



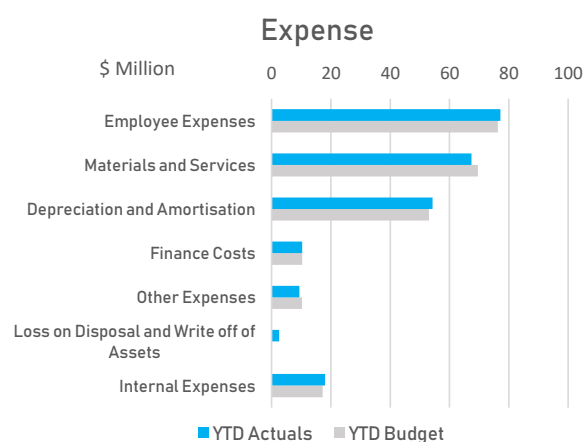
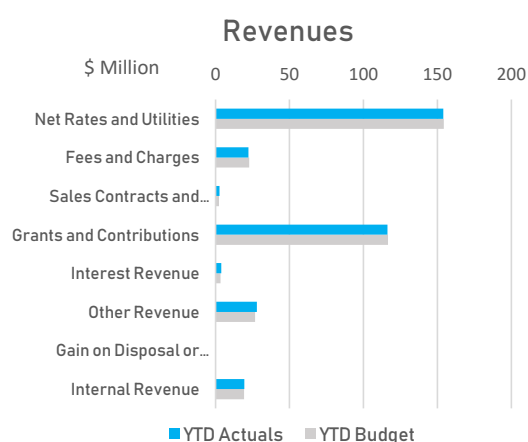
Ipswich City Council

Performance Report

MARCH 2020

	Annual		YTD				Trend from FEB 2020
	Original Budget \$'000s	Current Budget \$'000s	Current Budget \$'000s	Actuals \$'000s	Variance \$'000s	Variance %	
Operating Revenue	322,435	323,192	234,575	236,171	1,596	0.7%	▼
Operating Expense	319,336	319,970	236,789	239,281	(2,492)	(1.1%)	▼
Operating Surplus/(Deficit)	3,099	3,222	(2,214)	(3,110)	(896)	40.5%	▼
Capital Revenue	104,398	164,985	110,565	110,265	(300)	(0.3%)	▲
Net Result	107,497	168,207	108,351	107,155	(1,196)	(1.1%)	▲

Construction Program and Asset Purchase	131,008	101,807	78,332	62,678	15,654	20.0%	▼
CBD	111,608	84,948	56,326	51,090	5,236	9.3%	▲
Donated Assets	69,732	129,732	82,295	87,202	(4,907)	(6.0%)	▼
Total Capital Expenditure	312,348	316,487	216,953	200,970	15,982	7.4%	▼



Net Result

The total Net Result (including capital revenues) for Ipswich City Council as at 31 March 2020 is \$107.2 million compared to the YTD budget of \$108.4 million. Council's operating deficit (excluding capital revenue) is approximately \$3.1 million compared to the YTD budget deficit of \$2.2 million.

Operating revenue is \$1.6 million above the YTD Budget

The \$1.6 million variance is made up of: rates and utilities revenue \$282k under budget, fees and charges \$575k under budget, operational grant revenue \$17k over budget, other revenue \$1.8 million over budget, Sales Contracts and Recoverable Works \$351k over budget and internal revenue \$274k over budget. These items are discussed further in this report.

YTD operating revenue when compared to Feb was impacted by the adjustment in the March transferring an unreceipted deposit at the end of February to capital revenue.

Operating expenses is \$2.5 million above the YTD Budget

The \$2.5 million variance is made up of: employee expenses including labour contracts \$825k over budget, and materials and services under budget \$2.1 million due to savings in IE and event delays in CE. This is offset by other expenses \$3 million over budget primarily due to the write off of assets in IE, additional depreciation of \$1.2m and \$779k over budget in internal expenses relating to IWS due to lower utilisation of assets. These items are discussed further in this report.

