

SUPPLEMENTARY ITEMS

COUNCIL MEETING ON 28 JANUARY 2021

15. **OFFICERS' REPORTS:**

15.14	Monthly Financial Performance Report - November 2020 and December 2020	3
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This matter has been determined to be of a significant nature and approval has been given to refer this report to the Council as a late item.

ITEM: 15.14

SUBJECT: MONTHLY FINANCIAL PERFORMANCE REPORT - NOVEMBER 2020 AND
DECEMBER 2020

AUTHOR: CHIEF FINANCIAL OFFICER

DATE: 15 JANUARY 2021

EXECUTIVE SUMMARY

This is a report concerning Council's financial performance for the periods ending 30 November 2020 and 31 December 2020, submitted in accordance with section 204 of the *Local Government Regulation 2012*.

A budget amendment was approved by Council in December and is reflected in the December 2020 report.

RECOMMENDATION/S

That the reports on Council's financial performance for the periods ending 30 November 2020 and 31 December 2020, submitted in accordance with section 204 of the *Local Government Regulation 2012* be considered and noted by Council.

RELATED PARTIES

There are no conflicts of interest or related party matters associated with this report.

ADVANCE IPSWICH THEME

Strengthening our local economy and building prosperity

PURPOSE OF REPORT/BACKGROUND

The attached reports show the financial results for Ipswich City Council as at 30 November 2020 and 31 December 2020. As noted above, a budget amendment was approved by Council on 10 December 2020 and is reflected in the December 2020 report.

The total Net Result (including capital revenue) for Ipswich City Council as at 31 December 2020 is \$38.6 million compared to the year to date (YTD) budget of \$38.9 million.

Council's operating deficit (excluding capital revenue) is approximately \$6.8 million compared to the YTD Budget deficit of \$14.7 million. This continues to be driven by

additional fees and charges revenue as well as under expenditure in the first half of the financial year.

Overall, capital expenditure including the Nicholas Street Redevelopment as at 31 December 2020 is \$22.2 million below the original phased YTD budget that was prepared in June last year. Asset donations as at 31 December 2020 are \$4.6 million under the YTD budget.

December

As the December month end results are the later financial results, the commentary below is in relation to the results of the first six months.

Revenue

Rates and utilities charges are under budget relating to the valuation and rate categorisation changes on former mining properties. A number of properties have been re-configured (by the property owner) and the Valuer-General has now identified that these properties are now being used for primary production purposes. This has resulted in concessional valuations and changes to the rate categorisations of these properties. The ongoing annual impact of these changes is estimated to be \$1 million per annum.

This result may be offset, to some extent, by better than forecast residential growth, but this will need to be monitored throughout the second half of the financial year.

Fees and charges revenue continues to exceed budget and was over budget in December 2020 by \$306k for the month, bringing fees and charges \$4.6 million favourable to budget YTD. Approximately \$3.8 million of the YTD variance relates to Town Planning and Development Fees. As mentioned previously, the Town Planning and Development Fees budget included forecast reductions due to impacts from COVID-19 and these were phased in the first six months of the financial year. In conjunction with Planning and Regulatory Services, Finance will amend the forecast revenue as part of the six month budget review and subsequent budget amendment.

Government grant revenue is approximately \$863k under the YTD budget primarily relating to the IE Department where grants budgeted for in December have not yet been received and a returned grant of \$400k relating to the previous financial year.

The previously stated variance in other revenue relating to the accounting treatment of the Waste Levy rebate was amended in the December budget amendment. Other revenue is over budget YTD December 2020 relating to QUU tax revenue payments which is subject to QUU's revenue and tax position throughout the year.

Donated asset revenue is approximately \$4.6 million under budget YTD relating to lower than expected donated asset revenue in IED for the month of December.

Expenses

Employee expenses including labour contracts are over budget \$750k or 1.4 per cent YTD as at December 2020 as recruitment is undertaken to fill vacancies and deliver services, with

current low turnover of staff and the budgeted 5 per cent vacancy rate. The variance also includes contractual termination payments paid during the period which were not budgeted for.

Recent analysis on leave entitlements has confirmed a slightly more positive impact on employee expenses in December due to a higher amount of leave taken throughout the holiday period. Current weekly analysis undertaken on January results also indicates an additional positive impact due to leave taken at the end of the Christmas/New Year holiday period.

Materials and services (excluding labour contracts) are below forecast by approximately \$4.8 million YTD December. \$3.4 million relates to IED as a result of delays in projects, lower than expected maintenance costs, timing in the payment of the SES Service Agreement and minor variances across the Department. \$1.2 million relates to an under spend in CCED primarily related to expenditure timing in the Libraries and Customer Service and Marketing and Promotion branches. This is partially offset by PRS over budget primarily relating to major legal appeals. As part of the detailed six monthly review, Finance will liaise with Managers in relation to the under spend to date and forecast expenditure that will be incurred this financial year and submit any adjustments as part of an upcoming budget amendment.

Other expenses are over budget primarily relating to \$3.1 million loss on disposal of assets to December. This arises when council rehabilitates its existing assets and these assets need to be decommissioned when replaced and removed from the accounting asset registers. If these assets had a remaining book value at the time of decommissioning then this results in an accounting entry recording the loss on disposal. It is a non-cash effect on the overall net result. This is partially offset by under budget in CCED relating to a change in accounting treatment for the recognition of leases now being recorded under depreciation and Resource Recovery relating to waste levy charges.

Depreciation continues to track above budget with the YTD variance now \$2.9 million. As mentioned in previous months, changes in accounting treatment and sale of some assets have resulted in variances in the depreciation result this financial year. Additional depreciation will be incurred next year when the new Administration Building and Civic space become operational.

Capital Expenditure

The total YTD capital expenditure (including the Nicholas Street redevelopment) is \$88.6 million compared to a budget of \$110.8 million.

Due to the changes to the delivery timings of the retail precinct primarily, the YTD expenditure for the Nicholas Street project is overall approximately \$8 million below YTD original phased budget. The project team are currently reviewing the final costs of the project and the expenditure timing in relation to the retail buildings and the strategy.

The IED expenditure in the month was \$3.5 million and was approximately \$800k less than the more recent Department's forecast and total YTD expenditure is \$19.7 million.

The revised forecast IED capital expenditure in total for the 2020-2021 year is estimated at \$72.9 million against a current adopted budget of \$86.5 million, following a detailed review of project forecast costs for the financial year.

Of the forecast reduced expenditure approximately \$4 million relates to potential savings in the forecast delivery of the sealed road program with actual construction rates less than the original budget estimates and a further \$1m in the natural environment / storm water program.

