
**FINANCE AND GOVERNANCE COMMITTEE SUPPLEMENTARY
REPORTS**

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** Item includes confidential papers

FINANCE AND GOVERNANCE COMMITTEE NO. 5

15 OCTOBER 2024

SUPPLEMENTARY REPORTS

14. **MONTHLY FINANCIAL PERFORMANCE REPORT - SEPTEMBER 2024**

This is a report concerning Council's financial performance for the period ending 30 September 2024, submitted in accordance with section 204 of the *Local Government Regulation 2012*.

RECOMMENDATION

That the report on Council's financial performance for the period ending 30 September 2024, submitted in accordance with section 204 of the *Local Government Regulation 2012*, be considered and noted by Council.

Doc ID No: A10731795

This matter has been determined to be of a significant nature and approval has been given to refer this report to the Finance and Governance Committee as a supplementary item.

ITEM: 14

SUBJECT: MONTHLY FINANCIAL PERFORMANCE REPORT - SEPTEMBER 2024

AUTHOR: CHIEF FINANCIAL OFFICER

DATE: 1 OCTOBER 2024

EXECUTIVE SUMMARY

This is a report concerning Council's financial performance for the period ending 30 September 2024, submitted in accordance with section 204 of the *Local Government Regulation 2012*.

RECOMMENDATION/S

That the report on Council's financial performance for the period ending 30 September 2024, submitted in accordance with section 204 of the *Local Government Regulation 2012*, be considered and noted by Council.

RELATED PARTIES

Not applicable

IFUTURE THEME

A Trusted and Leading Organisation

PURPOSE OF REPORT/BACKGROUND

This report outlines the financial results for Ipswich City Council as at 30 September 2024.

The total net result (including capital revenue) for Ipswich City Council as at 30 September 2024 is a surplus of \$71.6 million compared to the year to date (YTD) budget surplus of \$28.2 million.

Council's YTD operating surplus (excluding capital revenue) is approximately \$6.5 million compared to the budgeted YTD surplus of \$2.2 million. The explanations are outlined further in the report.

Overall, capital expenditure including the Nicholas Street Redevelopment YTD but excluding the voluntary home buy-back is \$16.3 million below budget YTD. Asset donations as at 30 September 2024 are \$25.8 million above the YTD budget.

Revenue

Operating revenue is \$4.3 million above the YTD budget which is mainly due to fees and charges for animal management and waste services, UU tax revenue and interest income being ahead of budget. Interest revenue YTD is \$1.1 million higher than budget due to cash being slightly higher than budget, and investment interest rates remaining high. Revenue results will continue to be monitored for any possible timing effects.

Expenses

Overall operating expenses are approximately \$100k below YTD budget.

Employee expenses (including labour contracts) are over budget by \$551k which is due to greater than budgeted labour contracts.

Materials and services (excluding labour contracts) are underbudget by \$1.5 million. This is mainly due to the timing of expenditure and it is expected that this variance will reduce over the coming months.

Depreciation is in line with budget and will continue to be monitored during the financial year as capital works are undertaken and construction projects are capitalised. Finance will also continue to review the remaining lives of assets in conjunction with the asset revaluations.

Capital

The total YTD capital expenditure (including the Nicholas Street Redevelopment and excluding voluntary home buy back and disaster recovery) is \$31 million compared to the YTD budget of \$45.2 million.

The Nicholas Street Precinct Redevelopment is tracking under budget by approximately \$9.1 million.

Asset and Infrastructure Services Infrastructure Program YTD capital expenditure (excluding voluntary home buy back and disaster recovery) is \$18.2 million compared to budget of \$22 million. The underspends are mainly related to the strategic transport projects, in particular Mary and William Traffic Signals Upgrade and Springfield Greenbank Arterial Stage 3. These underspends are partially offset by overspends in Redbank Plains Road Stage 3 with works expected to be completed in the current financial year.

Cash Balances

Council's cash and cash equivalents balance as at 30 September 2024 was \$155.5 million and slightly above forecasts.

LEGAL IMPLICATIONS

This report and its recommendations are consistent with the following legislative provisions:
Local Government Regulation 2012

POLICY IMPLICATIONS

Council's financial position is managed in accordance with the Financial Management Policy.