Capital Expenditure

Capital expenditure including CBD as at 31 March is \$16 million below the YTD budget. Approximately \$201 million has been expended to 30 March compared to the current YTD capital expenditure budget of \$217 million including the value of donated assets received.

- The Infrastructure Program actual March expenditure was on the revised forecast for the month (approx \$9m) but is still approx. \$11 million under the YTD Budget. Actual costs are \$50.1 million compared to the current YTD budget of \$61.2 million.
- Corporate Services Department is \$1.4 million under budget. Actual costs are \$3.1 million compared to the YTD budget of \$4.5 million.
- CBD under budget approx. \$5.2 million. Actual costs are \$51.1 million compared to the YTD budget of \$56.3 million. □

FINANCIAL EXECUTIVE SUMMARY

MARCH 2020

	Annual		YTD						Variance \$'000s by Department						
	Original Budget \$'000s	Current Budget \$'000s	Current Budget \$'000s	Actuals \$'000s	Variance \$'000s	Variance %			Trend from FEB 2020	Note	CP	CS	CE	IE	IWS
Revenue															
Net rates and utilities charges	208,482	206,882	154,324	154,041	█ (283)	(0.2%)	▼	1	N/A	█ (49)	N/A	█ (57)	█ (53)	█ (124)	
Fees and charges	32,563	31,764	22,762	22,187	█ (575)	(2.5%)	▼	2	N/A	█ (110)	█ 63	█ (37)	█ (285)	█ (204)	
Gov't grants and subsidies	18,260	19,468	13,665	11,715	█ (1,950)	(14.3%)	▼	3	N/A	█ 8	█ (9)	█ (1,890)	N/A	█ (60)	
Internal revenue	25,613	25,613	19,236	19,510	█ 274	1.4%	▼	4	N/A	█ (263)	█ 113	█ (50)	█ 473	█ 0	
Other revenue (incl Donated Assets & Cash Contributions)	141,915	204,451	135,152	138,983	█ 3,831	2.8%	▲	5	█ 6	█ 1,249	█ (1,825)	█ 4,922	█ (241)	█ (279)	
Total Revenue	426,833	488,178	345,139	346,436	█ 1,297	0.4%	▲		█ 6	█ 835	█ (1,658)	█ 2,888	█ (106)	█ (667)	
Expense															
Employee expenses	97,438	99,204	74,420	73,311	█ 1,109	1.5%	▼	6	█ 59	█ 680	█ (167)	█ 283	█ 325	█ (72)	
Labour contracts	2,070	2,397	1,902	3,836	█ (1,934)	(101.7%)	▼	6	█ (46)	█ (419)	█ 257	█ (888)	█ (671)	█ (167)	
Materials and services	97,302	97,061	69,538	67,418	█ 2,120	3.0%	▼	7	█ 63	█ (886)	█ 869	█ 1,960	█ 1	█ 112	
Internal expense	22,963	22,963	17,277	18,056	█ (779)	(4.5%)	▲	8	█ (15)	█ 16	█ (59)	█ (711)	█ (30)	█ 22	
Other expenses	99,563	98,345	73,652	76,661	█ (3,009)	(4.1%)	▼	9	█ (10)	█ (232)	█ 28	█ (3,449)	█ 621	█ 30	
Total Expenses	319,336	319,970	236,789	239,282	█ (2,493)	(1.1%)	▼		█ 51	█ (841)	█ 928	█ (2,805)	█ 246	█ (75)	
Net Result	107,497	168,208	108,350	107,154	█ (1,196)	(1.1%)	▲		█ 57	█ (6)	█ (730)	█ 83	█ 140	█ (742)	

