



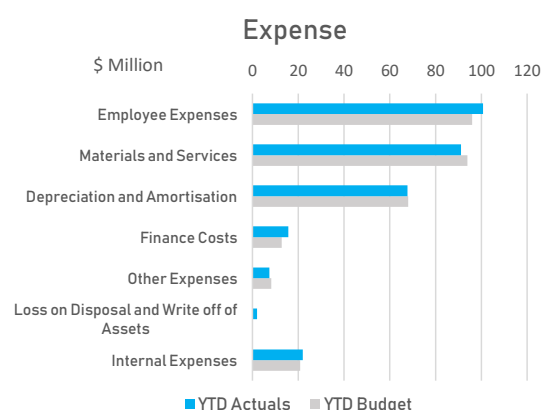
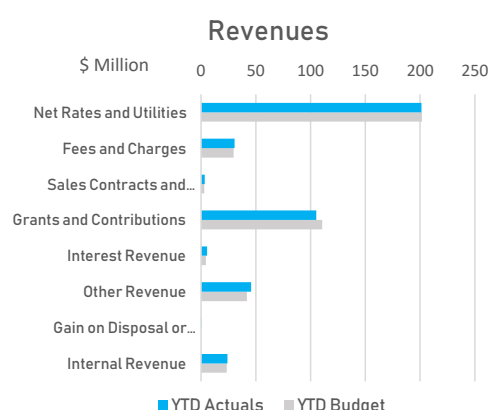
Ipswich City Council

Performance Report

June 2019

	Annual		YTD				Trend from MAY 2019
	Original Budget \$'000s	Current Budget \$'000s	Current Budget \$'000s	Actuals \$'000s	Variance \$'000s	Variance %	
Operating Revenue	300,561	314,596	314,596	321,937	7,341	2.3%	▲
Operating Expense	296,957	299,693	299,693	306,728	(7,035)	(2.3%)	▼
Operating Surplus/(Deficit)	3,604	14,903	14,903	15,209	306	2.1%	▼
Capital Revenue	99,461	100,176	100,176	94,155	(6,021)	(6.0%)	▼
Net Result	103,065	115,079	115,079	109,364	(5,715)	(5.0%)	▼

Construction Program and Asset Purchase	174,730	129,549	129,549	99,924	29,624	22.9%	▲
Donated Assets	67,122	67,122	67,122	62,419	4,703	7.0%	▲
Total Capital Expenditure	241,852	196,671	196,671	162,343	34,328	17.5%	▲



### Net Result

The total Net Result (including capital revenues) for Ipswich City Council as at 30 June 2019 is \$109.4m compared to the full year budget of \$115.1m. Council's operating surplus (excluding capital revenue) is approx. \$15.2m compared to a YTD budget of \$14.9m.

### Capital Revenue and Expenditure

Capital expenditure as at 30 June is considerably below year end budget. Approximately \$99.9m has been expended to 30 June compared to the full year capital expenditure budget of \$129.5m, this includes \$21.5m towards the CBD redevelopment.

- The Infrastructure Program is approx. \$8.8m under the full year Budget. Actual costs are \$80.4m compared to the full year budget of \$89.1m. \$7.6m has been proposed for carryover.
- CBD under budget \$18.5m. Actual costs are \$3m compared to the full year budget of \$21.5m. Underspend relates to the purchase of land not occurring this year (\$13.5m) as well as early construction works on the administration building due to delays in appointing a construction contractor.
- Capital revenue primarily under budget in donated assets (approximately \$5 million) which is developer driven.