The IED has confirmed that the full program of works is being delivered however it is expected that approximately \$8 million of the reduced forecast relates to the timing of projects where the expenditure and delivery will be deferred into the 2021-2022 financial year. This is due to a number of reasons including service locations, property acquisitions being required, contract executions and external approvals.

A more detailed analysis in relation to the IED capital program and the timings for the larger key projects and programs will be included in the normal monthly detailed report prepared for the Growth Infrastructure and Waste Committee in February 2021.

November

The November report is also attached for Council's information and noting.

The explanations for the variances for the period to November are contained within the report. The key issues and risks outlined above in relation to the December results are consistent, however a budget amendment was processed in December for some of the known variances in the November performance report. The budget amendment resulted in no overall change to the operating position as additional requests for expenditure were funded by a reduction in the materials and services budget.

LEGAL/POLICY BASIS

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

RISK MANAGEMENT IMPLICATIONS

At the time of adopting the original budget, Council made the best assumptions it could in relation to the possible impact of COVID-19. As per our normal budget and financial management processes, a detailed review of the YTD half year financial results and forecast position to the end of the financial year will be undertaken, to be included in a further budget amendment to be considered by Council most likely in February.

Some of the key variances and risks outlined above in the report in relation to additional YTD fees and charges revenue, employee expenses impacted by the vacancy rate and likely lower turnover for the remainder of the year, materials and services and the revised forecast capital program, will be included in this budget amendment.

The Finance Branch will also continue to review and assess the forecast budget impacts of the COVID-19 Pandemic which are still difficult to fully estimate or predict.

FINANCIAL/RESOURCE IMPLICATIONS

There are no specific 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

The monthly performance reports for December 2020 and November 2020 are included at Attachment 1 and Attachment 2 respectively.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

1.	Monthly Performance Report - December 2020  
2.	Monthly Performance Report - November 2020  

Jeffrey Keech

CHIEF FINANCIAL OFFICER

I concur with the recommendations contained in this report.

Sonia Cooper

GENERAL MANAGER CORPORATE SERVICES

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



Ipswich City Council

Performance Report

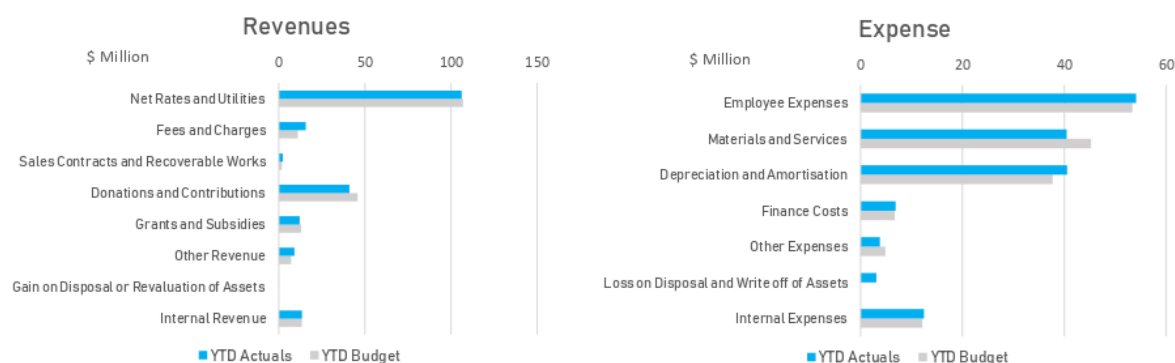
DECEMBER 2020

Item 15.14 / Attachment 1.

FINANCIAL EXECUTIVE SUMMARY

DECEMBER 2020

	YTD				Annual	Trend from NOV 2020
	Actuals \$'000s	Current Budget \$'000s	Variance \$'000s	Variance %	Current Budget \$'000s	
Operating Revenue	151,376	145,269	6,107	4.2%	316,461	▲
Operating Expense	158,214	159,985	1,771	1.1%	325,152	▼
Operating Surplus/(Deficit)	(6,838)	(14,716)	7,878	(53.5%)	(8,691)	▼
Capital Revenue	48,432	53,632	(5,200)	(9.7%)	104,995	▼
Other Capital Income (Asset disposals)	(7)	0	(7)	N/A	0	▼
Capital Loss (Asset write-off)	2,966	0	(2,966)	N/A	0	▼
Net Result	38,621	38,916	(295)	(0.8%)	96,304	▼
Construction Program and Asset Purchase	28,209	42,314	14,105	33.3%	106,152	▲
CBD	60,424	68,502	8,078	11.8%	124,281	▲
Donated Assets	29,229	33,840	4,611	13.6%	67,685	▲
Total Capital Expenditure	117,863	144,657	26,794	18.5%	298,118	▲

**Net Result**

The total Net Result (including capital revenues) for Ipswich City Council as at 31 December 2020 is \$38.6 million compared to the YTD budget of \$38.9 million. Council's operating deficit (excluding capital revenue) is approximately \$6.8 million compared to the YTD budget deficit of \$14.7 million.

Operating revenue is \$6.1 million above the YTD Budget

The \$6.1 million variance is made up of: net rates and utilities \$719k under budget, fees and charges \$4.6 million over budget, operational grant revenue \$406k under budget, other revenue \$2.1 million over budget, sales contracts and recoverable works \$571k over budget, interest revenue \$223k under budget and internal revenue \$122k over budget. These items are discussed further in this report.

Operating expenses is \$1.8 million under the YTD Budget

The \$1.8 million variance is made up of: employee expenses including labour contracts \$750k over budget, materials and services under budget \$4.8 million, other expenses \$1 million under budget, depreciation and amortisation \$2.9 million over budget, finance costs \$147k over budget and \$315k over budget in internal expenses. These items are discussed further in this report.

Capital Expenditure

Capital expenditure including CBD as at 31 December is \$22.2 million below the YTD budget. Approximately \$88.6 million has been expended to 31 December compared to the YTD capital expenditure budget of \$110.8 million.

- The Infrastructure Program actual expenditure was below forecast for December by approximately \$3.2 million bringing the YTD variance to \$11.4 million. Actual YTD costs are \$18.6 million compared to the current YTD budget of \$30 million.
- CBD Development is approximately \$8.1 million under budget. Actual YTD costs are \$60.4 million compared to the current YTD budget of \$68.5 million.

Asset donations as at 31 December is \$4.6 million under the YTD budget. Approximately \$29.2 million has been recognised to 31 December compared to the YTD donated assets budget of \$33.8 million.

