

Monthly Financial Report

September 2017



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1. EXECUTIVE SUMMARY

This monthly report illustrates the financial performance and position of Redland City Council compared to its adopted budget at an organisational level for the period ended 30 September 2017. The year to date and annual revised budget referred to in this report incorporates the changes from the budget capital carryovers adopted by Council on 23 August 2017.

The opening balances for the current year are still to be finalised and audited. As such, the financial position for the month of August may adjust over the coming months until Council receives Queensland Audit Office (QAO) certification at the end of October 2017.

Key Financial Highlights and Overview

Key Financial Results (\$000)	Annual Revised Budget	YTD Budget	YTD Actual	YTD Variance	YTD Variance %	Status Favourable ✓ Unfavourable ✗
Operating Surplus / (Deficit)	(11,136)	852	4,161	3,309	388%	✓
Recurrent Revenue	261,639	64,028	65,284	1,256	2%	✓
Recurrent Expenditure	272,775	63,176	61,123	(2,053)	-3%	✓
Capital Works Expenditure	94,860	10,043	10,436	393	4%	✗
Closing Cash & Cash Equivalents	140,234	162,204	150,765	(11,439)	-7%	✗

Council reported an operating surplus for the month of \$4.16M. Income includes a \$500K dividend declared by Council's wholly owned subsidiary Redland Investment Corporation. Bulk water consumption is higher than expected; resulting in higher than expected revenue. The favourable variance in recurrent expenditure is primarily due to underspend in contractor and consultant costs as well as vacancies across the organisation. This is partly offset by higher than expected bulk water purchase costs.

Of the \$5.08M for contractors, mowing the city's parks and open spaces was \$515K year to date.

Capital grants, subsidies and contributions are below budget due to timing of developer cash contributions.

Council's capital works expenditure exceeds budget by \$393K due to Information Management Data Centre costs above budget.

Council's cash balance is below budget due to higher than anticipated payments to suppliers and below budget receipt of developer cash contributions. Constrained cash reserves represent 62% of the cash balance.

2. KEY PERFORMANCE INDICATORS

Key Performance Indicators

Financial Stability Ratios and Measures of Sustainability	Status Achieved ✓ Not achieved ✗	Annual Revised Budget	YTD September 2017	Target
Operating Surplus Ratio (%)	✓	-4.26%	6.37%	Between 0% and 10% (on average over the long-term)
Asset Sustainability Ratio (%)	✗	70.86%	30.40%	Greater than 90% (on average over the long-term)
Net Financial Liabilities (%)*	✓	-23.95%	-133.70%	Less than 60% (on average over the long-term)
Level of Dependence on General Rate Revenue (%)	✓	33.93%	34.11%	Less than 37.5%
Ability to Pay Our Bills - Current Ratio	✓	2.74	3.65	Between 1.1 & 4.1
Ability to Repay Our Debt - Debt Servicing Ratio (%)	✗	2.99%	12.02%	Less than or equal to 10%
Cash Balance \$M	✓	\$140.234M	\$150.765M	Greater than or equal to \$50M
Cash Balances - Cash Capacity in Months	✓	7.87	7.69	Greater than 3 months
Longer Term Financial Stability - Debt to Asset Ratio (%)	✓	1.47%	1.38%	Less than or equal to 10%
Operating Performance (%)	✗	17.65%	10.67%	Greater than or equal to 15%
Interest Coverage Ratio (%)**	✓	-0.59%	-0.61%	Less than 5%

* The net financial liabilities ratio exceeds the target range when current assets are greater than total liabilities (and the ratio is negative)

** The interest coverage ratio exceeds the target range when interest revenue is greater than interest expense (and the ratio is negative)

The budgeted and actual results are based on unaudited opening balances which are subject to change until Queensland Audit Office certification is obtained in October 2017. The annual revised budgeted balances for 2017/2018 include the changes from the budget carryovers adopted by Council on 23 August 2017. However, until the accounts are finalised in October, the balances will reconcile to the financial management system and may be different to the published carryover budget.

3. STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME For the period ending 30 September 2017

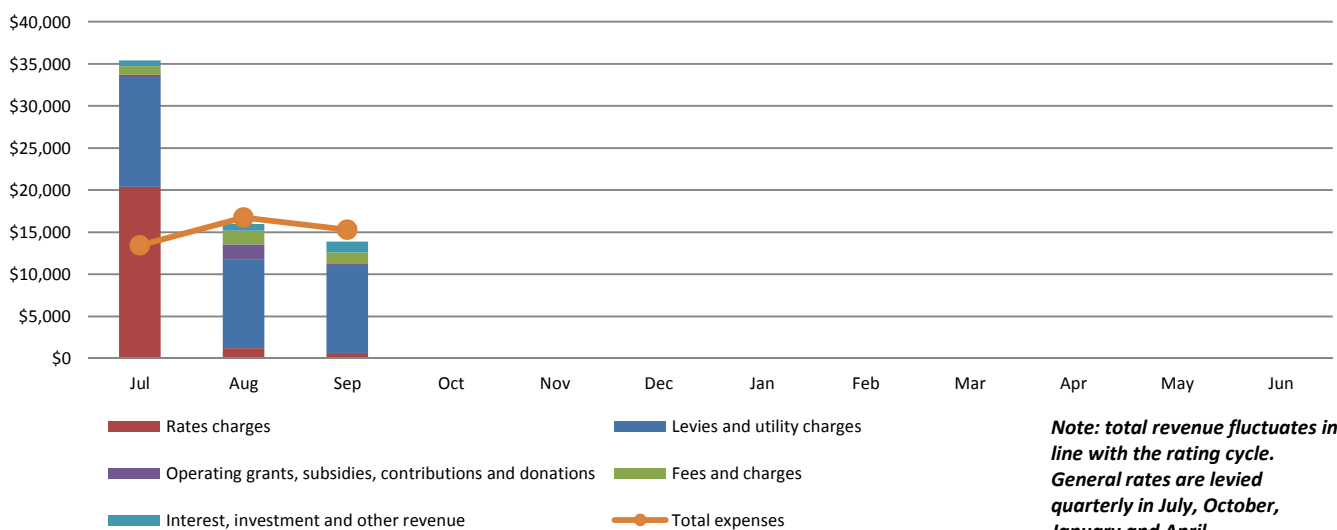
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Recurrent revenue					
Rates, levies and charges	227,186	227,186	55,697	56,285	588
Fees and charges	13,048	13,048	3,798	3,955	157
Rental income	839	839	221	224	3
Interest received	4,361	4,361	1,081	1,123	42
Investment returns	2,200	2,200	-	500	500
Sales revenue	3,823	3,823	960	895	(65)
Other income	684	684	108	89	(19)
Grants, subsidies and contributions	9,497	9,497	2,163	2,213	50
Total recurrent revenue	261,639	261,639	64,028	65,284	1,256
Capital revenue					
Grants, subsidies and contributions	33,013	33,035	7,285	2,536	(4,749)
Non-cash contributions	3,213	3,213	783	-	(783)
Total capital revenue	36,226	36,248	8,068	2,536	(5,532)
TOTAL INCOME	297,865	297,887	72,096	67,820	(4,276)
Recurrent expenses					
Employee benefits	85,677	85,677	21,563	20,557	(1,006)
Materials and services	125,787	125,787	26,278	24,838	(1,440)
Finance costs	3,112	3,112	785	817	32
Depreciation and amortisation	58,200	58,200	14,550	14,911	361
Total recurrent expenses	272,775	272,775	63,176	61,123	(2,053)
Capital expenses					
(Gain) / loss on disposal of non-current assets	289	36	-	(96)	(96)
Total capital expenses	289	36	-	(96)	(96)
TOTAL EXPENSES	273,064	272,811	63,176	61,027	(2,149)
NET RESULT	24,801	25,076	8,920	6,793	(2,127)
Other comprehensive income / (loss)					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	24,801	25,076	8,920	6,793	(2,127)