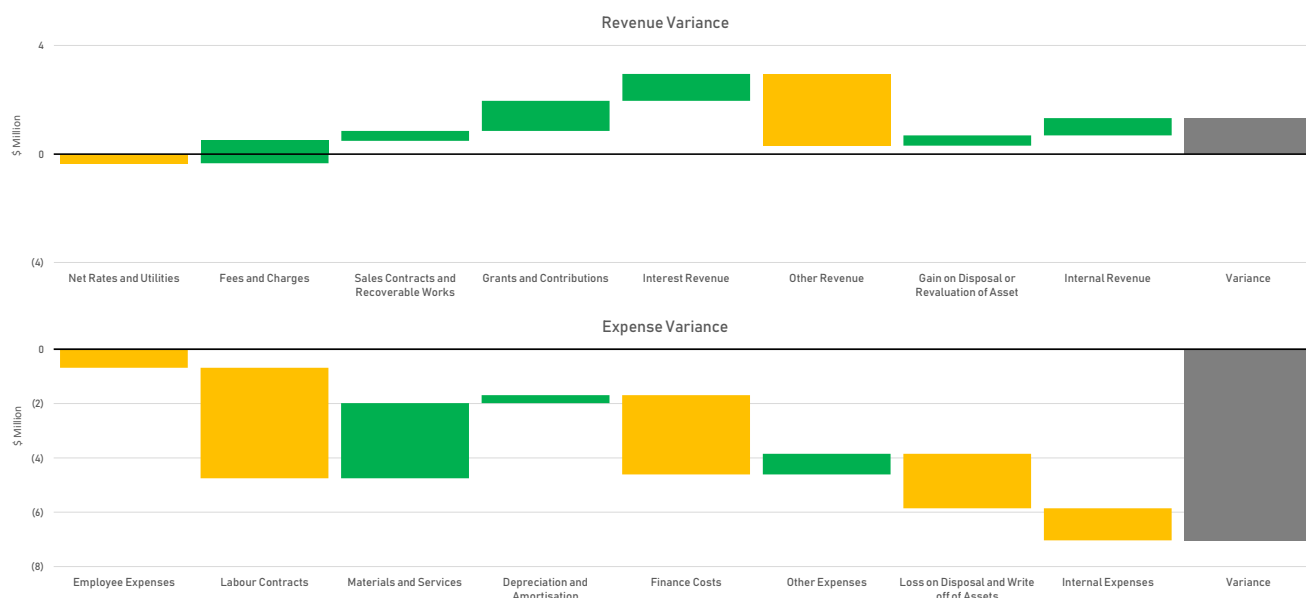
### Operating revenue is \$7.3m above the full year Budget as a result of:

- Fees and charges are \$825k above the full year budget due concentrated effort on lapsed dog registrations, lapsed or changed ownership for food licences as well as increased traffic and regulated parking fees due to a new approach to parking compliance. Over budget in IWS relates to higher than expected waste disposal fees.
- Interest revenue is \$995k above budget due to higher than forecast cash balances arising from lower than expected capital expenditure.
- Other revenue is above budget \$3.9m primarily as Council continues to receive higher than forecast dividend payments from Queensland Urban Utilities.

### Operating expenses is \$7m above the full year Budget as a result of:

- Employee expenses including contingency workers is over budget \$4.8m or 5%. The primary reasons for this include: additional EBA payments of \$580k, \$1.9m end of year accrual for 4 days per QAO recommendations last year versus the traditional budgeted 52 week pay periods and also adjustment of annual and long service leave provisions the new eHub system has posted to employee expenses \$405k.
- Materials and Services (excluding labour contracts) under budget \$2.8m primarily due to reduced program delivery and events not occurring in CE.
- Finance costs above budget by \$2.9m for the write off of the ICP loan as per Council's resolution in June 2019 which was in excess of the impairment taken as part of the 2018 financial statements.
- Internal expenses above budget by \$1m due to under utilisation of plant and equipment and changes in the charging regime of waste rear loaders at the beginning of the year, which is offset by internal revenue.