RISK MANAGEMENT IMPLICATIONS

The favourable operating result of a \$6.5 million surplus against a budgeted surplus of \$2.2 million is mainly driven by higher operating revenues and lower materials and services expenditure. As it is the first quarter of the financial year, there may be some timing impacts on expenditure and revenue, depending on the phased budget (when it was anticipated receipts would be received and expenditure incurred). Review and rephasing of budget occurred during September and will continue to be monitored.

FINANCIAL/RESOURCE IMPLICATIONS

There are no specific financial implications as a result of this report.

COMMUNITY AND OTHER CONSULTATION

The contents of this report did not require any community consultation. Analysis and explanations of the variances are undertaken in conjunction with the various departments.



CONCLUSION

Regular reporting and monitoring of expenditure will continue during the financial year as part of Council's regular governance and reporting process.

HUMAN RIGHTS IMPLICATIONS

HUMAN RIGHTS IMPACTS
RECEIVE AND NOTE REPORT
The Recommendation states that the report be received and the contents noted. The decision to receive and note the report does not limit human rights. Therefore, the decision is compatible with human rights.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

1.	Monthly Financial Performance Report - September 2024  
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Jeffrey Keech
CHIEF FINANCIAL OFFICER

I concur with the recommendations contained in this report.

Matt Smith
GENERAL MANAGER (CORPORATE SERVICES)

“Together, we proudly enhance the quality of life for our community”



Ipswich City Council

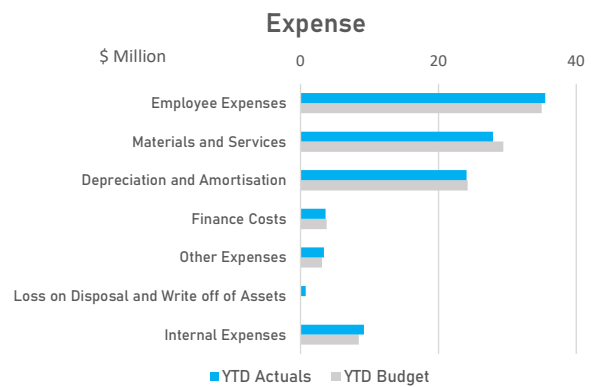
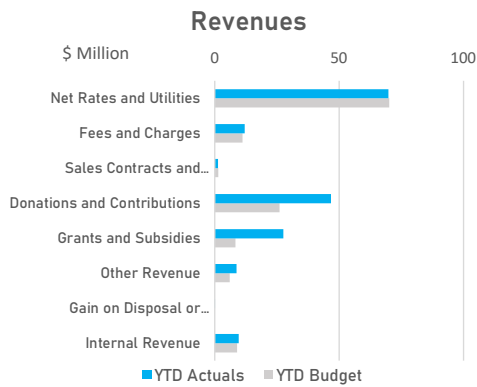
Performance Report

SEPTEMBER 2024

FINANCIAL EXECUTIVE SUMMARY

SEPTEMBER 2024

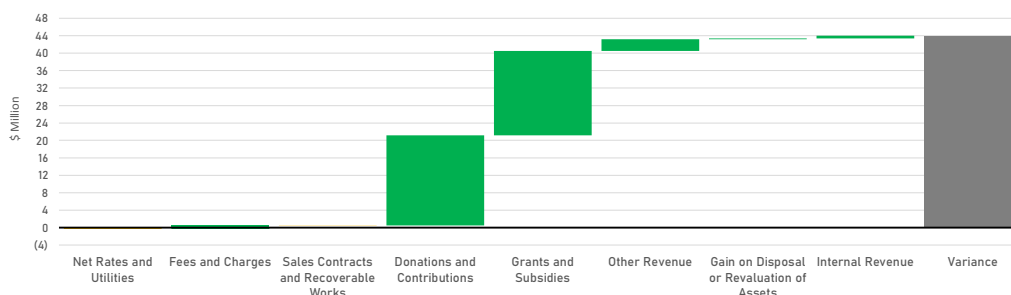
	YTD				Annual	Trend from AUG 2024
	Actuals	Current Budget	Variance	Variance	Current Budget	
	\$'000s	\$'000s	\$'000s	%	\$'000s	
Operating Revenue	110,297	106,032	4,265	4.0%	421,742	▲
Operating Expense	103,758	103,856	98	0.1%	419,565	▼
Operating Surplus/(Deficit)	6,539	2,176	4,363		2,177	▼
Capital Revenue	65,629	26,039	39,590	152.0%	156,267	▲
Other Capital Income (Asset disposals)	54	0	54	N/A	0	▲
Capital Loss (Asset write-off)	634	0	(634)	N/A	0	▼
Net Result	71,588	28,215	43,373		158,444	▲
Construction Program and Asset Purchase	44,180	51,294	7,113	13.9%	181,899	▲
Nicholas Street Precinct	2,836	11,954	9,118	76.3%	21,736	▲
Donated Assets	44,673	18,878	(25,796)	(136.6%)	75,510	▼
Total Capital Expenditure	91,689	82,125	(9,564)	(11.6%)	279,145	▼