4. OPERATING STATEMENT

OPERATING STATEMENT For the period ending 30 September 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Revenue					
Rates charges	91,688	91,688	22,922	22,979	57
Levies and utility charges	138,824	138,824	33,603	34,136	533
<i>Less: Pensioner remissions and rebates</i>	(3,325)	(3,325)	(828)	(830)	(2)
Fees and charges	13,048	13,048	3,798	3,955	157
Operating grants and subsidies	8,795	8,795	2,015	2,072	57
Operating contributions and donations	702	702	148	141	(7)
Interest external	4,361	4,361	1,081	1,123	42
Investment returns	2,200	2,200	-	500	500
Other revenue	5,347	5,347	1,289	1,208	(81)
Total revenue	261,639	261,639	64,028	65,284	1,256
Expenses					
Employee benefits	85,677	85,677	21,563	20,557	(1,006)
Materials and services	126,040	126,040	26,367	24,952	(1,415)
Finance costs other	303	303	77	94	17
Other expenditure	489	489	96	73	(23)
Net internal costs	(741)	(741)	(185)	(187)	(2)
Total expenses	211,767	211,767	47,918	45,489	(2,429)
Earnings before interest, tax and depreciation (EBITD)	49,872	49,872	16,110	19,795	3,685
Interest expense	2,809	2,809	708	723	15
Depreciation and amortisation	58,200	58,200	14,550	14,911	361
OPERATING SURPLUS / (DEFICIT)	(11,136)	(11,136)	852	4,161	3,309

Actuals - Total Revenue and Expenses (\$000)



4. OPERATING STATEMENT - CONTINUED

LEVIES AND UTILITY CHARGES ANALYSIS For the period ending 30 September 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Levies and utility charges					
Refuse collection rate charge	21,663	21,663	5,380	5,396	16
Special charges	4,083	4,083	1,021	1,020	(1)
SES separate charge	339	339	85	85	-
Environment separate charge	7,568	7,568	1,892	1,901	9
Separate charge landfill remediation	2,911	2,911	728	731	3
Wastewater charges	43,647	43,647	10,912	10,792	(120)
Water access charges	18,296	18,296	4,574	4,592	18
Water consumption charges	40,317	40,317	9,011	9,619	608
Total levies and utility charges	138,824	138,824	33,603	34,136	533

MATERIALS AND SERVICES ANALYSIS For the period ending 30 September 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Materials and services					
Contractors	34,121	34,131	5,638	5,082	(556)
Consultants	4,465	4,455	672	297	(375)
Other Council outsourcing costs*	17,355	17,376	4,125	3,854	(271)
Purchase of materials	44,300	44,300	9,772	10,290	518
Office administration costs	7,949	7,950	1,960	1,884	(76)
Electricity charges	5,751	5,751	1,429	1,235	(194)
Plant operations	4,466	4,466	1,083	1,051	(32)
Information technology resources	2,811	2,789	533	535	2
General insurance	1,363	1,363	341	331	(10)
Community assistance**	1,619	1,619	348	211	(137)
Other material and service expenses	1,840	1,840	466	182	(284)
Total materials and services	126,040	126,040	26,367	24,952	(1,415)

* Other Council outsourcing costs are various outsourced costs including refuse collection and disposal, waste disposal, legal services, traffic control, external training, valuation fees, etc.

** Community assistance costs represent community related costs including community grants, exhibitions & awards, donations and sponsorships.

EMPLOYEE BENEFITS AND FULL TIME EQUIVALENTS (FTE) For the period ending 30 September 2017

	FTE (Council employees and Councillors)*	Total staff wages and salaries (including Councillors) \$000	Annual leave and long service leave entitlements \$000	Superannuation \$000	Other employee related expenses (including agency costs) \$000	Less: capitalised employee expenses \$000	Total operating employee benefits \$000
Month							
July	900	5,336	626	635	333	481	6,449
August	899	6,005	702	685	627	520	7,499
September	902	5,225	617	642	597	471	6,609
Total employee benefits YTD		16,566	1,945	1,962	1,556	1,472	20,557

