



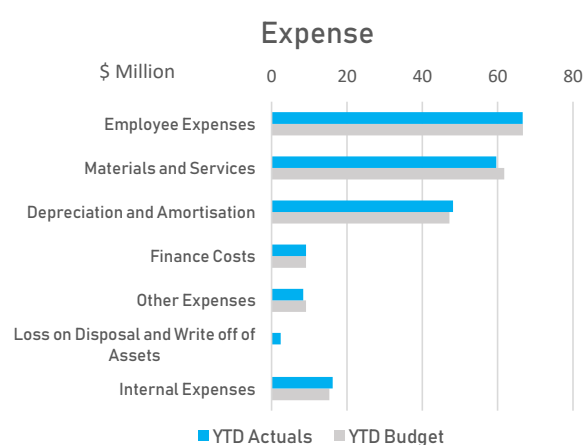
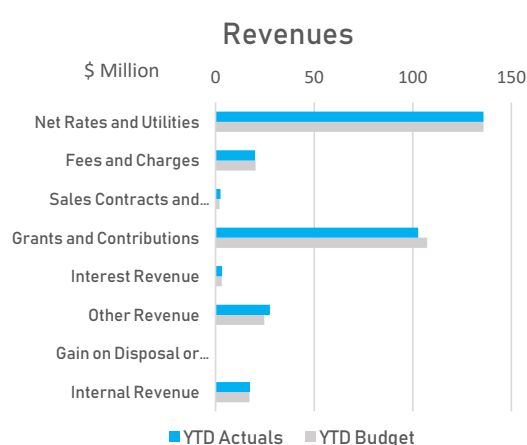
Ipswich City Council

Performance Report

FEBRUARY 2020

	Annual		YTD				Trend from JAN 2020
	Original Budget \$'000s	Current Budget \$'000s	Current Budget \$'000s	Actuals \$'000s	Variance \$'000s	Variance %	
Operating Revenue	322,435	323,192	208,802	212,601	3,799	1.8%	▼
Operating Expense	319,336	319,970	209,404	210,654	(1,250)	(0.6%)	▼
Operating Surplus/(Deficit)	3,099	3,222	(602)	1,947	2,549	(423.4%)	▼
Capital Revenue	104,398	164,985	101,668	97,073	(4,595)	(4.5%)	▼
Net Result	107,497	168,207	101,066	99,020	(2,046)	(2.0%)	▼

Construction Program and Asset Purchase	131,008	101,807	68,731	52,775	15,956	23.2%	▲
CBD	111,608	84,948	47,541	43,589	3,952	8.3%	▲
Donated Assets	69,732	129,732	76,486	77,253	(767)	(1.0%)	▲
Total Capital Expenditure	312,348	316,487	192,757	173,616	19,141	9.9%	▲



Net Result

The total Net Result (including capital revenues) for Ipswich City Council as at 29 February 2020 is \$99 million compared to the YTD budget of \$101.1 million. Council's operating surplus (excluding capital revenue) is approximately \$1.9 million compared to the YTD budget deficit of \$600k. The operating surplus after restatement due an unreceipted deposit of \$1.5m coded to operating revenue is \$447k compared to a YTD budget deficit of (\$600k).

Operating revenue is \$3.8 million above the YTD Budget

The \$3.8 million variance is made up of: rates and utilities revenue \$51k under budget, fees and charges \$272k under budget, operational grant revenue \$88k over budget, other revenue \$2.8 million over budget, Sales Contracts and Recoverable Works \$498k over budget and internal revenue \$301k over budget. These items are discussed further in this report.

Other revenue includes a \$1.5m unreceipted deposit that was received at the end of the month that has been coded as operating revenue when further analysis after month end has confirmed it is capital revenue and was adjusted in March.

Operating expenses is \$1.3 million below the YTD Budget

The \$1.3 million variance is made up of: employee expenses including labour contracts \$52k under 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 services \$2.6 million over budget primarily due to the write off of assets in IE and \$859k 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 29 February is \$19.1 million below the YTD budget. Approximately \$173.6 million has been expended to 29 February compared to the current YTD capital expenditure budget of \$192.8 million.