	Annual		YTD						Variance \$'000s by Department					
	Original Budget \$'000s	Current Budget \$'000s	Current Budget \$'000s	Actuals \$'000s	Variance \$'000s	Variance %	Trend from MAY 2019	Note	CP	CS	CE	IE	IWS	PR
<b>Revenue</b>														
Net rates and utilities charges	201,642	201,642	201,642	201,303	(339)	(0.2%)	▲	1	33	(242)	N/A	195	(176)	(149)
Fees and charges	29,751	29,750	29,750	30,575	825	2.8%	▲	2	N/A	(169)	(71)	(40)	564	542
Gov't grants and subsidies	14,571	15,352	15,352	16,456	1,104	7.2%	▲	3	N/A	349	81	787	N/A	(113)
Internal revenue	23,504	23,504	23,504	24,137	633	2.7%	▲	4	N/A	(59)	131	(212)	772	0
Other revenue	130,554	144,524	144,524	143,620	(904)	(0.6%)	▼	5	3,109	960	(2,082)	(3,545)	167	487
<b>Total Revenue</b>	<b>400,022</b>	<b>414,772</b>	<b>414,772</b>	<b>416,091</b>	<b>1,319</b>	<b>0.3%</b>	▼		<b>3,142</b>	<b>839</b>	<b>(1,941)</b>	<b>(2,815)</b>	<b>1,327</b>	<b>767</b>
<b>Expense</b>														
Employee expenses	94,465	94,298	94,298	94,980	(682)	(0.7%)	▼	6	(219)	457	499	(1,204)	176	(392)
Labour contracts	1,615	1,653	1,653	5,723	(4,070)	(246.2%)	▼	6	(239)	(836)	(540)	(1,353)	(675)	(426)
Materials and services	88,707	93,873	93,873	91,104	2,769	2.9%	▼	7	397	742	1,545	355	(368)	97
Internal expense	21,194	20,850	20,850	22,028	(1,178)	(5.6%)	▼	8	179	11	(71)	(611)	(669)	(18)
Other expenses	90,975	89,019	89,019	92,893	(3,874)	(4.4%)	▼	9	(2,887)	(934)	1,038	(792)	(43)	(255)
<b>Total Expenses</b>	<b>296,956</b>	<b>299,693</b>	<b>299,693</b>	<b>306,728</b>	<b>(7,035)</b>	<b>(2.3%)</b>	▼		<b>(2,769)</b>	<b>(560)</b>	<b>2,471</b>	<b>(3,605)</b>	<b>(1,579)</b>	<b>(994)</b>
<b>Net Result</b>	<b>103,066</b>	<b>115,079</b>	<b>115,079</b>	<b>109,363</b>	<b>(5,716)</b>	<b>(5.0%)</b>	▼		<b>373</b>	<b>279</b>	<b>530</b>	<b>(6,420)</b>	<b>(252)</b>	<b>(227)</b>



#### Revenue

- Under budget due to lower than expected recovery of clearing overgrown allotments which had been communicated once identified.
- CS change of ownership fees under budget resulting in from lower than expected property sales. Under budget in CE primarily relates to a decrease in bookings at the Civic Centre. IWS has continued to trend above budgeted levels with demand for most services being higher than anticipated. PR over budget as a result of a concentrated effort on lapsed dog registrations, lapsed or changed ownership for food licences as well as increased traffic and regulated parking fees due to a new approach to parking compliance.
- PR under budget to a grant not received from the DSDMIP which is expected to be received in July 2019. Offset by over budget in IE relating to a number of operational and capital grants received that were not budgeted for.
- Over budget in IWS, offset by under budget in internal fleet recover primarily due to reduction in Divisional Office vehicles and the additional waste rear loader (budgeted to be utilised for the full year but not in service). Other minor variances in internal revenue are due to assets being sold but not required to be replaced.
- CE primarily under budget due to capital cash contributions. IE under budget due to asset donations and contributions which is driven by developers. This has been more than offset in CP (dividends \$3.4m more than expected) and CS (interest revenue \$588k due to higher cash balances held).

#### Expenses

- A high proportion of labour contractors has resulted from the temporary placement of contingent personnel against budgeted employee positions. When considering the two categories collectively WOC has resulted in a \$4.8m or 5% overspend. The primary reasons for this include: additional EBA payments of \$580k, \$1.9m end of year accrual for 4 days per QAO recommendations last year versus the traditional budgeted 52 week pay periods and also adjustment of annual and long service leave provisions the new eHub system has posted to employee expenses \$405k.
- Over budget in IWS primarily relates to service contracts for kerbside waste disposal fees which is offset by additional fees and charges revenue and savings in maintenance and materials expenses. This is more than offset by underspends in CE for reduced program delivery and CS for service provider performance bonus levels not being achieved and an underspend on DERM land and property valuations.
- Internal expenses over budget in Infrastructure and Environment due to under utilisation of plant and equipment. Over budget in CE and IWS which is offset by increased internal revenue.
- Primarily over budget due to the write off of the ICP loan as per Council's resolution in June 2019 which was in excess of the impairment taken as part of the 2018 financial statements as well as increased depreciation in ICT (CS) and Safe City (CE) and a loss on the partial retirement of infrastructure network assets in IE.