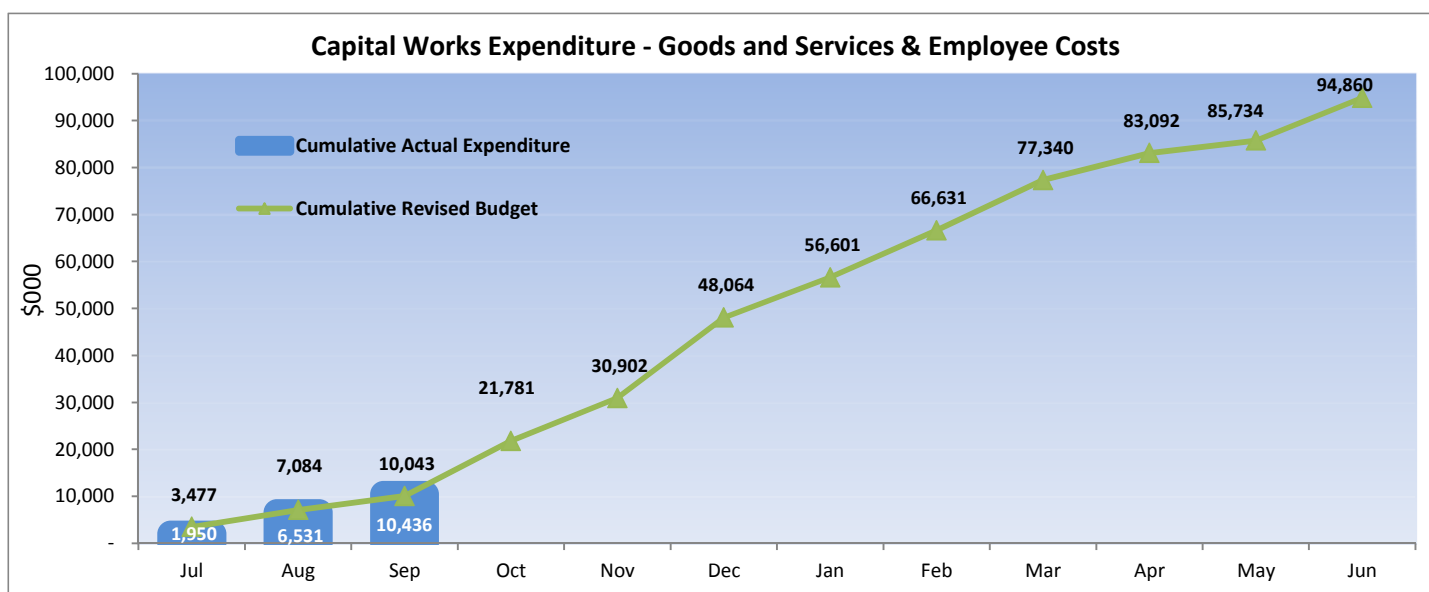
* Refer to page 14 for further information on FTE and headcount.

5. CAPITAL FUNDING STATEMENT

CAPITAL FUNDING STATEMENT For the period ending 30 September 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Sources of capital funding					
Capital contributions and donations	29,250	29,250	6,672	1,965	(4,707)
Capital grants and subsidies	3,763	3,785	613	572	(41)
Proceeds on disposal of non-current assets	1,180	1,433	-	109	109
Capital transfers (to) / from reserves	(14,106)	(13,493)	(5,752)	(1,703)	4,049
Non-cash contributions	3,213	3,213	783	-	(783)
New loans	867	867	867	-	(867)
Funding from general revenue	66,106	78,028	14,754	16,614	1,860
Total sources of capital funding	90,272	103,082	17,937	17,557	(380)
Application of capital funds					
Contributed assets	3,213	3,213	783	-	(783)
Capitalised goods and services*	74,965	87,599	8,718	8,964	246
Capitalised employee costs*	7,085	7,261	1,325	1,472	147
Loan redemption	5,010	5,010	7,111	7,121	10
Total application of capital funds	90,272	103,082	17,937	17,557	(380)
Other budgeted items					
Transfers to constrained operating reserves	(13,268)	(13,268)	(3,303)	(3,311)	(8)
Transfers from constrained operating reserves	11,565	11,565	1,835	977	(858)
Written down value (WDV) of assets disposed	1,468	1,468	-	13	13

* Total capital works expenditure depicted in the graph below is the total of capitalised goods and services and capitalised employee costs.



