effectiveness of the entire New South Wales hospital system. Governments are responsible to ensure the availability of a capable and qualified nurse and medical workforce to staff NSW Health's public hospitals. There are challenges across the country in sourcing staff with some clinical specialties. This is particularly acute in regional and rural areas. NSW Health needs assurance that nurse and medical staff are sufficient in numbers and appropriately qualified to service the current and future requirements. This audit may assess the effectiveness of workforce planning to supply sufficient health staff, with a particular focus on regional, rural and remote areas.
Value-based health care	In New South Wales, value-based healthcare aims to deliver care that improves health outcomes that matter to patients, experiences of receiving care, experiences of providing care and the effectiveness and efficiency of care. NSW Health is progressively implementing value-based healthcare by piloting, scaling and embedding state-wide priority programs and developing a range of system wide enablers including the Leading Better Value Care, Integrated Care and Commissioning for Better Value programs. This audit could assess how effectively NSW Health are implementing value-based healthcare.
Community-based mental health care	Increasing numbers of people are presenting at hospital emergency departments requiring treatment during an acute mental health episode. Over the past ten years, a higher volume of mental health presentations has increased stress on hospital emergency department personnel and resources. NSW Health has a range of community mental health services and programs, including the statewide Community Living Supports program to support people to live with mental illness in the community. This audit could consider NSW Health's actions to enhance community-based mental health care through coordination and integration of community care with other services and non-government providers, as well as actions to enhance telehealth and community mental health workforce planning.

## Health (cont.)

## PLANNED AUDITS 2022-23 TO 2023-24

Topic focus area	Brief overview
NSW Immunisation Program	The NSW Immunisation Program provides the community of New South Wales with protection against a range of preventable diseases. With the roll out of the Commonwealth COVID vaccination program, there is potential to assess the role of NSW Health in contributing to the COVID vaccination program, as well as NSW Health's actions to maintain its ongoing vaccination programs. This audit could consider NSW Health's actions to cooperate with the Commonwealth and primary health agencies in COVID vaccinations, as well as its actions to implement the NSW vaccine programs and maintain health information and vaccine promotion activities.
Health e-Net and e-MR projects	Health e-Net aims to connect disjointed information systems across a range of health agencies, providing clinicians with secure and immediate access to patient medical histories. Health e-Net includes the Health e-Net Clinical Portal; My Health Record; and Secure Messaging to GPs. The aim of the program is to improve communication between hospitals, community and private healthcare organisations by sharing patient information electronically. This audit could assess the effectiveness of the implementation of the range of e-record systems across Local Health Districts and Specialty Health Networks.

## Stronger Communities

The Stronger Communities cluster delivers community services to support a safe and just New South Wales. It aims to support safer and stronger communities by protecting children and families, promoting public safety, breaking the cycle of reoffending, and promoting physical activity and participation in organised sport, recreation and events. The police, courts, correctives, child protection and emergency services help keep citizens safe. Rule of law, affordable housing, assistance for people with disability and initiatives to reduce domestic and family violence, all help to build strong and supportive communities across New South Wales.



### PLANNED AUDITS TO 2021–2022

Topic focus area	Brief overview
NSW Trustee and Guardian	NSW Trustee and Guardian provides financial management and legal guardianship services for over 33,000 clients who are unable to manage their own affairs. Our previous reports to Parliament have identified a need to set performance indicators and targets for the cost and quality of the services NSW Trustee and Guardian provides to the community. This audit may consider whether NSW Trustee and Guardian effectively provides trustee and guardianship services to the satisfaction of its clients.
Rural Fire Service preparedness and capability	The NSW Rural Fire Service (RFS) is responsible for the prevention, mitigation and suppression of fires in rural fire districts. It is the lead combat agency for bush and grass fires in New South Wales. Following the 2019–20 bushfire season, the NSW Government allocated funding of \$700 million for the RFS. The NSW Bushfire Inquiry into the 2019–20 bushfire season recommended improvements to RFS’s technology, data collection and analysis, communication infrastructure, equipment, fleet, and aviation assets and support to personnel. This audit may examine the effectiveness of RFS preparedness and capability to respond to bushfires.
Access to Legal Aid and community legal services	Legal Aid NSW and non-government community legal centres (CLCs) provide free legal assistance services across the state, particularly to people experiencing economic hardship, social disadvantage or discrimination. Previous national and state reviews have found unmet demand for legal assistance services and specific service gaps, and made recommendations for adequate and stable funding. In 2019–20 the NSW Government provided \$224 million in funding to Legal Aid NSW for legal assistance services, and an additional \$88.0 million to enable Legal Aid NSW to increase hourly rates for private lawyers in line with other states and territories. This audit may consider how accessible Legal Aid NSW and CLCs services are, and how effectively they are prioritising their services to meet demand.

## Stronger Communities (cont.)

### PLANNED AUDITS 2022–23 TO 2023–24

Topic focus area	Brief overview
Child protection systems	<p>Children and young people deserve to be protected from abuse and neglect and have the best possible start in life. Once a child has been reported at 'risk of significant harm', child protection practitioners are charged with supporting families to create change and provide safer homes for their children. The number of 'risk of significant' harm reports have been increasing in recent years. Decreasing the proportion of children and young people re-reported at risk of significant harm by 20 per cent by 2023 is a Premier's Priority, led by the Department of Communities and Justice (the department). This audit may focus on the access, timeliness and quality of the department's child protection responses, including resourcing and demand modelling; triaging and allocation; capacity and capability of staff; and completeness and accuracy of relevant data.</p>
Future Directions for Social Housing	<p>The 2016 Future Directions for Social Housing strategy sets out the NSW Government's ten-year vision for social housing. The \$1.0 billion Social and Affordable Housing Fund is a key initiative under Future Directions and is expected to provide 3,400 new social and affordable dwellings by the end of 2023. The 2020–21 State Budget allocated a further \$812 million for new and upgraded social housing across New South Wales. This is intended to deliver a further 1,280 new social homes and Aboriginal housing, place-based redevelopment projects at some existing housing estates, and upgrades to over 3,500 social housing dwellings. This audit may consider:</p> <ul style="list-style-type: none"> <li>the effectiveness of the implementation, monitoring and outcomes evaluation for initiatives under the Future Directions strategy and the additional funding</li> <li>whether the planning of major social and affordable housing projects is supported by sound evidence to effectively meet the needs of people in housing stress</li> <li>the effectiveness of the transfer of housing to community providers and the governance surrounding these arrangements (follow up of 2015 audit).</li> </ul>
Aboriginal Outcomes Strategy	<p>The Aboriginal Outcomes Strategy 2017–2021 sets out the Department of Communities and Justice (the department) plan to deliver outcomes for First Nations people across its different services. Targets include increased access to early intervention for Aboriginal families, reduced overrepresentation of Aboriginal children and young people in out-of-home care, improved economic and social outcomes for Aboriginal social housing clients, increased number of Aboriginal staff and increased engagement with disability services. This audit may consider whether the department is effectively working with First Nations leaders, families and staff to: establish and sustain governance arrangements to drive strategy and program implementation; monitor outcomes; and adjust where necessary.</p>

## Stronger Communities (cont.)

## PLANNED AUDITS 2022-23 TO 2023-24

Topic focus area	Brief overview
Managing offenders in the community	An offender may be placed on a diverse range of community-based court orders in New South Wales. Conditions may include home detention, electronic monitoring, curfews, community service work, alcohol/drug bans, place restrictions or non-association requirements. NSW Government reforms in September 2018 aimed to increase the proportion of offenders sentenced to supervised community-based orders and reduce the proportion of offenders serving short prison sentences. These have increased the number of offenders on supervised community orders from around 39,000 at the introduction of the reforms to more than 59,000 as at 31 January 2020. There were also large drops in the NSW prison population in the second quarter of 2020 during COVID-19, due in part to an increase in custodial discharges as people were released from remand to wait for their court case in the community. This audit may look at the effectiveness and efficiency of managing offenders on community-based orders and alleged offenders on remand in the community and may follow on from our 2019 report examining responses to growth in the prisoner population.
Community services portfolio management	This performance audit could take a broad view of how programs and services are targeted within the Community Services portfolio of the Department of Communities and Justice (the department). This may include an examination of demand modelling, workforce planning, evaluation and data, and other evidence for the department's decisions on service planning, funding and delivery including piloting, decommissioning and reprioritisation.
Victims services	The <i>Victims Rights and Support Act 2013</i> establishes standards for the appropriate treatment of victims of crime. It is administered by a division within the Department of Communities and Justice (the department), and overseen by the Commissioner of Victims Rights, a senior executive in the department. Victims services provides support, information, referrals, counselling and compensation to victims, their families, and witnesses to violent crimes, as well as to families and friends of missing people. The Commissioner is also responsible for ensuring compliance with the Charter of Victims Rights by government and government-funded agencies. Changes were made to the claim process for the Victims Support Scheme in 2020 and a statutory review of the legislation is commencing in 2021. This audit may consider the efficiency and effectiveness of Victims Services including accessibility, service delivery and data quality.

## Planning, Industry and Environment

The Planning, Industry and Environment cluster is responsible for improving the liveability, prosperity and sustainability of the State. The clusters include the security and affordability of water and energy, building sustainable communities with adequate public spaces, job creation and industry development, and environmental conservation.



### PLANNED AUDITS TO 2021-22

Topic focus area	Brief overview
ePlanning portal	The NSW planning portal has been rolled out in a staged approach to councils from May 2018 and aims to increase efficiency and provide greater transparency across the planning process through an online portal. All councils were required to commence using the portal from 1 January 2021 and to process 100 per cent of planning applications using the portal from 1 July 2021. This audit will focus on whether the ePlanning program has realised its intended benefits related to efficiency, transparency and collaboration and whether the rollout process to councils has been implemented in a successful and timely way.
The effectiveness of local government regulation and support	The Department of Planning, Industry and Environment (the department), is the primary department with policy, legislative, investigative and program functions for local government matters in New South Wales. It provides regulation, monitoring and support for local government. It is the key adviser to the NSW Government and Minister for Local Government for Local Government matters. This audit may consider whether the Department of Planning, Industry and Environment effectively regulates, monitors and supports the local government sector in New South Wales.
Biodiversity offsets	The Biodiversity Offsets Scheme intends to create a transparent, consistent and scientifically based approach to biodiversity assessment and offsetting for development that is likely to have a significant impact on biodiversity. This audit may examine the effectiveness of the scheme's design and implementation and examine issues such as whether the scheme is trading 'like for like', the management of 'in-perpetuity' agreements and the management of conflicts of interest.
Coastal management reforms (also in selected local councils)	The coast is one of our greatest assets in New South Wales, and home to nearly 85 per cent of the state's population. It is a diverse landscape with considerable natural, cultural, and economic value. The NSW Government has established a new framework to manage the coastal environment in a sustainable way for the wellbeing of the people of New South Wales. This framework includes the <i>Coastal Management Act 2016</i> , the State Environmental Planning Policy (Coastal Management) 2018, and support and funding to local councils for their coastal management programs. A performance audit on this topic could assess how effectively the department has overseen and implemented key elements of this reform package, and how effectively coastal councils have delivered coastal management programs.

## Planning, Industry and Environment (cont.)

### PLANNED AUDITS 2022–23 TO 2023–24

Topic focus area	Brief overview
Threatened species protection	<p>There are 1,025 threatened species and 112 threatened ecological communities in NSW. These numbers continue to rise, with pests and weeds, habitat loss and climate change as some of the key threatening processes. The 2019–20 bushfires in NSW were some of the worst in recorded history, and bushfires are also expected to become more frequent and severe.</p> <p>The department administers legislation and programs to protect biodiversity, including threatened species and ecological communities. Immediately following the 2019–20 bushfires, the department took action to maximise the survival of affected species, and since then developed the 2021 Wildlife and Conservation Recovery Bushfire Medium-term Response Plan to support biodiversity. An audit on the topic of threatened species protection may consider the development and early implementation of this bushfire response plan, with a focus on its integration with the department's existing threatened species programs (such as Saving our Species), and its capacity to monitor the effectiveness of its investments.</p>
Precinct planning (also in selected local councils)	<p>Precinct planning requires multiple government agencies to work together to deliver positive outcomes for communities. They aim to deliver 'a planned approach to growth in Sydney, with new homes and jobs located close to public transport, shops and services, while retaining and enhancing a community's character'. New priority precincts were announced in July 2017. This audit will consider how effectively the department coordinates other responsible government entities to deliver on this objective.</p>
Water management and regulation	<p>Water regulation, including licensing and water sharing plans, aim to achieve sustainable environmental, economic and social outcomes from the management of water resources. Reforms have been made to strengthen regulation, compliance and enforcement. This audit may examine how well the department has undertaken requirements under the <i>Water Management Act 2000</i>, responded to and implemented the recommendations from reviews into water licencing, regulation and theft. We plan to conduct this piece of work as part of a multivolume series on the theme of water.</p>
State infrastructure contributions and voluntary planning agreements	<p>A recent audit focused on local infrastructure contributions collected and spent by local councils. We found that increasing balances were present in councils that did not have strong governance over the funds. The state government also collects developer contributions, often through voluntary planning agreements. The balance of these contributions is growing. The audit will examine governance over these contributions and transparency over how contributions are levied and spent.</p>
Planning and delivery of major water infrastructure projects	<p>In October 2019, the NSW Government announced a major upgrade of the Wyangala Dam in the state's Central West, build the Mole River Dam in the Border Rivers region and replace the Dungowan Dam near Tamworth. This was a part of the NSW Government's response to prolonged drought in the state. Water NSW is a state-owned corporation that is responsible for managing each of these projects.</p> <p>This audit will examine the planning and management of one or more of these projects and may include a focus on the assessment of costs and benefits and the management of the cost of the projects.</p>

## Regional NSW

The Regional NSW Cluster was established in early 2020, and is charged with coordinating support for the people, businesses and farmers in regional areas. It will deliver recent bushfire and COVID-19 stimulus, and industry recovery packages, along with the NSW Government's drought initiatives, the \$1.7 billion Regional Growth Fund, and the \$4.2 billion Snowy Hydro Legacy Fund.