FINANCIAL EXECUTIVE SUMMARY

DECEMBER 2020

	YTD				Annual			Variance \$'000s by Department					
	Actuals \$'000s	Current Budget \$'000s	Variance \$'000s	Variance %	Current Budget \$'000s	Trend from NOV 2020	Note	CP	CS	CE	IE	IWS	PR
Revenue													
Net rates and utilities charges	10,616	106,883	(719)	(0.7%)	214,789	▲	1	N/A	(999)	N/A	10	272	(2)
Fees and charges	15,604	10,991	4,613	42.0%	25,690	▲	2	N/A	(12)	(19)	71	672	3,902
Government grants and subsidies	12,173	13,036	(863)	(6.6%)	31,456	▼	3	N/A	(1)	238	(1,024)	0	(78)
Internal revenue	13,420	13,298	122	0.9%	26,472	▲	4	N/A	(195)	17	3	296	0
Other revenue	11,544	8,933	2,611	29.2%	36,761	▲	5	16	1,899	105	600	(82)	74
Donations and Contributions	41,029	48,760	(4,731)	(10.3%)	86,289	▼	6	0	N/A	(198)	(4,532)	N/A	N/A
Total Revenue	199,934	198,901	1,033	0.5%	421,467	▼		16	692	143	(4,872)	1,158	3,896
Expense													
Employee expenses	52,418	52,047	(361)	(0.7%)	106,415	▼	7	12	(62)	(132)	490	(545)	(114)
Labour contracts	1,677	1,278	(399)	(31.2%)	2,483	▼	7	40	(139)	233	(805)	229	44
Materials and services	40,451	45,236	(4,785)	10.6%	93,936	▲	8	78	39	1,223	3,429	319	(302)
Internal expenses	12,434	12,119	(315)	(2.6%)	24,202	▼	9	(42)	(4)	52	(291)	(30)	22
Other expenses	13,776	11,580	(2,196)	(19.0%)	22,706	▼	10	56	56	784	(3,438)	341	4
Depreciation & amortisation	40,556	37,705	(2,851)	(7.4%)	75,411	▼	11	(9)	(167)	(545)	(2,144)	9	5
Total Expenses	161,312	159,985	(1,327)	(0.8%)	325,153	▼		115	(277)	1,615	(2,759)	323	(341)
Net Result	38,622	38,916	(294)	(0.8%)	96,304	▼		131	415	1,758	(7,631)	1,481	3,555



Revenue

- As mentioned last month, under budget in rates and utilities relating to the valuation and rate categorisation changes on former mining properties. The ongoing annual impact of these changes is estimated to be \$1 million. This result may be offset, to some extent, by better than forecast residential growth, but this will need to be monitored throughout the second half of the financial year.
- Fees and charges over budget relates to PRS planning and development fees (\$3.8 million), including an Area Development Plan application lodged in Springfield and a material change of use application in Yamanto. Also over budget \$672k relating to higher than budgeted services in Resource Recovery.
- Grant revenue under budget in IED primarily relating to grants budgeted for but not yet received and a returned grant of \$400k relating to the previous Financial Year. This is partially offset by over budget in CCED relating to the Home Assist grant received earlier than expected.
- Internal revenue over budget in Resource Recovery relates to internal recovery for various services offset by increased internal expenses. This is partially offset in CS relating to lower than expected tax equivalents revenue.
- Other revenue over budget primarily relates to the higher than expected QUU Tax Revenue in CS. Also over budget in IED relating to the RMPC Contract received earlier than budgeted and unbudgeted revenue received from Energex for tree replacements.
- Donations and Cash Contributions Under budget relates to lower than expected donated asset revenue in IED.

Expenses

- Employee expenses including Labour contracts over budget \$750k or 1.4% at the end of December. Analysis of the results to date indicates that 5% vacancy rate applied to the employee expenses budget is creating pressure across Council, particularly as recruitment is undertaken to fill vacancies and support delivery. The use of contingent workers to fill vacancies in various Departments and additional overtime in Resource Recovery is continuing to negatively impact the employee expenses budget. Further analysis on weekly employee costs will continue to be undertaken.
- Materials and services (excluding labour contracts) under budget \$4.8 million YTD. \$3.4 million relates to IED as a result of delays in projects, lower than expected maintenance costs, delay in the payment of the SES Service Agreement and minor variances across the Department. \$1.2 million relates to an underspend in CCED primarily in the Libraries and Customer Service branch and Marketing and Promotion branch. This is partially offset by PRS over budget relating to major legal appeals.
- Internal trading expense variance relates to fleet cost recovery and indicates a lower utilisation of assets compared to budgeted expectations, and waste charges for various services, offset by increased internal expenses.
- Other expenses over budget in IED relating to the loss on disposal of assets (\$3.1 million). This is partially offset by under budget in CCED relating to a change in accounting treatment for the recognition of leases now being recorded under depreciation and Resource Recovery relating to the waste levy fees.
- Depreciation over budget primarily relating to IED which is currently being reviewed and CCED relating to a change in accounting treatment for the recognition of leases.