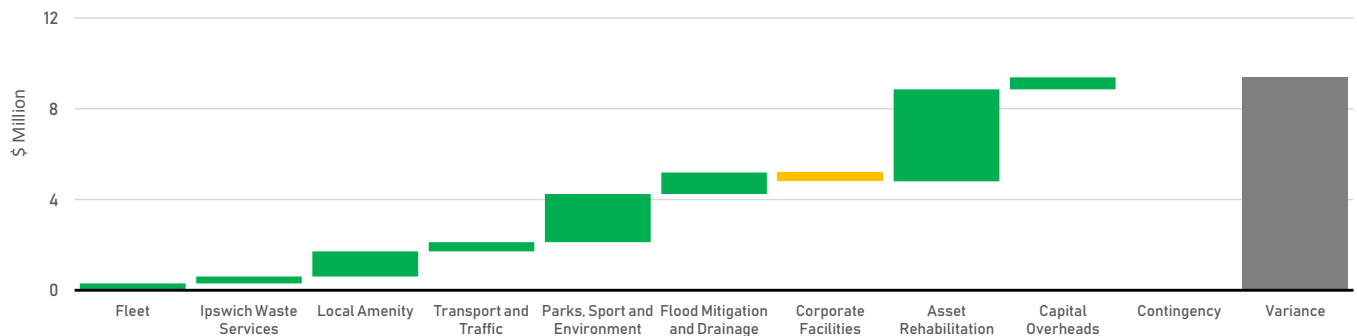
# FINANCIAL EXECUTIVE SUMMARY

June 2019

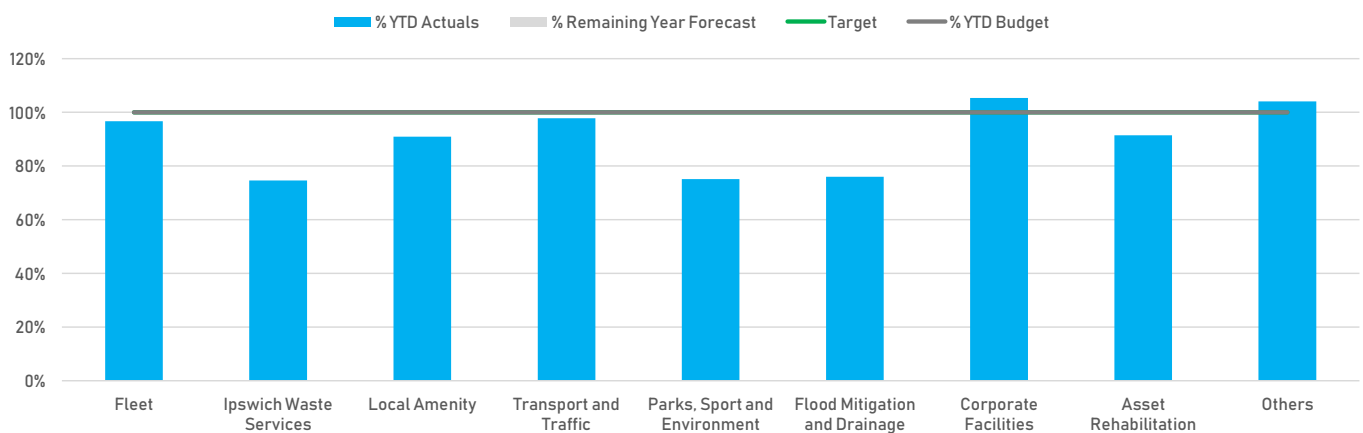
## Capital

	Annual		YTD				Trend from MAY 2019
	Original Budget \$'000s	Current Budget \$'000s	Current Budget \$'000s	Actuals \$'000s	Variance \$'000s	Variance %	
Coordination and Performance	70,220	21,490	21,490	3,030	18,460	85.9%	▲
Corporate Services	6,515	6,895	6,895	4,992	1,903	27.6%	▼
Community, Cultural and Economic Development	1,388	870	870	750	120	13.8%	▼
Infrastructure and Environment	95,488	99,602	99,602	90,276	9,326	9.4%	▲
Planning and Regulatory Services	1,119	691	691	875	(184)	(26.6%)	▼
<b>Net Result</b>	<b>174,730</b>	<b>129,549</b>	<b>129,549</b>	<b>99,924</b>	<b>29,624</b>	<b>22.9%</b>	▲