### PLANNED AUDITS TO 2021–22

Topic focus area	Brief overview
Grants administration for disaster relief: bushfire recovery grants (also including Resilience NSW)	In response to the 2019–20 bushfires, The Bushfire Local Economic Recovery (BLER) Package was established as part of the \$4.4 billion bushfire support program co-funded by the Commonwealth and the NSW Government for bushfire recovery, response and preparedness in New South Wales. BLER funding is intended to support job retention and creation in bushfire impacted regions, strengthen community resilience and reduce the impact of future natural disasters. An audit in this area will consider whether applications are being assessed and funds are being distributed in accordance with program objectives and guidelines. The audit could also look at the efficiency of grants administration and whether funds have been distributed and received in a timely manner.
Special Activation Precincts	Special Activation Precincts are a new way of planning and delivering industrial and commercial infrastructure projects in dedicated areas in regional NSW, by bringing together planning and investment support services. The creation of Special Activation Precincts is delivered as part of the \$4.2 billion Snowy Hydro Legacy Fund. Seven areas have been identified: Parkes, Wagga Wagga, Snowy Mountains, Moree, Williamtown and Narrabri. This audit may select one or more Special Activation Precincts and examine how the state government and local council are working together to deliver the anticipated outcomes.
Investment in regional development	In 2017, the NSW Government announced a Regional Development Framework which provides a scaffold for better coordination, decision making and effort on the ground. The NSW Government recognised the need to be more strategic and better coordinated if it is to make a difference, particularly in addressing some of the serious issues facing regional New South Wales such as pockets of youth unemployment, social disadvantage, changing economic opportunities and increased competition. This audit will consider whether regional development and grant programs are well coordinated and delivering improvements. Grants programs of interest include Regional NSW's growth and infrastructure funds, such as the Snowy Hydro Legacy Fund, and funds for tourism, jobs and community amenity. It may be performed as a standalone topic or as part of a place-based audit and may also consider the role of the Department of Planning, Industry and Environment.

## Local Government

New South Wales has 128 local councils servicing a specific geographic area, and ten county councils formed for specific purposes, such as water supply management or the eradication of noxious weeds. Each council provides a unique range of services to meet its communities' needs. The mix is influenced by a range of factors including population density, demographics, the local economy, and geographic and climatic characteristics.



### PLANNED AUDITS TO 2021-22

Topic focus area	Brief overview
Effectiveness of financial management and governance in selected council(s)	Under the <i>Local Government Act 1993</i> (the Act), councils must apply sound financial management principles that require responsible and sustainable spending and investment, and ensure that future decisions consider intergenerational effects and equity. This audit will consider one or more councils, and examine how these principles are effectively applied in the councils' financial and asset management, funding decisions and risk management practices, and may examine how councils' expenditure and investment decisions have complied with the Act.
Development assessment processes in local councils: assessment stage	<p>The development assessment process is used to assess formal applications for development that require consent under the <i>NSW Environmental Planning and Assessment Act 1979</i>. Applications are usually lodged with the relevant local council for processing and determination. Guidance from the NSW Department of Planning, Industry and Environment (DPIE) describes the development assessment process in five stages: pre-lodgement, lodgement, assessment, determination and issuing construction certificates. In 2018-19, we completed an audit that focused on the 'pre-lodgement' and 'lodgement' stages of the development assessment process at two local councils.</p> <p>This audit could assess the extent to which the 'assessment' stage at selected local councils aligns with relevant legislation and relevant guidance from DPIE and the Independent Commission Against Corruption.</p>
Coastal management (also in planning, industry and environment)	The coast is one of our greatest assets in NSW, and home to nearly 85 per cent of the State's population. It is a diverse landscape with considerable natural, cultural, and economic value. The NSW Government has established a new framework to manage the coastal environment in a sustainable way for the wellbeing of the people of NSW. This framework includes the <i>Coastal Management Act 2016</i> , the State Environmental Planning Policy (Coastal Management) 2018, and support and funding to local councils for their coastal management programs. A performance audit on this topic could assess how effectively DPIE has overseen and implemented key elements of this reform package, and how effectively coastal councils have delivered coastal management programs.

## Local Government (cont.)

## PLANNED AUDITS 2022–23 TO 2023–24

Topic focus area	Brief overview
Road asset maintenance	New South Wales has over 144,000 km of roads across its network. This audit will have a focus on regional roads and will build on lessons learned in our 2014 audit on Regional Road Funding and our 2018 audit on Road Maintenance Contracts. The audit may consider how effectively and efficiently local councils plan for, and manage, their road assets including maintenance activities, rehabilitation and rebuilding roads at the end of their useful life.
Cyber security	The increasing global interconnectivity between computer networks has dramatically increased the risk of cyber security incidents. Such incidents can harm local government service delivery and may include the theft of information, denial of access to critical technology, or even the hijacking of systems for profit or malicious intent. This audit will consider how well selected councils ensure they have effective cyber security measures in place.
Precinct planning (also in Planning, Industry and Environment)	Precinct planning requires multiple government agencies to work together to deliver positive outcomes for communities. They aim to deliver 'a planned approach to growth in Sydney, with new homes and jobs located close to public transport, shops and services, while retaining and enhancing a community's character'. New priority precincts were announced in July 2017. This audit will consider how effectively the Office of Local Government (OLG) coordinates other responsible government entities to deliver on this objective.
Managing the code of conduct	In August 2020, the OLG released a model code of conduct for council officials which covers topics including bullying and harassment, pecuniary interests and managing conflicts of interest. Section 440 of the <i>Local Government Act 1993</i> requires every council to adopt a code of conduct that incorporates the provisions of this model code. An audit could look at the compliance of councils' codes of conduct against this model code, the effectiveness of their implementation and the effectiveness of complaint handling. It could focus on one or more of the issues covered by the code including bullying and harassment, managing conflicts of interest and disclosure of pecuniary interests. It could also consider the OLG's role to provide oversight, right of review and support functions under the model code.

## Local Government (cont.)

## PLANNED AUDITS 2022-23 TO 2023-24

Topic focus area	Brief overview
Performance management and monitoring	Councils need to be transparent and accountable to the public about their operations and performance, and ensure they deliver in line with community expectations. All councils in New South Wales should have adopted the Integrated Planning & Reporting (IP&R) framework by June 2012. This framework ensures councils' delivery of programs and operational plans are aligned with community priorities. Councils are to report on their performance in their annual reports. This audit could examine councils' compliance with IP&R Guidelines and could also examine how the OLG has supported councils through the development of a performance measurement framework and delivered direct support to rural councils. This audit would follow on from our 2018 performance audit which reviewed the annual reports of all local councils to look at the performance of a select number of councils in depth.
Audits of issues within a particular council	From time-to-time the Auditor-General receives requests for special reviews or is alerted to matters of concern from the public in relation to individual councils. We will consider these requests and may carry out a performance audit on a single council including their efficiency, effectiveness, economy or compliance with laws. Issues under consideration in such an audit could include the effectiveness of financial and performance management, governance, legislative compliance and the effectiveness of service delivery. This audit could also assess how well councils that supply water and/or sewer services are managing these.

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### OUR VISION

Our insights inform and challenge government to improve outcomes for citizens.

### OUR PURPOSE

To help parliament hold government accountable for its use of public resources.

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**Item No:** 6.2  
**Title:** Governance Lighthouse report as at 30 September 2021  
**Department:** Corporate Affairs

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7 December 2021 Audit Risk and Improvement Committee Meeting

Reference: F2021/00030 - D14931643  
Manager: Edward Hock, Unit Manager, Governance and Legal Counsel  
Executive: Natalia Cowley, Director Corporate Affairs and Chief Financial Officer

### **Recommendation**

- 1 *That the Committee note the Governance Lighthouse report as at 30 September 2021.*
- 2 *That the Committee make a recommendation that this report and the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

*The information provided in this report is current as at 25/11/2021.*

### **Summary**

The purpose of this report is to provide the Committee with the Governance Lighthouse report as at 30 September 2021, for their information.

The Governance Lighthouse report is updated at the end of each quarter in accordance with the Council resolution of 27 July 2020 and provided to the Audit, Risk and Improvement Committee prior to reporting to Council.

The Governance Lighthouse report was circulated to the Audit, Risk and Improvement Committee on 16 November 2021 for comment. No feedback was received.

The Governance report was created to report against measures using the structure of the NSW Audit Office Governance Lighthouse. As well as quantitative information, the report includes commentary to provide context. It covers eight principles and 17 key governance components.

### **Attachments**

1  Governance Lighthouse report as at 30 September 2021 D14954934

## Governance Report Card - Central Coast Council



This quarterly report is based upon the Governance Lighthouse. (NSW Audit Office). It covers eight principles and 17 key governance components.

Report date: Quarter 1 - 2021/2022

**General Comments:****Quarter ending 30 September 2021**

During Q1, activities included ongoing transition away from former management-level staff, and investigations into appropriate structure of the Governance and Risk function going forward.

Recruitment of a replacement Section Manager Governance and Civic Support remains a priority.

Ongoing development of the organisation's strategic risk profile is encouraging, as is ownership by Council's ERM of the fraud and corruption prevention framework.

A significant decrease in customer complaints is likely reflective of a reduction in accessibility, rather than a sustainable drop. First contact resolution remains high.

## Governance Report Card - Central Coast Council

**Light house principle:****Stakeholder rights**

Measure:

Number of Code of Conduct complaints

Reporting cycle:

Quarterly

Current as at:

30-Sep-21

Data provided by:

Office of the Internal Ombudsman

	Q1 20/21	Q2 20/21	Q3 20/21	Q4 20/21	Q1 21/22	Trend
# complaints (total)	5	9	4	9	7	↓
% Upheld	40%	0%	0%	11%	0%	↓
# complaints (Clrs + CEO)	2	4	0	3	1	↓
% Upheld	50%	0%	N/A	0%	0%	

Commentary:

Some Q1 complaints for 2021/22 are still under investigation and therefore the percentage of upheld matters may not be entirely accurate as no outcome has been determined yet. The suspension of Councillors has resulted in fewer complaints over all.

## Governance Report Card - Central Coast Council

Measure: % of Tier 1 customer complaints resolved at first point of contact  
 Reporting cycle: Quarterly  
 Current as at: 30-Sep-21 Data provided by: Customer Experience Coordinator

	Q1 20/21	Q2 20/21	Q3 20/21	Q4 20/21	Q1 21/22	Total 21/22
Number of complaints	97	97	99	84	43	↓
% resolved at fpoc	100%	100%	100%	100%	100%	

## Commentary:

There has been a 49% decrease in the number of Community Complaints comparing Q1 21/22 to Q4 20/21 and a 56% decrease comparing Q1 21/22 to Q1 20/21. This significant decrease can be attributed to the COVID-19 lockdown as with less customer mobility, fewer Service Requests have been received for issues like potholes, general road requests, mowing, public trees and maintenance of Council facilities. With fewer Service Requests received, there are also fewer Community Complaints received.

## Governance Report Card - Central Coast Council

**Light house principle:****Risk management**

Measure: Number of GIPA applications and % of reviews  
 Reporting cycle: Quarterly  
 Current as at: 30-Sep-21 Data provided by: GIPA team

	Q1 20/21	Q2 20/21	Q3 20/21	Q4 20/21	Q1 21/22	Trend
GIPA applications	31	28	28	36	27	↓
Number of reviews	2	2	6	1	4	↑
Informal information requests	450	247	305	341	307	↓
Average days to complete	40	45	50	40	50	↑

## Commentary:

A GIPA application is a formal application under the Government Information (Public Access) Act. A review under that Act is a formal request by an applicant or third party to review the decision made. The review can be conducted by another staff member or the Office of the Information and Privacy Commissioner.

An Informal information request is a request for information held by Council. There is no statutory timeframe for completing these requests. Council has a self-determined target that 90% of informal requests are completed within 45 days.

Opportunities exist to improve proactive and informal access to information protocols to reduce the impact of formal GIPA requests on the organisation. This project-based work will be commenced within the financial year 21/22.

## Governance Report Card - Central Coast Council

Measure: Risk profile against Council's Enterprise Risk Management Framework  
 Reporting cycle: Quarterly  
 Current as at: 30-Sep-21  
 Data provided by: Enterprise Risk Manager

Total number of operational risks	
Total number of Extreme risks	0
Total number of High risks	26
Total number of Medium risks	98
Total number of Low risks	113

<b>Risk by Type</b>	
Asset	30
Business	44
Fraud and Corruption	28
Governance	29
HR	8
IM	2
Legal	12
Operational	62
Resources	6
WHS	16

Commentary: Of the 20 highest risks currently identified: one is asset related, three are business related, three are governance related, four are human resources related, eight are related to operations, none are WHS related and one is related to legal activities.

The controlled risk heat map is below.