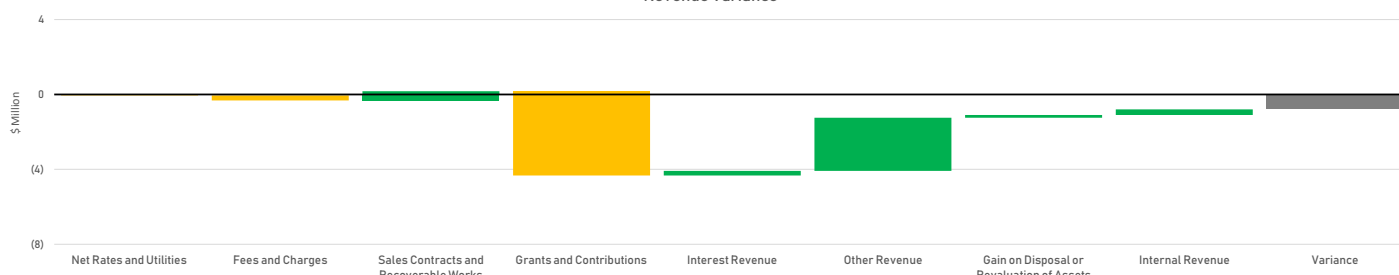
- The Infrastructure Program is approx. \$11.4 million under the YTD Budget. Actual costs are \$42.2 million compared to the current YTD budget of \$53.6 million.
- Community, Cultural and Economic Department is \$1.7 million under budget. Actual costs are \$584k compared to the YTD budget of \$2.3 million.
- CBD over budget approx. \$4 million. Actual costs are \$43.6 million compared to the YTD budget of \$47.5million.

FINANCIAL EXECUTIVE SUMMARY

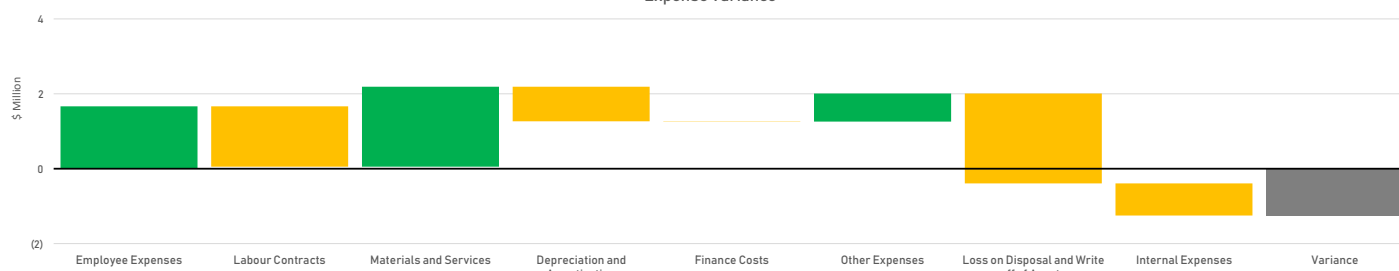
FEBRUARY 2020

	Annual		YTD				Trend from JAN 2020	Note	Variance \$'000s by Department					
	Original Budget \$'000s	Current Budget \$'000s	Current Budget \$'000s	Actuals \$'000s	Variance \$'000s	Variance %			CP	CS	CE	IE	IWS	PR
Revenue														
Net rates and utilities charges	208,482	206,882	135,936	135,885	█ (51)	(0.0%)	▲	1	N/A	█ 69	N/A	█ (19)	█ 6	█ (107)
Fees and charges	32,563	31,764	20,261	19,989	█ (272)	(1.3%)	▲	2	N/A	█ (101)	█ 91	█ (26)	█ (305)	█ 70
Gov't grants and subsidies	18,260	19,468	12,552	10,734	█ (1,818)	(14.5%)	▼	3	N/A	█ 8	█ (113)	█ (1,752)	N/A	█ 37
Internal revenue	25,613	25,613	17,148	17,449	█ 301	1.8%	▲	4	N/A	█ (125)	█ 107	█ (86)	█ 405	█ 0
Other revenue (incl Donated Assets & Cash Contributions)	141,915	204,451	124,573	125,616	█ 1,043	0.8%	▼	5	█ 16	█ 1,006	█ (1,542)	█ 510	█ (166)	█ 1,222
Total Revenue	426,833	488,178	310,470	309,673	(797)	(0.3%)	▼		16	857	(1,457)	(1,373)	(60)	1,222
Expense														
Employee expenses	97,438	99,204	65,023	63,356	█ 1,667	2.6%	▲	6	█ 141	█ 885	█ (199)	█ 503	█ 262	█ 74
Labour contracts	2,070	2,397	1,701	3,316	█ (1,615)	(94.9%)	▼	6	█ (38)	█ (373)	█ 274	█ (665)	█ (652)	█ (160)
Materials and services	97,302	97,061	61,761	59,626	█ 2,135	3.5%	▼	7	█ (21)	█ (1,083)	█ 1,184	█ 1,738	█ 149	█ 168
Internal expense	22,963	22,963	15,332	16,191	█ (859)	(5.6%)	▼	8	█ (8)	█ 12	█ (64)	█ (684)	█ (123)	█ 9
Other expenses	99,563	98,345	65,586	68,167	█ (2,581)	(3.9%)	▼	9	█ 6	█ (201)	█ 80	█ (3,017)	█ 525	█ 27
Total Expenses	319,336	319,970	209,403	210,656	(1,253)	(0.6%)	▼		80	(760)	1,275	(2,125)	161	118
Net Result	107,497	168,208	101,067	99,017	(2,050)	(2.0%)	▼		96	97	(182)	(3,498)	101	1,340