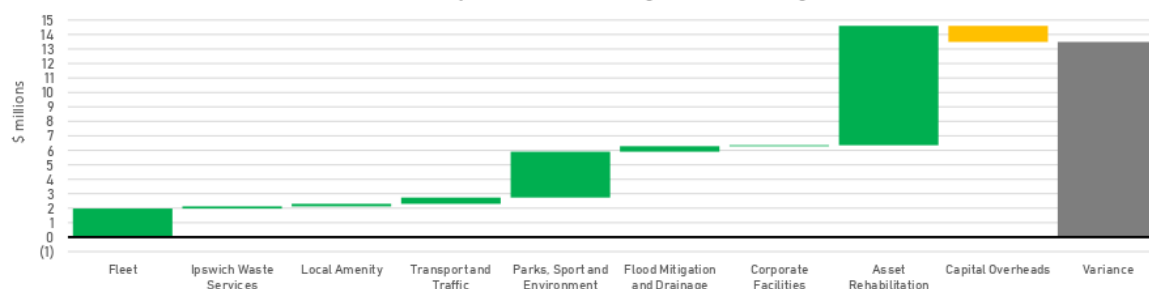
FINANCIAL EXECUTIVE SUMMARY

DECEMBER 2020

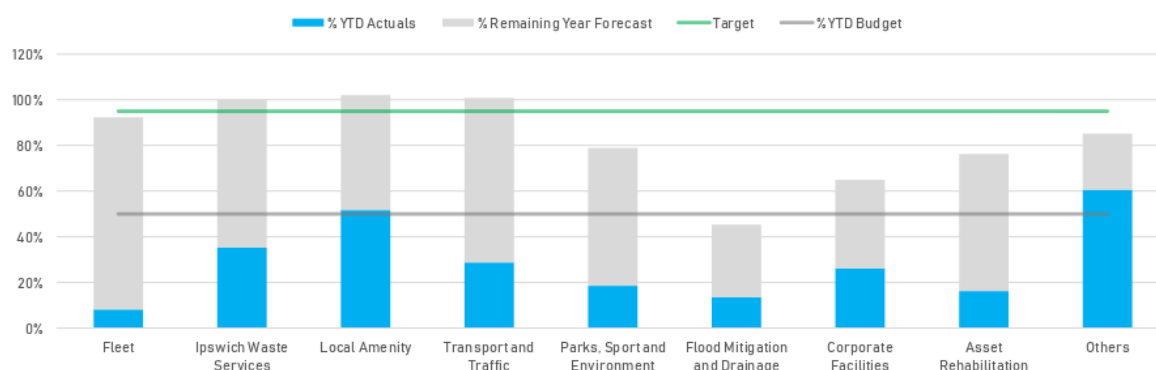
Capital

	YTD				Annual Current Budget \$'000s	Trend from NOV 2020
	Actuals \$'000s	Current Budget \$'000s	Variance \$'000s	Variance %		
Coordination and Performance	64,958	72,896	7,938	10.9%	125,361	▲
Corporate Services	2,835	2,907	71	2.4%	13,913	▲
Community, Cultural and Economic Development	1,175	1,821	646	35.5%	4,431	▲
Infrastructure and Environment	19,665	33,193	13,528	40.8%	86,563	▲
Planning and Regulatory Services	0	0	0	N/A	165	-
Net Result	88,634	110,817	22,183	20.0%	230,433	▲

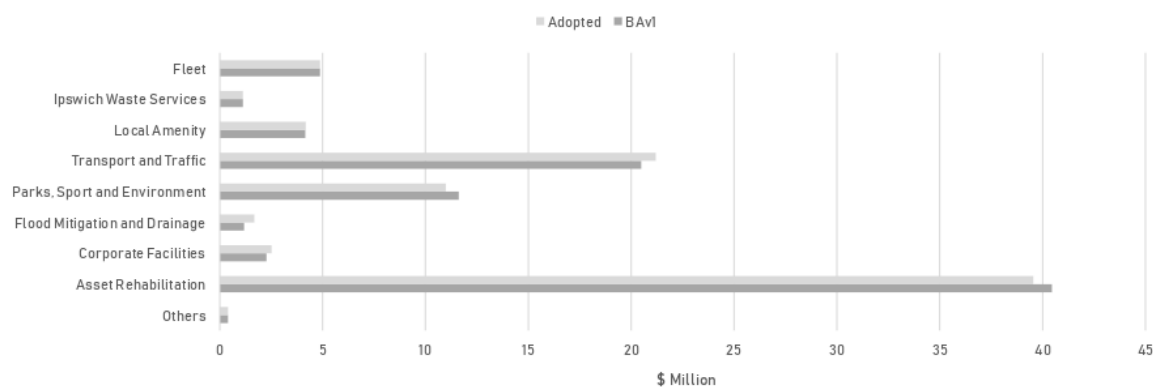
YTD Variance by Construction Program (Excluding CBD)



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



Capital Program (Excluding CBD)
Budget Version Comparison



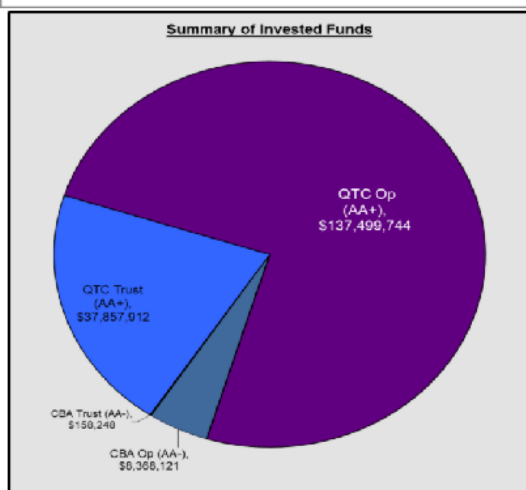
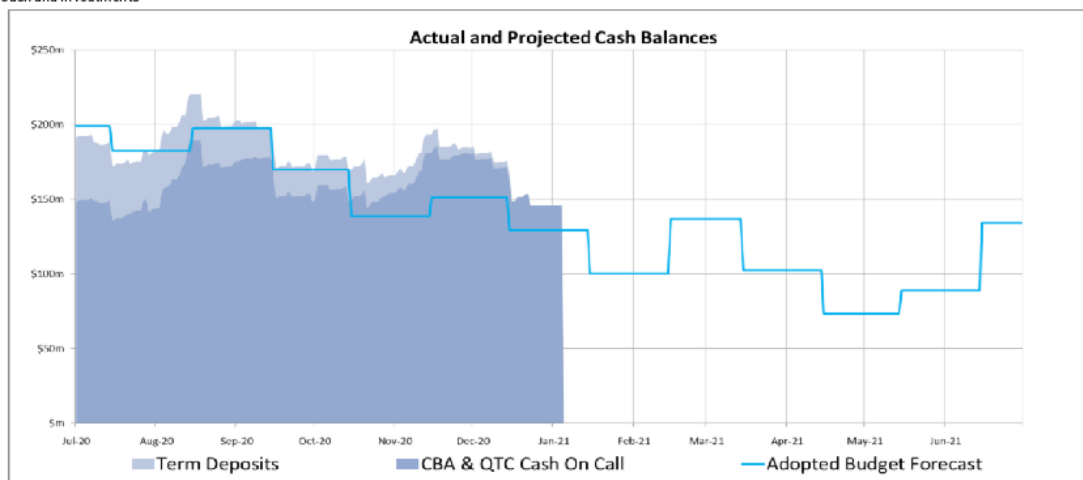
Item 15.14 / Attachment 1.