## Governance Report Card - Central Coast Council

<b>Central Coast Council Risk Management Heat Map</b>						
<b>CONSEQUENCE</b>						
		<b>Catastrophic</b>	<b>Major</b>	<b>Moderate</b>	<b>Minor</b>	<b>Insignificant</b>
<b>LIKELIHOOD</b>	<b>Almost Certain</b>	0	0	2	2	0
	<b>Likely</b>	0	4	5	6	2
	<b>Possible</b>	2	9	17	26	9
	<b>Unlikely</b>	4	12	21	59	9
	<b>Rare</b>	5	9	17	10	7

## Governance Report Card - Central Coast Council

**Light house principle:****Remuneration**

Measure: Council determines Councillor remuneration annually by 30 June

Reporting cycle: Annual

Current as at: 30-Sep-21

Data provided by:

Unit Manager, Governance and Business Services

	17/18	18/19	19/20	20/21	21/22	22/23
Date resolved	23/10/2017	26/06/2018	10/06/2019	13/07/2020	N/A	N/A
In time	No*	Yes	Yes	No**	No***	N/A

## Commentary:

Council is required to determine the Remuneration for Councillors each year prior to 30 June. This is based upon the annual determination made by the Local Government Remuneration Tribunal.

Submissions are currently being sought by the Local Government Remuneration Tribunal for the 2022 annual determination. In the absence of an elected body, it is not considered necessary or appropriate to make submissions (which would be due 11 February 2022).

## Governance Report Card - Central Coast Council

**Light house principle:****Disclosure**

Measure: % of annual disclosures completed within statutory timeframes

Reporting cycle: Annual

Current as at: 31-Dec-21

Data provided by: Senior Governance Officer

	17/18	18/19	19/20	20/21
% completed by 30 Sep (staff)	97%	96%	100%	100%
% completed by 30 Sep (Clrs)	100%	100%	100%	53%
% completed by 30 Sep (Admin)	NA	NA	NA	NA
% completed by 30 Sep (ARIC)	NA	NA	100%	100%

## Commentary:

Returns for the period of 2020/21 were tabled at the Ordinary Council Meeting held on 26 October 2021.

The suspended Councillors were given an opportunity to complete a Disclosure of Interest Return, with eight of the suspended Councillors submitting a completed Return by 30 September 2021.

The redacted Returns will be published to Council's website in accordance with the requirements of the *Government Information (Public Access) Act* and the Information and Privacy Commission's *Guideline 1*.

## Governance Report Card - Central Coast Council

**Light house principle:****Corporate reporting**

Measure:

Financial statements completed within timeframes

Reporting cycle:

Annual

Current as at:

30-Jun-21

Data provided by:

Unit Manager, Finance

	16/17	17/18	18/19	19/20	20/21
Date resolved	26/03/2018	10/12/2018	9/03/2020	27/04/2021	TBA

Commentary:

The legislated deadline for the finalisation of the Financial Statements is 31 October each year. However, the Office of Local Government grants extensions where there are valid reasons why that timeframe cannot be met.

Financial year ended 30 June 2021

We have requested and have received approval from the OLG to defer lodgement of the 30 June 2021 Financial Statements to 17 December 2021. This is because the audit of the 2019-2020 financial reports did not conclude until 10 May 2021 and significant planning and interim work was delayed until June 2021. This has impacted timeframes for completion of the audit of 2020-2021 Financial Reports by the legislated deadline of 31 October 2021. Notification of the extension was tabled at the 26 October 2021 Ordinary Council Meeting.

## Governance Report Card - Central Coast Council

Measure: Management Actions identified as part of audits completed by risk rating  
 Reporting cycle: Quarterly  
 Current as at: 30-Sep-21 Data provided by: Unit Manager - Governance & Legal

	Extreme	High	Medium	Low	Total	Date	
<b>2020/2021</b>	<b>0</b>	<b>66</b>	<b>49</b>	<b>9</b>			
IT General Controls	0	7	14	7	28	Mar-21	NSW Audit Office
Water Quality and Supply Mgmt	0	8	9	3	20	Dec-20	Internal Audit
Purchase cards	0	13	7	2	22	Nov-20	Internal Audit
Payroll	0	2	4	0	6	Nov-20	Internal Audit
Contractors, Temps, Labour Hire	0	13	3	0	16	Oct-20	Internal Audit
Contract Management	0	6	6	0	12	Jun-20	Internal Audit
Leadership Allowance and Expense	0	11	6	1	18	Sep-20	Internal Audit
Complaints Management	0	11	5	1	17	Pending	Internal Audit
IT Governance	0	2	9	2	13	Sep-20	Internal Audit
<b>2019/2020</b>	<b>0</b>	<b>42</b>	<b>54</b>	<b>15</b>			
Procurement of IT Goods	0	11	1	0	12	Jul-19	Internal Audit
NHV Accreditation (2017/18)	0	3	4	1	8	Jul-19	Internal Audit
Cash Management (Waste Services)	0	11	3	0	14	Jul-19	Internal Audit
Seniors Centres	0	11	6	0	17	Sep-19	Internal Audit
Cash Management (Library Service)	0	2	4	0	6	Oct-19	Internal Audit
Interim Audit 30/6/19	0	0	16	7	23	Jan-20	NSW Audit Office
Final Audit 30/6/19	0	2	9	3	14	Mar-20	NSW Audit Office
Infrastructure contributions	NA	NA	NA	NA	*13	Mar-20	NSW Audit Office
Councillor Expenses and Facilities	0	2	11	4	17	Apr-20	Internal Audit
<b>2018/19</b>	<b>0</b>	<b>20</b>	<b>10</b>	<b>0</b>			

Commentary: Ensuring meaningful engagement with the Internal Audit function remains a priority as we transition towards an outsourced model (from the previous co-sourced model). Theoutsorce provider has been assisting in ensuring that management actions are both reasonably achievable, and suitably risk-based, to ensure that the organisation has capacity to meet its continuous improvement activities.

## Governance Report Card - Central Coast Council

**Light house principle:****Ethics**

Measure:

No instances of failure to meet legislative deadlines

Reporting cycle:

Quarterly

Current as at:

30-Sep-21

Data provided by:

Meeting Support Officers

	Q1 20/21	Q2 20/21	Q3 20/21	Q4 20/21	Q1 21/22	Trend
# of missed deadlines	2	3	0	1	0	↓

Commentary:

On 2 July 2020 a Legislative Compliance Policy (Operational) was adopted. From 1 July 2020 a Legislative Compliance Register was established and implemented.

There were a total of 29 items due in Q1 21/22 and no instances of failure to meet legislative reporting deadlines. It is noted three items were completed late.

There are ongoing issues with ensuring each area of Council is recording the completion of the legislative requirements in the register. Staff continue to follow up with responsible staff about completion of reporting items, and update the register as required.

## Governance Report Card - Central Coast Council

**Light house principle:****Structure**

Measure:

# of Council actions completed

Reporting cycle:

Quarterly

Current as at:

30-Sep-21

Data provided by:

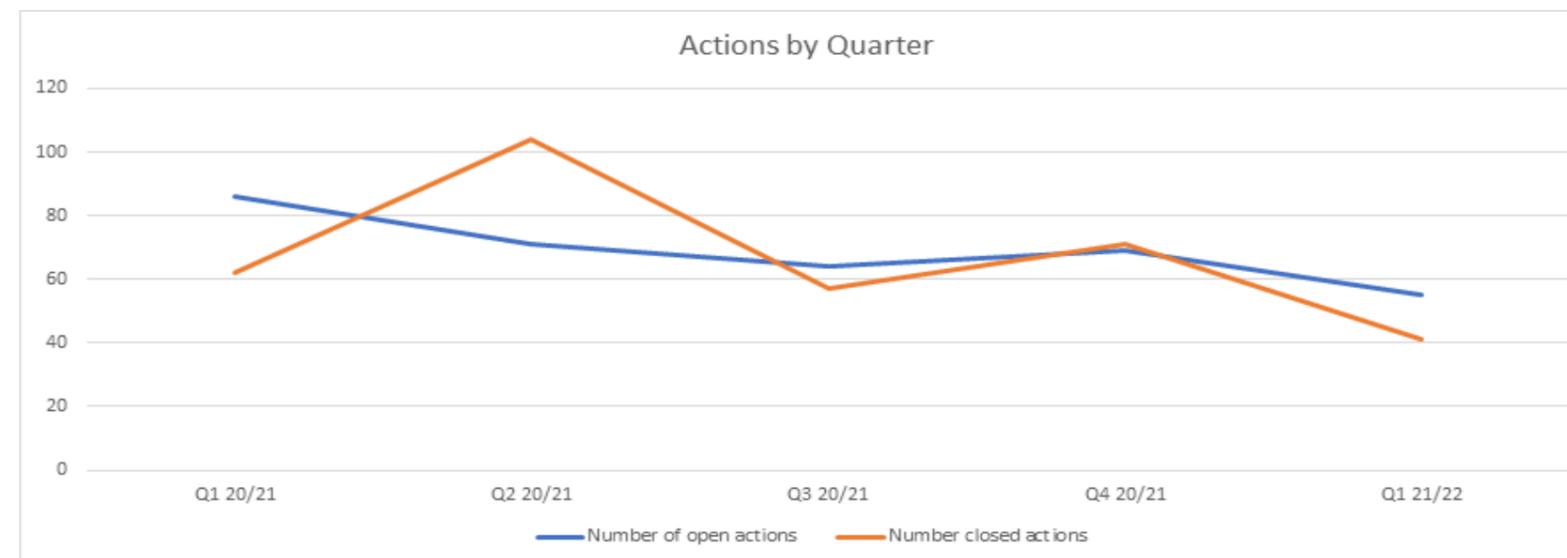
Meeting Support Officers

	Q1 20/21	Q2 20/21	Q3 20/21	Q4 20/21	Q1 21/22
Number of open actions	86	71	64	69	55
Number closed actions	62	104	57	71	41
Open and overdue	14	14	5	3	3

Commentary:

Open, closed and overdue actions are as at the end of each quarter.

Fortnightly updates on outstanding Council actions are provided by the Unit Manager Governance and Legal Counsel to the Executive Leadership Team every fortnight.



## Governance Report Card - Central Coast Council

Measure: % of items considered in Confidential Session of Council  
 Reporting cycle: Quarterly  
 Current as at: 30-Sep-21 Data provided by: Meeting Support Officers

	Q1 20/21	Q2 20/21	Q3 20/21	Q4 20/21	Q1 21/22	Trend
Total number of items	90	150	100	106	120*	↑
% in closed session	2%	10%	6%	1%	<1%	↓

Commentary: In 2020/21 there were a total of 30 items resolved by Council to be confidential.

There continues to be a focus on providing as much as practicable in open sessions of Council by using Confidential attachments.

## Governance Report Card - Central Coast Council

**Light house principle:****Management oversight**

Measure:

% of actions delivered against Community Strategic Plan

Reporting cycle:

Annual

Current as at:

30-Sep-21

Data provided by:

Section Manager, Corporate Planning and Reporting

	18/19	19/20	20/21
Actions due to be completed	157	147	24
Number of actions completed	121	109	71

Commentary:

There was a total of 108 actions for 2020-21. The above does not include the 13 that have been closed, which was a result of the financial situation. Full details will be included in the Annual Report 2020-21 which will be published on Council's website by 30 November 2021.



**Item No:** 6.3  
**Title:** ARIC Annual Work Plan  
**Department:** Corporate Affairs

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7 December 2021 Audit Risk and Improvement Committee Meeting

Reference: F2021/00030 - D14914287  
Author: Nicole Schull, Personal Assistant to Unit Manager, Governance and Legal Counsel  
Manager: Edward Hock, Unit Manager, Governance and Legal Counsel  
Executive: Natalia Cowley, Director Corporate Affairs and Chief Financial Officer

### **Recommendation**

- 1 *That the Committee note the report on ARIC Annual Work Plan.*
- 2 *That the Committee make a recommendation that this report and the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

*The information provided in this report is current as at 2/11/2021.*

### **Summary**

The purpose of this report is to provide the Committee with an update on the Annual Work Plan.

The Audit, Risk and Improvement Committee has an important role in the governance framework of Council by providing Council with independent oversight, objective assurance and monitoring of Council's audit processes, internal controls, external reporting, risk management activities, compliance of and with Council's policies and procedures, and performance improvement activities.

The Committee is under a statutory obligation to keep under review the following aspects of Council's operations:

- a) Compliance
- b) Risk management
- c) Fraud control
- d) Financial management
- e) Governance
- f) Implementation of the strategic plan, delivery program and strategies
- g) Services reviews
- h) Collection of performance measurement data by the Council, and
- i) Any other matters prescribed by the regulations.

The attached work plan has been developed as a checklist of compliance to ensure the statutory obligations are being met, and it aligns with the [ARIC Charter](#).