Revenue Variance



Expense Variance



Revenue

- Following the Budget Amendment in which rates and utilities charges annual budget was reduced as a result of lower growth, YTD revenue is now on target and will continue to be monitored.
- Fees and charges variance is primarily in IWS which is under budget \$305k YTD relating to skip services and recycling refuse and \$101k in CS relating to change of ownership fees.
- Capital grants revenue \$1.8 million below budget with variance relating to grants budgeted for but not received in IE including \$741k for Rosewood Library construction, \$225k for Strategic Bikeways projects, \$307k for install of traffic signals and \$275k for Limestone Park Netball facilities. This is partially offset by a number of operational grants received that were not budgeted for. Also under budget in CE due to a delay in the receipt of the ARIP grant.
- 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 (\$745k), Dividends (\$89k) and interest (\$191k) in CS and unreceipted deposits for development fees in PR which was identified after month end to be capital revenue and adjusted in March. This is partially offset by under budget in cash contributions in CE which are developer driven.

Expenses

- Employee expenses including Labour contracts under budget \$52k or 0.08% YTD February. As part of BAv2 an increase of approximately \$1.8 million (\$1.4 million YTD) in employee expenses was approved to reflect termination payments, contract labour in IWS and forecast additional positions in People and Culture. However, after excluding the impact of the Budget Amendment in February results our current weekly employee costs exceed budget (especially overtime) and are forecast to be over the annual budget by year end. Further analysis on weekly employee costs will be undertaken for discussion.
- Materials and services (excluding labour contracts) under budget \$2.1 million. As part of the Budget Amendment the materials and services budget was rephased, moving some of the previous months underspend to June to reflect forecast expenditure patterns. The variance of \$1.7 million in IE includes permanent savings of \$1 million relating to streetlighting maintenance (\$100k), road maintenance (\$350k) and mowing and weed control (\$550k). \$1.2 million underspend in CE relates to a delay with the preparations for the CBD Library move and events delayed until the end of the year or next financial year.
- 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 (\$392k) and the loss on disposal of assets (also \$2.4m). In February a loss on write off of assets of \$952k was recorded for lighting assets that were not owned by Council.