CAPITAL SUMMARY AS AT DECEMBER 2020								
	MTD Actual \$'000s	MTD Budget \$'000s	MTD Variance \$'000s	YTD Actual \$'000s	YTD Budget \$'000s	YTD Variance \$'000s	Full Year Budget \$'000s	EOY Fore cast \$'000s
Comments								
Whole of Council								
Construction Program and Asset Purchase	7,477	18,530	11,052	88,634	110,817	22,183	230,433	216,754
Donated Assets	726	5,640	4,914	29,229	33,840	4,611	67,685	67,685
Coordination and Performance								
Construction Program and Asset Purchase	0	0	0	5,098	5,150	52	8,330	8,330
CBD Development	3,127	9,429	6,302	59,860	67,746	7,886	117,031	117,031
CBD - Variance is primarily related to phasing based on a superseded CBD construction program.								
Total Capital Expenditure	3,127	9,429	6,302	64,958	72,896	7,938	125,361	125,361
Corporate Services								
Construction Program and Asset Purchase	569	449	(119)	2,271	2,151	(120)	6,663	6,663
CBD Development - ICT Component	79	239	160	564	756	191	7,250	7,250
ICT - Satisfactory results.								
Total Capital Expenditure	648	688	40	2,835	2,907	71	13,913	13,913
Community, Cultural and Economic Development								
Construction Program and Asset Purchase	230	1,251	1,020	1,175	1,821	646	4,431	4,431
Library - No issues								
Civic Centre - Under budget relates to delayed receivables for equipment for the Civic Centre.								
Art Gallery - No issues								
Community Safety and Innovation - Under budget relates to the access control security camera and key system upgrades delayed in December.								
Total Capital Expenditure	230	1,251	1,020	1,175	1,821	646	4,431	4,431
Infrastructure and Environment								
Infrastructure Program	3,390	6,566	3,176	18,627	29,995	11,368	80,167	66,923
Infrastructure Program - Under budget primarily due to a mix of savings and project delays in Sealed Road Rehabilitation, Natural Environment/Stormwater, Drainage Rehabilitation, and Bridge and Culvert Rehabilitation sub-programs.								
Equipment	5	20	16	245	277	32	404	344
Waste	42	91	49	395	544	149	1,122	1,122
Fleet	36	484	448	398	2,376	1,978	4,870	4,495
Equipment - Satisfactory results.								
Waste - Bins replaced as required and according to city growth.								
Fleet - Currently behind anticipated vehicle replacement schedule. Increased lead times experienced as a result of COVID-19.								
Total Capital Expenditure	3,473	7,162	3,689	19,665	33,193	13,528	86,563	72,884
Planning and Regulatory Services								
Construction Program and Asset Purchase	0	0	0	0	0	0	165	165
Cemeteries - No issues								
Total Capital Expenditure	0	0	0	0	0	0	165	165
Donated Assets								
Coordination and Performance	0	0	0	0	0	0	0	0
Corporate Services	0	0	0	0	0	0	0	0
Community, Cultural and Economic Development	0	2	2	9	12	3	28	28
Infrastructure and Environment	726	5,638	4,912	29,220	33,828	4,608	67,657	67,657
Planning and Regulatory Services	0	0	0	0	0	0	0	0
Total Donated Assets	726	5,640	4,914	29,229	33,840	4,611	67,685	67,685

FINANCIAL EXECUTIVE SUMMARY

DECEMBER 2020

Cash and Investments



Investments and Earnings Summary	Margin	% Return	\$
CBA Operating Account	0.006	0.60%	\$8,368,121
Term Deposit Investments	-0.000		
QTC Trust Fund Account	0.007	0.68%	\$37,857,912
QTC Operating Account - CBD	0.007	0.68%	\$31,545,877
QTC Operating Account - General	0.007	0.68%	\$105,953,868
QTC Operating Account - Total	0.007	0.68%	\$137,499,744
Total Invested funds (W.Avg return)	0.007	0.68%	\$183,725,778
Total Operating Funds (Ex Trust)	0.007	0.68%	\$145,867,865

Cashflow

Council's cash and cash equivalents balance as at 31 December 2020 was \$145.9 million. The end of period cash holdings includes \$31.5 million of carried forward unspent loan funds invested with QTC. 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 0.68%.



Ipswich City Council

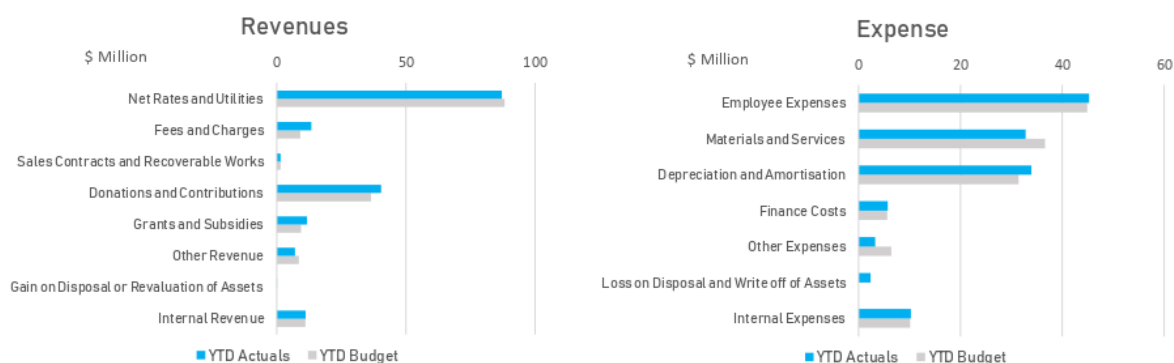
Performance Report

NOVEMBER 2020

FINANCIAL EXECUTIVE SUMMARY

NOVEMBER 2020

	YTD				Annual	
	Actuals \$'000s	Current Budget \$'000s	Variance \$'000s	Variance %	Current Budget \$'000s	Trend from OCT 2020
Operating Revenue	124,296	121,914	2,382	2.0%	321,212	▼
Operating Expense	131,286	135,023	3,737	2.8%	329,903	▲
Operating Surplus/(Deficit)	(6,990)	(13,109)	6,119	(46.7%)	(8,691)	▼
Capital Revenue	47,901	42,215	5,686	13.5%	99,174	▼
Other Capital Income (Asset disposals)	(27)	0	(27)	N/A	0	▲
Capital Loss (Asset write-off)	2,205	0	(2,205)	N/A	0	▼
Net Result	38,679	29,106	9,573	32.9%	90,483	▼
Construction Program and Asset Purchase	23,938	33,453	9,515	28.4%	107,990	▲
CBD	57,219	58,834	1,616	2.7%	124,281	▲
Donated Assets	28,686	28,200	(486)	(1.7%)	67,685	▼
Total Capital Expenditure	109,842	120,487	10,645	8.8%	299,956	▲

**Net Result**

The total Net Result (including capital revenues) for Ipswich City Council as at 30 November 2020 is \$38.7 million compared to the YTD budget of \$29.1 million. Council's operating deficit (excluding capital revenue) is approximately \$7 million compared to the YTD budget deficit of \$13.1 million.