### 6.3 ARIC Annual Work Plan (contd)

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At the 24 June 2021 ARIC meeting, the Committee discussed the updated Charter and resolved the following, in part:

- 78/2021(ARIC) *The Committee also requested that the following be established for future meetings based on the Charter:*
- *Annual work plan to be developed*
  - *Meeting agendas to be reworked to ensure it aligns with the Charter and the obligations of the Committee.*

A draft work plan was developed in consultation with the independent ARIC members and relevant subject matter experts and was briefly discussed at the 14 September 2021 ARIC meeting, where the Committee resolved:

- 135/2021(ARIC) *The Committee request that a comprehensive report on the ARIC Annual Work Plan be tabled at the December ARIC meeting and that it be circulated for discussion prior to the meeting.*

#### Attachments

1   Draft ARIC Workplan D14959780

Checklist of Compliance 2021

Per Audit, Risk and Improvement Committee Charter and/or OLG Model Charter for Audit Committees	Charter Clause	Responsibility	7 December 2021	1 March 2022	1 June 2022	1 September 2022	TBD - Oct/Nov 2022 Financial Statement meeting	1 December 2022
<b>Compliance</b>								
Determine whether management has appropriately considered legal and compliance risks as part of its risk assessment and management arrangements	38(a)	Unit Manager Governance and Legal Counsel	Planned - Update on legislative compliance processes to be provided by Unit Manager Governance and Legal Counsel	-	-	-	N/A	Update on legislative compliance processes to be provided by Unit Manager Governance and Legal Counsel
Review the effectiveness of the system for monitoring compliance with relevant laws, regulations and associated government policies	38(b)	Unit Manager Governance and Legal Counsel	Planned - Update on legislative compliance processes to be provided by Unit Manager Governance and Legal Counsel	Considered with each audit	Considered with each audit	Considered with each audit	N/A	Update on legislative compliance processes to be provided by Unit Manager Governance and Legal Counsel
<b>Risk Management</b>								
Review whether management has in place a current and comprehensive risk management framework, and associated procedures for effective identification and management of business and financial risks, including fraud. This should be consistent with AS/NZS ISO 31000:2009	35(a)	Unit Manager Governance and Legal Counsel	Quarterly update as per standing report "Risk activities update"	Quarterly update as per standing report "Risk activities update"	Quarterly update as per standing report "Risk activities update"	Quarterly update as per standing report "Risk activities update"	N/A	Quarterly update as per standing report "Risk activities update"
Review whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings	35(b)	Unit Manager Governance and Legal Counsel	Quarterly update as per standing report "Risk activities update"	Quarterly update as per standing report "Risk activities update"	Quarterly update as per standing report "Risk activities update"	Quarterly update as per standing report "Risk activities update"	N/A	Quarterly update as per standing report "Risk activities update"
Review the impact of the risk management framework on its control environment and insurance arrangements	35(c)	Unit Manager Governance and Legal Counsel	-	Review Risk Management Framework and Business Continuity Plan	-	-	N/A	-
Review whether a sound and effective approach has been followed in establishing business continuity planning arrangements, including whether plans have been tested periodically	35(d)	Unit Manager Governance and Legal Counsel	Quarterly update as per standing report "Risk activities update"	Review Risk Management Framework and Business Continuity Plan	Quarterly update as per standing report "Risk activities update"	Quarterly update as per standing report "Risk activities update"	N/A	Quarterly update as per standing report "Risk activities update"
Review whether a sound and effective approach has been established in relation to technological related risk issues that present a threat to the operations of Council	35(e)	Unit Manager Information and Technology	Planned - update on technological related risk issues provided by UM Information and Technology (as per email advice 20/8/21)	-	Six monthly report "Management of Technological Risks and Cyber Security"	-	N/A	Six monthly report "Management of Technological Risks and Cyber Security"
Consider and recommend to the Chief Executive Officer, improvements in relation to Council activities, systems and processes	35(f)	Unit Manager Governance and Legal Counsel		Ongoing	Ongoing	Ongoing	Ongoing	Ongoing
Review whether Council processes and procedures result in an efficient and effective allocation of resources, accountability and transparency	35(g)	Unit Manager Governance and Legal Counsel		Ongoing	Ongoing	Ongoing	Ongoing	Ongoing
<b>Fraud Control</b>								
Satisfy itself there is an appropriate fraud and corruption prevention program in place. Review Council's fraud control plan and be satisfied that systems and processes exist to capture and investigate fraud information	31(c) 35	Senior Internal Ombudsman	-	Review Fraud and Corruption Control Framework Quarterly update as per standing report "SIO quarterly progress report"	Review Fraud and Corruption Control Framework Quarterly update as per standing report "SIO quarterly progress report"	Review Fraud and Corruption Control Framework Quarterly update as per standing report "SIO quarterly progress report"	N/A	Review Fraud and Corruption Control Framework Quarterly update as per standing report "SIO quarterly progress report"
<b>Financial Management and External Accountability</b>								
Advise whether the Council's financial management processes are adequate	37(a)	Director Corporate Affairs and Chief Financial Officer	Considered with each audit Report each quarterly meeting on financial actuals v budget and variances and risks	Considered with each audit Report each quarterly meeting on financial actuals v budget and variances and risks	Considered with each audit Report each quarterly meeting on financial actuals v budget and variances and risks Advise on budget for coming year and risks	Considered with each audit Report each quarterly meeting on financial actuals v budget and variances and risks	Planned - financial statement meeting	Considered with each audit Report each quarterly meeting on financial actuals v budget and variances and risks
Assess the policies and procedures for council management's review and consideration of the council's current and future financial position and performance and the nature of that review (including the approach taken to addressing variances and budget risks)	37(b)	Director Corporate Affairs and Chief Financial Officer	-	-	-	-	Planned - financial statement meeting	-
Advise on the adequacy of early close and year-end review procedures	37(c)	Director Corporate Affairs and Chief Financial Officer	-	-	-	-	Council currently does not undertake early close processes. Early close procedures are considered in consultation with the external auditors in planning for the audit. At this stage year end only	-
Review council's financial statements including: - providing input and feedback on councils financial statements - advising whether council is meeting its external accountability requirements - advising whether appropriate action has been taken in response to audit recommendations and adjustments - satisfying itself that the financial statements are supported by appropriate management signoff - reviewing any 'Statement by Councillors and Management' (made pursuant to s 413(2)(c) of the Local Government Act) - reviewing the processes in place designed to ensure that financial information included in the council's annual report is consistent with the signed financial statements - reviewing cash management policies and procedures - reviewing policies and procedures for the collection, management and disbursement of grants and tied funding - satisfying itself that the council has a performance management framework that is linked to organisational objectives and outcomes.	37(d)	Director Corporate Affairs and Chief Financial Officer	Review of closing report from External Auditor and final statements				Planned - financial statement meeting Review of draft financial statements for audit	Review of closing report from External Auditor and final statements
<b>Governance</b>								
Consider how management identifies any required changes to the design or implementation of internal controls.	36(a)	Unit Manager Governance and Legal Counsel	Considered with each audit	Considered with each audit	Considered with each audit	Considered with each audit	N/A	Considered with each audit

Checklist of Compliance 2024

Par Audit, Risk and Improvement Committee Charter and/or OLG Model Charter for Audit Committees	Charter Clause	Responsibility	7 December 2021	1 March 2022	1 June 2022	1 September 2022	TBD - Oct/Nov 2022 Financial Statement meeting	1 December 2022
Satisfy itself there are appropriate mechanisms in place to review and implement, where appropriate, reports and recommendations from authoritative bodies including: - State and Federal Government, - Independent Commission against Corruption - NSW Ombudsman - Australian Institute of Company Directors - Other relevant accounting and legislative bodies	2, 3, 31	Unit Manager Governance and Legal Counsel					N/A	
<b>Implementation of Strategic Plan, Delivery Program &amp; Strategies</b>								
Review that Council is meeting its integrated planning and reporting obligations in accordance with legislative requirements	31, 38	Unit Manager Strategic Planning	Unit Manager Strategic Planning to advise what will be presented	Unit Manager Strategic Planning to advise what will be presented	Unit Manager Strategic Planning to advise what will be presented	Unit Manager Strategic Planning to advise what will be presented	N/A	Unit Manager Strategic Planning to advise what will be presented
<b>Service Reviews</b>								
Monitor that service reviews, or other appropriate improvement reviews, are undertaken where appropriate to ensure a focus on continuous improvement.	31	Chief Internal Auditor					N/A	
<b>Collection of performance measurement data by Council</b>								
Review that Council is collecting appropriate performance measurement data and reporting its performance measures in accordance with the integrated, planning and reporting framework.	31	Unit Manager Strategic Planning	Unit Manager Strategic Planning to advise what will be presented	Unit Manager Strategic Planning to advise what will be presented	Unit Manager Strategic Planning to advise what will be presented	Unit Manager Strategic Planning to advise what will be presented	N/A	Unit Manager Strategic Planning to advise what will be presented
<b>Any other Matters Prescribed by Regulations</b>								
Review Council's processes to monitor new and emerging regulatory requirements that will impact risk management, governance and ARIC responsibilities.	35	Unit Manager Governance and Legal Counsel	Planned - Standing agenda item on any new reports from authoritative bodies	Planned - Standing agenda item on any new reports from authoritative bodies	Planned - Standing agenda item on any new reports from authoritative bodies	Planned - Standing agenda item on any new reports from authoritative bodies	N/A	Planned - Standing agenda item on any new reports from authoritative bodies.
Review of Work Health and Safety Statistics to monitor trends	34, 35, 36	Unit Manager People and Culture	-	Planned - WHS Update - January to December 2021	-	-	N/A	Planned - WHS Update
Review of statistics around complaints, GIPA, PIDs, HRIPA and ICAC referrals to monitor trends	2, 31, 39	Senior Internal Ombudsman/Unit Manager Governance and Legal Counsel	Planned - Governance standing report	Planned - Governance standing report	Planned - Governance standing report	Planned - Governance standing report	N/A	Planned - Governance standing report
<b>Control Framework</b>								
Review whether management has adequate internal controls in place, including over external parties such as contractors and advisors	36(a)	Chief Internal Auditor	Considered with each audit	Considered with each audit	Considered with each audit Management assurance on processes for ensuring policies and procedures and delegations are monitored and kept up to date	Considered with each audit	N/A	Considered with each audit
Review whether management has in place relevant policies and procedures, and these are periodically reviewed and updated.	36(b)	Chief Internal Auditor	Considered with each audit	Considered with each audit	Considered with each audit	Considered with each audit	Considered with each audit	Considered with each audit
Progressively review whether appropriate processes are in place to assess whether policies and procedures are complied with	36(c)	Chief Internal Auditor	Considered with each audit	Considered with each audit	Considered with each audit	Considered with each audit	Considered with each audit	Considered with each audit
Review the annual performance of Council against the key performance indicators documented in the Operational Plan and provide advice to the Chief Executive Officer on the adequacy of Council's performance against these indicators	36(d)	Unit Manager Strategic Planning	Report to each quarterly meeting on Operational Plan and Key Performance Indicators	Report to each quarterly meeting on Operational Plan and Key Performance Indicators	Report to each quarterly meeting on Operational Plan and Key Performance Indicators	Report to each quarterly meeting on Operational Plan and Key Performance Indicators	N/A	Report to each quarterly meeting on Operational Plan and Key Performance Indicators
Review whether appropriate policies and procedures are in place for the management and exercise of delegations	36(e)	Unit Manager Governance and Legal Counsel	Planned - Delegations update	-	-	-	N/A	Planned - Delegations update
Review whether management has taken steps to embed a culture which is committed to ethical and lawful behaviour	36(f)	Director Corporate Affairs and Chief Financial Officer					N/A	
<b>Internal Audit</b>								
Act as a forum for communication between the Council, Chief Executive Officer, Senior Management, Internal Audit, External Audit and Internal Ombudsman	39(a)	The Committee	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing
Review the internal audit coverage and internal audit plan, ensuring the plan has considered the risk management plan, and approving the plan	39(b)	Chief Internal Auditor	Report to each quarterly meeting on implementation progress of the IA Operational Plan	Report to each quarterly meeting on implementation progress of the IA Operational Plan	Report to each quarterly meeting on implementation progress of the IA Operational Plan	Report to each quarterly meeting on implementation progress of the IA Operational Plan	N/A	Report to each quarterly meeting on implementation progress of the IA Operational Plan
Consider the adequacy of internal audit resources to carry out its responsibilities, including completion of the approved internal audit plan	39(c)	Chief Internal Auditor	Planned - Chief Internal Auditors quarterly report	Chief Internal Auditors quarterly report presented to Committee	Chief Internal Auditors quarterly report presented to Committee	Planned - Chief Internal Auditors quarterly report	N/A	Planned - Chief Internal Auditors quarterly report
Review all audit reports and consider significant issues identified in audit reports and action taken on issues raised, including identification and dissemination of better practices	39(d)	Chief Internal Auditor	Considered for each audit	Considered for each audit	Considered for each audit	Considered for each audit	Considered for each audit	Considered for each audit
Monitor the implementation of internal audit recommendations by management	39(3)	Chief Internal Auditor	Planned- Update on Implementation of Management Actions arising from Independent reviews	Planned- Update on Implementation of Management Actions arising from Independent reviews	Planned- Update on Implementation of Management Actions arising from Independent reviews	Planned- Update on Implementation of Management Actions arising from Independent reviews	N/A	Planned- Update on Implementation of Management Actions arising from Independent reviews
Periodically review the internal audit charter to ensure appropriate organisational structures, authority, access and reporting arrangements are in place	39(f)	Chief Internal Auditor	The Charter is reviewed every two years. The Internal Audit Charter Update was presented to the 17 March 2020 meeting of the Committee so is due to be reviewed in the first quarter of next year	The Charter is reviewed every two years. The Internal Audit Charter Update was presented to the 17 March 2020 meeting of the Committee so is due to be reviewed in the first quarter of 2022	-	-	N/A	-
Periodically review the performance of internal audit	39(g)	The Committee						
Meet at least annually with the Chief Internal Auditor "in-camera" without the presence of management	39(h)	The Committee	Meeting scheduled prior to 7 December 2021 ARIC meeting	-	-	-	N/A	Meeting to be scheduled prior to December 2022 ARIC meeting
Meet at least annually with the Internal Ombudsman "in-camera" or as arranged with the Committee without the presence of management. The Internal Ombudsman will provide a quarterly report to the Audit, Risk and Improvement Committee	39(i)	The Committee	Meeting scheduled prior to 7 December 2021 ARIC meeting	Planned - Quarterly Report	Planned - Quarterly Report	Planned - Quarterly Report	N/A	Meeting to be scheduled prior to December 2022 ARIC meeting
Provide advice to the Chief Executive Officer on the appointment and remuneration of the Chief Internal Auditor and the Internal Audit team (if applicable)	39(j)	The Committee					N/A	
<b>External Audit</b>								
Act as a forum for communication between the Council, General Manager, senior management, internal audit and external audit	40(a)	The Committee	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing

Checklist of Compliance 0004

Per Audit, Risk and Improvement Committee Charter and/or OLG Model Charter for Audit Committees	Charter Clause	Responsibility	7 December 2021	1 March 2022	1 June 2022	1 September 2022	TBD - Oct/Nov 2022 Financial Statement meeting	1 December 2022
Provide input and feedback on the financial statement and performance audit coverage proposed by the External Auditor and provide feedback on the external audit services provided	40(b)	The Committee					Planned - discussion on audit results	
Review all external plans and reports in respect of planned or completed external audits, and monitoring the implementation of audit recommendations by management	40(c)	The Committee	Report on implementation progress of recommendations of external auditor financial and performance audit reports	Report on implementation progress of recommendations of external auditor financial and performance audit reports	Report on implementation progress of recommendations of external auditor financial and performance audit reports	Report on implementation progress of recommendations of external auditor financial and performance audit reports	N/A	Report on implementation progress of recommendations of external auditor financial and performance audit reports
Provide advice to Council on action taken on significant issues raised in relevant external audit reports and better practice guides	40(d)	The Committee					N/A	
Meet at least annually with the NSW Auditor General (or contract agent) "in-camera" without the presence of management	40(e)	The Committee			Meeting to be scheduled for August 2022		N/A	
Consider significant issues raised in relevant external audit reports and better practice guides, and ensure appropriate action is taken	40(f)	The Committee					Planned - discussion on audit results	



**Item No:** 7.1  
**Title:** Complaints and Compliments Q1 2021-22  
**Department:** Chief Executive Officer's

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7 December 2021 Audit Risk and Improvement Committee Meeting

Reference: F2021/00030 - D14953580  
Author: Ellen Suarez, Section Manager Customer Service  
Manager: Sue Ledingham, Unit Manager Communications Marketing and Customer Engagement  
Executive: Natalia Cowley, Director Corporate Affairs and Chief Financial Officer

## **Recommendation**

- 1 *That the Committee note the report on Complaints and Compliments Q1 2021-22.*
- 2 *That the Committee make a recommendation that this report and the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

*The information provided in this report is current as at 24/11/2021.*

## **Summary**

The report is following a new format and provides more trends, graphical information, and analysis with the detailed data in the attached Data Report.

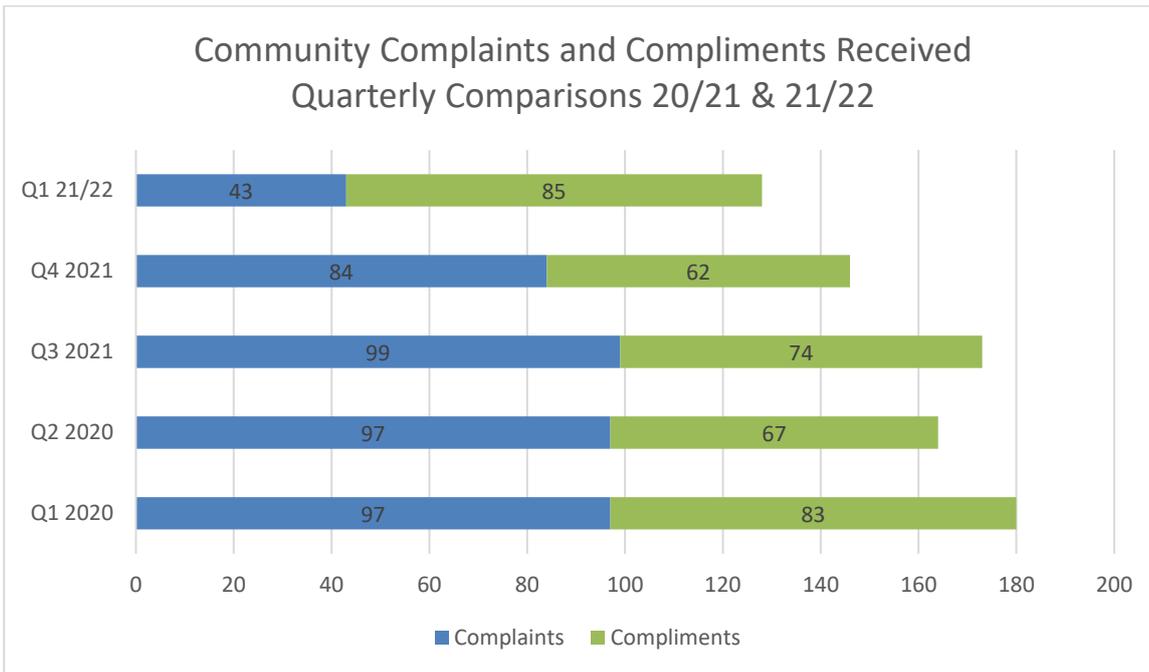
COVID19 and the lockdown of Central Coast from 26 June to 10 October 2021 has played a significant part in the number and type of feedback received in the Q1 2021/22. The key difference between Community Complaints and Compliments and Staff Complaints and Compliments is that Community refers to how Council deals with a situation while Staff relates to how an individual relates to a situation.

## **Report**

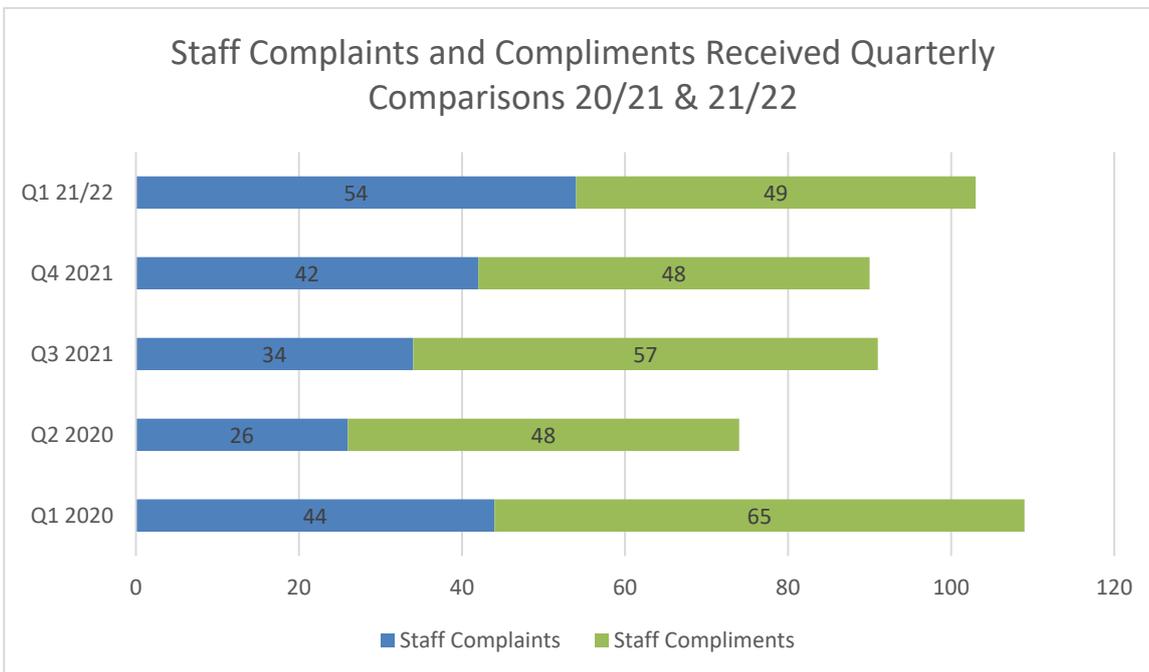
As recommended in the Centium Internal Audit Report - Complaints Management, a new report format is being trialed to provide more visual representation of feedback from the community. This is using the Customer Experience ethos of simple and easy to understand and asking for feedback to make improvements. Feedback on the new report style is encouraged and welcomed. For detailed analysis, see attached Q1 Complaints and Compliments Data Report.

Community Complaints and Compliments refer to issues/comments raised by customers related to Quality of Work, Level of Service, Response Time, Council Decision, Value of Fees and Charges, and General Feedback, not an individual. Staff Complaints and Compliments relate to issues/comments raised by customers that are specific to a staff member eg driving, behaviour etc

**Graphical Illustration of trends (Complaints/Compliments)**



Community Complaints are down 49% comparing Q1 21/22 to Q4 20/21 and down 56% comparing Q1 21/22 to Q1 20/21.



Conversely Staff Complaints are up 29% comparing Q1 21/22 to Q4 20/21 and up 23% comparing Q1 21/22 to Q1 20/21.

### Complaint and Compliment Summary

Feedback	Total Number Received	Resolved within SLA
Community Complaints	43	77%
Staff Complaints	53	
Compliments	133	68%

### Opportunities Identified

From July-September, 53 staff complaints were received, and the Internal Ombudsman (IO) has identified the following key issues that were raised by customers along with the actions taken to mitigate and resolve.

Issue	No.	Actions Taken
Covid-19 Health Order noncompliance complaints <ul style="list-style-type: none"> <li>• Mask wearing</li> <li>• QR Code check in</li> </ul>	19	<ul style="list-style-type: none"> <li>• IO Office referred to the relevant Director to manage directly with staff.</li> <li>• IO Office advised Unit Manger People &amp; Culture regarding complaints.</li> <li>• Communications highlighted the importance of mask wearing and QR check in on the COVID-19 page of the employee communications and information portal (CHIP). Messages were also distributed on the CHIP home page, in newsletters and email updates to staff.</li> <li>• IO Office advised the CEO complaints were being received.</li> </ul>
Driving Complaints <ul style="list-style-type: none"> <li>• Speeding</li> <li>• Erratic driving</li> </ul>	10	<ul style="list-style-type: none"> <li>• IO Office referred to the relevant Director to manage directly with staff.</li> <li>• One driving complaint was deemed serious and was managed by the IO Office under the Code of Conduct.</li> </ul>
Disrespectful conduct <ul style="list-style-type: none"> <li>• Phone</li> <li>• Face to Face</li> </ul>	18	<ul style="list-style-type: none"> <li>• IO Office referred to the relevant Director to manage directly with staff.</li> <li>• Communications highlighted customer interaction reminders on CHIP and distributed similar messages in newsletters and email updates to staff.</li> </ul>

### Improvement Program

The Online Customer Service Centre (CX Portal) has been operating for 12 months and the Google Analytics page views for Feedback shows it has the highest average conversion rate of 80%, meaning that most customers who visit the page submit a feedback request. This

indicates the success of this channel and the increasing trend of customers using the online Customer Portal (see Trends).

The Customer Effort Score (CES) survey was implemented as a feedback measure of the Customer Portal reviewing customer ease of use and satisfaction. In 12 months, the survey has received 254 responses with 60% of customers stating it was moderately or extremely easy to use and 70% stating they are likely or very likely to use the portal again.

In Q4 of 2020-21, Council implemented a 'Significant Issue' flag within CX to identify and track requests that were not complaints but were related to high impact issues or emergency events. There have been 304 Service Requests flagged from 1 July – 30 September 2021 related to the increase in rates or the potential of a future rate rise.

The policy for Unreasonable Complainant Conduct was reviewed and endorsed by Council at the 23 September 2021 Council meeting and has been uploaded to Council website under the Complaints and Feedback Management Policy suite of documents. The procedures have been made available to internal staff.

The Complaints and Feedback Management Policy was on public exhibition from 7 October 2021 to 7 November 2021 and received 11 submissions. Ten of the submissions did not comment on the Policy nor recommend any changes to it. Instead, customers used the public exhibition format as an alternate way to submit complaints about concerns with Council. All customers have been contacted regarding their concerns either by telephone or email and their request has been entered into CX – Council's Customer Relationship Management System. Each customer has been given a Service Request number and the complaint has been triaged to the appropriate department for follow up as outlined in the Policy.

Based on the feedback received from one submission about confusion between a complaint and a request for service, it was recommended that Council include wording to clarify the difference. As a result, the following definition has been included in the revised policy.

**Request for Council Service** is not considered a complaint.

The revised policy will soon be available on Council's website.

### **External Complaints Management**

The Centium Internal Audit Report - Complaints Management identified several recommendations to improve the effective management of external customer complaints about service delivery and staff conduct. Work continues to implement high and medium risk recommendations to improve the overall management of community complaints and improving the sensitive complaints management processes within Council.

## 7.1 Complaints and Compliments Q1 2021-22 (contd)

This work includes:

<b>Recommendation</b>	<b>Action</b>
1. Reconfigure one central reporting inbox, telephone number, online form, and mailing address.	Complete
2. Include clear directions into the Complaints and Compliments procedure registering all feedback into CX.	Policy approved by Council 23 November 2021. Complete
3. Provide training on new complaints procedure.	Planned completion by 30 January 2022
4. Expand complaints management role to include quality assurance and improved reporting.	Ongoing
5. Establish library of complaints templates.	Complete
6. Unit Managers and Directors to quality assure community and staff complaints before being sent to customers.	Ongoing
7. Establish live tracking of complaints reporting in CX.	Complete
14. Adopt comprehensive complaints report format.	Complete
17. Update Complaint and Feedback Management procedure to include additional detail based on other recommendations within report.	Complete

### Attachments

1  Q1 Complaints and Compliments 1 July 2021 - 30 September 2021 D14953857

### Q1 Complaints and Compliments 1 July 2021 – 30 September 2021

The below is the data report of the complaints and compliments as registered in CX system for the fourth quarter period 1 July 2021 to 30 September 2021.

Feedback is captured in Council's Customer Experience (CX) system.