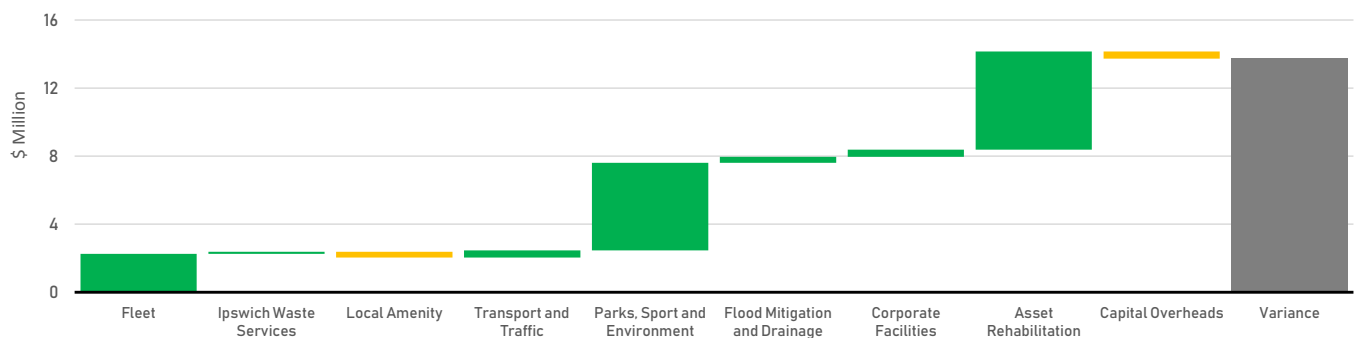
FINANCIAL EXECUTIVE SUMMARY

FEBRUARY 2020

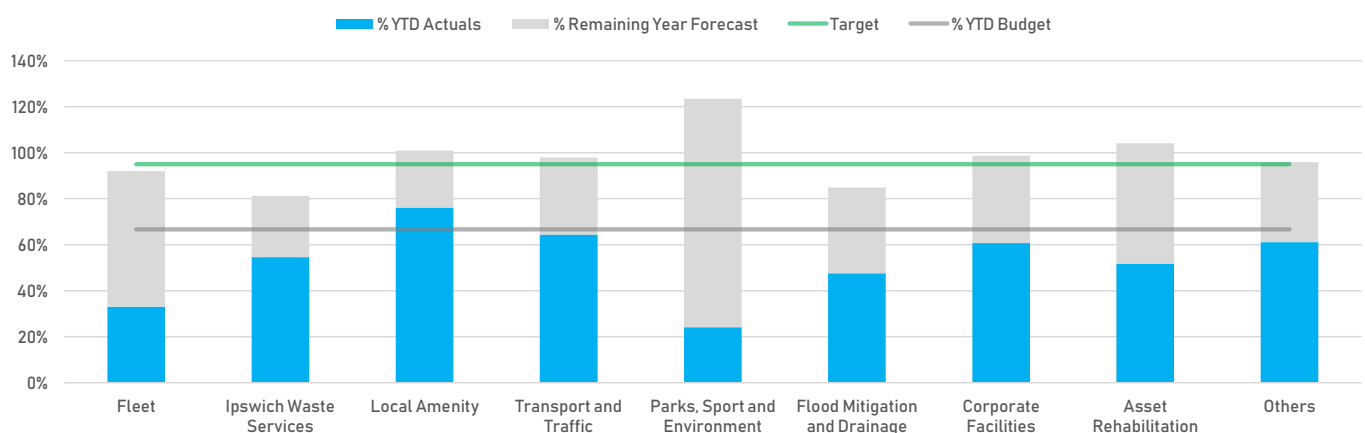
Capital

	Annual		YTD				Trend from JAN 2020
	Original Budget \$'000s	Current Budget \$'000s	Current Budget \$'000s	Actuals \$'000s	Variance \$'000s	Variance %	
Coordination and Performance	111,608	89,698	51,833	47,799	4,034	7.8%	▲
Corporate Services	17,255	9,255	3,303	2,813	490	14.8%	▲
Community, Cultural and Economic Development	5,067	4,567	2,256	584	1,672	74.1%	▲
Infrastructure and Environment	108,156	83,147	58,879	45,168	13,712	23.3%	▲
Planning and Regulatory Services	530	87	0	0	(0)	N/A	▼
Net Result	242,616	186,755	116,271	96,363	19,908	17.1%	▲

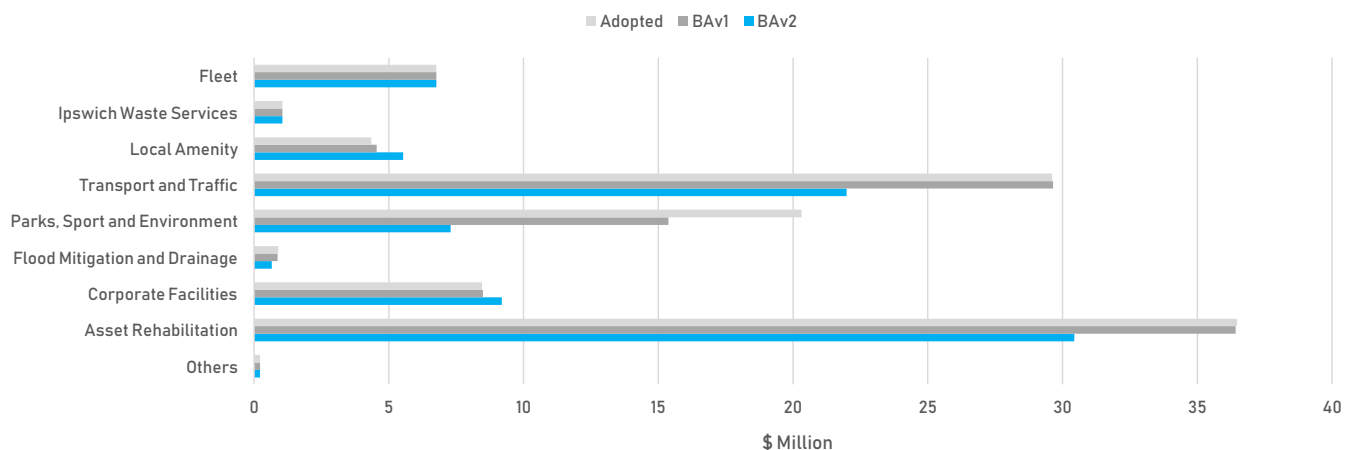
YTD Variance by Construction Program (Excluding CBD)