Operating revenue is \$2.4 million above the YTD Budget

The \$2.4 million variance is made up of: net rates and utilities \$1.1 million under budget, fees and charges \$4.3 million over budget, operational grant revenue \$501k over budget, other revenue \$1.4 million under budget, sales contracts and recoverable works \$91k over budget, interest revenue \$133k under budget and internal revenue \$90k over budget. These items are discussed further in this report.

Operating expenses is \$3.7 million under the YTD Budget

The \$3.7 million variance is made up of: employee expenses including labour contracts \$394k over budget, materials and services under budget \$3.8 million, other expenses \$3 million under budget, depreciation and amortisation \$2.5 million over budget and \$178k over budget in internal expenses. These items are discussed further in this report.

Capital Expenditure

Capital expenditure including CBD as at 30 November is \$11.1 million below the YTD budget. Approximately \$81.2 million has been expended to 30 November compared to the YTD capital expenditure budget of \$92.3 million.

- The Infrastructure Program actual expenditure was below forecast for November by approximately \$4.1 million bringing the YTD variance to \$8.2 million. Actual YTD costs are \$15.2 million compared to the current YTD budget of \$23.4 million.
- CBD Development is approximately \$1.6 million under budget. Actual YTD costs are \$57.2 million compared to the current YTD budget of \$58.8 million.

Asset donations as at 30 November is \$486k above the YTD budget. Approximately \$28.7 million has been recognised to 30 November compared to the YTD donated assets budget of \$28.2 million.

FINANCIAL EXECUTIVE SUMMARY

NOVEMBER 2020

	YTD				Annual		Note	Variance \$'000s by Department					
	Actuals \$'000s	Current Budget \$'000s	Variance \$'000s	Variance %	Current Budget \$'000s	Trend from Oct 2020		CP	CS	CE	IE	IWS	PR
Revenue													
Net rates and utilities charges	\$VALUE!	\$VALUE!	## #####	#VALUE!	\$VALUE!	\$VALUE!	1	N/A	## #####	N/A	## #####	## #####	## #####
Fees and charges	\$VALUE!	\$VALUE!	## #####	#VALUE!	\$VALUE!	\$VALUE!	2	N/A	## #####	## #####	## #####	## #####	## #####
Government grants and subsidies	\$VALUE!	\$VALUE!	## #####	#VALUE!	\$VALUE!	\$VALUE!	3	N/A	## #####	## #####	## #####	## #####	## #####
Internal revenue	\$VALUE!	\$VALUE!	## #####	#VALUE!	\$VALUE!	\$VALUE!	4	N/A	## #####	## #####	## #####	## #####	## #####
Other revenue	\$VALUE!	\$VALUE!	## #####	#VALUE!	\$VALUE!	\$VALUE!	5	## #####	## #####	## #####	## #####	## #####	## #####
Donations and Contributions	\$VALUE!	\$VALUE!	## #####	#VALUE!	\$VALUE!	\$VALUE!	6	## #####	N/A	## #####	## #####	N/A	N/A
Total Revenue	\$VALUE!	\$VALUE!	#####	#VALUE!	\$VALUE!	\$VALUE!		#####	#####	#####	#####	#####	#####
Expense													
Employee expenses	\$VALUE!	\$VALUE!	## #####	#VALUE!	\$VALUE!	\$VALUE!	7	## #####	## #####	## #####	## #####	## #####	## #####
Labour contracts	\$VALUE!	\$VALUE!	## #####	#VALUE!	\$VALUE!	\$VALUE!	7	## #####	## #####	## #####	## #####	## #####	## #####
Materials and services	\$VALUE!	\$VALUE!	## #####	#VALUE!	\$VALUE!	\$VALUE!	8	## #####	## #####	## #####	## #####	## #####	## #####
Internal expenses	\$VALUE!	\$VALUE!	## #####	#VALUE!	\$VALUE!	\$VALUE!	9	## #####	## #####	## #####	## #####	## #####	## #####
Other expenses	\$VALUE!	\$VALUE!	## #####	#VALUE!	\$VALUE!	\$VALUE!	10	## #####	## #####	## #####	## #####	## #####	## #####
Depreciation & amortisation	\$VALUE!	\$VALUE!	## #####	#VALUE!	\$VALUE!	\$VALUE!	11	## #####	## #####	## #####	## #####	## #####	## #####
Total Expenses	\$VALUE!	\$VALUE!	#####	#VALUE!	\$VALUE!	\$VALUE!		#####	#####	#####	#####	#####	#####
Net Result	\$VALUE!	\$VALUE!	#####	#VALUE!	\$VALUE!	\$VALUE!		#####	#####	#####	#####	#####	#####

**Revenue**

- Under budget in rates and utilities relating to the valuation and rate categorisation changes on former mining properties. The adverse result for rate revenue includes adjustments that related to prior financial year of \$580k as well as \$240k in the current financial year. The ongoing annual impact of these changes is estimated to be \$1 million. This result may be offset, to some extent, by better than forecast residential growth, but this will need to be monitored throughout the second half of the financial year.
- Fees and charges over budget relates to PRS planning and development fees (\$3.4 million), including an Area Development Plan application lodged in Springfield and a material change of use application in Yamanto. Also over budget \$582k relating to higher than budgeted services in Resource Recovery.
- Grants revenue over budget in IE relating to a number of unbudgeted grants received, CCED relating to an unbudgeted Home Assist grant related to COVID-19, a traineeship grant unbudgeted for in CS and an immunisation grant in PRS relating to the 2019-20 financial year.
- Internal revenue over budget in Resource Recovery relates to internal recovery for various services offset by increased internal expenses. This is partially offset in CS relating to lower than expected tax equivalents revenue.
- Other revenue under budget relates to the Waste Levy rebate where actuals have been recognised as a credit within other expenses following advice from the Queensland Audit Office (see offset variance within other expenses). A budget amendment is being considered in December 2020 to realign with the new accounting treatment of the levy rebate. This is partially offset by QUU tax revenue higher than expected in CS.
- Over budget relates to a \$3 million cash contribution in IE from Springfield City Group in relation to the new AFL stadium, a budget amendment is being considered in December 2020 for this unbudgeted revenue.

