

FINANCE AND ADMINISTRATION COMMITTEE	4
15 FEBRUARY 2012	

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 JANUARY 2012

Kate Doyle: 17/49/9-06 #3460669v1

RECOMMENDATION:

That the financial statements for the period ended 27 January 2012 be noted by Council.

INTRODUCTION:

Attached are the financial statements for the period ended 27 January 2012. Actual amounts are compared against the year to date Second Budget Review figures. (See Appendix A for detailed financial statements).

BACKGROUND:

Each month, year to date financial statements are prepared in order to monitor actual performance against the latest adopted budget.

JANUARY FINANCIAL STATEMENTS AT A GLANCE			
	Actual \$	Second Budget Review \$	Variance \$
Total operating revenue	163,735,456	164,928,630	(1,193,174)
Total operating expenses	(164,802,570)	(166,467,433)	1,664,863
Operating position	(1,067,114)	(1,538,803)	471,689
Capital revenue	21,836,911	23,379,606	(1,542,695)
Net result	20,769,797	21,840,803	(1,071,006)
Capital Works Program			
YTD expenditure	\$73,037,047		
Remaining capital expenditure	\$112,327,290		
Full year capital expenditure	\$185,364,337		

Capital Works Program

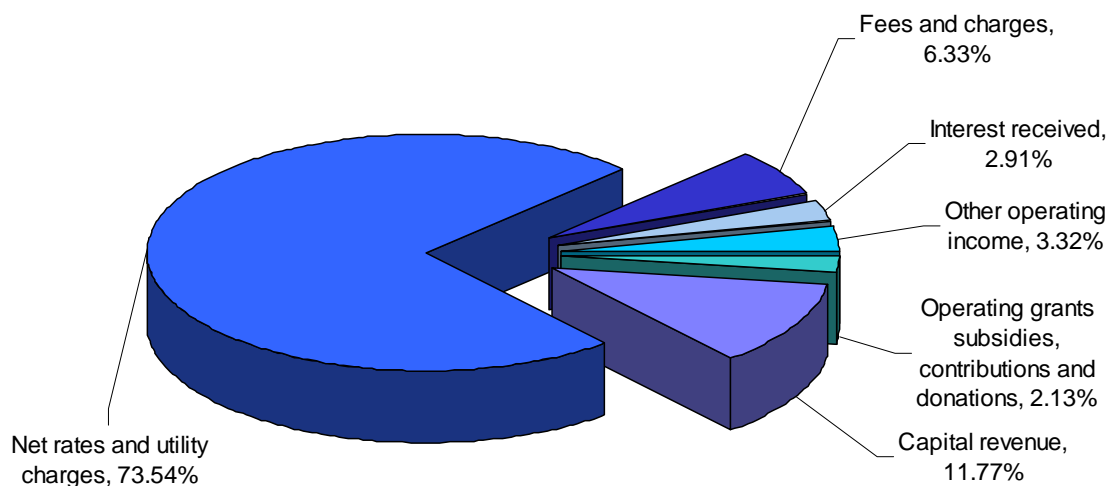
Completed 39.40%

Remaining 60.60%

STATEMENT OF COMPREHENSIVE INCOME

Revenue

Sources of Revenue



Top Three Significant Variance Explanations - Revenue

Description	Actual YTD	Second Budget Review	Variance of Actual against Budget YTD			
	\$	\$	\$		%	
Fees and charges	11,755,768	12,708,740	(952,972)	Unfavourable	(7.50%)	1A
Capital grants and subsidies	15,959,092	19,141,471	(3,182,379)	Unfavourable	(16.63%)	2A
Capital contributed assets	5,102,909	1,538,066	3,564,846	Favourable	231.77%	3A

1A

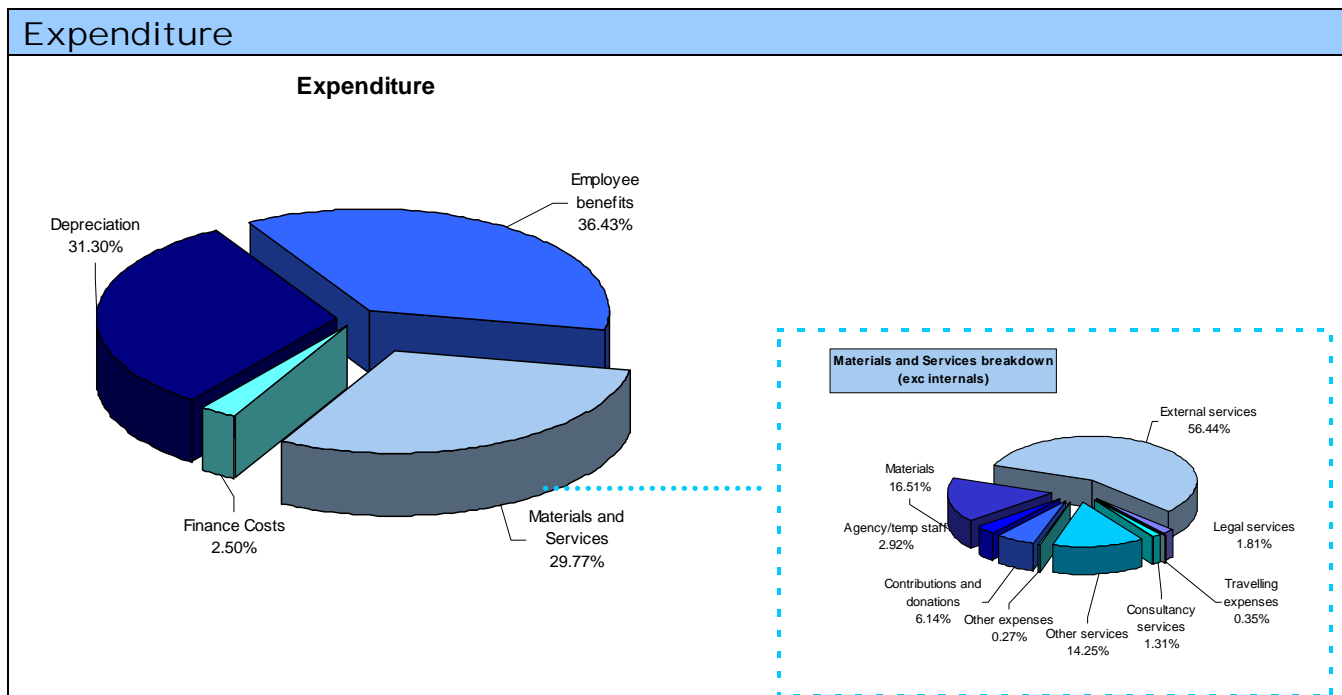
Fees and charges revenue is lower than budget mainly due to lower than anticipated sale of recyclables (-\$165k), collections from parking meters (-\$116k), external scientific testing fees (-\$91k), refuse tipping fees (-\$89k), Daintree Ferry collections (-\$84k), infringement fines and penalties (-\$76k) and service sundry income (-\$74k).

2A

Capital grants and subsidies variance is mainly attributable to the timing in receipt and raising of invoices against budget for capital grants within Community, Sport and Cultural Services (-\$3m), Cairns Water (-\$1.1m) and Infrastructure Services (-\$244k). This has been offset by greater than expected grant revenue within Executive (\$1m) and Refuse Management (\$200k).

3A

Favourable variance in contributed assets due to earlier than expected contribution of roadways and drainage (\$1.3m), footpaths (\$121k), sewerage mains (\$720k), underground and other drainage (\$705k) and water mains (\$713k).