Complaints and Compliments are categorised at a high level as follows:

- Council Decision
- General Feedback
- Level of Service
- Quality of Work
- Response Time
- Value of Fees and Charges
- Staff Performance

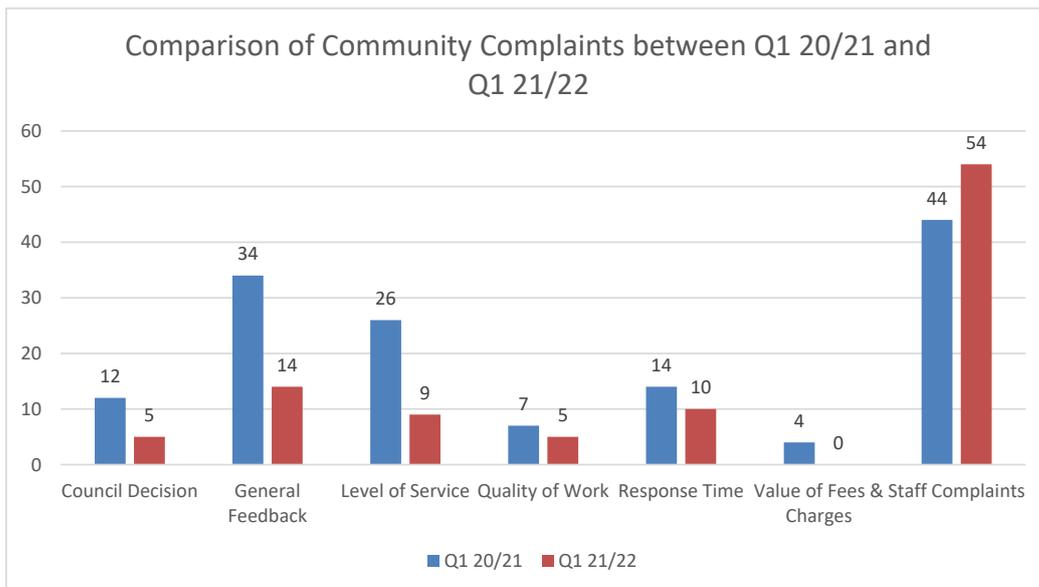
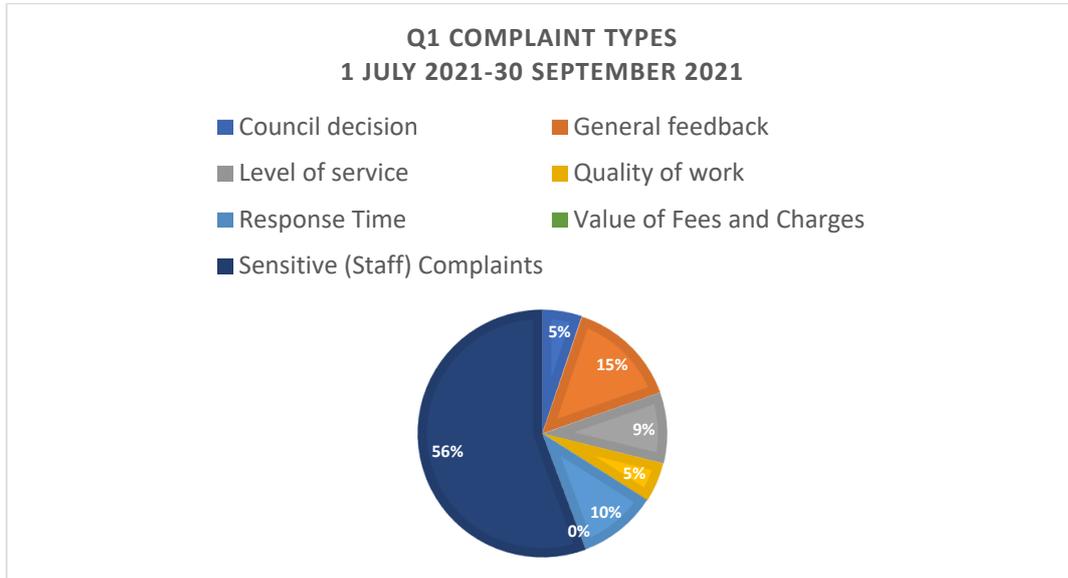
#### Complaints and Compliments from CX system 1 July – 30 September 2021

LIST BY COMPLAINT TYPES	No	LIST BY COMPLIMENT TYPES	No
Council Decision	5	Council Decision	00
General Feedback	14	General Feedback	47
Level of Service	9		
Quality of Work	5	Quality of Work	24
Response Time	10	Response Time	14
Value of Fees and Charges	0	Value of Fees and charges	0
Sensitive (staff) Complaints	54	Staff Performance	48
Total Exc Sensitive	<b>43</b>	Total	<b>133</b>

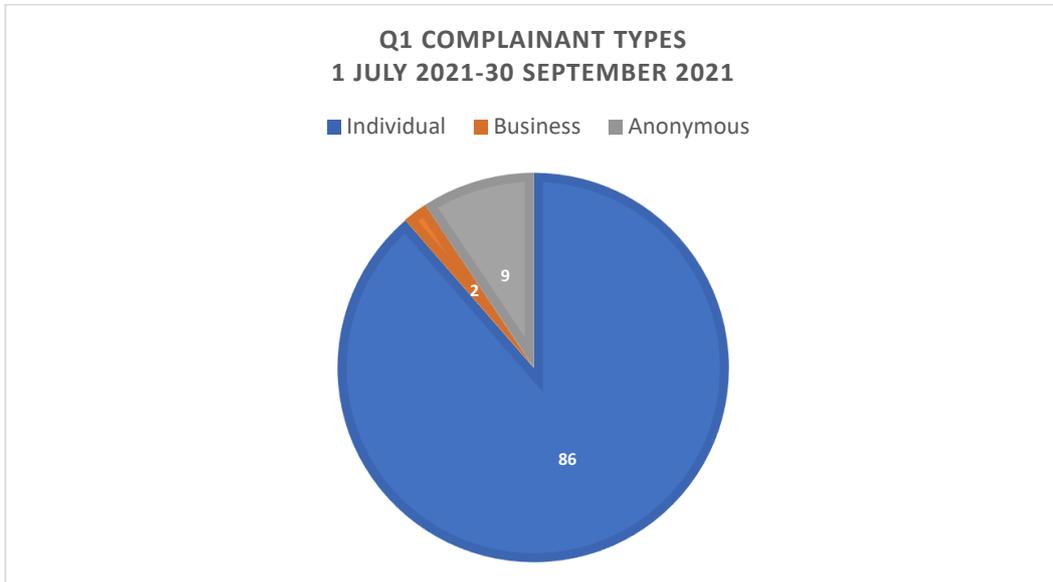
The key difference between Community Complaints and Compliments and Staff Complaints and Compliments is that Community refers to how Council deals with a situation while Staff relates to how an individual relates to a situation.

#### Complaint Types

- On average in the first quarter 2021/22 approximately 32 complaints were received per month (incl sensitive complaints). There was a 56% reduction in community complaints from the same quarter in the previous financial year.
- Although there were minimal changes in the number of complaints received for Quality of Work, Response Time and Value of Fees and Charges, this quarter saw significant reductions in complaints received for Council Decision, General Feedback and Level of Service.



The following shows complainant types and numbers received from individuals, businesses and anonymous or guest users and indicates overwhelming that most complaints come from individuals.

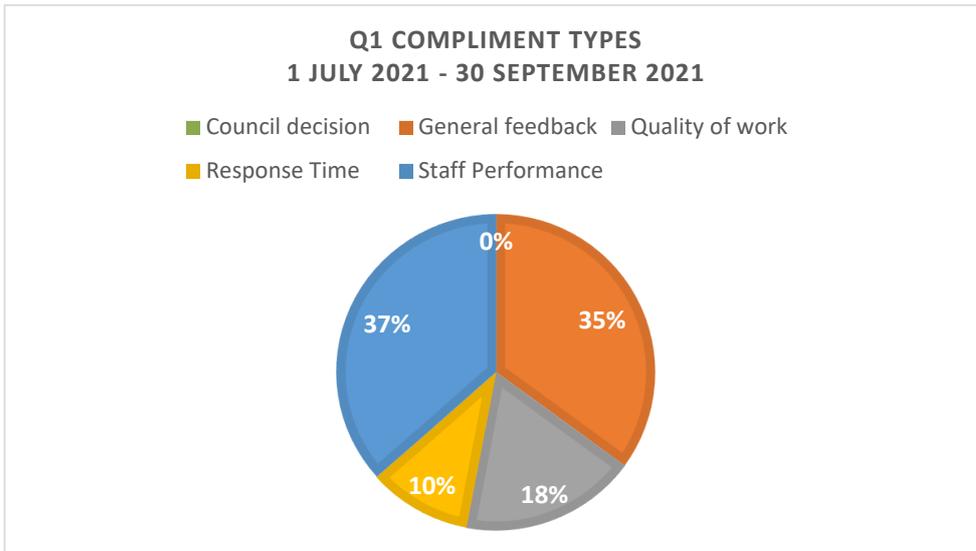


Complaint categories and trends indicate a significant decrease in Community Complaints overall with an increase in Staff Complaints over the same quarter period comparing financial years.

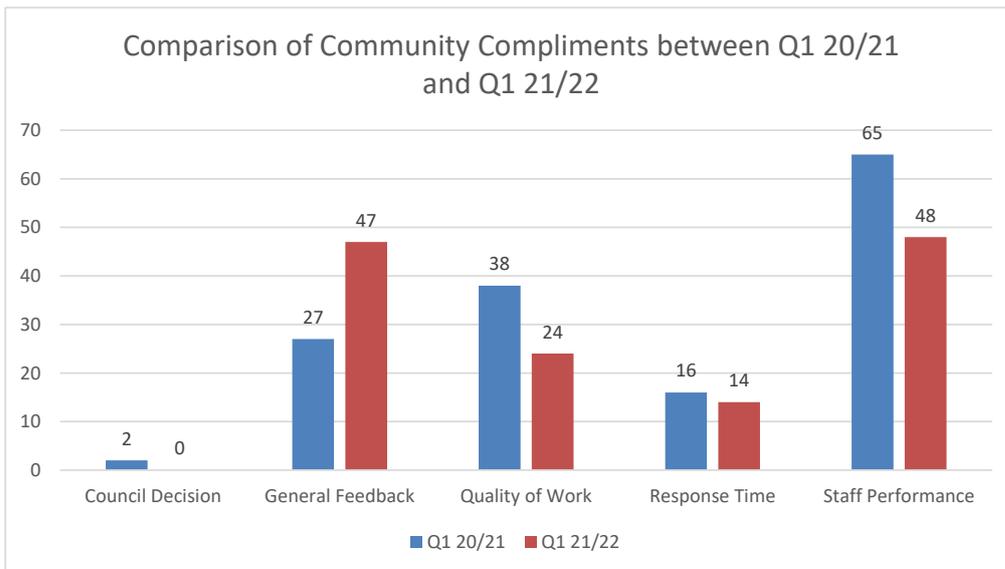
**Compliment Types**

This quarter saw an overall increase of 22% in compliments from the last quarter in the previous financial year.

There was a significant increase in General Feedback compliments and with previous quarters, Staff Performance (37%) has the highest allocation of compliments, followed by General Feedback (35%), Quality of Work (18%), and Response Time (10%).



The following compares compliments received over the same quarter in different financial years showing a significant increase in the number of general feedback compliments.



**Community Complaints Received by Directorate Q1 2021/2022**

<b>Community Complaints by Directorate</b>	<b>Received</b>	<b>Completed within SLA</b>
Environment & Planning	13	60%
Community & Recreation Services	3	100%
Infrastructure Services	5	60%
Water & Sewer	5	75%
CEO	2	100%
Corporate Affairs & CFO	15	66%
<b>Total Exc Sensitive</b>	<b>43</b>	<b>Avg 77%</b>

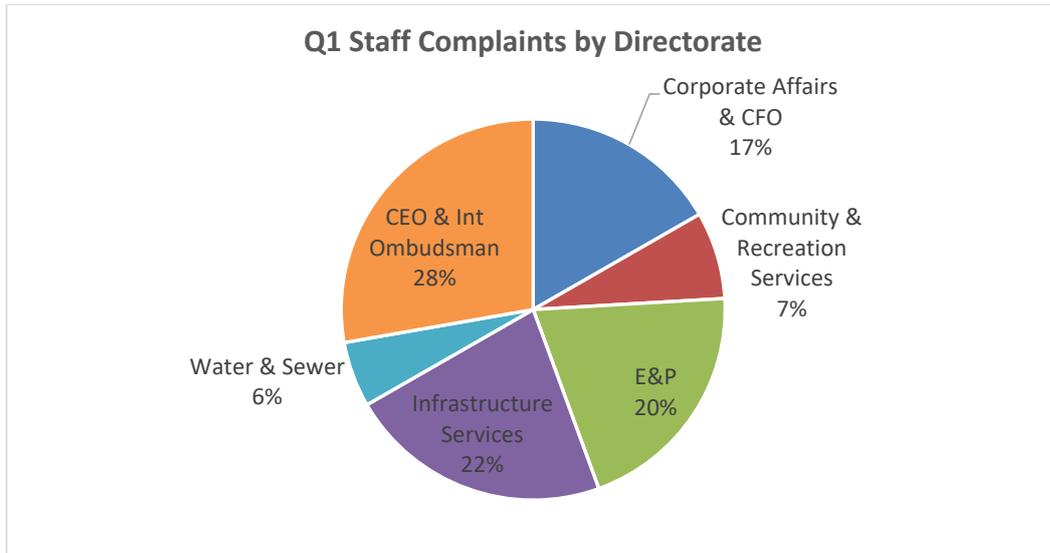
**Community Compliments Received by Directorate Q1 2021/2022**

<b>Community Compliments by Directorate</b>	<b>Received</b>	<b>Completed within SLA</b>
Environment & Planning	25	40%
Community & Recreation Services	42	83%
Infrastructure Services	32	71%
Water & Sewer	11	80%
Corporate Affairs & CFO	23	67%
<b>Total</b>	<b>133</b>	<b>Avg 68%</b>