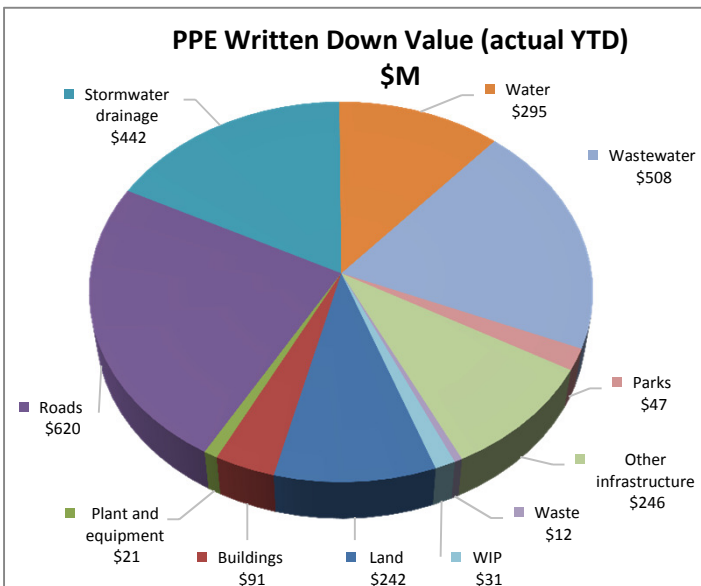
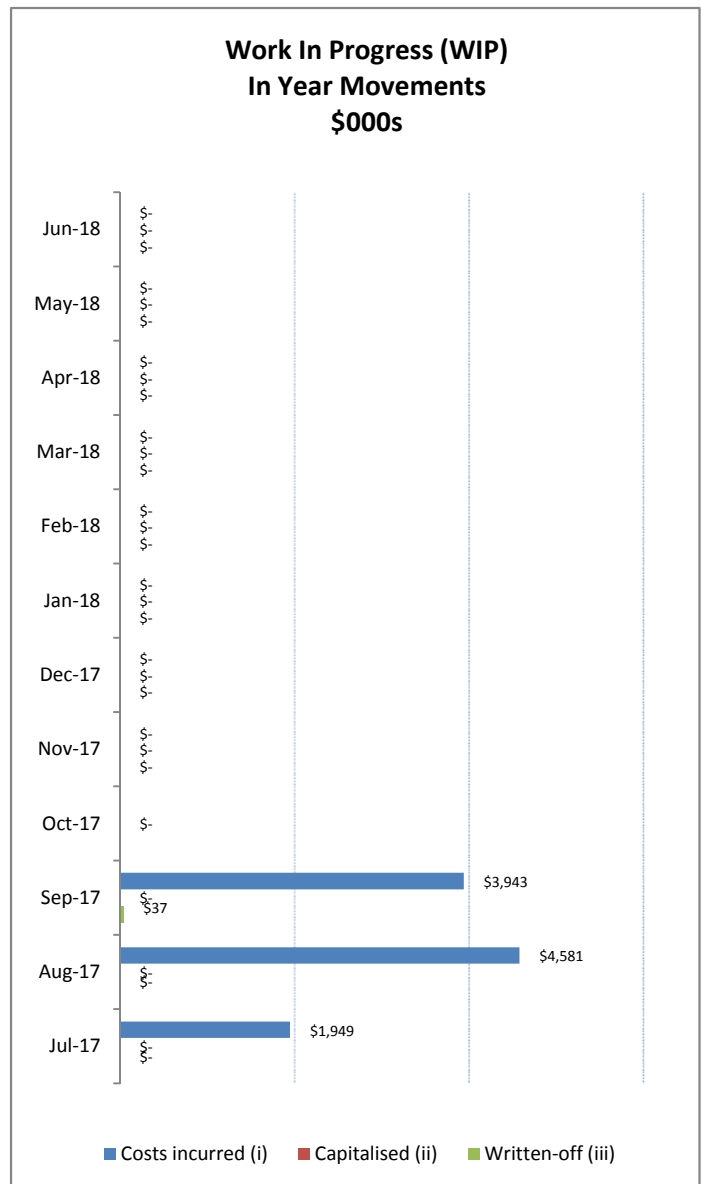
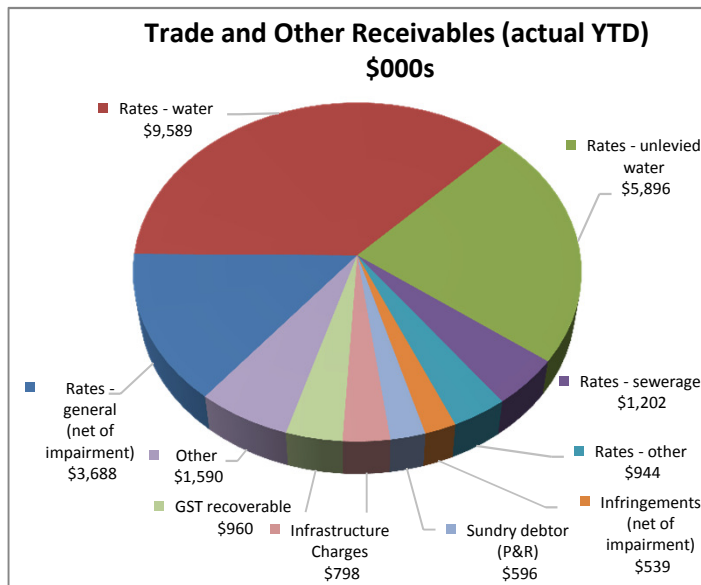
6. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION As at 30 September 2017