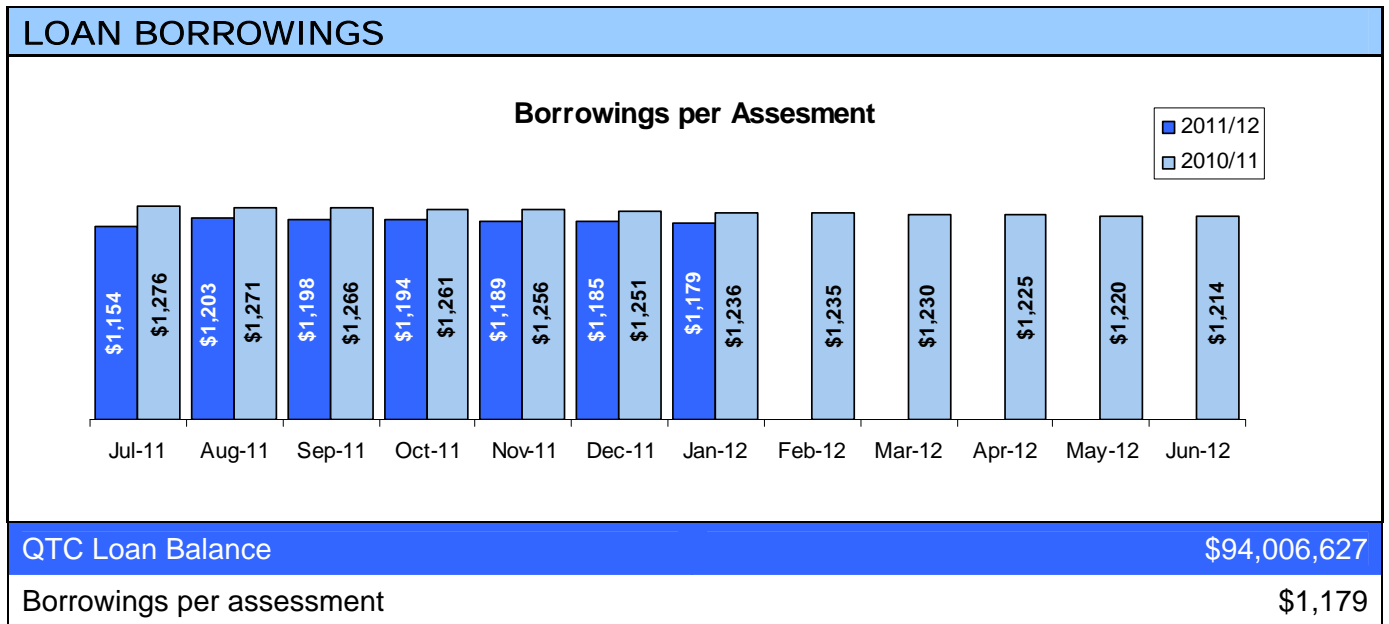
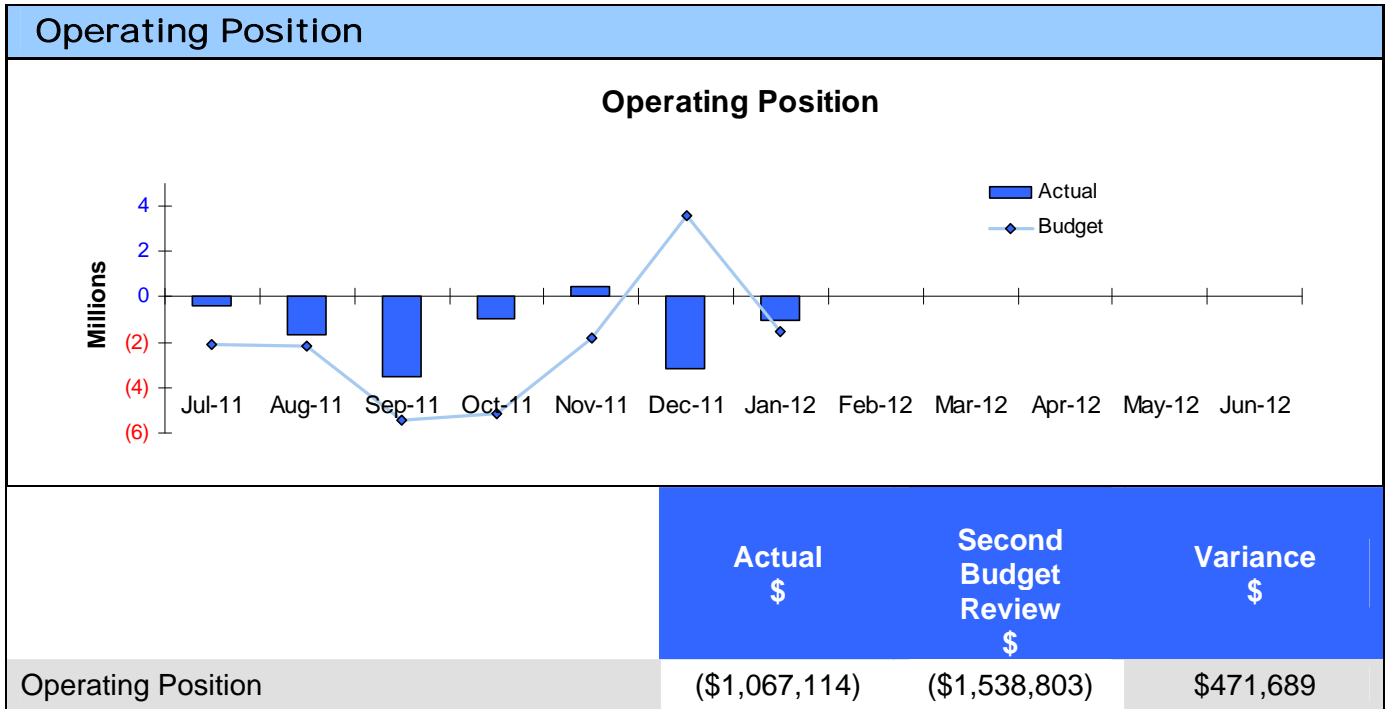
Top Three Significant Variance Explanations - Expenditure

Description	Actual YTD \$	Second Budget Review \$	Variance of Actual against Budget YTD \$			
Employee benefits	58,982,530	60,884,962	1,902,432	Favourable	3.12%	1B
Net internal charges	(26,996,160)	(25,982,592)	1,013,568	Favourable	3.90%	2B
External services	42,929,019	39,241,148	(3,687,871)	Unfavourable	(9.40%)	3B

1B Employee costs are lower than budget due to staff on annual leave over the Christmas/New Year close down period. Actuals are expected to come in line with the budget in the coming months.

2B Net internal charges variance is mainly attributable to decreased utilisation due to Christmas/New Year close down period.

3B The greater than anticipated expenditure in external services is predominantly attributable to greater than anticipated expenditure for construction contractors within Council construction (-\$3.07m), traffic control services (-\$595k), external plant hire (-\$361k) for NDRRA works as well as increased repairs and maintenance services (-\$297k). This has been partially offset by less than anticipated expenditure on other services (\$306k), property management services (\$289k) and engineering services (\$196k).



DEPARTMENT OF LOCAL GOVERNMENT AND PLANNING (DLGP) FINANCIAL SUSTAINABILITY RATIOS

In accordance with s.99(3) of the *Local Government (Finance, Plans and Reporting) Regulation 2010*, performance against the DLGP financial sustainability ratios has been provided.