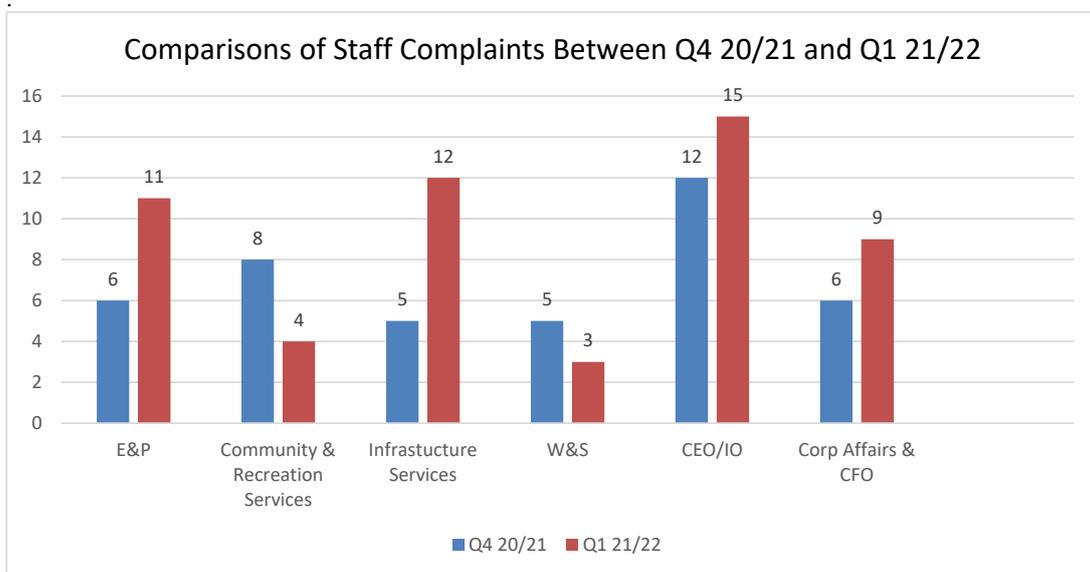
**Staff Complaints Received by Directorate Q1 2021/2022Staff**

<b>Staff Complaints by Directorate</b>	<b>Received</b>	<b>Completed within SLA</b>
Environment & Planning	11	45%
Community & Recreation Services	4	100%
Infrastructure Services	12	58%
Water & Sewer	3	67%
CEO & Internal Ombudsman	15	66%
Corporate Affairs and CFO	9	78%
<b>Total</b>	<b>54</b>	<b>Avg 69%</b>

The following graph shows a breakdown of the percentage of staff complaints received by Directorate. With staff complaints initially assigned to the Internal Ombudsman (IO) for review, complaints recorded against the IO have not yet been reassigned to the relevant Directorate.



Due to changes to the Council organisational structure, the following graph compares staff complaints by Directorate from the previous quarter in the last financial year (20/21) to the first quarter in the current financial year (21/22). This is to provide a relevant comparison for Directorates. Also as previously mentioned, the allocation of staff complaints may not be representative of the final allocation due to reassignment by the IO.

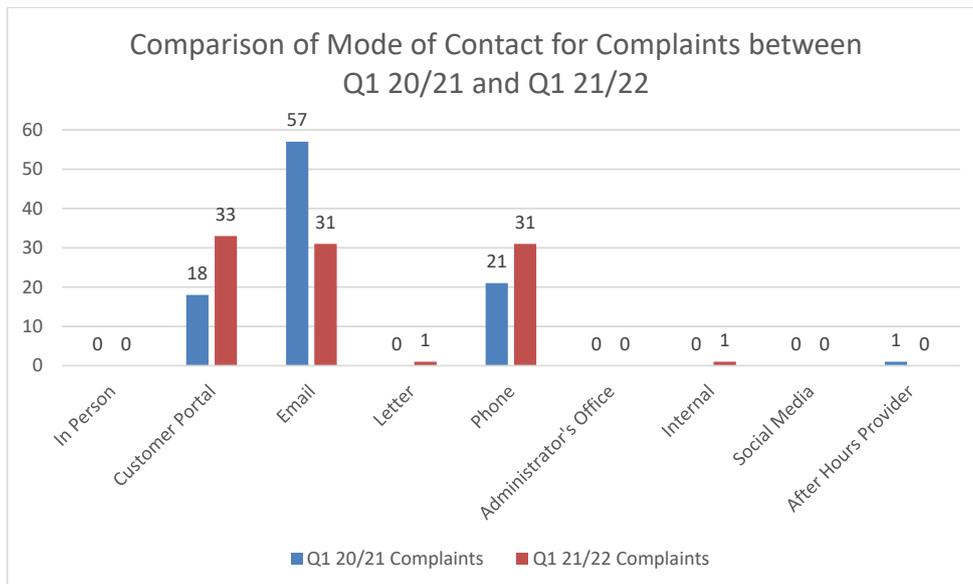


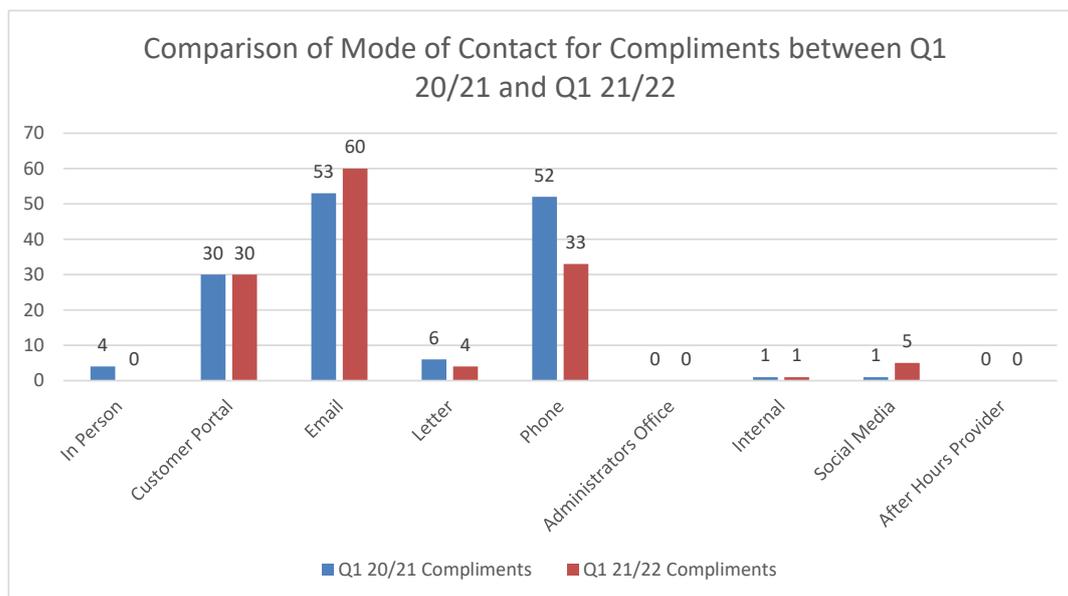
**Mode of Contact**

For the first time the online Customer Service Centre (CX Portal), was the preferred mode of contact for complaints followed by email and phone. Social media campaign promoting this contact method has helped increase these numbers over the last 12 months. Email however is still the preferred choice for compliments followed by phone and customer portal.

**Mode of Contact Q1 2021/22**

Mode of Contact 1 July – 30 September 2021			
COMPLAINTS (incl. staff complaints)	No	COMPLIMENTS	No
In Person	0	In Person	0
Customer Portal	33	Customer Portal	30
Email	31	Email	60
Letter	1	Letter	4
Phone	31	Phone	33
Mayor’s Office	0	Council Event	0
Internal	1	Internal	1
Social Media	0	Social Media	5
After Hours Provider	0	After Hours Provider	0
<b>TOTAL</b>	<b>97</b>	<b>TOTAL</b>	<b>133</b>





The following tables show community complaints received in Q1 for the Financial Year 2021/22. The groups in CX represent the business units and sections under each Directorate. The tables provide a breakdown of the feedback received in each of those areas.

#### Complaints by Group Q1 2021/22

COMPLAINTS BY GROUP		COMPLIMENTS BY GROUP	
<b>Environment &amp; Planning</b>	<b>1</b>	<b>Environment &amp; Planning v</b>	
Community Safety & Development Control	3	Building Assessment & Certification	1
Development Assessment (U)	1	Community Safety & Development	6
Development Assessment North	2	Flood Strategy and Planning	1
Environmental Management Unit	2	Environment Infrastructure	15
Environmental Infrastructure	1	Natural Assets & Biodiversity	1
Environmental Compliance & Systems	1	Environmental Compliance & Systems	1
Development Assessment Pre Lodgement	3		
<b>TOTAL</b>	<b>13</b>	<b>TOTAL</b>	<b>25</b>

COMPLAINTS BY GROUP		COMPLIMENTS BY GROUP	
<b>Community &amp; Recreation Services</b>		<b>Community &amp; Recreation Services</b>	
Libraries	2	Community & Culture	1
Leisure Beach Safety Comm Facilities	1	Libraries & Education	26
		Parks & Reserves	3
		Leisure Beach Safety Comm Facilities	1
		Open Space & Recreation	11
<b>TOTAL</b>	<b>3</b>	<b>TOTAL</b>	<b>42</b>

COMPLAINTS BY GROUP		COMPLIMENTS BY GROUP	
<b>CEO</b>		<b>CEO</b>	
Office of the CEO (Director)	2		
<b>TOTAL</b>	<b>2</b>	<b>TOTAL</b>	

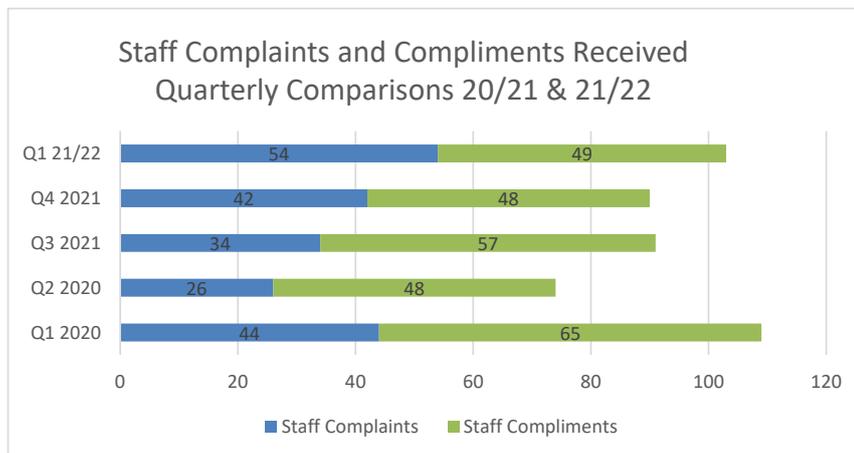
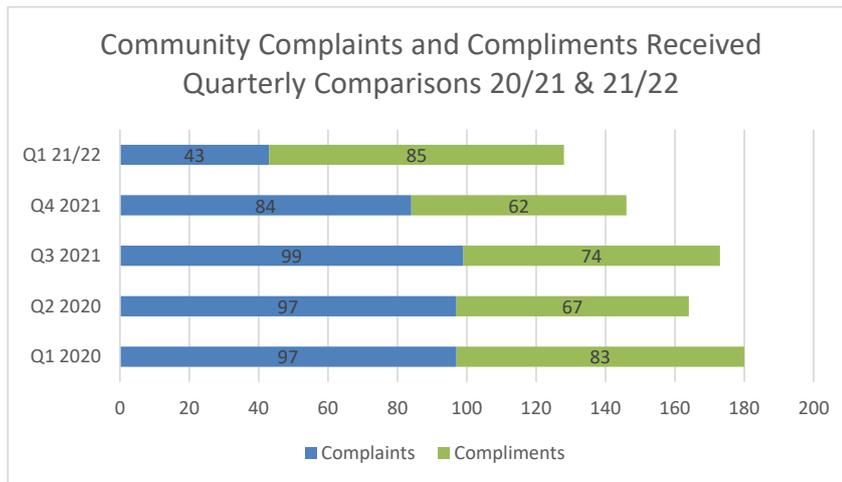
COMPLAINTS BY GROUP		COMPLIMENTS BY GROUP	
<b>Corporate Affairs &amp; CFO</b>		<b>Corporate Affairs &amp; CFO</b>	
Procurement & Project Management	1	Corporate Affairs Director	
Rates & Revenue	5	Customer Service	17
Partnering and assets	2	Rates & Revenue	
Holiday Parks	1	Plant & Fleet	1
Governance Services	3	Procurement & Project Mngt	5
Finance	1		
Customer Service	2		
<b>TOTAL</b>	<b>15</b>	<b>TOTAL</b>	<b>23</b>

COMPLAINTS BY GROUP		COMPLIMENTS BY GROUP	
<b>Infrastructure Services</b>		<b>Infrastructure Services</b>	
Contracts and Technical	1	Roads & Drainage Infrastructure	1
Roads & Drainage Asset Mngt	1	Local Roadsides	1
Pavements	2	Roads Construction & Maintenance	18
Waste & Resource Recovery	1	Waste & Resource Recovery	7
		Construction Delivery	2
		Program Delivery	1
		Waste Services	2
<b>TOTAL</b>	<b>5</b>	<b>TOTAL</b>	<b>32</b>

COMPLAINTS BY GROUP		COMPLIMENTS BY GROUP	
<b>Water and Sewer</b>		<b>Water and Sewer</b>	
Systems Operations	2	Headworks & Treatment	1
Network Maintenance	1	Network Operations & Maintenance	10
Network Ops & Maintenance	1		
Asset Delivery	1		
<b>TOTAL</b>	<b>5</b>	<b>TOTAL</b>	<b>11</b>

**Trends**

The following graphs indicate trends in community feedback and staff feedback from the first quarter in the last financial year up until the first quarter of the current financial year.