Expenses

- Employee expenses including Labour contracts over budget \$394k or 0.9% at the end of November. Analysis of the results to date indicates that 5% vacancy rate applied to the employee expenses budget is creating pressure across Council, particularly as recruitment is undertaken to fill vacancies and support delivery. The use of contingent workers to fill vacancies in various Departments and additional overtime in Resource Recovery is continuing to negatively impact the employee expenses budget. Further analysis on weekly employee costs will continue to be undertaken.
- Materials and services (excluding labour contracts) under budget \$3.8 million YTD. \$2.3 million relates to IED as a result of delays in projects, lower than expected maintenance costs and minor variances across the Department. \$824k relates to an underspend in CCED primarily in the Libraries and Customer Service Branch, and \$432k underspend in CS including the Procurement efficiency savings target of \$210k YTD. This is partially offset by PRS over budget relating to major legal appeals.
- Internal trading expense variance relates to fleet cost recovery and indicates a lower utilisation of assets compared to budgeted expectations, and waste charges for various services, offset by increased internal expenses.
- Other expenses over budget in CS relating to the settlement of a categorisation of rates dispute and IE relating to the loss on disposal of assets (\$2.3 million). This is offset by under budget in Resource recovery relating to the Waste Levy rebate where actuals have been recognised as a credit within other expenses instead of other revenue (see offset variance within other revenue). A budget amendment is being considered in December 2020 to align with the new accounting treatment of the levy rebate. This is partially offset by under budget in CCED relating to a change in accounting treatment for the recognition of leases now being recorded under depreciation and a number of funds and minor and major grants.
- Depreciation over budget primarily relating to IED which is currently being reviewed and CCED relating to a change in accounting treatment for the recognition of leases.

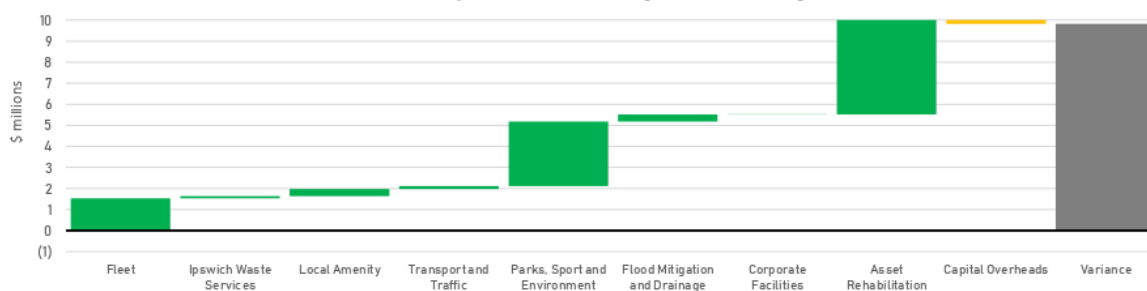
FINANCIAL EXECUTIVE SUMMARY

NOVEMBER 2020

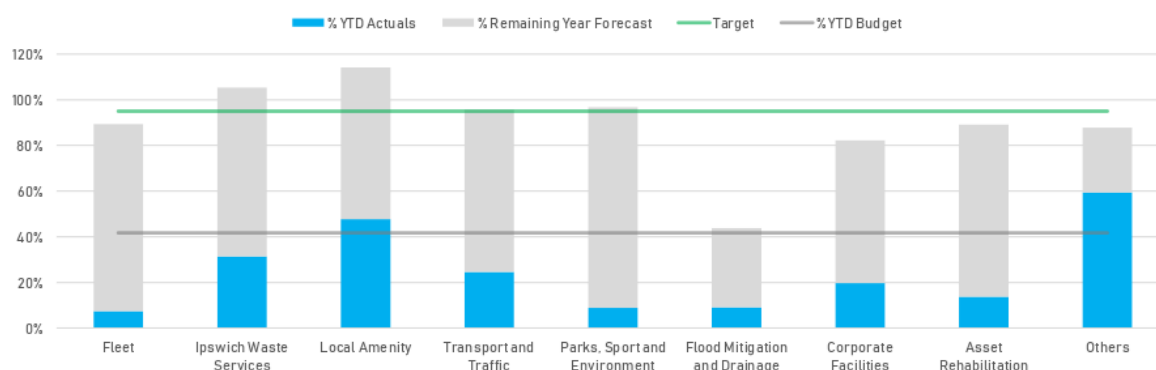
Capital

	YTD				Annual Current Budget \$'000s	Trend from OCT 2020
	Actuals \$'000s	Current Budget \$'000s	Variance \$'000s	Variance %		
Coordination and Performance	61,831	63,467	1,636	2.6%	127,631	▲
Corporate Services	2,188	2,219	31	1.4%	13,913	▼
Community, Cultural and Economic Development	945	571	(374)	(65.6%)	4,069	▼
Infrastructure and Environment	16,192	26,031	9,838	37.8%	86,493	▲
Planning and Regulatory Services	0	0	0	N/A	165	-
Net Result	81,156	92,287	11,130	12.1%	232,271	▲

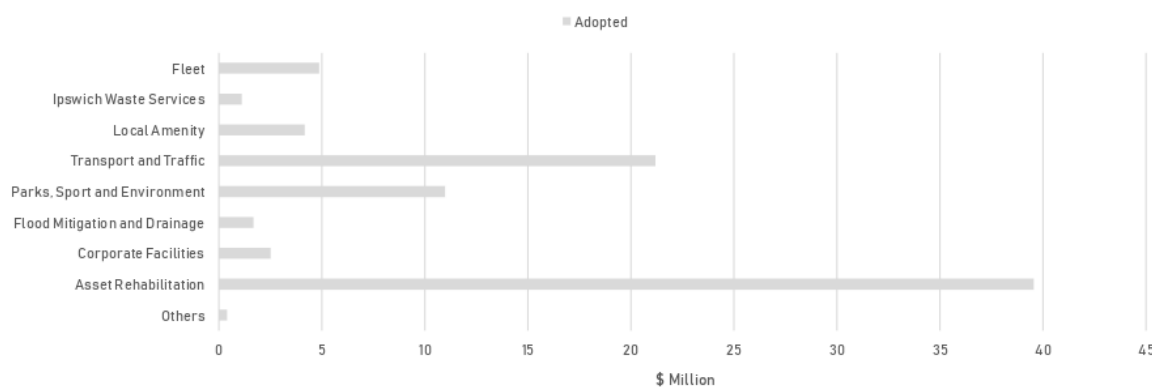
YTD Variance by Construction Program (Excluding CBD)