These ratios are designed to provide an indication of the performance of Council against key financial sustainability criteria which must be met to ensure the prudent management of financial risks.

DLGP sustainability ratios

Ratio	Description	Formula	YTD Actual Result	Benchmark	Within limits
Working capital ratio	Measures the extent to which Council has liquid assets available to meet short term financial obligations.	Current Assets	1.68	>1	<input checked="" type="checkbox"/>
		Current Liabilities			
Operating surplus ratio	This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes.	Net Operating Surplus	-0.65%	0-15%	<input type="checkbox"/>
		Total Operating Revenue			
Net financial liabilities ratio	This is an indicator of the extent to which the net financial liabilities of Council can be serviced by its operating revenues.	Total Liabilities less Current Assets	9.87%	<=60%	<input checked="" type="checkbox"/>
		Total Operating Revenue			
Interest coverage ratio	This ratio indicates the extent to which Council's operating revenues are committed to interest expenses.	Net interest expense on debt service	2.40%	0-10%	<input checked="" type="checkbox"/>
		Total Operating Revenue			

Comment

Council's operating surplus ratio is not within the recommended limits due to the operating deficit sustained by Council to date. This indicates that YTD operating revenues do not cover operating expenses. The actual YTD result is better than the January budgeted operating surplus ratio of - 0.93%.

CONSIDERATIONS:

Corporate and Operational Plans:

Goal 6 – Striving for Organisational Excellence

6.2 Understand our business environment and effectively set strategies, deploy resources, monitor and report.

6.3 Collect, interpret, manage and capture data and information to inform good decision making.

To provide professional financial management, service and advice to enable our customers to achieve their goals.

Statutory:

Local Government (Finance, Plans and Reporting) Regulation 2010.

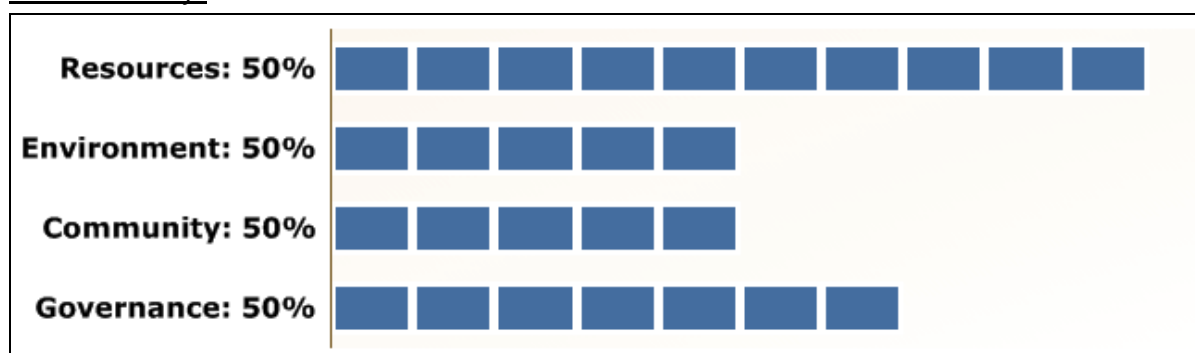
Policy:

- Borrowings Policy No 1:02:05
- Dividend Policy for the 2011/12 Financial Year No.1:02:27
- Reserves Policy No.1:02:31
- Revenue Policy No.1:02:08

Financial and Risk:

Financial statements report on a historical basis, therefore there are no financial implications or risk on decisions or options. DLGP ratios are submitted with financial statements which provide an indication of the performance of Council to ensure prudent management of financial risks.

Sustainability:



This report has an overall neutral impact on Improving Resource Efficiency, Conserving Biodiversity and Enhancing Community Health and Wellbeing.

In terms of Delivering Sound Governance and Economic Management, this report meets the objective of Goal 6 of the Corporate Plan “Striving for Organisational Excellence” (6.3) collect, interpret, manage and capture data and information to inform good decision making.

CONSULTATION:

Variance explanations have been compiled from those provided in the departmental variance reports.

CONCLUSION:

January end of month figures show that Council has an operating deficit of \$1,067,114 compared to a year to date budgeted operating deficit of \$1,538,803. This favourable operating position is predominantly due to lower than expected expenditure on employee benefits and internal charges. This has been offset by increased external services expense.

Council's net position is a surplus of \$20,769,797 which is \$1,071,006 less than the budgeted surplus of \$21,840,803. This is due to the effect of the timing in capital revenue and a lower than anticipated operating position.

ATTACHMENTS:

- Appendix A: Financial Statement
- Appendix B: Departmental Reports

Lisa Whitton

Senior Coordinator Financial Accounting

Juli-Ann Brozek

Manager Financial Services

Linda Kirchner

General Manager Corporate Services

APPENDIX A – FINANCIAL STATEMENTS

Attached are the financial statements for the period ended 27 January 2012. Actual amounts are compared against the year to date Second Budget Review figures.

These financial statements include:

- **Statement of Comprehensive Income** - Displays Council's year to date profit and loss up to the period end.
- **Statement of Appropriations** - Presents how the profit from the Statement of Comprehensive Income is distributed or constrained for future use.
- **Statement of Financial Position** - Displays the Assets (what we own), Liabilities (what we owe) and Community Equity (our net worth).
- **Statement of Cash Flows** - Reports how income received and expenses paid impacts on Council's cash balances.
- **Capital Funding Statement** - Shows how the year to date spending on capital works has been funded.

Departmental statements are also included in this report to provide information on the performance of each department for the period ended 27 January 2012 (See Appendix B).

Statement of Comprehensive Income
For the Period Ended 27 January 2012

	Notes	Actual YTD	Second Budget Review 2011/12	Variance
		\$	\$	\$
Income				
Revenue				
Operating Revenue				
Net rate and utility charges		136,472,135	136,415,212	56,923
Fees and charges	1	11,755,768	12,708,740	(952,972)
Interest received	2	5,399,059	5,269,072	129,987
Other operating income	3	6,163,420	6,575,399	(411,979)
Grants, subsidies, contributions and donations		3,945,074	3,960,207	(15,133)
Total operating revenue		163,735,456	164,928,630	(1,193,174)
Expenses				
Operating Expenses				
Employee benefits	4	58,982,530	60,884,962	1,902,432
Overtime		2,862,175	2,845,103	(17,072)
Materials and services				
Agency/temporary staff	5	2,219,707	2,078,614	(141,093)
Materials	6	12,557,551	13,204,486	646,935
External services	7	42,929,019	39,241,148	(3,687,871)
Legal services		1,377,624	1,430,599	52,975
Consultancy services	8	998,374	1,589,939	591,565
Travelling expenses		263,146	323,329	60,183
Other services		10,834,894	11,087,561	252,667
Other expenses	9	208,982	374,394	165,412
Internal revenue	10	(83,735,549)	(85,612,569)	(1,877,020)
Internal charges	10	56,739,389	59,629,977	2,890,588
Finance costs		4,118,576	4,064,813	(53,763)
Contributions and donations	11	4,671,217	4,347,094	(324,123)
Depreciation	12	51,584,204	52,680,766	1,096,562
		166,611,839	168,170,216	1,558,377
Less capitalised wages		(1,809,269)	(1,702,783)	106,486
Total operating expenses		164,802,570	166,467,433	1,664,863
Operating Position Before Capital Items		(1,067,114)	(1,538,803)	471,689
Capital Revenue				
Loss on disposal of property, plant and equipment	13	(459,622)	850,000	(1,309,622)
Contributions	14	1,234,532	1,850,069	(615,537)
Grants and subsidies	15	15,959,092	19,141,471	(3,182,379)
Contributed assets	16	5,102,909	1,538,066	3,564,843
		21,836,911	23,379,606	(1,542,695)
Net result attributable to Council in period		20,769,797	21,840,803	(1,071,006)
Other Comprehensive Income				
Increase/(Decrease) in asset revaluation surplus		-	-	-
Total comprehensive income		20,769,797	21,840,803	(1,071,006)

The above statement should be read in conjunction with the accompanying Departmental Reports and notes.