**Item No:** 7.2  
**Title:** Update on the Integrated Planning and Reporting Activities for 2021-22  
**Department:** Environment and Planning

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7 December 2021 Audit Risk and Improvement Committee Meeting

Reference: F2021/00508 - D14930734  
Author: Sharon McLaren, Section Manager, Corporate Planning and Reporting  
Manager: David Milliken, Unit Manager Strategic Planning  
Executive: Scott Cox, Director Environment and Planning

## Recommendation

- 1 That the Committee note the report on the Update on the Integrated Planning and Reporting Activities for 2021-22.
- 2 That the Committee make a recommendation that this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.

The information provided in this report is current as at 10/11/2021.

## Summary

The purpose of this report is to provide a status update since the ARIC meeting on 14 September 2021 on the Integrated Planning and Reporting (IP&R) activities planned for the 2021-22 financial year.

## Background

At the 14 September ARIC meeting the committee was advised the following approach would be undertaken with each of the IP&R elements:

IP&R Element	Details
<b>Community Strategic Plan (CSP)</b>	<p>Under usual circumstances a full review of the CSP would have occurred in 2021-22 following the local government elections. However, as the local government elections are postponed to 2022 and there is a need to update the CSP based on Council's financial situation, a two phased approach is being undertaken:</p> <ul style="list-style-type: none"><li>• Phase 1: Desktop Review. As part of this Phase, community engagement data based on the financial situation will be analysed to understand what the community is feeling and what the community wants from their council. Amendments to the CSP to reflect and acknowledge this will be contained in this revised version. No other changes will be made to the CSP as part of this</li></ul>

	<p>Phase. Exhibition of the Phase 1 revisions is planned for April 2022, with adoption in June 2022.</p> <ul style="list-style-type: none"> <li>Phase 2: Comprehensive Review. This Phase is in accordance with the <i>Local Government Act 1993</i> and is triggered by a local government election. A date of the election is yet to be announced but is expected to occur sometime in 2022. This Phase will include community engagement to determine if the CSP is still what the community aspire to. This Phase will be completely focussed on the feedback from the community, with any changes directly as a result of their feedback. The newly elected Council would adopt the Phase 2 CSP following their election and commencement.</li> </ul>
<b>Delivery Program (DP)</b>	<p>The development of a DP is again triggered by the local government elections. It is also usually a 4-year plan, but due to COVID-19 the next DP cycle will only be 3 years. Although the elections have been postponed a DP will still be developed covering the 2022-23, 2023-24 and 2024-25 financial years. Exhibition of the Delivery Program is planned for April 2022, with adoption in June 2022.</p>
<b>Operational Plan (OP)</b>	<p>The OP (1-year plan) is derived from the DP. The first year will be the DP and combined OP (2022-23). Years two and three (2023-24 and 2024-25) will essentially be draft. It will be reviewed annually and revised as necessary.</p>
<b>Resourcing Strategy</b>	<p>The three elements of the Resourcing Strategy will be developed as follows:</p> <ul style="list-style-type: none"> <li>Long Term Financial Plan (LTFP) – as per legislative requirements the LTFP will be reviewed and updated in line with the development of the DP and OP</li> <li>Asset Management Strategy (AMS) – this is required to be reviewed and updated in line with the CSP review. Therefore, this will be carried out following the local government elections in 2022. Council is undertaking planning activities to support and inform the AMS review in 2022</li> <li>Workforce Management Strategy (WFMS) – the 2021-22 financial year is the final year of the current WFMS. A new 4-year WFMS will be developed covering the 2022-23, 2023-24, 2024-25 and 2025-26 financial years. It will be reviewed following the local government elections and revised as necessary to ensure it aligns with the LTFP and AMS.</li> </ul>
<b>Annual Report (AR)</b>	<p>The reporting requirements of the IP&amp;R Framework will be carried out as follows:</p> <ul style="list-style-type: none"> <li>The Annual Report for the 2020-21 financial year is currently being prepared. It is required to be prepared within 5 months of the end of the financial year i.e. 30 November 2021.</li> </ul>

## 7.2 Update on the Integrated Planning and Reporting Activities for 2021-22 (contd)

- The State of Environment Report was prepared and adopted by Council in September 2020. It is still current and available on Council's website.
- The End of Term Report has been prepared and covers the financial years of 2018-19, 2019-20 and 2020-21. It is programmed to go to the 14 September Council meeting for adoption.

### Current Status

Since the previous report, a number of elements have been impacted as a result the Special Rate Variation (SRV) project.

As part of the Independent Pricing and Regulatory Tribunal's (IPART) requirements of submitting an SRV application, councils are required to update their IP&R documents to reflect the need for an SRV and exhibit these prior to submitting an application. If Council is to apply for an SRV, an application must be submitted by 7 February 2022. The IP&R elements that are required to be updated and exhibited include:

- Community Strategic Plan;
- Delivery Program 2022-23 to 2024-25 (including Operational Plan 2022-23);
- Long Term Financial Plan;
- Workforce Management Strategy; and
- Asset Management Strategy.

Unfortunately, this information had not been provided by IPART at the time of the previous report and Council staff have had to act quickly to ensure this is accommodated and met. It is important to note that whilst the need to meet the requirements of the SRV expedites the timeline it does not change the fact that these IP&R elements (except for the Asset Management Strategy) were still going to be completed in 2021-22.

The following table details the current status of each IP&R element.

IP&R Element	Details
<b>Community Strategic Plan (CSP)</b>	Phase 1 is well underway with the community engagement data analysed and benchmarking undertaken. This was then used to formulate the proposed amendments to the CSP based on the financial situation. Internal engagement was then carried out, with the feedback that has been received being reviewed and final changes being made to the draft Revised CSP before moving to public exhibition.
<b>Delivery Program (DP)</b>	The development of the DP is also well underway with the Unit Managers developing their three year actions and KPIs. The next

**7.2 Update on the Integrated Planning and Reporting Activities for 2021-22 (contd)**

IP&R Element	Details
	steps will include a sense check and addressing of any issues or gaps before being submitted to the Executive Leadership Team for their final review and approvals. Once approved they will then be used to formulate the draft DP document that will be placed on public exhibition.
<b>Operational Plan (OP)</b>	As previously mentioned the OP (1-year plan) is derived from the DP, with the progress of this detailed above.
<b>Resourcing Strategy</b>	<ul style="list-style-type: none"> <li>• Long Term Financial Plan (LTFP) – the draft LTFP is underway with the financial modelling around the SRV being developed</li> <li>• Asset Management Strategy (AMS) – although the SRV is not planned to fund an asset backlog, the current AMS, which was developed and adopted in 2018, will only be revised to include narration around the need for an SRV and any associated changes as a result of the LTFP and WFMS. This will commence late November. A comprehensive review and development of a new AMS is still planned for 2022 following the local government elections, with staff already undertaking planning activities to support and inform the AMS review</li> <li>• Workforce Management Strategy (WFMS) – the draft WFMS is underway with an understanding of what the workforce needs will be for the next four year being developed and the incorporation of how the SRV will affect / impact this.</li> </ul>
<b>Annual Report (AR)</b>	<ul style="list-style-type: none"> <li>• Annual Report 2020-21 – this has been prepared and is scheduled to go to the 23 November Council meeting for adoption. As required, it will then be published on Council’s website by 30 November 2021</li> <li>• State of Environment Report – no change to the previous update</li> <li>• End of Term Report – this report was adopted at the 28 September Council meeting and is available on Council’s website.</li> </ul>

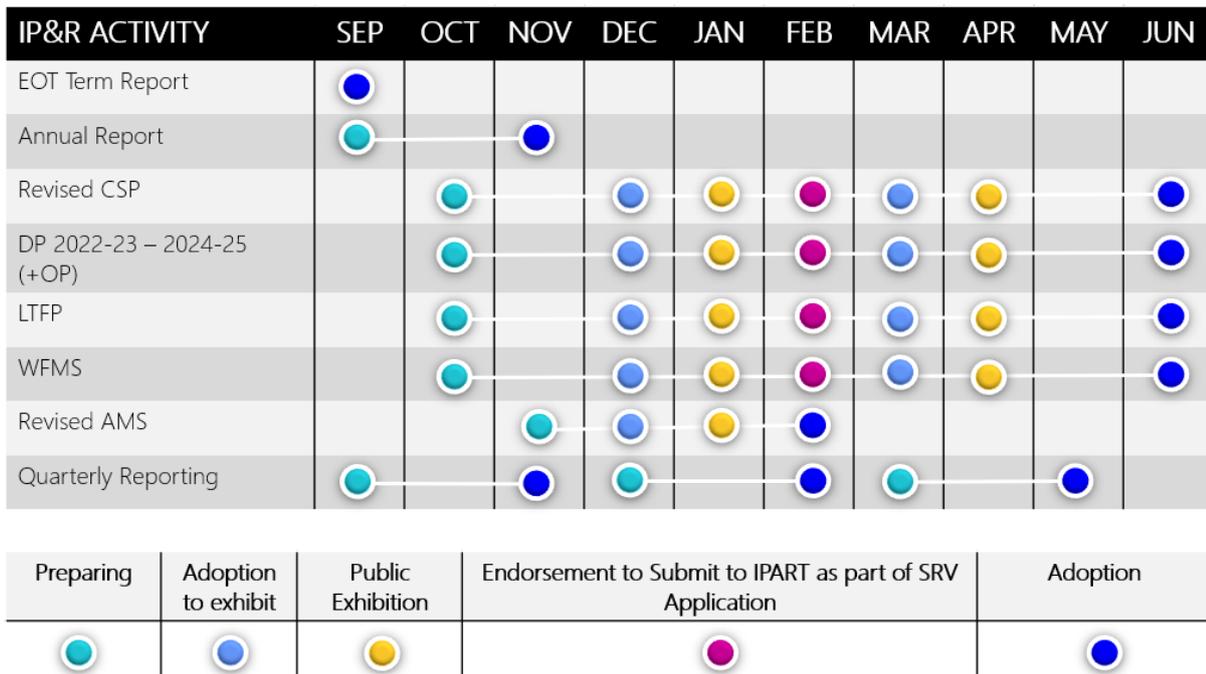
**Critical Dates / Other Impacts**

The following timeline information is based on meeting IPART’s requirements of the having the IP&R elements exhibited before an SRV application is submitted in February 2022. An extraordinary meeting of Council to adopt these documents for exhibition will be required in December, with exhibition to occur over January. An extraordinary meeting in early February 2022 will then be held to consider submissions received. If it is resolved that Council will submit an SRV application, the IP&R documents will only be endorsed for inclusion as part of SRV application, they will not be formally adopted. It should be noted that in order to meet IPART’s requirements, this cannot be avoided, but given the importance of these documents and to ensure the community is able to view and have their say, the following will occur:

## 7.2 Update on the Integrated Planning and Reporting Activities for 2021-22 (contd)

- The CSP is the communities document and although the revisions to the CSP are important, but not considered major it is still crucial that the community is aware of the proposed amendments and has opportunity to have their say. As such, a further exhibition is planned for April 2022, with adoption in June 2022.
- As the exhibition of draft Delivery Program (and Operational Plan), Long Term Financial Plan and Workforce Management Strategy is occurring over the school holiday period and there will likely be necessary changes required to these documents a further exhibition is planned for April 2022, with adoption in June 2022.
- As the amendments to the Asset Management Strategy (AMS) are considered minor and the comprehensive review is still scheduled for late 2022, it is not envisaged that further exhibition will be required in April. This would mean that consideration of submissions and adoption of the Revised AMS would occur in February.

It is also proposed that a Community Reference Group (CRG) will be established early 2022 to ensure the Revised CSP represents the community's sentiments, and the new Delivery Program aligns with the CSP and delivers a good cross-section of actions, projects and activities over the 3 years. The input received from the proposed CRG will be used to inform the April 2022 exhibition and June 2022 adoption.



### Attachments

Nil.



**Item No:** 9.1  
**Title:** Meeting Dates for 2022  
**Department:** Corporate Affairs

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7 December 2021 Audit Risk and Improvement Committee Meeting

Reference: F2021/00030 - D14900091  
Author: Kelly Drover, Meeting Support Officer  
Manager: Edward Hock, Unit Manager, Governance and Legal Counsel  
Executive: Natalia Cowley, Director Corporate Affairs and Chief Financial Officer

### Recommendation

- 1 *That the Committee set the meeting dates for 2022 as set out in this report.*
- 2 *That the Committee make a recommendation that this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

*The information provided in this report is current as at 21/10/2021.*

### Summary

Clause 55 of the ARIC Charter states that forward meeting dates for the following year will be agreed by the Committee in December each year. The proposed meeting dates for 2022 are set out below.

#	Date	Location	Time
1	Wednesday 9 March 2022	Wyong Committee Room / Microsoft Teams	2pm – 5pm
2	Wednesday 8 June 2022	Wyong Committee Room / Microsoft Teams	2pm – 5pm
3	Wednesday 14 September 2022	Wyong Committee Room / Microsoft Teams	2pm – 5pm
4	<i>October/November 2022 Extraordinary Finance Meeting – Date TBC</i>	<i>Wyong Committee Room / Microsoft Teams</i>	<i>2pm – 5pm</i>
5	Wednesday 7 December 2022	Wyong Committee Room / Microsoft Teams	2pm – 5pm

It is noted that the Committee may also determine to have additional meetings as required.

### Attachments

*Nil.*