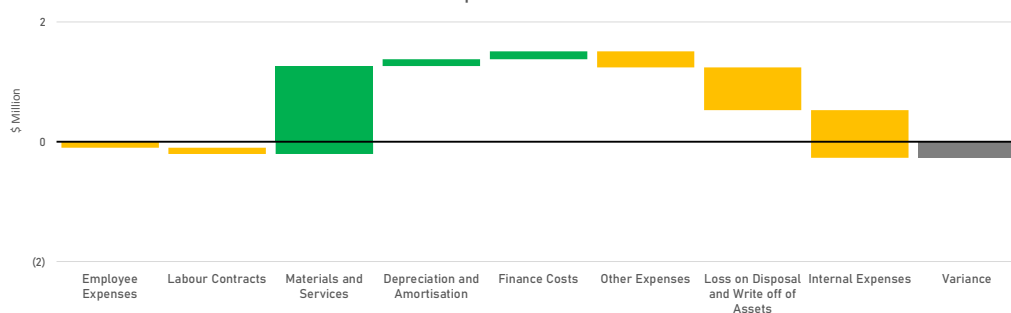
FINANCIAL EXECUTIVE SUMMARY

	YTD				Annual	
	Actuals \$'000s	Current Budget \$'000s	Variance \$'000s	Variance %	Current Budget \$'000s	Trend from AUG 2024
Revenue						
Net rates and utilities charges	69,827	70,126	█ (299)	(0.4%)	281,914	▼
Fees and charges	11,995	11,168	█ 827	7.4%	43,822	▲
Government grants and subsidies	27,640	8,296	█ 19,344	233.2%	66,932	▲
Internal revenue	9,639	9,029	█ 610	6.8%	35,816	▲
Other revenue	10,244	7,401	█ 2,843	38.4%	45,333	▲
Donations and contributions	46,712	26,050	█ 20,662	79.3%	104,192	▲
Total Revenue	176,057	132,070	43,987	33.3%	578,009	▲
Expense						
Employee expenses	34,396	34,435	█ 39	0.1%	140,780	▲
Labour contracts	1,116	528	█ (588)	(111.4%)	2,171	▼
Materials and services	27,935	29,400	█ 1,465	5.0%	119,684	▼
Internal expenses	9,208	8,414	█ (794)	(9.4%)	33,331	▼
Other expenses	7,709	6,859	█ (850)	(12.4%)	26,338	▼
Depreciation & amortisation	24,105	24,220	█ 115	0.5%	97,261	▼
Total Expenses	104,469	103,856	(613)	(0.6%)	419,565	▼
Net Result	71,588	28,214	43,374		158,444	▲