Notes

- 1 Fees and charges revenue is lower than budget mainly due to lower than anticipated revenue from sale of recyclables (-\$165k), collections from parking meters (-\$116k), external scientific testing fees (-\$91k), refuse tipping fees (-\$89k), Daintree Ferry collections (-\$84k), infringement fines and penalties (-\$76k) and service sundry income (-\$74k).
- 2 Variance is due to higher than anticipated interest from overdue rates (\$206k). This has been offset by lower than expected interest received on investments (-\$76k).
- 3 Unfavourable variance in other operating income is due to decreased construction works income (-\$218k), sundry income (-\$195k) and sales of scrap/surplus small plant (-\$55k). This has been offset by an increase in sundry rental and leases income (\$61k).
- 4 Employee costs are lower than budget due to staff on annual leave over the Christmas/New Year close down period. Actuals are expected to come in line with the budget in the coming months.
- 5 Agency/temporary staff costs are greater than budget due to continued vacancies and staff on long-term leave.
- 6 Favourable variance in materials mainly due to less than anticipated expenditure on promotional materials (\$49k) and vehicle parts (\$44k) as well as the timing of processing invoices and orders for chemicals (\$465k) and less than anticipated expenditure on general repairs and maintenance (\$434k). Repairs and maintenance actuals are expected to come in line with budget over the coming months as more works are completed over the wet season. This has been offset by greater than anticipated expenditure on other equipment and supplies (-\$193k) and maintenance hardware (-\$143k).
- 7 The greater than anticipated expenditure in external services is predominantly attributable to greater than anticipated expenditure for construction contractors within Council construction (-\$3.07m), traffic control services (-\$595k), external plant hire (-\$361k) for NDRRA works as well as increased repairs and maintenance services (-\$297k). This has been partially offset by less than anticipated expenditure on other services (\$306k), property management services (\$289k) and engineering services (\$196k).
- 8 Expenditure on consultancy services is less than anticipated due to the timing of projects.
- 9 Other expenses favourable variance due to decreased expenditure on sundry expenses (\$60k) and internal and external audit fees (\$110k).
- 10 Net internal charges variance is mainly attributable to decreased utilisation due to Christmas/New Year close down period.
- 11 Contributions and donations is higher than budget due to timing in payment of contributions to Cairns Regional Gallery (-\$165k), other contributions and donations (-\$100k) and arts and culture financial assistance (-\$69k). These have been offset by rates based financial assistance being lower than budgeted (\$19k).
- 12 Depreciation expense has not been revised as part of the second budget review. It is below budget due to lower than anticipated cost of property, plant and equipment.
- 13 Loss on disposal of property, plant and equipment is made up of the loss on disposal of property plant and equipment being water and sewerage mains (-\$238k), buildings and other structures (-\$72k), pump stations (-\$166k), roadways (-\$23k), water reservoirs (-\$60k), plant equipment (-\$24k) and bridges (-\$11k). This is slightly offset by the gain on disposal of motor vehicles (\$37k), trucks (\$96k) and computer hardware (\$2k).
- 14 Capital developer contributions are lower than anticipated within Infrastructure Services due to the prolonged decline in development activity across the region.
- 15 Capital grants and subsidies variance is mainly attributable to the timing in receipt and raising of invoices against budget for capital grants within Community, Sport and Cultural Services (-\$3m), Cairns Water (-\$1.1m) and Infrastructure Services (-\$244k). This has been offset by greater than expected grant revenue within Executive (\$1m) and Refuse Management (\$200k).
- 16 Favourable variance in contributed assets due to earlier than expected contribution of roadways and drainage (\$1.3m), footpaths (\$121k), sewerage mains (\$720k), underground and other drainage (\$705k) and water mains (\$713k).

Statement of Appropriations
For the Period Ended 27 January 2012

	Actual YTD \$	Second Budget Review 2011/12 \$
Retained surplus (deficiency) from prior years	-	-
Net result attributable to council for the period	20,769,797	63,485,077
	20,769,797	63,485,077
Transfers (to) from capital account:		
(Profit) loss on sale of capital assets	459,622	(850,000)
Contributed physical capital assets	(5,102,909)	(5,143,874)
Capital Revenue	-	-
Adjustment for unfunded depreciation	2,287,446	6,024,557
Net capital account transfers	(2,355,841)	30,683
Transfer from (to) the reserves:		
Constrained works reserve	(17,177,794)	(61,954,720)
Retained Surplus (deficiency) available for transfer to reserves	1,236,162	1,561,040
Transfers (to) from reserves for future funding purposes:		
Beach protection reserve	-	(500,000)
Outdoor dining fees reserve	(216,008)	(332,000)
Cleaner seas initiative reserve	(5,971)	-
Public art reserve	(15,830)	(5,830)
Daintree ferry reserve	(582,253)	(816,778)
Future operational expenditure reserve	(136,639)	(258,780)
Natural resources reserve	-	504,833
Blue Water special charge reserve	(279,461)	(152,485)
Net reserve transfers	(1,236,162)	(1,561,040)
RETAINED SURPLUS (DEFICIENCY) AT YEAR END	-	-

Reserve Analysis	Brought Forward \$	Becoming Available in Year \$	Utilised in Year \$	Carried Forward \$
Constrained Works Reserve - Government Grants and Subsidies	9,541,593	15,959,092	10,192,169	15,308,516
Constrained Works Reserve - Developer Contributions	39,198,495	1,218,702	1,564,411	38,852,786
Cairns Water Augmentation Reserve	949,038	-	-	949,038
Cleaner Seas Initiative Reserve	661,883	5,971	-	667,854
Natural Disaster Reserve	550,000	-	-	550,000
Outdoor Dining Fees Reserve	1,922,950	216,008	-	2,138,958
Public Art Reserve	240,329	15,830	-	256,159
Beach Protection Reserve	3,264,722	-	277,847	2,986,875
Future Asset Acquisition Reserve	10,620,246	-	2,349,973	8,270,273
Future Operational Expenditure Reserve	1,522,305	136,639	-	1,658,944
Blue Water Special Charge Reserve	240,777	279,461	-	520,238
Southern Corridor Reserve	2,618,600	-	-	2,618,600
Resources, Waste and Environment Reserve	1,208,461	-	-	1,208,461
Daintree Ferry Reserve	1,320,889	582,253	12,249	1,890,893
Future Capital Sustainability Reserve	59,056,645	49,296,758	59,829,152	48,524,251

