



Ipswich City Council

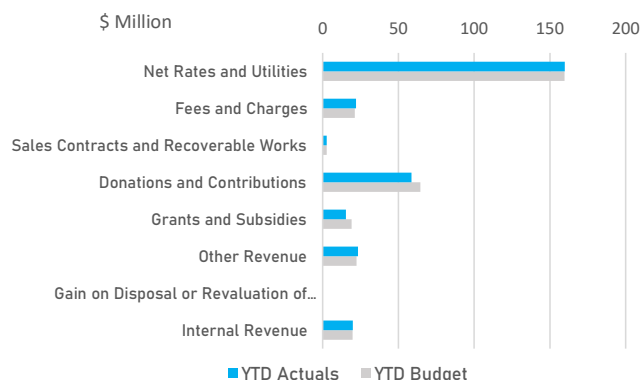
Performance Report

MARCH 2021

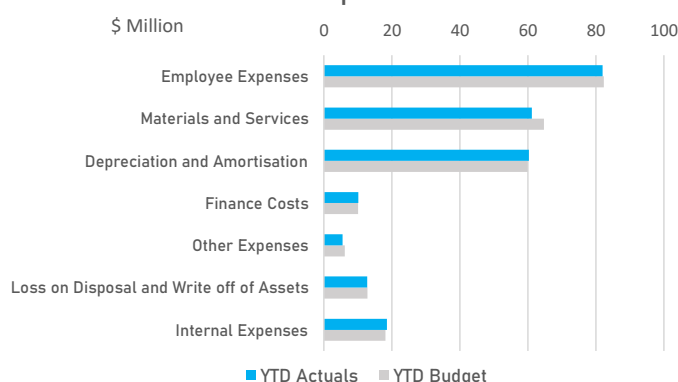
	YTD				Annual	
	Actuals	Current Budget	Variance	Variance	Current Budget	Trend from
	\$'000s	\$'000s	\$'000s	%	\$'000s	FEB 2021
Operating Revenue	235,114	232,686	2,428	1.0%	321,647	▼
Operating Expense	237,743	241,335	3,592	1.5%	332,104	▼
Operating Surplus/(Deficit)	(2,629)	(8,649)	6,020	(69.6%)	(10,457)	▼
Capital Revenue	66,944	76,730	(9,786)	(12.8%)	101,995	▲
Other Capital Income (Asset disposals)	(1)	0	(1)	N/A	0	▼
Capital Loss (Asset write-off)	12,610	12,800	190	1.5%	14,300	▲
Net Result	51,704	55,281	(3,577)	(6.5%)	77,238	▲

Construction Program and Asset Purchase	46,098	53,739	7,641	14.2%	88,903	▼
CBD	70,747	80,982	10,236	12.6%	104,841	▼
Donated Assets	43,979	50,760	6,781	13.4%	67,685	▲
Total Capital Expenditure	160,823	185,481	24,659	13.3%	261,429	▼

## Revenues



## Expense



## Net Result

The total Net Result (including capital revenues) for Ipswich City Council as at 31 March 2021 is \$51.7 million compared to the YTD budget of \$55.3 million. Council's operating deficit (excluding capital revenue) is approximately \$2.6m compared to the YTD budget deficit of \$8.6 million.

## Operating revenue is \$2.4 million above the YTD Budget

The \$2.4 million variance is made up of: net rates and utilities \$130k over budget, fees and charges \$865k over budget, operational grant revenue \$175k over budget, other revenue \$1 million over budget, sales contracts and recoverable works \$94k over budget, interest revenue \$55k under budget and internal revenue \$189k over budget. These items are discussed further in this report.

## Operating expenses is \$3.6 million under the YTD Budget

The \$3.6 million variance is made up of: employee expenses including labour contracts \$380k over budget, materials and services under budget \$3.6 million, other expenses \$606k under budget, depreciation and amortisation \$416k over budget, finance costs \$66k over budget and \$476k over budget in internal expenses. These items are discussed further in this report.

## Capital Expenditure

Capital expenditure including CBD as at 31 March is \$24.7 million below the YTD budget. Approximately \$160.7 million has been expended to 31 March compared to the YTD capital expenditure budget of \$185.5 million.