Revenue Variance



Expense Variance



Revenue

- Following the Budget Amendment in February in which rates and utilities charges annual budget was reduced as a result of lower growth, YTD revenue is still slightly below target and will continue to be monitored.
- Fees and charges variance is primarily in IWS which is under budget \$285k YTD relating to skip services and recycling refuse, \$204k in PR YTD relating to planning and development fees and in the March period actual revenue was again below budget. YTD CS fees and charges are below budget by \$110k relating to change of ownership fees.
- Capital grants revenue approximately \$1.9 million below budget with variance relating to grants budgeted for but not received in IE including \$536k for Redbank Plains Road (Stage 3) TIDS, \$306k for install of traffic signals and \$275k for Limestone Park Netball facilities.
- Internal revenue over budget in IWS relates to SLA recovery for domestic services carried out by the commercial trucks and CE relating to increased demand for the Civic Centre. This is partially offset in CS due to lower than expected tax equivalents revenue.
- Over budget relates to higher than expected QUU Tax Revenue (\$810k), Dividends (\$89k) and interest (\$401k) in CS and donated assets in IE. This is partially offset by under budget in cash contributions in CE which are developer driven.

Expenses

- Employee expenses including Labour contracts are over budget \$825k or 1.1% YTD March. After excluding the impact of restructure cost of \$250k in the month, our current weekly employee costs exceed budget (including overtime and allowances) and are forecast to be over the annual budget by year end. During the month Council engaged a number of labour contract staff and incurred overtime costs to self deliver mowing operations vs delivery of the services by an external contractor which was budgeted for under materials and services, due to availability restrictions. A budget transfer will be assessed to align with the additional employee expenses.
- Materials and services (excluding labour contracts) are under budget \$2.1 million. As part of the Budget Amendment the materials and services budget was rephrased, moving some of the previous months underspend to June to reflect forecast expenditure patterns. The variance of \$1.9 million in IE includes permanent savings of \$1 million relating to streetlighting maintenance (\$100k), road maintenance (\$350k) and mowing and weed control (\$550k). \$869k underspend in CE primarily relates to delayed and cancelled events.
- Internal trading expense variance relates to fleet cost recovery and indicates a lower utilisation of assets compared to budgeted expectations.
- Other expenses over budget in IE primarily relates to depreciation (\$636k for IED and \$1.2m for the whole of Council) and the loss on disposal of assets (also \$2.6m). In February a loss on write off of assets of \$952k was recorded for lighting assets that were not owned by Council.