Statement of Financial Position
For the Period Ended 27 January 2012

	Notes	Actual YTD	Second Budget Review 2011/12	Variance
		\$	\$	\$
Assets				
Current Assets				
Cash assets and cash equivalents	1	33,952,699	31,623,403	2,329,296
Cash investments		35,000,000	35,000,000	-
Receivables	2	155,020,793	41,576,693	113,444,100
Inventories		1,555,644	1,508,000	47,644
Other financial assets	3	3,314,189	2,691,000	623,189
		<u>228,843,325</u>	<u>112,399,096</u>	<u>116,444,229</u>
Non-Current Assets				
Property, plant and equipment	4	2,905,336,281	3,104,876,227	(199,539,946)
Capital work in progress	4	126,270,320	69,136,573	57,133,747
Intangible assets	4	667,779	686,188	(18,409)
		<u>3,032,274,380</u>	<u>3,174,698,988</u>	<u>(142,424,608)</u>
Total Assets		<u>3,261,117,705</u>	<u>3,287,098,084</u>	<u>(25,980,379)</u>
Liabilities				
Current Liabilities				
Trade and other payables	5	117,821,639	46,072,000	(71,749,639)
Borrowings		3,631,448	3,631,448	-
Employee entitlements		1,055,407	972,400	(83,007)
Provisions	6	13,158,255	2,500,000	(10,658,255)
Other		624,057	2,080,000	1,455,943
		<u>136,290,806</u>	<u>55,255,848</u>	<u>(81,034,958)</u>
Non-Current Liabilities				
Trade and other payables		3,002,371	3,120,000	117,629
Borrowings		90,375,179	88,336,046	(2,039,133)
Employee entitlements		13,634,805	12,272,000	(1,362,805)
Provisions		1,692,804	3,692,796	1,999,992
		<u>108,705,159</u>	<u>107,420,842</u>	<u>(1,284,317)</u>
Total Liabilities		<u>244,995,965</u>	<u>162,676,690</u>	<u>(82,319,275)</u>
NET COMMUNITY ASSETS		<u>3,016,121,740</u>	<u>3,124,421,394</u>	<u>(108,299,654)</u>
Community Equity				
Capital account		2,651,669,500	2,752,722,619	(101,053,119)
Retained surplus/deficit		-	-	-
Asset revaluation surplus		238,050,394	296,270,707	(58,220,313)
Other reserves		126,401,846	75,428,068	50,973,778
TOTAL COMMUNITY EQUITY		<u>3,016,121,740</u>	<u>3,124,421,394</u>	<u>(108,299,654)</u>

The accompanying notes form part of these financial statements.

Notes

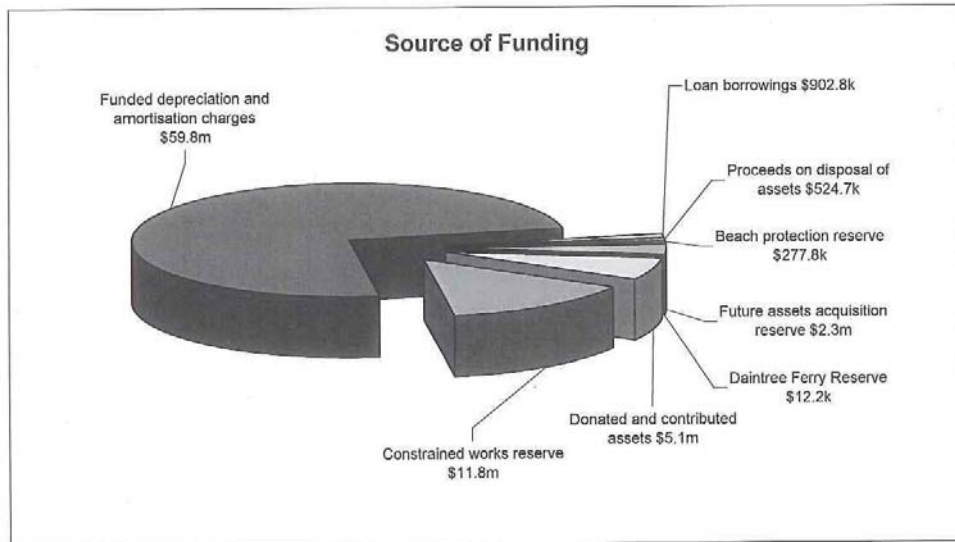
- 1 The budgeted cash balance is driven by the projected activity based on the budget. It is representative of the projected position at year end.
- 2 Receivables balance is based on a projected year end position.
- 3 Balance represents prepaid expenditure. This balance will reduce each month as amounts are expensed over the appropriate periods.
- 4 Variance relates to timing in completion of the Capital Works program as well as recognition of contributed assets and revaluations.
- 5 Trade and other payables balance is based on a projected year end position.
- 6 Variance relates to timing in the utilisation of the landfill restoration provision for remediation works.

Statement of Cash Flows
For the Period Ended 27 January 2012

	Actual YTD	Second Budget Review 2011/12
	\$	\$
Cash Flows from Operating Activities:		
Receipts from customers	42,595,550	270,275,332
Payments to suppliers and employees	(43,712,452)	(185,427,422)
Interest received	5,399,059	9,981,641
Borrowing costs	(3,676,746)	(6,814,826)
Net cash inflow (outflow) from operating activities	605,411	88,014,725
Cash Flows from Investing Activities		
Net transfer (to) from cash investments	35,000,000	35,000,000
Grants, subsidies and contributions for capital acquisitions	17,193,624	64,008,240
Proceeds from disposal of property, plant and equipment	524,713	850,000
Payments for property, plant, equipment and CWIP	(73,037,047)	(207,876,427)
Net movement in loans and advances	1,250	1,250
Net cash inflow (outflow) from investing activities	(20,317,460)	(108,016,937)
Cash Flows from Financing Activities:		
Repayment of borrowings	(2,616,300)	(4,655,433)
Net cash inflow (outflow) from financing activities	(2,616,300)	(4,655,433)
NET INCREASE/(DECREASE) IN CASH HELD	(22,328,349)	(24,657,645)
Cash at beginning of year	91,281,048	91,281,048
CASH AT END OF PERIOD	68,952,699	66,623,403

Capital Funding Statement
For the Period Ended 27 January 2012

	Actual YTD	Second Budget Review 2011/12	Variance
	\$	\$	\$
Sources of Capital Funding			
Contributed assets	5,102,909	5,143,874	(40,965)
Constrained works reserve	11,756,580	58,818,991	(47,062,411)
Beach protection reserve	277,847	1,451,126	(1,173,279)
Future asset acquisition reserve	2,349,973	-	2,349,973
Cleaner seas initiative reserve	-	661,883	(661,883)
Public art reserve	-	3,980	(3,980)
Daintree ferry reserve	12,249	212,000	(199,751)
Loan borrowings	902,833	-	902,833
Funded depreciation and amortisation charges	59,829,152	128,021,790	(68,192,638)
Proceeds on disposal of assets	524,713	850,000	(325,287)
	<u>80,756,256</u>	<u>195,163,644</u>	<u>(114,407,388)</u>
Application of Capital Funding			
Non-current asset acquisitions			
Donated assets	5,102,909	5,143,874	(40,965)
Non-current assets	73,037,047	185,364,337	(112,327,290)
Principal Loan Repayments			
Queensland Treasury Corporation	2,616,300	4,655,433	(2,039,133)
	<u>80,756,256</u>	<u>195,163,644</u>	<u>(114,407,388)</u>



APPENDIX B – DEPARTMENTAL REPORTS

Departmental operating statements provide information on the performance of each department for the period ended 27 January 2012.