- The Infrastructure Program actual YTD costs are \$35 million compared to the current YTD budget of \$40 million.
- CBD Development is approximately \$10.2 million under budget. Actual YTD costs are \$70.7 million compared to the current YTD budget of \$81 million.

Asset donations as at 31 March is \$6.8 million under the YTD budget. Approximately \$44 million has been recognised to 31 March compared to the YTD donated assets budget of \$50.8 million.

## FINANCIAL EXECUTIVE SUMMARY

MARCH 2021

	YTD				Annual			Variance \$'000s by Department					
	Actuals \$'000s	Current Budget \$'000s	Variance \$'000s	Variance %	Current Budget \$'000s	Trend from FEB 2021	Note	CP	CS	CE	IE	IWS	PR
<b>Revenue</b>													
Net rates and utilities charges	159,826	159,696	130	0.1%	213,789	▲	1	N/A	118	N/A	19	26	(34)
Fees and charges	22,110	21,245	865	4.1%	29,614	▼	2	N/A	68	(66)	(2)	361	503
Government grants and subsidies	15,348	19,139	(3,791)	(19.8%)	28,406	▲	3	N/A	0	309	(4,101)	0	1
Internal revenue	19,991	19,802	189	1.0%	26,472	▲	4	N/A	(304)	47	(1)	447	0
Other revenue	26,214	25,014	1,200	4.8%	39,072	▼	5	117	734	82	297	(102)	73
Donations and contributions	58,699	64,520	(5,821)	(9.0%)	86,289	▼	6	0	N/A	(484)	(5,336)	N/A	N/A
<b>Total Revenue</b>	<b>302,188</b>	<b>309,416</b>	<b>(7,228)</b>	<b>(2.3%)</b>	<b>423,642</b>	<b>▼</b>		<b>117</b>	<b>616</b>	<b>(112)</b>	<b>(9,124)</b>	<b>732</b>	<b>543</b>
<b>Expense</b>													
Employee expenses	79,085	79,430	345	0.4%	108,770	▲	7	32	118	3	544	(336)	(16)
Labour contracts	2,897	2,932	35	1.2%	3,408	▲	7	70	(189)	309	0	(92)	(64)
Materials and services	61,182	64,746	3,564	5.5%	91,074	▼	8	66	718	712	1,579	309	183
Internal expenses	18,578	18,101	(477)	(2.6%)	24,202	▼	9	(81)	(9)	65	(446)	(41)	36
Other expenses	28,409	29,008	599	2.1%	39,808	▲	10	73	217	751	(225)	(228)	11
Depreciation & amortisation	60,333	59,917	(416)	(0.7%)	79,143	▲	11	(11)	95	(46)	(480)	19	7
<b>Total Expenses</b>	<b>250,484</b>	<b>254,134</b>	<b>3,650</b>	<b>1.4%</b>	<b>346,405</b>	<b>▲</b>		<b>149</b>	<b>950</b>	<b>1,794</b>	<b>972</b>	<b>(369)</b>	<b>157</b>
<b>Net Result</b>	<b>51,704</b>	<b>55,282</b>	<b>(3,578)</b>	<b>(6.5%)</b>	<b>77,237</b>	<b>▲</b>		<b>266</b>	<b>1,566</b>	<b>1,682</b>	<b>(8,152)</b>	<b>363</b>	<b>700</b>

**Revenue**

1. Rates and utilities are tracking on budget following the amendments relating to valuation and category changes.
2. Fees and charges over budget relates to PRS planning and development fees 503k, including an Area Development Plan application lodged in Springfield and a material change of use application in Yamanto. Also over budget \$361k in Resource Recovery relating to commercial services and higher customers than budgeted in the Recycling Refuse Centre.
3. Grant revenue under budget in IED relating to returned grants of \$485k received in the previous financial year and a number of budgeted grants not expected to be received this year. This is offset by additional unbudgeted grants expected this financial year.
4. Internal revenue over budget in Resource Recovery relates to internal recovery for various services offset partly by increased internal expenses. This is partially offset in CS relating to lower than expected tax equivalents revenue payments.
5. Other revenue over budget primarily relates to the higher than expected UU Tax Revenue in CS and is subject to UU's revenue and tax position throughout the year. Also over budget in IED relating to unbudgeted revenue received from Energex for tree replacements and gain on disposal of assets.
6. Donations and contributions under budget relates to lower than expected donated asset revenue in IED.