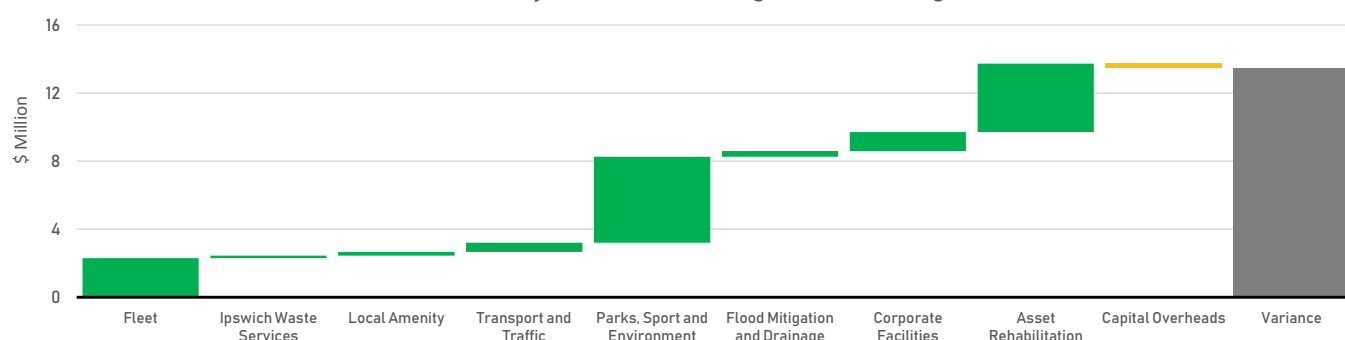
FINANCIAL EXECUTIVE SUMMARY

MARCH 2020

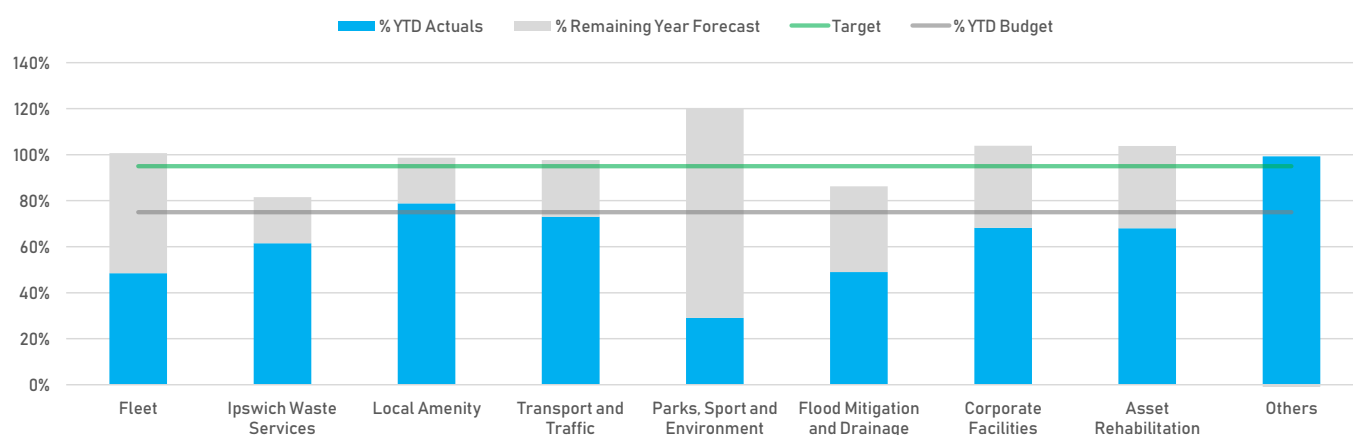
Capital

	Annual		YTD				Trend from FEB 2020
	Original Budget \$'000s	Current Budget \$'000s	Current Budget \$'000s	Actuals \$'000s	Variance \$'000s	Variance %	
Coordination and Performance	111,608	89,698	61,076	55,617	5,458	8.9%	▲
Corporate Services	17,255	9,255	4,530	3,137	1,393	30.8%	▲
Community, Cultural and Economic Development	5,067	4,567	1,292	683	609	47.1%	▼
Infrastructure and Environment	108,156	83,147	67,699	54,266	13,433	19.8%	▼
Planning and Regulatory Services	530	87	61	65	(4)	(5.9%)	▼
Net Result	242,616	186,755	134,658	113,768	20,890	15.5%	▲

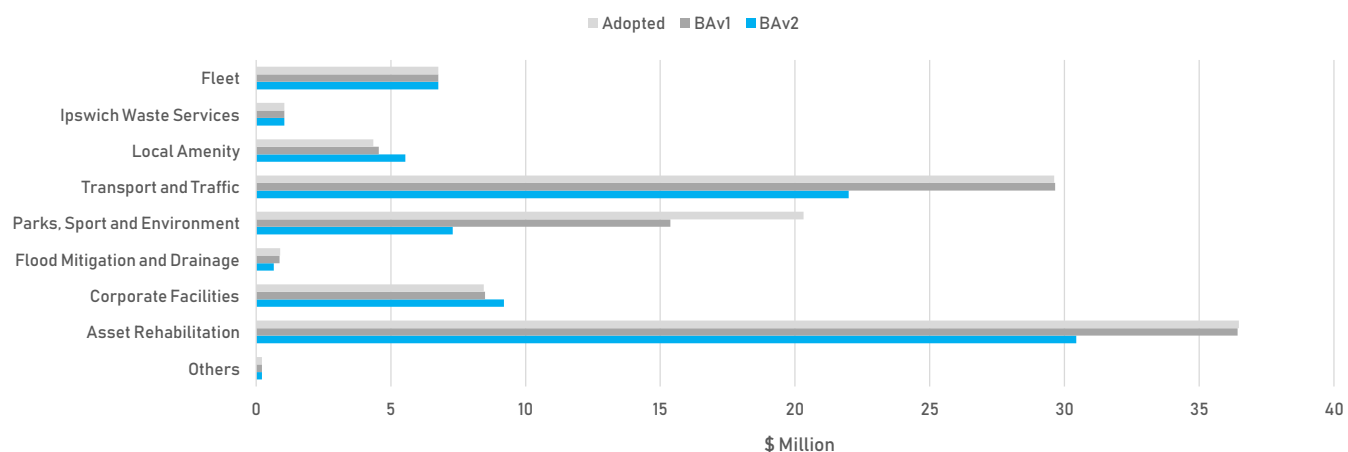
YTD Variance by Construction Program (Excluding CBD)