The following are the departmental operating statements included in this report (in order):

- Executive
- Planning & Environment
- Community, Sport & Cultural Services
- Corporate Services
- Infrastructure Services (Excluding Cairns Works)
- Cairns Works
- Cairns Water
- Cairns Resource Recovery

Operating Statement
For the period ended 27 January 2012

Department Executive	YTD Actual	YTD Budget	Variance	Variance
	\$	\$	\$	%
Operating Revenue				
Miscellaneous revenue	58,258	27,024	31,234	116 %
	<u>58,258</u>	<u>27,024</u>	<u>31,234</u>	<u>116 %</u>
Total Operating Revenue	<u>58,258</u>	<u>27,024</u>	<u>31,234</u>	<u>116 %</u>
Operating Expenditure				
Employee costs	1,454,770	1,543,206	88,436	6 %
Overtime	11,499	10,200	(1,299)	(13)%
Agency/temp staff costs	699	2,000	1,301	65 %
Materials	58,225	64,244	6,019	9 %
External services	23,689	46,316	22,627	49 %
Consultancy services	47,683	34,308	(13,375)	(39)%
Travelling expenditure	29,448	25,900	(3,548)	(14)%
Other services	330,334	270,904	(59,430)	(22)%
Internal charges	104,711	112,570	7,859	7 %
Other Expenses	597	-	(597)	(100)%
Contributions and donations	1,265,654	1,289,338	23,684	2 %
	<u>3,327,309</u>	<u>3,398,988</u>	<u>71,679</u>	<u>2 %</u>
Less expenses capitalised	-	-	-	0 %
Total Expenses	<u>3,327,309</u>	<u>3,398,988</u>	<u>71,679</u>	<u>2 %</u>
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	<u>(3,269,051)</u>	<u>(3,371,964)</u>	<u>102,913</u>	<u>3 %</u>
Capital Items				
Subsidies and grants	1,000,000	-	1,000,000	100 %
	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>100 %</u>
INCREASE/(DECREASE) IN OPERATING CAPABILITY	<u>(2,269,051)</u>	<u>(3,371,964)</u>	<u>1,102,913</u>	<u>33 %</u>

Operating Statement
For the period ended 27 January 2012

Department Planning & Environment

	YTD Actual	YTD Budget	Variance	Variance
	\$	\$	\$	%
Operating Revenue				
Fees and charges	5,457,776	5,777,441	(319,665)	(6)%
Miscellaneous revenue	437,315	429,916	7,399	2 %
	<u>5,895,091</u>	<u>6,207,357</u>	<u>(312,266)</u>	<u>(5)%</u>
Subsidies and Grants	(5,833)	-	(5,833)	(100)%
	<u>(5,833)</u>	<u>-</u>	<u>(5,833)</u>	<u>(100)%</u>
Total Operating Revenue	<u>5,889,258</u>	<u>6,207,357</u>	<u>(318,099)</u>	<u>(5)%</u>
Operating Expenditure				
Employee costs	5,567,160	5,710,721	143,561	3 %
Overtime	217,837	226,297	8,460	4 %
Agency/temp staff costs	95,366	56,468	(38,898)	(69)%
Materials	125,777	153,544	27,767	18 %
External services	226,384	326,566	100,182	31 %
Legal services	155,942	158,520	2,578	2 %
Consultancy services	346,601	483,037	136,436	28 %
Travelling expenditure	14,855	20,689	5,834	28 %
Other services	177,918	222,691	44,773	20 %
Internal charges	623,167	725,159	101,992	14 %
Internal revenue	(19,459)	(19,140)	319	2 %
Depreciation and amortisation expenses	156,391	162,523	6,132	4 %
Bank fees and charges	728	840	112	13 %
Bad and doubtful debts	23,415	44,625	21,210	48 %
Other expenses	11,802	8,760	(3,042)	(35)%
Contributions and donations	28,806	46,750	17,944	38 %
Competitive neutrality charges	161,614	161,840	226	0 %
	<u>7,914,304</u>	<u>8,489,890</u>	<u>575,586</u>	<u>7 %</u>
Less expenses capitalised	-	-	-	0 %
Total Expenses	<u>7,914,304</u>	<u>8,489,890</u>	<u>575,586</u>	<u>7 %</u>
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	<u>(2,025,046)</u>	<u>(2,282,533)</u>	<u>257,487</u>	<u>11 %</u>
Capital Items				
Contributions	2,000	-	2,000	100 %
INCREASE/(DECREASE) IN OPERATING CAPABILITY	<u>(2,023,046)</u>	<u>(2,282,533)</u>	<u>259,487</u>	<u>11 %</u>

Operating Statement
For the period ended 27 January 2012

Department Community, Sport and Cultural Services

	YTD Actual	YTD Budget	Variance	Variance
	\$	\$	\$	%
Operating Revenue				
Fees and charges	1,173,690	1,300,684	(126,994)	(10)%
Miscellaneous revenue	1,351,492	1,426,992	(75,500)	(5)%
	<u>2,525,182</u>	<u>2,727,676</u>	<u>(202,494)</u>	<u>(7)%</u>
Donations	124,812	68,625	56,187	82 %
Subsidies and grants	755,378	684,142	71,236	10 %
	<u>880,190</u>	<u>752,767</u>	<u>127,423</u>	<u>17 %</u>
Total Operating Revenue	<u>3,405,372</u>	<u>3,480,443</u>	<u>(75,071)</u>	<u>(2)%</u>
Operating Expenditure				
Employee costs	8,601,974	8,565,706	(36,268)	(0)%
Overtime	530,302	439,165	(91,137)	(21)%
Agency/temp staff costs	232,298	89,598	(142,700)	(159)%
Materials	962,041	939,527	(22,514)	(2)%
External services	4,505,452	4,594,452	89,000	2 %
Legal services	(64)	-	64	100 %
Consultancy services	25,259	89,700	64,441	72 %
Travelling expenditure	116,258	90,121	(26,137)	(29)%
Other services	1,066,233	1,089,557	23,324	2 %
Internal charges	3,157,649	2,977,099	(180,550)	(6)%
Internal revenue	(489,073)	(549,580)	(60,507)	(11)%
Depreciation and amortisation expenses	5,479,630	5,680,062	200,432	4 %
Bank fees and charges	6,311	5,516	(795)	(14)%
Other expenses	(5,691)	91,298	96,989	106 %
Contributions and donations	2,158,537	1,694,732	(463,805)	(27)%
Competitive neutrality charges	82,351	71,038	(11,313)	(16)%
	<u>26,429,467</u>	<u>25,867,991</u>	<u>(561,476)</u>	<u>(2)%</u>
Less expenses capitalised	(5,509)	-	5,509	100 %
Total Expenses	<u>26,423,958</u>	<u>25,867,991</u>	<u>(555,967)</u>	<u>(2)%</u>
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	<u>(23,018,586)</u>	<u>(22,387,548)</u>	<u>(631,038)</u>	<u>(3)%</u>
Capital Items				
Gain or (loss) on property, plant and equipment	(63,356)	-	(63,356)	(100)%
Contributions	15,830	-	15,830	100 %
Subsidies and grants	1,092,977	4,088,371	(2,995,394)	(73)%
	<u>1,045,451</u>	<u>4,088,371</u>	<u>(3,042,920)</u>	<u>(74)%</u>
INCREASE/(DECREASE) IN OPERATING CAPABILITY	<u>(21,973,135)</u>	<u>(18,299,177)</u>	<u>(3,673,958)</u>	<u>(20)%</u>