**Expenses**

7. Employee expenses including labour contracts under budget \$380k or 0.46% at the end of March. Analysis on weekly employee costs will continue to be undertaken.
8. Materials and services (excluding labour contracts) under budget \$3.6 million YTD. \$1.6 million relates to IED primarily in the Works and Field Services Branch as a result of delays in projects, lower than expected maintenance costs and minor variances across the Department. \$718k under in CS relating to efficiencies in the ICT Branch due to contract renegotiations. \$712k relates to CCED primarily in the Libraries and Customer Service Branch and Marketing and Promotion Branch. \$309k under in Resource Recovery relating to minor under spends across the sections. \$183k under budget in PRS relating to major legal appeals not yet incurred.
9. 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, partially offset by increased internal expenses.
10. Other expenses under budget primarily in CCED relating to lower grant expenditure due to less requests for grants and there are also other minor underspends across the department. This is partially offset by over budget in IED and Resource Recovery relating to unbudgeted compensation for construction awaiting an insurance claim to be finalised and the waste levy fees.
11. Depreciation over budget approximately \$416k YTD following an increase to depreciation processed in the budget amendment for March.

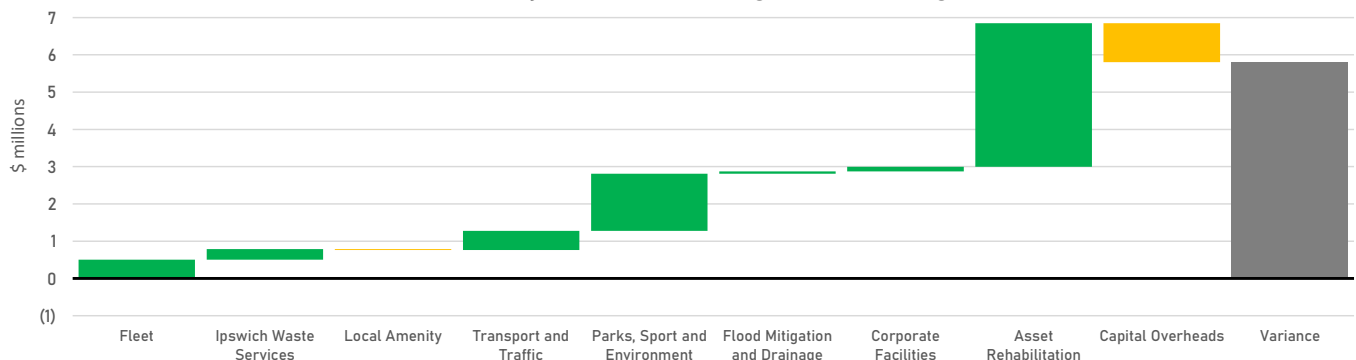
# FINANCIAL EXECUTIVE SUMMARY

MARCH 2021

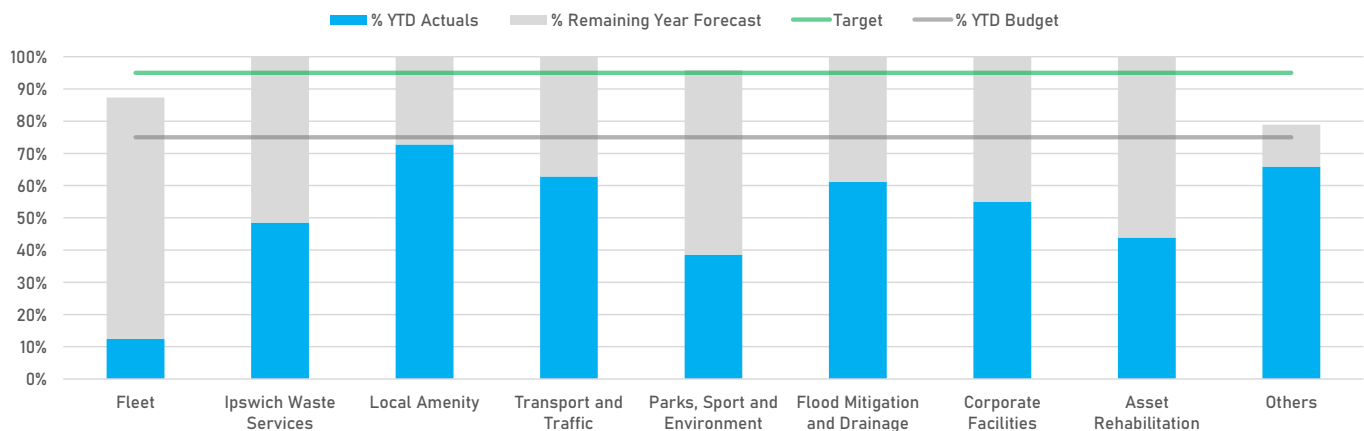
## Capital

	YTD				Annual	Trend from FEB 2021
	Actuals	Current Budget	Variance	Variance	Current Budget	
	\$'000s	\$'000s	\$'000s	%	\$'000s	
Coordination and Performance	74,195	83,319	9,124	11.0%	106,009	▼
Corporate Services	4,618	5,904	1,286	21.8%	11,916	▼
Community, Cultural and Economic Development	1,653	3,265	1,612	49.4%	3,521	▲
Infrastructure and Environment	36,355	42,233	5,878	13.9%	72,133	▼
Planning and Regulatory Services	23	0	(23)	N/A	165	-
<b>Net Result</b>	<b>116,844</b>	<b>134,721</b>	<b>17,877</b>	<b>13.3%</b>	<b>193,744</b>	▼

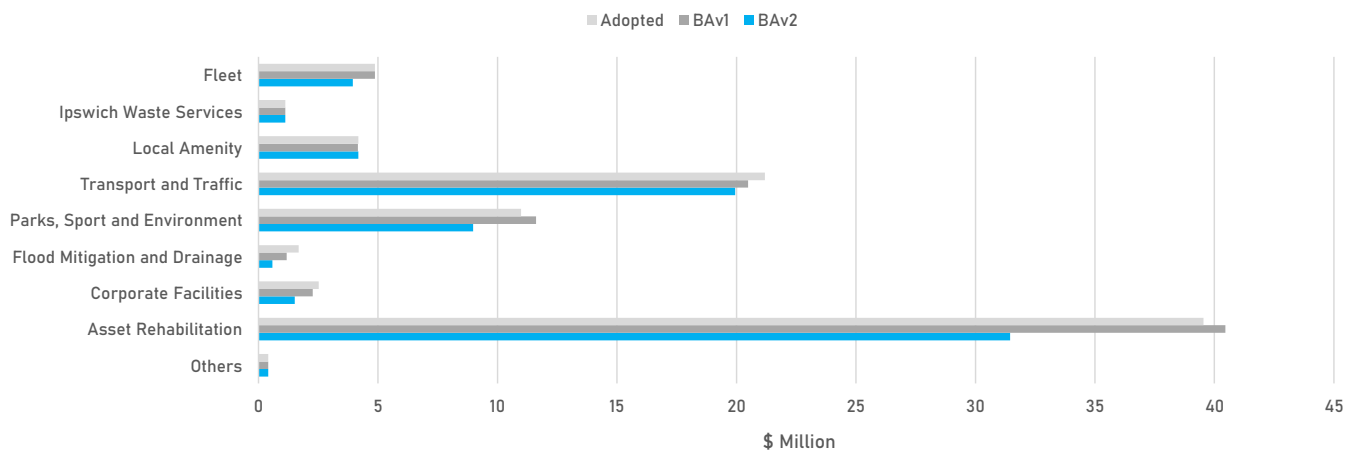
YTD Variance by Construction Program (Excluding CBD)