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



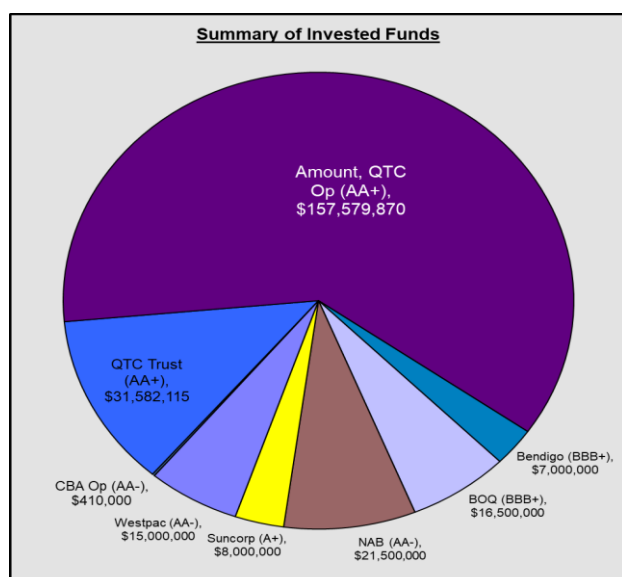
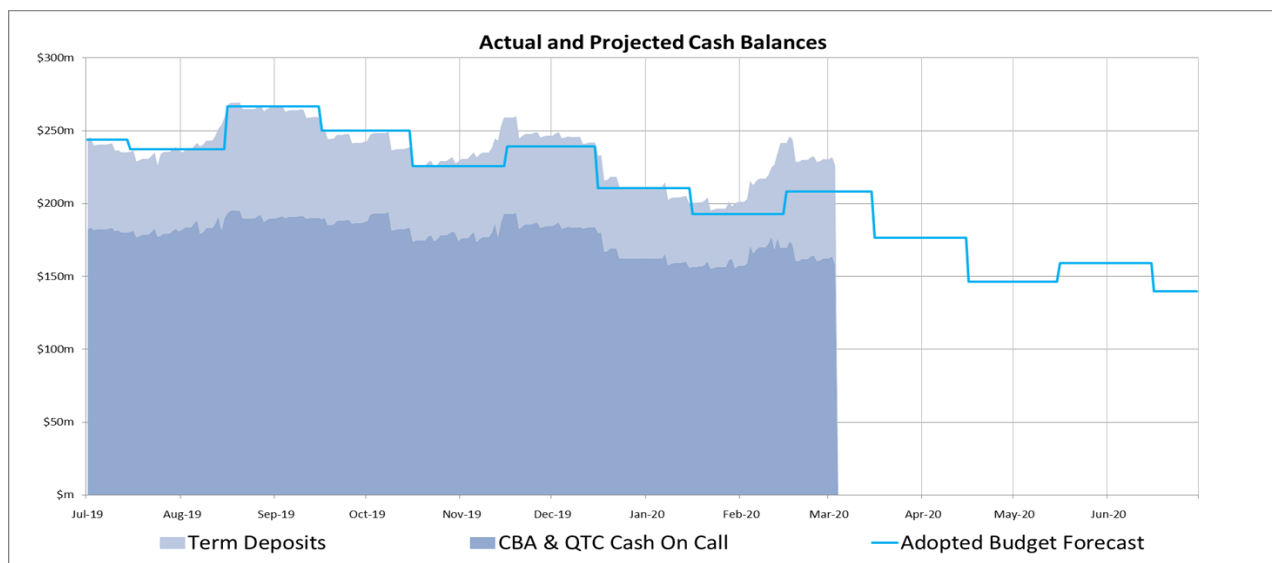
Capital Program (Excluding CBD)
Budget Version Comparison