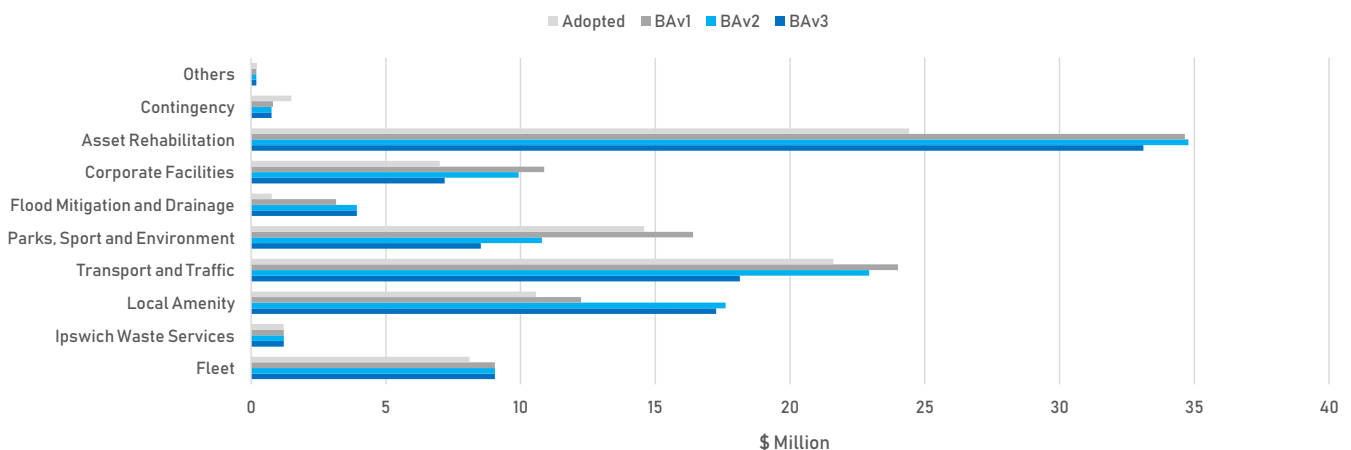
YTD Variance by Construction Program (Excluding CBD)



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

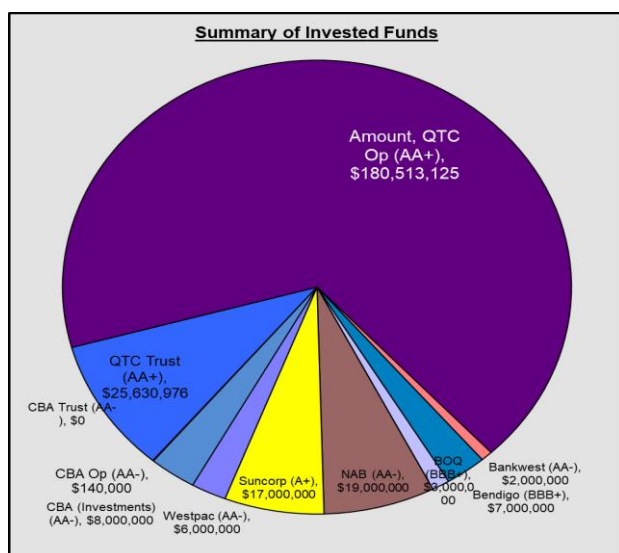
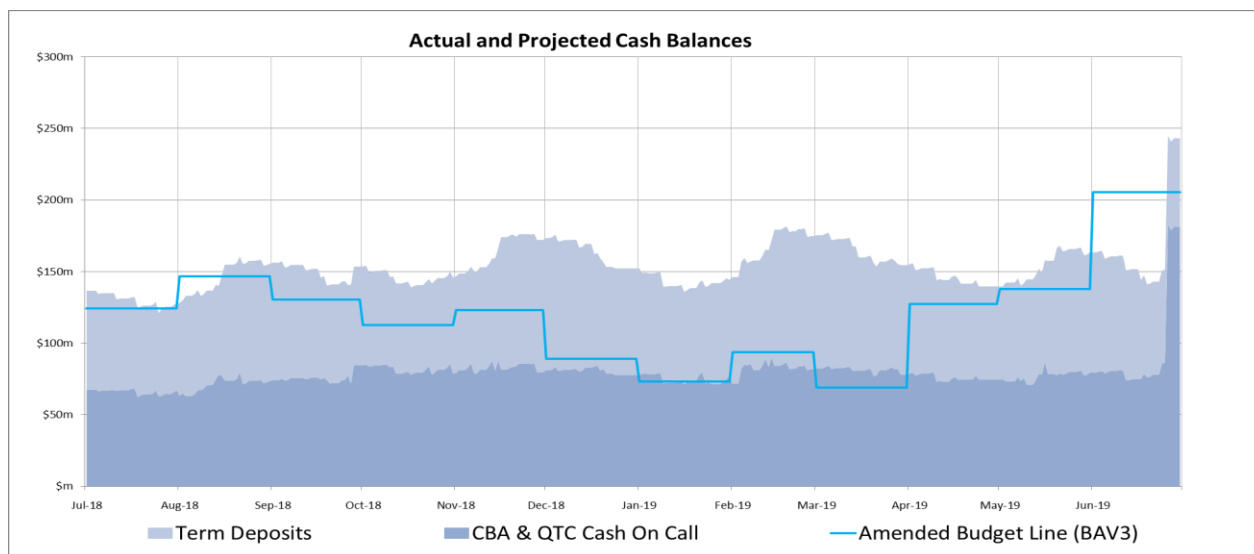