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



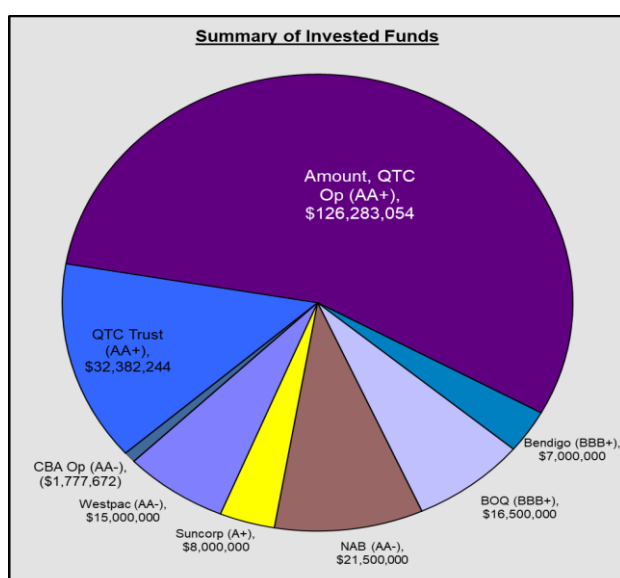
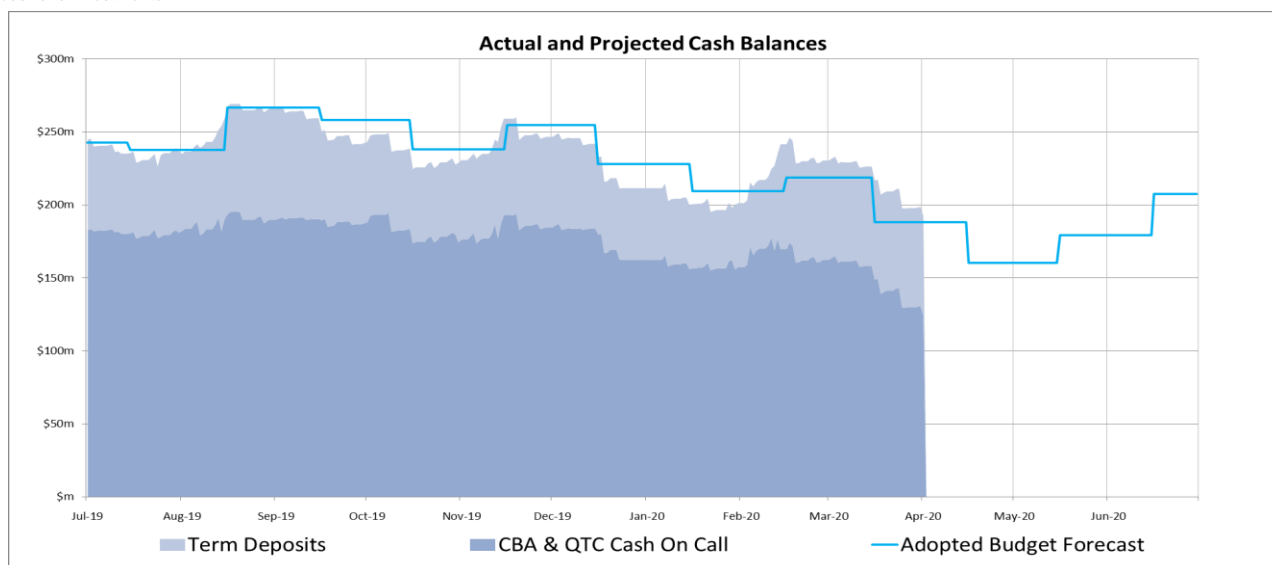
Capital Program (Excluding CBD)
Budget Version Comparison