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

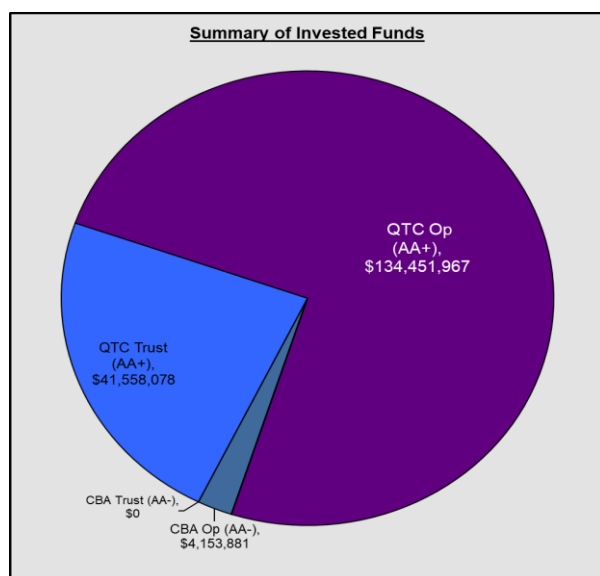
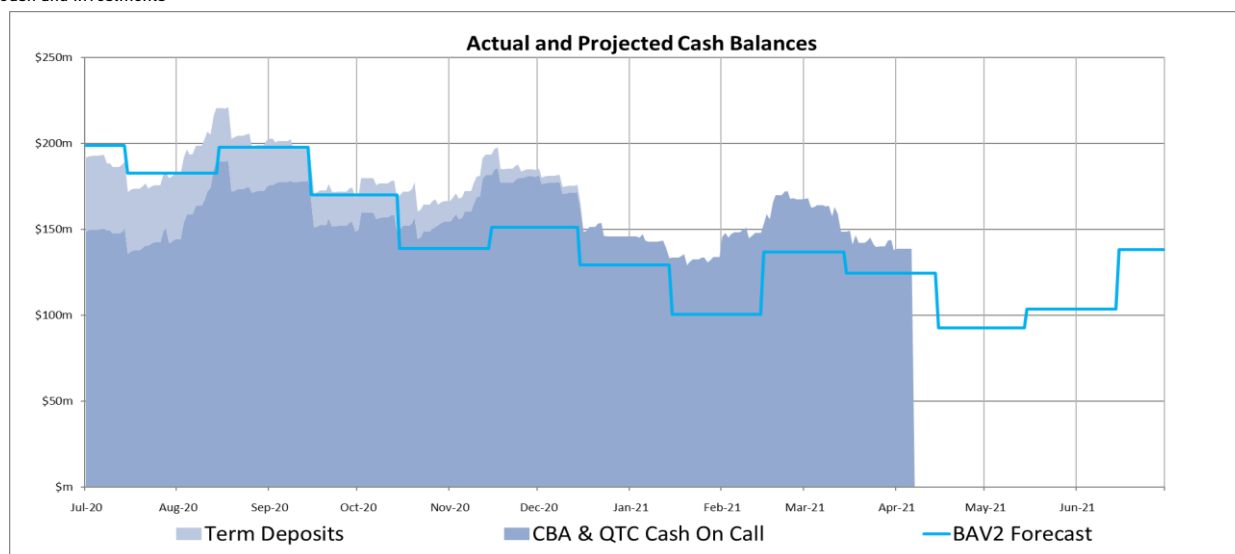