Revenue Variance



Expense Variance



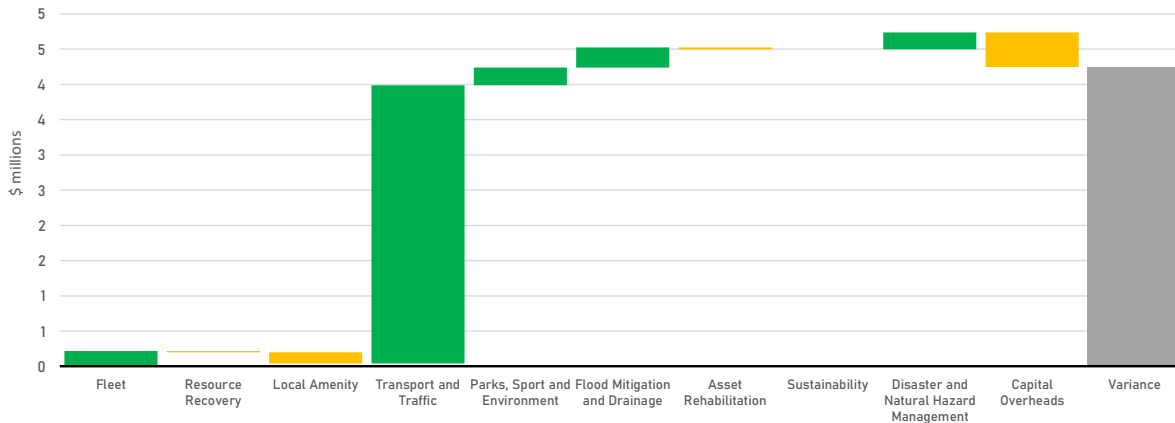
FINANCIAL EXECUTIVE SUMMARY

SEPTEMBER 2024

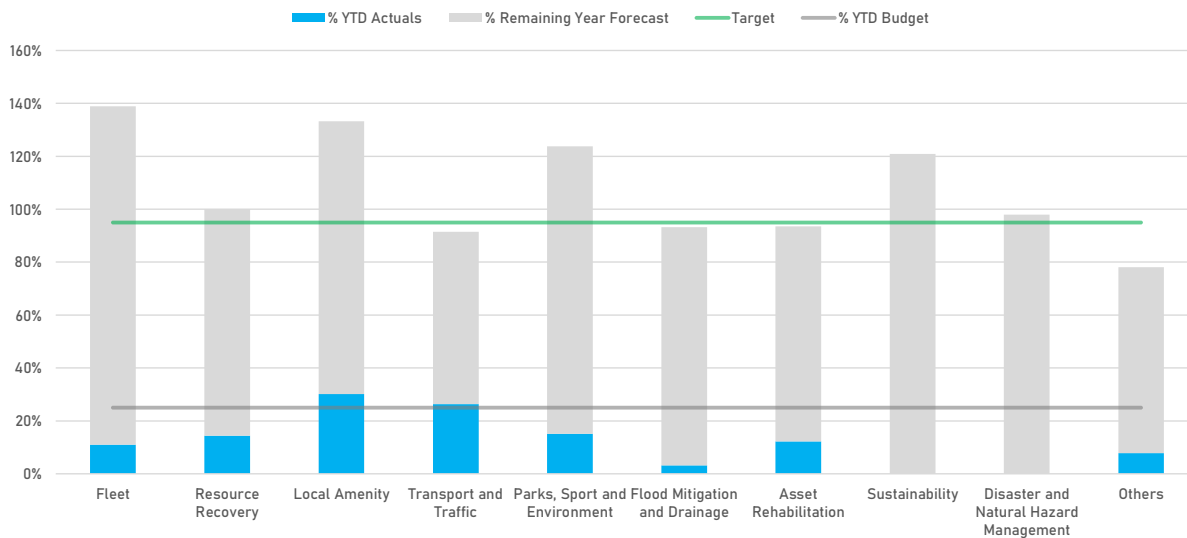
Capital

	YTD				Annual	
	Actuals	Current Budget	Variance	Variance	Current Budget	Trend from
	\$'000s	\$'000s	\$'000s	%	\$'000s	AUG 2024
Executive	5,828	5,828	1	0.0%	6,828	-
Nicholas Street Precinct	2,836	11,954	9,118	76.3%	21,736	▲
Corporate Services	1,387	2,209	823	37.2%	9,219	▲
Community, Cultural and Economic Development	353	534	181	33.9%	4,011	▼
Asset and Infrastructure Services	19,026	22,990	3,964	17.2%	99,632	▲
VHBB and Disaster Recovery	16,017	18,076	2,059	11.4%	44,831	▼
Environment and Sustainability	979	1,146	167	14.6%	13,326	▲
Planning and Regulatory Services	591	510	(81)	(15.9%)	4,052	▲
Net Result	47,016	63,247	16,231	25.7%	203,635	▲

YTD Variance by Construction Program (Excluding CBD and Disaster Recovery)



Capital Program (Excluding CBD and Disaster Recovery)
Actual and Forecast % of FY Budget