CAPITAL SUMMARY AS AT MARCH 2020

	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	17,405	18,386	982	113,768	134,658	20,890	186,755	188,923	
Donated Assets	9,949	5,809	(4,140)	87,202	82,295	(4,907)	129,732	129,732	
Total Capital Expenditure	27,354	24,195	(3,159)	200,970	216,953	15,982	316,487	318,655	
Coordination and Performance									
Construction Program and Asset Purchase	317	458	141	4,527	4,750	223	4,750	4,750	CBD – Underspend in CBD Development is being reviewed.
CBD Development	7,501	8,785	1,284	51,090	56,326	5,236	84,948	84,948	
Total Capital Expenditure	7,818	9,243	1,424	55,617	61,076	5,458	89,698	89,698	
Corporate Services									
Construction Program and Asset Purchase	324	1,228	903	3,137	4,530	1,393	9,255	9,255	ICT – A reduction of \$8 million was approved as part of BAv2. Currently forecast to be under budget by the end of the year. ICT may need to utilise part of the remaining forecast underspend for the purchase of hardware.
Total Capital Expenditure	324	1,228	903	3,137	4,530	1,393	9,255	9,255	
Community, Cultural and Economic Development									
Construction Program and Asset Purchase	99	(964)	(1,063)	683	1,292	609	4,567	4,567	Library – No issues
									Civic Centre – No issues
									Art Gallery – No issues
									Community Safety and Innovation – Under budget approximately \$205k relating to delays in access control and \$250k relating to delays in CBD fibre relocation.
Total Capital Expenditure	99	(964)	(1,063)	683	1,292	609	4,567	4,567	
Infrastructure and Environment									
Infrastructure Program	7,900	7,589	(311)	50,123	61,167	11,043	75,112	77,436	IE – was slightly over target for the month against revised forecast increased expenditure, but still under budget by \$13.4 million against the revised BAv2 budget. IED is forecasting to be approximately \$2.2 million over budget by the end of the year.
Equipment	84	55	(29)	218	165	(53)	220	215	
Waste	73	96	23	646	787	142	1,050	856	
Fleet	1,042	1,080	38	3,279	5,580	2,301	6,765	6,809	
Total Capital Expenditure	9,099	8,820	(279)	54,266	67,699	13,433	83,147	85,315	
Planning and Regulatory Services									
Construction Program and Asset Purchase	65	61	(4)	65	61	(4)	87	87	Cemeteries – No issues
Total Capital Expenditure	65	61	(4)	65	61	(4)	87	87	
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	0	0	128	14	(114)	28	28	
Infrastructure and Environment	9,949	5,809	(4,140)	87,075	82,281	(4,794)	129,704	129,704	
Planning and Regulatory Services	0	0	0	0	0	0	0	0	
Total Donated Assets	9,949	5,809	(4,140)	87,202	82,295	(4,907)	129,732	129,732	

Cash and Investments



Investments and Earnings Summary	Margin	% Return	\$
CBA Operating Account	0.008	1.25%	(\$1,777,672)
Term Deposit Investments	0.011	1.56%	\$68,000,000
QTC Trust Fund Account	0.013	1.75%	\$32,382,244
QTC Operating Account - CBD	0.013	1.75%	\$33,596,607
QTC Operating Account - General	0.013	1.75%	\$92,686,447
QTC Operating Account - Total	0.013	1.75%	\$126,283,054
Total Invested funds (W.Avg return)	0.012	1.70%	\$224,887,625
Total Operating Funds (Ex Trust)	0.012	1.69%	\$192,505,381

Cashflow

Council's cash and cash equivalents balance as at 31 March 2020 was \$192.5 million. The end of period cash holdings includes \$34 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 1.69%.