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual Balance \$000
CURRENT ASSETS				
Cash and cash equivalents	133,650	140,234	162,204	150,765
Trade and other receivables	25,805	27,273	28,123	25,802
Inventories	678	556	556	562
Non-current assets held for sale	4,278	262	262	262
Other current assets	2,122	2,073	2,073	1,930
Total current assets	166,533	170,398	193,218	179,321
NON-CURRENT ASSETS				
Investment property	1,054	1,091	1,091	1,091
Property, plant and equipment	2,483,228	2,598,914	2,555,976	2,555,226
Intangible assets	1,215	1,844	2,654	2,640
Other financial assets	73	73	73	73
Investment in other entities	5,961	14,712	14,712	14,712
Total non-current assets	2,491,531	2,616,634	2,574,506	2,573,742
TOTAL ASSETS	2,658,064	2,787,032	2,767,724	2,753,063
CURRENT LIABILITIES				
Trade and other payables	21,411	39,792	39,306	28,653
Borrowings	7,701	7,713	7,713	7,713
Provisions	13,126	13,014	12,506	11,490
Other current liabilities	1,755	1,747	1,697	1,267
Total current liabilities	43,993	62,266	61,222	49,123
NON-CURRENT LIABILITIES				
Borrowings	33,461	33,343	31,242	30,366
Provisions	12,356	12,115	12,108	12,549
Total non-current liabilities	45,817	45,458	43,350	42,915
TOTAL LIABILITIES	89,811	107,724	104,572	92,038
NET COMMUNITY ASSETS	2,568,254	2,679,308	2,663,152	2,661,025
COMMUNITY EQUITY				
Asset revaluation surplus	963,349	1,070,838	1,070,838	1,070,838
Retained surplus	1,498,727	1,503,631	1,495,449	1,496,506
Constrained cash reserves	106,178	104,839	96,865	93,681
TOTAL COMMUNITY EQUITY	2,568,254	2,679,308	2,663,152	2,661,025

The budgeted and actual results are based on unaudited opening balances which are subject to change until Queensland Audit Office certification is obtained in October 2017. The annual revised budgeted balances for 2017/2018 include the changes from the budget carryovers adopted by Council on 23 August 2017. However, until the accounts are finalised in October, the balances will reconcile to the financial management system and may be different to the published carryover budget.

6. STATEMENT OF FINANCIAL POSITION - CONTINUED



(i) Costs incurred: costs transferred into WIP for the construction or acquisition of fixed assets and at this point are non-depreciating.

(ii) Capitalised: costs transferred from WIP to recognise commissioned fixed assets and will be depreciated if applicable.

(iii) Written-off: costs transferred from WIP to operational expenditure. These costs are operational in nature and therefore will not be capitalised.

PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT*

For the period ending 30 September 2017

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
PPE movement				
Opening balance (includes WIP from previous years)	2,456,540	2,559,416	2,559,416	2,559,416
Acquisitions	3,215	3,215	783	-
Depreciation in year	(57,061)	(57,061)	(14,266)	(14,613)
Disposals	(1,468)	(1,468)	-	(13)
WIP in year movement	82,002	94,812	10,043	10,436
Closing balance	2,483,228	2,598,914	2,555,976	2,555,226

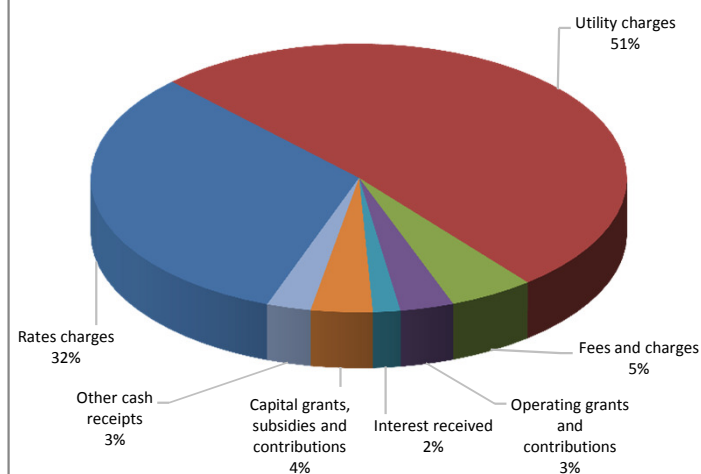
* This table includes movement relating to property, plant and equipment only and is exclusive of intangible assets.

7. STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS For the period ending 30 September 2017

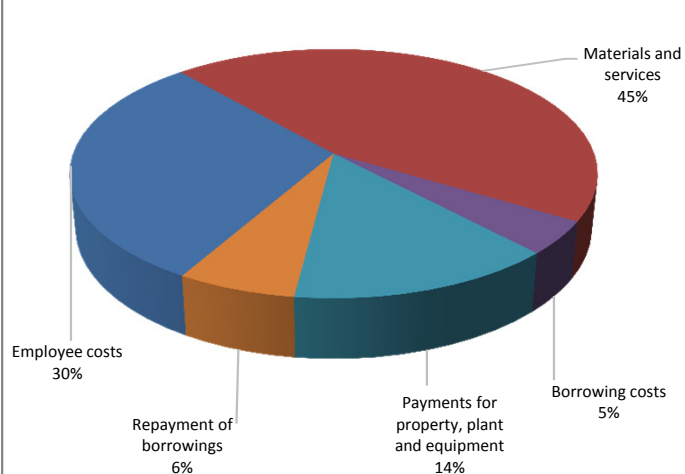
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	244,741	244,741	60,563	62,272
Payments to suppliers and employees	(210,402)	(210,527)	(47,679)	(55,622)
	34,340	34,215	12,884	6,650
Interest received	4,361	4,361	1,081	1,123
Rental income	839	839	221	224
Non-capital grants and contributions	9,547	9,547	2,163	2,213
Borrowing costs	(3,175)	(3,175)	(3,175)	(3,187)
Net cash inflow / (outflow) from operating activities	45,912	45,787	13,174	7,023
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(82,005)	(94,815)	(10,043)	(10,436)
Payments for intangible assets	(45)	(45)	-	-
Proceeds from sale of property, plant and equipment	1,180	1,433	-	109
Capital grants, subsidies and contributions	33,013	33,035	7,285	2,536
Other cash flows from investing activities	2,200	2,200	(850)	(225)
Net cash inflow / (outflow) from investing activities	(45,656)	(58,192)	(3,608)	(8,016)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds of borrowings	867	867	867	-
Repayment of borrowings	(4,644)	(4,644)	(4,644)	(4,657)
Net cash inflow / (outflow) from financing activities	(3,777)	(3,777)	(3,777)	(4,657)
Net increase / (decrease) in cash held	(3,521)	(16,181)	5,789	(5,650)
Cash and cash equivalents at the beginning of the year	137,171	156,415	156,415	156,415
Cash and cash equivalents at the end of the financial year / period	133,650	140,234	162,204	150,765

Cash Funding (actual YTD)



Total Cash Funding (Actual YTD)	68,252
Total Cash Funding (Annual Revised Budget)	297,023
% of Budget Achieved YTD	23%

Cash Expenditure (actual YTD)