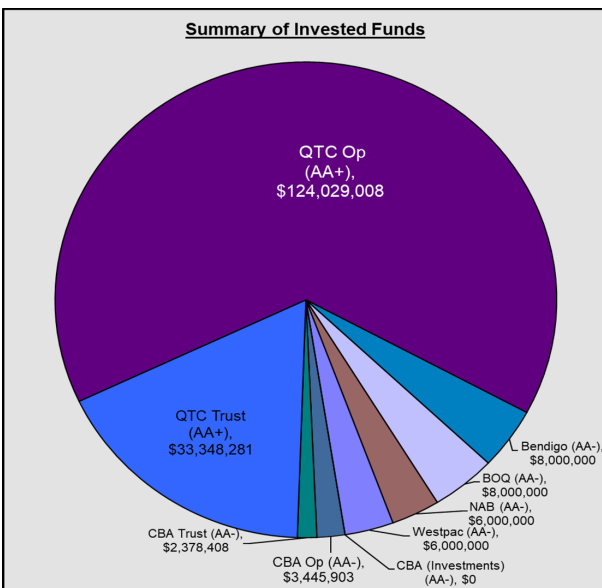
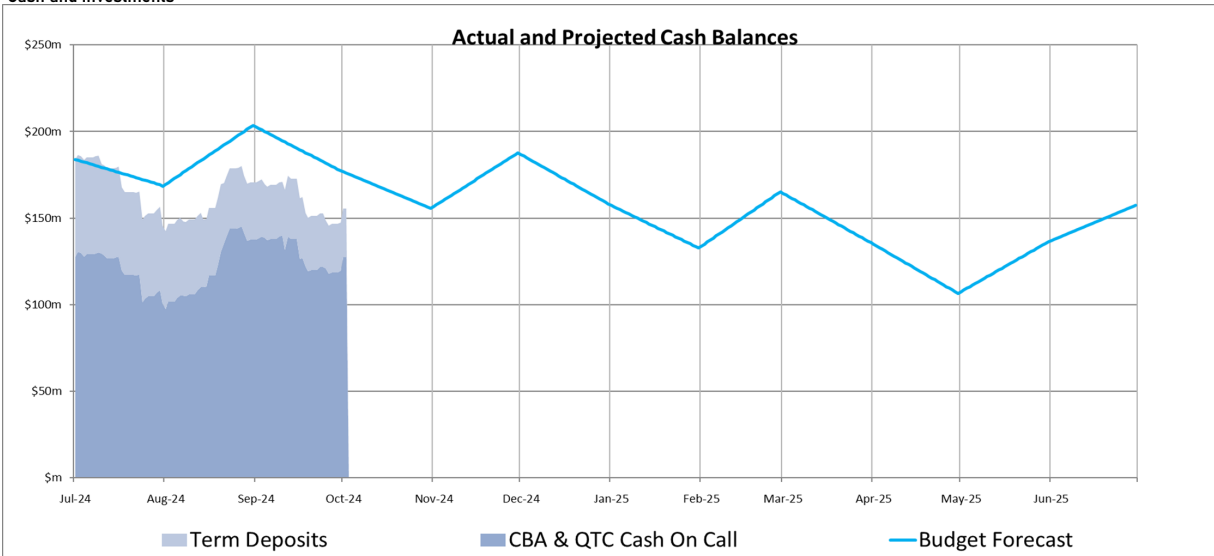
CAPITAL SUMMARY AS AT SEPTEMBER 2024									
	MTD Actual \$'000s	MTD Budget \$'000s	MTD Variance \$'000s	YTD Actual \$'000s	YTD Budget \$'000s	YTD Variance \$'000s	Full Year Budget \$'000s	EOY Forecast \$'000s	Comments
Whole of Council									
Construction Program and Asset Purchase (incl. VHBB & Disaster Recovery)	12,593	15,735	3,142	47,016	63,247	16,231	203,635	208,984	
Donated Assets	29,673	6,293	(23,381)	44,673	18,878	(25,796)	75,510	0	
Total Capital Expenditure	42,267	22,028	(20,239)	91,689	82,125	(9,564)	279,145	208,984	
VHBB and Disaster Recovery									
VHBB and Disaster Recovery	4,263	3,418	(845)	16,017	18,076	2,059	44,831	44,030	
Construction Program and Asset Purchase (ex VHBB & Disaster Recovery)	8,330	12,318	3,987	30,999	45,172	14,172	158,804	164,954	
Construction Program and Asset Purchase									
Construction Program and Asset Purchase	0	0	0	5,828	5,828	1	6,828	6,828	Satisfactory.
Nicholas Street Precinct	555	2,324	1,769	2,836	11,954	9,118	21,736	28,352	NSP Redevelopment - \$8.7M underspend YTD: Underspends in Venue - \$7.4M; Tulumur Walk - \$999k; Eats - \$242k and Commonwealth Hotel - \$142k. Asset Rehabilitation - \$385k underspend YTD. Venue - \$335k underspend YTD mainly related to the Internal Furniture, Waste Compactor and Storage Case projects.
Total Capital Expenditure	555	2,324	1,769	8,663	17,782	9,118	28,564	35,180	
Corporate Services									
Construction Program and Asset Purchase	318	465	147	751	1,602	851	4,935	5,186	ICT Hardware is on track. ICT Portfolio delivery is under \$843k YTD. Main underspends relate to Digital Media Asset Management (\$172k) and Enterprise GIS (\$233k).
iVolve	236	243	8	636	608	(29)	4,284	4,284	iVolve - Fusion program, Elevate HR and Elevate AWM generally on track.
Total Capital Expenditure	554	708	155	1,387	2,209	823	9,219	9,470	
Community, Cultural and Economic Development									
Construction Program and Asset Purchase	307	246	(62)	353	534	181	4,011	4,705	Asset Protection and Safe City - \$132k underspend YTD - mainly with the CCTV Infrastructure Program. Sport & Recreation - \$30k underspend YTD - minor works unallocated budget accessed on reactive basis as required. Libraries and Customer Service - \$194k underspend YTD - Customer Experience Strategy under by \$169k. Libraries furniture and fixtures behind by \$25k - acquired as needed. Art Gallery and Community Facilities - 175k overspend YTD - Art Gallery underspent by \$50k with cabinets and equipment, and gallery wall construction yet to commence. Civic Centre and Studio 18 equipment and lighting delayed from 2023-24 FY.
Total Capital Expenditure	307	246	(62)	353	534	181	4,011	4,705	