Operating Statement
For the period ended 27 January 2012

Department Corporate Services

	YTD Actual	YTD Budget	Variance	Variance
	\$	\$	\$	%
Operating Revenue				
Rates and utility charges	60,673,070	61,034,893	(361,823)	(1)%
Less pensioner remissions	(1,187,500)	(1,099,522)	(87,978)	(8)%
	<u>59,485,570</u>	<u>59,935,371</u>	<u>(449,801)</u>	<u>(1)%</u>
Fees and charges	192,419	221,095	(28,676)	(13)%
Interest	4,715,973	4,685,006	30,967	1 %
Miscellaneous revenue	467,541	424,306	43,235	10 %
	<u>5,375,933</u>	<u>5,330,407</u>	<u>45,526</u>	<u>1 %</u>
Subsidies and grants	2,355,971	2,440,800	(84,829)	(3)%
	<u>2,355,971</u>	<u>2,440,800</u>	<u>(84,829)</u>	<u>(3)%</u>
Total Operating Revenue	<u>67,217,474</u>	<u>67,706,578</u>	<u>(489,104)</u>	<u>(1)%</u>
Operating Expenditure				
Employee costs	9,047,482	9,404,482	357,000	4 %
Overtime	25,103	35,314	10,211	29 %
Agency/temp staff costs	22,416	17,000	(5,416)	(32)%
Materials	208,100	284,806	76,706	27 %
External services	1,176,845	1,225,182	48,337	4 %
Legal services	1,209,201	1,270,849	61,648	5 %
Consultancy services	123,859	262,796	138,937	53 %
Travelling expenditure	58,789	125,243	66,454	53 %
Other services	3,153,155	3,124,939	(28,216)	(1)%
Internal charges	845,543	805,859	(39,684)	(5)%
Internal revenue	(1,048,774)	(1,033,874)	14,900	1 %
Depreciation and amortisation expenses	1,538,058	1,591,348	53,290	3 %
Bank fees and charges	251,567	367,983	116,416	32 %
Borrowing costs	29,030	25,347	(3,683)	(15)%
Bad and Doubifful Debts	831	-	(831)	0 %
Other expenses	133,137	188,336	55,199	29 %
Contributions and donations	879,728	909,276	29,548	3 %
Competitive neutrality charges	(6,968,021)	(6,919,653)	48,368	1 %
	<u>10,686,049</u>	<u>11,685,233</u>	<u>999,184</u>	<u>9 %</u>
Less expenses capitalised	(157,452)	(89,353)	68,099	76 %
Total Expenses	<u>10,528,597</u>	<u>11,595,880</u>	<u>1,067,283</u>	<u>9 %</u>
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	<u>56,688,877</u>	<u>56,110,698</u>	<u>578,179</u>	<u>1 %</u>
Capital Items				
(Loss)/gain on disposal of property, plant and equipment	2,360	-	2,360	100 %
	<u>2,360</u>	<u>-</u>	<u>2,360</u>	<u>100 %</u>
INCREASE/(DECREASE) IN OPERATING CAPABILITY BEFORE TAX	<u>56,691,237</u>	<u>56,110,698</u>	<u>580,539</u>	<u>1 %</u>
Income tax benefit/(expense)	5,848,419	7,165,758	(1,317,339)	(18)%
Dividend income/(expense)	12,519,486	13,877,184	(1,357,698)	(10)%
Income tax benefit/(expense)	<u>-4517039</u>	<u>-5072387</u>	<u>555,348</u>	<u>11 %</u>
Dividend income/(expense)	<u>(9,716,697)</u>	<u>(9,095,958)</u>	<u>(620,739)</u>	<u>(7)%</u>

Operating Statement
For the period ended 27 January 2012

Department Infrastructure Services (Excluding Cairns Works)

	YTD Actual	YTD Budget	Variance	Variance
	\$	\$	\$	%
Operating Revenue				
Fees and charges	1,468,503	1,557,400	(88,897)	(6)%
Miscellaneous revenue	731,412	747,208	(15,796)	(2)%
	<u>2,199,915</u>	<u>2,304,608</u>	<u>(104,693)</u>	<u>(5)%</u>
Donations	-	10,000	(10,000)	(100)%
Subsidies and grants	133,165	134,000	(835)	(1)%
	<u>133,165</u>	<u>144,000</u>	<u>(10,835)</u>	<u>(8)%</u>
Total Operating Revenue	<u>2,333,080</u>	<u>2,448,608</u>	<u>(115,528)</u>	<u>(5)%</u>
Operating Expenditure				
Employee costs	9,252,444	9,743,053	490,609	5 %
Overtime	223,306	255,150	31,844	12 %
Agency/temp staff costs	164,553	36,000	(128,553)	(357)%
Materials	2,652,137	2,559,575	(92,562)	(4)%
External services	8,715,445	8,810,819	95,374	1 %
Consultancy services	121,420	407,500	286,080	70 %
Travelling expenditure	3,120	8,400	5,280	63 %
Other services	3,104,175	3,094,095	(10,080)	(0)%
Internal charges	26,139,470	27,634,485	1,495,015	5 %
Internal revenue	(25,291,598)	(25,958,074)	(666,476)	(3)%
Depreciation and amortisation expenses	24,139,623	24,646,754	507,131	2 %
Other expenses	56,571	51,000	(5,571)	(11)%
Contributions and donations	337,301	407,000	69,699	17 %
Competitive neutrality charges	955,775	881,126	(74,649)	(8)%
	<u>50,573,742</u>	<u>52,576,883</u>	<u>2,003,141</u>	<u>4 %</u>
Less expenses capitalised	(416,890)	(453,908)	(37,018)	(8)%
Total Expenses	<u>50,156,852</u>	<u>52,122,975</u>	<u>1,966,123</u>	<u>4 %</u>
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	<u>(47,823,772)</u>	<u>(49,674,367)</u>	<u>1,850,595</u>	<u>4 %</u>
Capital Items				
(Loss)/gain on disposal of property, plant and equipment	66,399	850,000	(783,601)	(92)%
Contributions	720,284	1,046,777	(326,493)	(31)%
Subsidies and Grants	12,776,655	13,020,452	(243,797)	(2)%
Contributed assets	3,008,828	877,072	2,131,756	243 %
Other capital contributions	6,591	-	6,591	100 %
	<u>16,578,757</u>	<u>15,794,301</u>	<u>784,456</u>	<u>5 %</u>
INCREASE/(DECREASE) IN OPERATING CAPABILITY	<u>(31,245,015)</u>	<u>(33,880,066)</u>	<u>2,635,051</u>	<u>8 %</u>

Operating Statement
For the period ended 27 January 2012

Business Unit Cairns Works

	YTD Actual	YTD Budget	Variance	Variance
	\$	\$	\$	%
Operating Revenue				
Miscellaneous revenue	2,035,577	1,991,157	44,420	2 %
Total Operating Revenue	2,035,577	1,991,157	44,420	2 %
Operating Expenditure				
Employee costs	10,296,865	11,027,170	730,305	7 %
Overtime	766,241	824,700	58,459	7 %
Agency/temp staff costs	777,389	1,267,125	489,736	39 %
Materials	5,190,706	5,280,936	90,230	2 %
External services	15,525,895	11,411,817	(4,114,078)	(36)%
Travelling expenditure	2,264	1,050	(1,214)	(116)%
Other services	124,008	161,700	37,692	23 %
Internal charges	16,575,813	17,627,810	1,051,997	6 %
Internal revenue	(50,328,320)	(51,161,120)	(832,800)	(2)%
Other expenses	2,428	-	(2,428)	(100)%
Competitive neutrality charges	2,793,025	2,928,759	135,734	5 %
	1,726,314	(630,053)	(2,356,367)	(374)%
Less expenses capitalised	-	-	-	0 %
Total Expenses	1,726,314	(630,053)	(2,356,367)	(374)%
INCREASE/(DECREASE) IN OPERATING CAPABILITY BEFORE TAX	309,263	2,621,210	(2,311,947)	(88)%
Income tax benefit/(expense)	(92,779)	(786,364)	693,585	88 %
Dividend income/(expense)	(216,484)	(1,834,846)	1,618,362	88 %
	(309,263)	(2,621,210)	2,311,947	88 %
INCREASE/(DECREASE) IN OPERATING CAPABILITY AFTER INCOME TAX	-	-	-	0 %