Capital Program (Excluding CBD)  
Budget Version Comparison



## CAPITAL SUMMARY AS AT June 2019

	MTD Actual \$'000s	MTD Budget \$'000s	MTD Variance \$'000s	YTD Actual \$'000s	YTD Budget \$'000s	YTD Variance \$'000s	Full Year Budget \$'000s	Comments
Whole of Council								
Construction Program and Asset Purchase	11,577	29,005	17,428	99,924	129,549	29,624	129,549	
Donated Assets	3,107	7,895	4,788	62,419	67,122	4,703	67,122	
Total Capital Expenditure	14,684	36,900	22,216	162,343	196,671	34,328	196,671	
Coordination and Performance								
CBD Development	925	16,104	15,179	3,030	21,490	18,460	21,490	CBD – Underspend relates to the purchase of land not occurring this year (\$13.5m) as well as early construction works on the administration building due to delays in appointing a construction contractor.
Total Capital Expenditure	925	16,104	15,179	3,030	21,490	18,460	21,490	
Corporate Services								
Construction Program and Asset Purchase	788	769	(19)	4,992	6,895	1,903	6,895	ICT – Total project spend is under budget by \$1.9m due to delay in various projects including ERP system upgrade.
Total Capital Expenditure	788	769	(19)	4,992	6,895	1,903	6,895	
Community, Cultural and Economic Development								
Construction Program and Asset Purchase	95	35	(131)	750	870	120	870	Library – No issues, project is underspent by \$7k.  Civic Centre – No issues, project is underspent by \$8k.  Art Gallery – Information Desk has been delayed due to timetabling/workload issues with Facilities and is underspent by \$104k.
Total Capital Expenditure	95	35	(131)	750	870	120	870	
Infrastructure and Environment								
Infrastructure Program	8,263	9,655	1,392	80,365	89,143	8,777	89,143	IE – Underspend of \$9.326m for 2018-2019 across various investment programs. Of this, \$7.612m has been proposed for carryover.
Equipment	53	10	(43)	259	198	(61)	198	
Waste	184	80	(104)	909	1,218	309	1,218	
Fleet	691	2,262	1,571	8,743	9,044	301	9,044	
Total Capital Expenditure	9,191	12,007	2,816	90,276	99,602	9,326	99,602	
Planning and Regulatory Services								
Construction Program and Asset Purchase	579	90	(418)	875	691	(184)	691	Safe City – No issues, projects overspent by \$49k.  Strategic Policy and Systems – Timing of the Cemetery projects has been delayed until next financial year due to scheduling constraints. Works were completed for the repair of the South Road at Warrill Park Cemetery, where there was no budget allocated and is overspent by \$63k.
Total Capital Expenditure	579	90	(418)	875	691	(184)	691	
Donated Assets								
Coordination and Performance	0	0	0	0	0	0	0	
Corporate Services	0	0	0	0	0	0	0	
Community, Cultural and Economic Development	0	14	14	43	28	(15)	28	
Infrastructure and Environment	3,107	7,881	4,774	62,376	67,094	4,718	67,094	
Planning and Regulatory Services	0	0	0	0	0	0	0	
Total Donated Assets	3,107	7,895	4,788	62,419	67,122	4,703	67,122	



Investments and Earnings Summary	Margin	% Return	\$
CBA Operating Account	0.005	1.75%	\$140,000
Term Deposit Investments	0.013	2.54%	\$62,000,000
QTC Trust Fund Account	0.014	2.62%	\$25,630,976
QTC Operating Account	0.014	2.62%	\$180,513,125
Total Invested funds (W.Avg return)	0.014	2.60%	\$268,284,101
<b>Total Operating Funds (Ex Trust)</b>	0.014	2.60%	<b>\$242,653,125</b>

**Cashflow**

Council's cash and cash equivalents balance as at 30 June 2019 was \$242.7m. 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 2.60%.