CAPITAL SUMMARY AS AT SEPTEMBER 2024									
	MTD Actual \$'000s	MTD Budget \$'000s	MTD Variance \$'000s	YTD Actual \$'000s	YTD Budget \$'000s	YTD Variance \$'000s	Full Year Budget \$'000s	EOY Forecast \$'000s	Comments
Assets and Infrastructure Services									
Infrastructure Program	6,301	7,662	1,362	18,156	22,015	3,859	91,281	87,465	<p>Asset Rehabilitation – \$7k overspend YTD: Bridge and Culvert Rehabilitation under \$307k - mainly Hiddenvale Bridge, delays to piling in July and weather impact. Gravel Road Rehabilitation under \$116k - flood recovery costs incurred against BAU project transferred out to Flood Recovery. Drainage Rehabilitation under \$86k - mainly East Ipswich Stage 1 DR \$350k, partially offset by Champions Way \$165k, with progression of design works commenced in prior FY. Sealed Road Rehabilitation over \$164k - mainly Augusta Pwy LR \$153k, offset by Olive St LR \$108k. Street Furniture Rehabilitation over \$115k - mainly Pavement Marking Program, ahead of YTD schedule.</p> <p>Transport And Traffic – \$3.9M underspend YTD: Strategic Transport under \$4.1M - underspends on Springfield road upgrade projects totalling \$4.8M delays on materials in the month and a reduction to project estimate as several provisional sums not required; and Mary William TL \$1.8M due to the bulk of works being completed in prior FY. This was partially offset by overspends in Redbank Plains Rd Stg 3 of \$1.7M with works expected to be completed in 2024-25 FY requiring budget bring forward; Ripley Reif intersection upgrade \$528k due to a service relocation design variation; and Ripley Road upgrade \$299k due to design variations. Sustainable Travel over \$183k - across the program with spend on bikeways, EOTF, footpaths and kerb ramps unbudgeted to date. Parks, Sports & Environment – \$286k underspend YTD: Developer Funded Parks over \$129k - mainly Cameron Pk upgrade \$260k - due to variations and acceleration of works. This was partially offset by a YTD underspend on Camira RR SF 1 \$127k. Local Parks and Sports under \$566k - mainly RPRR Sports Facilities UG \$260k, Tivoli Sporting Complex UG \$251k, and Richardson Pk PG \$98k. Strategic Parks and Sports over \$151k - mainly Jim Donald Parkland footpath.</p> <p>Flood Mitigation And Drainage – \$288k underspend YTD: Flood Mitigation under \$249k - mainly Marburg Rosewood Detention Basin Motion Sensors.</p> <p>Local Amenity – \$160k overspend YTD. Across the program with spend on Kerb and Channel, Seal Gravel Roads, Unmaintained Gravel Roads and Urban Greening year to date.</p>
Emergent Works	0	0	0	0	0	0	1,462	1,023	Budget reallocated as required to new emergent projects requiring action within the financial year.
Equipment	12	0	(12)	28	0	(28)	0	30	Equipment: unbudgeted expenditure related office furniture and cleaning equipment and software.
Ipswich Central Revitalisation	80	0	(80)	86	0	(86)	0	89	Ipswich Central Revitalisation – \$86k overspend YTD: unbudgeted expenditure, mainly related to grant funded works on the East St upgrade, and also on Fire Station 101 upgrades.