Operating Statement
For the period ended 27 January 2012

Business Unit Cairns Water

	YTD Actual	YTD Budget	Variance	Variance
	\$	\$	\$	%
Operating Revenue				
Rates and utility charges	62,738,309	62,230,802	507,507	1 %
Less discount and pensioner remissions	(14,235)	(21,101)	6,866	33 %
	<u>62,724,074</u>	<u>62,209,701</u>	<u>514,373</u>	<u>1 %</u>
Fees and charges	2,026,132	2,164,527	(138,395)	(6)%
Interest	557,971	511,421	46,550	9 %
Miscellaneous revenue	458,798	584,393	(125,595)	(21)%
	<u>3,042,901</u>	<u>3,260,341</u>	<u>(217,440)</u>	<u>(7)%</u>
Contributions	395,719	602,640	(206,921)	(34)%
Subsidies and grants	97,775	20,000	77,775	389 %
	<u>493,494</u>	<u>622,640</u>	<u>(129,146)</u>	<u>(21)%</u>
Total Operating Revenue	66,260,469	66,092,682	167,787	0 %
Operating Expenditure				
Employee costs	13,295,512	13,310,587	15,075	0 %
Overtime	979,510	950,733	(28,777)	(3)%
Agency/temp staff costs	436,376	191,411	(244,965)	(128)%
Materials	3,222,837	3,744,495	521,658	14 %
External services	3,101,470	3,242,529	141,059	4 %
Legal services	12,545	1,230	(11,315)	(920)%
Consultancy services	271,727	312,598	40,871	13 %
Travelling expenditure	35,427	47,244	11,817	25 %
Other services	2,548,629	2,817,353	268,724	10 %
Internal charges	7,825,778	8,067,024	241,246	3 %
Internal revenue	(4,956,683)	(5,039,578)	(82,895)	(2)%
Depreciation and amortisation expenses	19,817,435	20,111,457	294,022	1 %
Bank fees and charges	33	-	(33)	(100)%
Borrowing costs	3,518,443	3,457,690	(60,753)	(2)%
Bad and doubtful debts	158,944	-	(158,944)	(100)%
Other expenses	112	-	(112)	(100)%
Contributions and Donations	1,191	-	(1,191)	(100)%
Competitive Neutrality Charges	2,979,780	2,845,122	(134,658)	(5)%
	<u>53,249,066</u>	<u>54,059,895</u>	<u>810,829</u>	<u>1 %</u>
Less expenses capitalised	(1,228,304)	(1,159,522)	68,782	6 %
Total Expenses	52,020,762	52,900,373	879,611	2 %
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	14,239,707	13,192,309	1,047,398	8 %
Capital Items				
Gain / (Loss) on Disposal of Property Plant & Equipment	(465,025)	-	(465,025)	(100)%
Contributions	496,418	803,292	(306,874)	(38)%
Contributed assets	2,094,081	660,996	1,433,085	217 %
Subsidies and grants	785,697	1,929,341	(1,143,644)	(59)%
	<u>2,911,171</u>	<u>3,393,629</u>	<u>(482,458)</u>	<u>(14)%</u>
INCREASE/(DECREASE) IN OPERATING CAPABILITY BEFORE TAX	17,150,878	16,585,938	564,940	3 %
Income tax benefit/(expense)	(4,517,039)	(5,072,387)	555,348	11 %
Dividend income/(expense)	(9,716,697)	(9,095,958)	(620,739)	(7)%
INCREASE/(DECREASE) IN OPERATING CAPABILITY AFTER INCOME TAX	2,917,142	2,417,593	499,549	21 %

Operating Statement
For the period ended 27 January 2012

Business Unit Cairns Resource Recovery

	YTD Actual	YTD Budget	Variance	Variance
	\$	\$	\$	%
Operating Revenue				
Rates and utility charges	14,280,699	14,270,140	10,559	0 %
Less discount and pensioner remissions	(18,196)	-	(18,196)	(100)%
	<u>14,262,503</u>	<u>14,270,140</u>	<u>(7,637)</u>	<u>(0)%</u>
Fees and charges	1,436,778	1,687,592	(250,814)	(15)%
Interest	125,115	72,645	52,470	72 %
Miscellaneous revenue	616,893	944,405	(327,512)	(35)%
	<u>2,178,786</u>	<u>2,704,642</u>	<u>(525,856)</u>	<u>19 %</u>
Subsidies and grants	88,090	-	88,090	100 %
	<u>88,090</u>	<u>-</u>	<u>88,090</u>	<u>100 %</u>
Total Operating Revenue	<u>16,529,379</u>	<u>16,974,782</u>	<u>(445,403)</u>	<u>(3)%</u>
Operating Expenditure				
Employee costs	1,466,322	1,580,037	113,715	7 %
Overtime	108,378	103,544	(4,834)	(5)%
Agency/temp staff costs	490,610	419,012	(71,598)	(17)%
Materials	137,726	177,357	39,631	22 %
External services	9,653,839	9,583,467	(70,372)	(1)%
Consultancy services	61,825	-	(61,825)	(100)%
Travelling expenditure	2,985	4,682	1,697	36 %
Other services	330,443	306,310	(24,133)	(8)%
Internal charges	1,467,259	1,679,972	212,713	13 %
Internal revenue	(1,601,643)	(1,851,203)	(249,560)	(13)%
Depreciation and amortisation expenses	453,067	488,622	35,555	7 %
Borrowing costs	129,273	162,812	33,539	21 %
Other expenses	10,027	35,000	24,973	71 %
Competitive neutrality charges	(4,525)	31,784	36,309	114 %
	<u>12,705,586</u>	<u>12,721,396</u>	<u>15,810</u>	<u>0 %</u>
Less expenses capitalised	(1,114)	-	1,114	100 %
Total Expenses	<u>12,704,472</u>	<u>12,721,396</u>	<u>16,924</u>	<u>0 %</u>
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	<u>3,824,907</u>	<u>4,253,386</u>	<u>(428,479)</u>	<u>(10)%</u>
Capital Items				
Subsidies and grants	303,763	103,307	200,456	194 %
	<u>303,763</u>	<u>103,307</u>	<u>200,456</u>	<u>194 %</u>
INCREASE/(DECREASE) IN OPERATING CAPABILITY BEFORE TAX	<u>4,128,670</u>	<u>4,356,693</u>	<u>(228,023)</u>	<u>(5)%</u>
Income tax benefit/(expense)	(1,238,601)	(1,307,007)	68,406	5 %
Dividend income/(expense)	(2,586,306)	(2,946,379)	360,073	12 %
INCREASE/(DECREASE) IN OPERATING CAPABILITY AFTER INCOME TAX	<u>303,763</u>	<u>103,307</u>	<u>200,456</u>	<u>194 %</u>