Capital Program (Excluding CBD)  
Budget Version Comparison



CAPITAL SUMMARY AS AT MARCH 2021						
	YTD Actual \$'000s	YTD Budget \$'000s	YTD Variance \$'000s	Full Year Budget \$'000s	EOY Forecast \$'000s	Comments
<b>Whole of Council</b>						
Construction Program and Asset Purchase	116,844	134,721	17,877	193,744	193,866	
Donated Assets	43,979	50,760	6,781	67,685	67,685	
<b>Coordination and Performance</b>						
Construction Program and Asset Purchase	5,115	5,150	35	8,330	8,330	<b>CBD</b> – Variance is primarily related to the financial impairment applied to the Commonwealth Hotel and the delay of the Metro B works due to the move-out date for QLD Health.
CBD Development	69,080	78,169	9,089	97,679	97,679	
<b>Total Capital Expenditure</b>	<b>74,195</b>	<b>83,319</b>	<b>9,124</b>	<b>106,009</b>	<b>106,009</b>	
<b>Corporate Services</b>						
Construction Program and Asset Purchase	2,951	3,091	140	4,754	4,754	<b>ICT</b> – Satisfactory results. CBD component on track, an underspend is projected for this project.
CBD Development – ICT Component	1,667	2,813	1,146	7,162	7,162	
<b>Total Capital Expenditure</b>	<b>4,618</b>	<b>5,904</b>	<b>1,286</b>	<b>11,916</b>	<b>11,916</b>	
<b>Community, Cultural and Economic Development</b>						
Construction Program and Asset Purchase	1,653	3,265	1,612	3,521	3,521	<b>Library</b> – No Issues due to reduction in BAv2  <b>Civic Centre</b> – Under budget due to delays, but is still expected to be delivered in the final quarter of the year.  <b>Art Gallery</b> – No issues  <b>Community Safety and Innovation</b> – Under budget due to delays, but is still expected to be delivered in the final quarter of the year.
<b>Total Capital Expenditure</b>	<b>1,653</b>	<b>3,265</b>	<b>1,612</b>	<b>3,521</b>	<b>3,521</b>	
<b>Infrastructure and Environment</b>						
Infrastructure Program	35,053	40,072	5,019	66,661	67,366	<b>Infrastructure Program</b> – Following the reduction of budget at BAv2 the Infrastructure program remains under budget due to project delays in Asset Rehabilitation and Parks, Sports and Environment programs.
Equipment	266	339	72	404	319	<b>Equipment</b> – Satisfactory results.
Waste	544	828	284	1,122	1,122	<b>Waste</b> – Bins replaced as required and according to city growth.
Fleet	492	995	503	3,946	3,448	<b>Fleet</b> – Following a reduction in budget at BAv2, Fleet is currently under YTD budget due to a slight delayed delivery of a truck in early April that was expected in March and also due to an adjustment to the vehicle replacement schedule with a focus on cycling out expired warranty vehicles.
<b>Total Capital Expenditure</b>	<b>36,355</b>	<b>42,233</b>	<b>5,878</b>	<b>72,133</b>	<b>72,255</b>	
<b>Planning and Regulatory Services</b>						
Construction Program and Asset Purchase	23	0	(23)	165	165	<b>Cemeteries</b> – No issues
<b>Total Capital Expenditure</b>	<b>23</b>	<b>0</b>	<b>(23)</b>	<b>165</b>	<b>165</b>	
<b>Donated Assets</b>						
Coordination and Performance	0	0	0	0	0	
Corporate Services	0	0	0	0	0	
Community, Cultural and Economic Development	9	18	9	28	28	
Infrastructure and Environment	43,969	50,742	6,773	67,657	67,657	
Planning and Regulatory Services	0	0	0	0	0	
<b>Total Donated Assets</b>	<b>43,979</b>	<b>50,760</b>	<b>6,781</b>	<b>67,685</b>	<b>67,685</b>	

## Cash and Investments



Investments and Earnings Summary	Margin	% Return	\$
CBA Operating Account	0.006	0.60%	\$4,153,881
Term Deposit Investments	-0.000		
QTC Trust Fund Account	0.007	0.69%	\$41,558,078
QTC Operating Account - CBD	0.007	0.69%	\$11,755,445
QTC Operating Account - General	0.007	0.69%	\$122,696,522
<b>QTC Operating Account - Total</b>	0.007	0.69%	<b>\$134,451,967</b>
Total Invested funds (W.Avg return)	0.007	0.69%	\$180,163,926
<b>Total Operating Funds (Ex Trust)</b>	0.007	0.69%	<b>\$138,605,849</b>

**Cashflow**

Council's cash and cash equivalents balance as at 31 March 2021 was \$138.6 million. The end of period cash holdings includes \$11.8 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 0.69%.