Fleet	31	393	361	756	976	220	6,889	9,566	Fleet – \$220k underspend YTD: mainly related to late deliveries in the Truck \$277k and Vehicle Replacement Programs \$218k. This was partially offset by YTD overspends in Waste Truck Replacement Program \$191k and Mowing Major Plant \$88k.
Disaster Recovery	3,886	3,025	(861)	8,373	10,498	2,126	33,721	36,386	Disaster Recovery – \$2.1M underspend YTD. Main underspends are with Colleges Flood Restoration and Goodna Cultural Arts Centre flood recovery works, and more generally across the Feb 22 Flood Recovery efforts. Underspends in REPA Sealed Roads packages partially offset by progress made in REPA Gravel Roads.
Voluntary Home Buy Back Scheme	377	393	16	7,644	7,578	(67)	11,110	7,644	Voluntary Home Buy Back Scheme – \$66k overspend YTD.
Total Capital Expenditure	10,687	11,473	786	35,043	41,066	6,023	144,463	142,203	
Environment and Sustainability									
Infrastructure Program	131	317	186	268	455	187	8,395	8,893	Disaster and Natural Hazard Management – \$240k underspend YTD: mainly related to delays in cameras and flood gauge replacements and acquisitions.
Waste	146	248	102	711	691	(20)	4,931	4,931	Resource Recovery – \$20k overspend YTD: Mainly Riverview RRC Upgrade Stg 1 \$229k - due to necessary variations in Topsoil portion of contract and wet weather delays in the prior year, offset by a delayed commencement in commercial bin acquisitions \$100k, and Bin Storage HS \$125k.
Total Capital Expenditure	277	565	288	979	1,146	167	13,326	13,824	
Planning and Regulatory Services									
Construction Program and Asset Purchase	214	420	206	591	510	(81)	4,052	3,602	Cemetery Works – \$114k overspend YTD: mainly works carried over from 2023-24 on Warrill Park View Cemetery section 3 expansion and continuation of road construction for Stone Quarry Burial projects; partially offset by a YTD underspend on the Tallegalla Cemetery Expansion.
Total Capital Expenditure	214	420	206	591	510	(81)	4,052	3,602	
Donated Assets									
Community, Cultural and Economic Development	67	3	(65)	67	8	(59)	32		
Corporate Services	0	0	0	0	0	0	0	0	
Asset and Infrastructure Services	29,606	6,290	(23,316)	44,606	18,870	(25,736)	75,478		
Environment and Sustainability	0	0	0	0	0	0	0	0	
Executive	0	0	0	0	0	0	0	0	
Planning and Regulatory Services	0	0	0	0	0	0	0	0	
Total Donated Assets	29,673	6,293	(23,381)	44,673	18,878	(25,796)	75,510		

FINANCIAL EXECUTIVE SUMMARY

SEPTEMBER 2024

Cash and Investments



Investments and Earnings Summary	Margin	% Return	\$
CBA Operating Account	0.004	4.85%	\$3,445,903
Term Deposit Investments	0.006	5.02%	\$28,000,000
QTC Trust Fund Account	0.004	4.84%	\$33,348,281
QTC Operating Account - CBD	0.004	4.84%	
QTC Operating Account - General	0.004	4.84%	\$124,029,008
QTC Operating Account - Total	0.004	4.84%	\$124,029,008
Total Invested funds (W.Avg return)	0.004	4.87%	\$188,823,192
Total Operating Funds (Ex Trust)	0.004	4.87%	\$155,474,910

Cashflow

Council's cash and cash equivalents balance as at 30 September 2024 was \$155.5 million. Council's investments are made in accordance with Council's Investment Policy (adopted as part of the annual budget) with an average return percentage of 4.87%.