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



Capital Program (Excluding CBD)
Budget Version Comparison



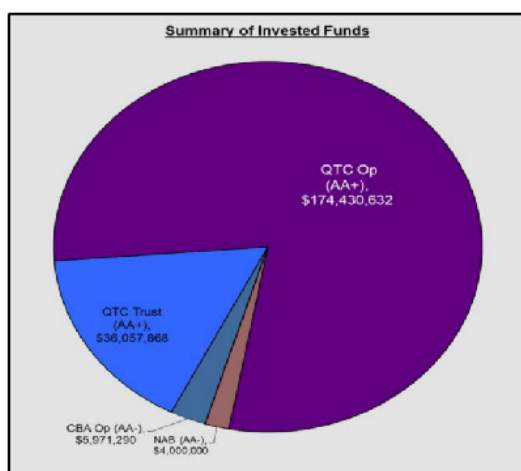
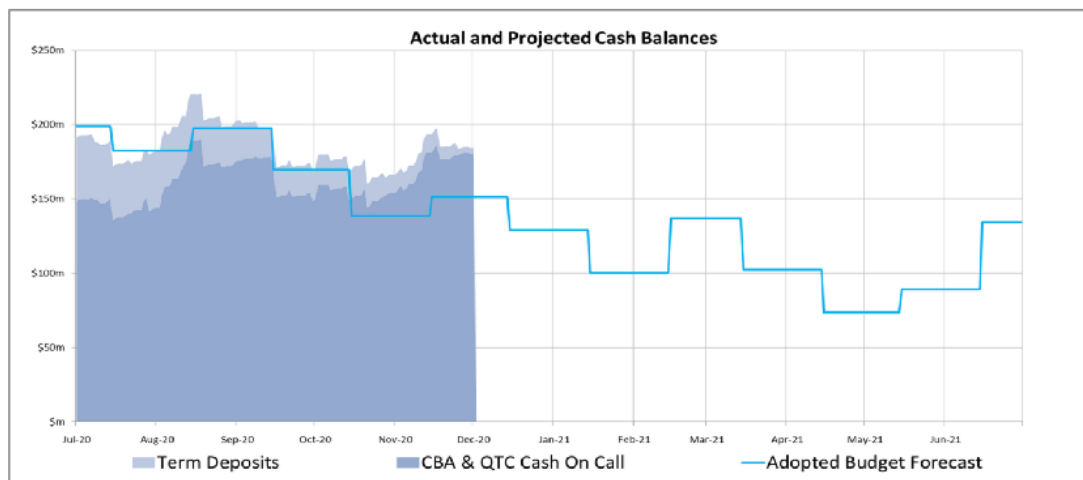
Item 15.14 / Attachment 2.

CAPITAL SUMMARY AS AT NOVEMBER 2020								
	MTD Actual \$'000s	MTD Budget \$'000s	MTD Variance \$'000s	YTD Actual \$'000s	YTD Budget \$'000s	YTD Variance \$'000s	Full Year Budget \$'000s	EOY Fore cast \$'000s
Comments								
Whole of Council								
Construction Program and Asset Purchase	14,831	19,111	4,280	81,156	92,287	11,130	232,271	225,658
Donated Assets	6,410	5,640	(770)	28,686	28,200	(486)	67,685	67,685
Coordination and Performance								
Construction Program and Asset Purchase	0	0	0	5,098	5,150	52	10,600	10,600
CBD Development	10,236	10,693	457	56,733	58,317	1,584	117,031	117,031
Total Capital Expenditure	10,236	10,693	457	61,831	63,467	1,636	127,631	127,631
Corporate Services								
Construction Program and Asset Purchase	644	364	(280)	1,702	1,701	(1)	6,663	6,663
CBD Development - ICT Component	150	145	(5)	485	517	32	7,250	7,250
Total Capital Expenditure	794	508	(286)	2,188	2,219	31	13,913	13,913
Community, Cultural and Economic Development								
Construction Program and Asset Purchase	278	(240)	(517)	945	571	(374)	4,069	4,069
<p>Library - No issues</p> <p>Civic Centre - Over budget relates to equipment for the Civic Centre received in October which was budgeted in 2019-20. Receipt was delayed due to COVID-19. A budget amendment will be considered in December 2020.</p> <p>Art Gallery - No issues</p> <p>Community Safety and Innovation - Over budget relates to the access control and key system upgrades slightly ahead of schedule. Rephasing was undertaken in November to better align the budget with actuals expenditure which has resulted in a negative MTD budget amount.</p>								
Total Capital Expenditure	278	(240)	(517)	945	571	(374)	4,069	4,069
Infrastructure and Environment								
Infrastructure Program	3,057	7,187	4,130	15,237	23,429	8,192	80,097	73,990
Equipment	198	199	2	240	257	16	404	355
Waste	163	97	(65)	353	453	101	1,122	1,182
Fleet	105	665	559	363	1,892	1,529	4,870	4,354
<p>Infrastructure Program - Under budget mainly due to savings in Strategic Transport, and Kerb and Channel sub-programs and delays in Natural Environment/Stormwater, Bridge and Culvert Rehabilitation, and Fleet sub-programs.</p> <p>Equipment - Satisfactory results.</p> <p>Waste - Bins replaced as required and according to city growth.</p> <p>Fleet - Currently behind anticipated vehicle replacement schedule. Increased lead times experienced as a result of COVID-19.</p>								
Total Capital Expenditure	3,523	8,149	4,626	16,192	26,031	9,838	86,493	79,880
Planning and Regulatory Services								
Construction Program and Asset Purchase	0	0	0	0	0	0	165	165
Total Capital Expenditure	0	0	0	0	0	0	165	165
Donated Assets								
Coordination and Performance	0	0	0	0	0	0	0	0
Corporate Services	0	0	0	0	0	0	0	0
Community, Cultural and Economic Development	0	2	2	9	10	1	28	28
Infrastructure and Environment	6,410	5,638	(772)	28,677	28,190	(487)	67,657	67,657
Planning and Regulatory Services	0	0	0	0	0	0	0	0
Total Donated Assets	6,410	5,640	(770)	28,686	28,200	(486)	67,685	67,685

FINANCIAL EXECUTIVE SUMMARY

NOVEMBER 2020

Cash and Investments



Investments and Earnings Summary	Margin	% Return	\$
CBA Operating Account	0.006	0.60%	\$5,971,290
Term Deposit Investments	0.007	0.75%	\$4,000,000
QTC Trust Fund Account	0.009	0.96%	\$36,057,868
QTC Operating Account - CBD	0.009	0.96%	\$31,545,877
QTC Operating Account - General	0.009	0.96%	\$142,884,755
QTC Operating Account - Total	0.009	0.96%	\$174,430,632
Total Invested funds (W.Avg return)	0.009	0.95%	\$220,459,790
Total Operating Funds (Ex Trust)	0.009	0.94%	\$184,401,922

Cashflow

Council's cash and cash equivalents balance as at 30 November 2020 was \$184.4 million. The end of period cash holdings includes \$35.5 million of carried forward unspent loan funds invested with QTC. 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 0.94%.