CAPITAL SUMMARY AS AT FEBRUARY 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	12,449	26,664	14,215	96,363	116,271	19,908	186,755	188,306		
Donated Assets	32,063	35,809	3,746	77,253	76,486	(767)	129,732	129,732		
Total Capital Expenditure	44,512	62,473	17,961	173,616	192,757	19,141	316,487	318,038		
Coordination and Performance										
Construction Program and Asset Purchase	373	458	85	4,211	4,293	82	4,750	4,750	CBD – Underspend in CBD Development is being reviewed.	
CBD Development	5,590	19,108	13,518	43,589	47,541	3,952	84,948	84,948		
Total Capital Expenditure	5,963	19,566	13,603	47,799	51,833	4,034	89,698	89,698		
Corporate Services										
Construction Program and Asset Purchase	563	783	220	2,813	3,303	490	9,255	9,255	ICT – No current issues. A reduction of \$8 million was approved as part of BAv2. Current forecast is to be \$1.4 million under budget by the end of the year, this includes \$975k for the Platform of the Future. ICT may need to utilise part of the remaining forecast underspend for the purchase of hardware.	
Total Capital Expenditure	563	783	220	2,813	3,303	490	9,255	9,255		
Community, Cultural and Economic Development										
Construction Program and Asset Purchase	226	668	442	584	2,256	1,672	4,567	4,567	Library – Under budget approximately \$673k relates to the Rosewood Library, \$250k relates to Pod deployment and \$410k relates to the Logistic hub. Projects are delayed with delivery dates yet to be confirmed. Civic Centre – Under budget approximately \$326k due to a timing issue. A plan is in place to procure assets in the coming months. Art Gallery – No issues Community Safety and Innovation – Under budget approximately \$158k relating to delays in access control and security camera upgrades.	
Total Capital Expenditure	226	668	442	584	2,256	1,672	4,567	4,567		
Infrastructure and Environment										
Infrastructure Program	5,097	4,796	(301)	42,224	53,578	11,354	75,112	77,413		
Equipment	80	0	(80)	135	110	(25)	220	211	IE – Under budget \$13.7 million against the revised BAv2 budget. IED had forecast to expend approximately \$7.1 million in February and were \$1.4 million below this forecast. IED is forecasting to recoup the current budget underspend by year end.	
Waste	78	83	5	573	692	119	1,050	853		
Fleet	442	900	458	2,236	4,500	2,264	6,765	6,221		
Total Capital Expenditure	5,697	5,779	82	45,168	58,879	13,712	83,147	84,698		
Planning and Regulatory Services										
Construction Program and Asset Purchase	0	(133)	(133)	0	0	(0)	87	87	Cemeteries – Under budget relates to works on Tallegalla Cemetery being undertaken by the IE Department on behalf of PR. Approximately \$61k has been expended to date and will be transferred to the Department in March.	
Total Capital Expenditure	0	(133)	(133)	0	0	(0)	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	32,063	35,809	3,746	77,125	76,472	(653)	129,704	129,704		
Planning and Regulatory Services	0	0	0	0	0	0	0	0		
Total Donated Assets	32,063	35,809	3,746	77,253	76,486	(767)	129,732	129,732		

Cash and Investments



Investments and Earnings Summary	Margin	% Return	\$
CBA Operating Account	0.004	1.25%	\$410,000
Term Deposit Investments	0.007	1.56%	\$68,000,000
QTC Trust Fund Account	0.009	1.73%	\$31,582,115
QTC Operating Account - CBD	0.009	1.73%	\$38,961,940
QTC Operating Account - General	0.009	1.73%	\$118,617,929
QTC Operating Account - Total	0.009	1.73%	\$157,579,870
Total Invested funds (W.Avg return)	0.008	1.68%	\$257,571,984
Total Operating Funds (Ex Trust)	0.008	1.68%	\$225,989,870

Cashflow

Council's cash and cash equivalents balance as at 29 February 2020 was \$226 million. The end of period cash holdings includes \$39 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 1.68%.