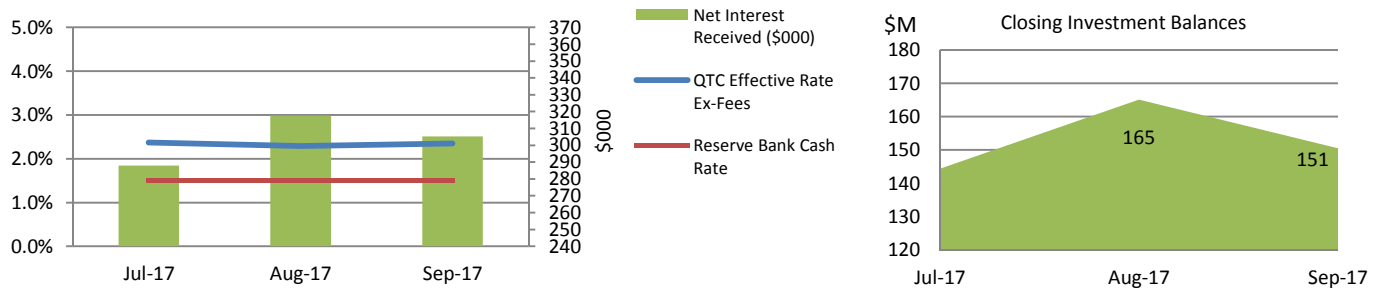


Total Cash Expenditure (Actual YTD)	73,902
Total Cash Expenditure (Annual Revised Budget)	313,204
% of Budget Achieved YTD	24%

8. INVESTMENT & BORROWINGS REPORT

For the period ending 30 September 2017

INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)



Total Investment at End of Month was \$150.50M

All Council investments are currently held in the Capital Guaranteed Cash Fund, which is a fund operated by the Queensland Treasury Corporation (QTC).

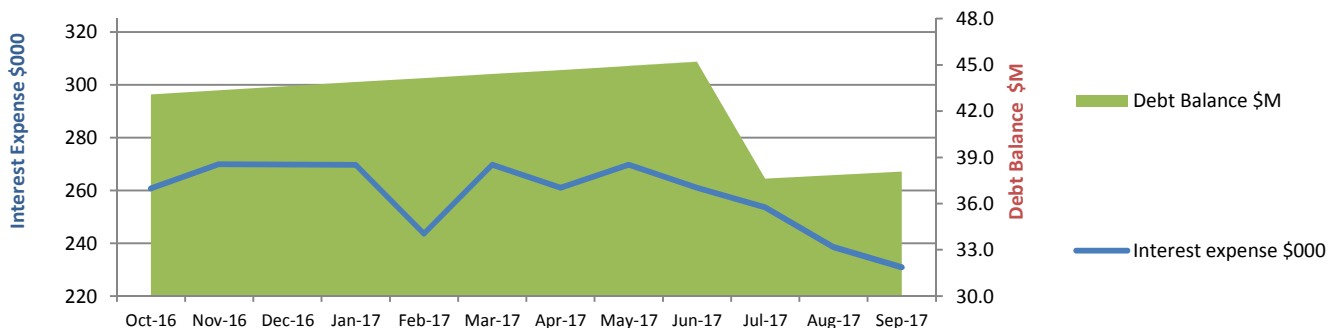
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

Note: the Reserve Bank reduced the cash rate down to 1.5% in the August 2016 sitting - this has not changed in subsequent months.

On a daily basis, cash surplus to requirements is deposited with QTC to earn higher interest as QTC is offering a higher rate than what is achieved from Council's transactional bank accounts. The current annual effective interest rate paid by QTC of 2.35% exceeds the Bloomberg AusBond Bank Bill Index (previously the UBS Bank Bill Index) of 1.77% as at the end of September 2017 in accordance with Corporate POL-3013. Term deposit rates are being monitored to identify investment opportunities to ensure Council maximises its interest earnings.

Council adopted its revised Investment Policy (POL-3013) in May 2017 for the 2017/2018 financial year

BORROWINGS AND BORROWING COSTS



The existing loan accounts were converted to fixed rate loans on 1 April 2016 following a QTC restructure of loans and policies. In line with Council's debt policy, the principal debt repayment has been made *annually* in advance for 2017/2018 which will result in the loans being repaid approximately one year earlier.

The debt balance shows a decrease as the Annual Debt Service Payment was made during July 2017. Interest will accrue monthly based on the reduced debt balance.

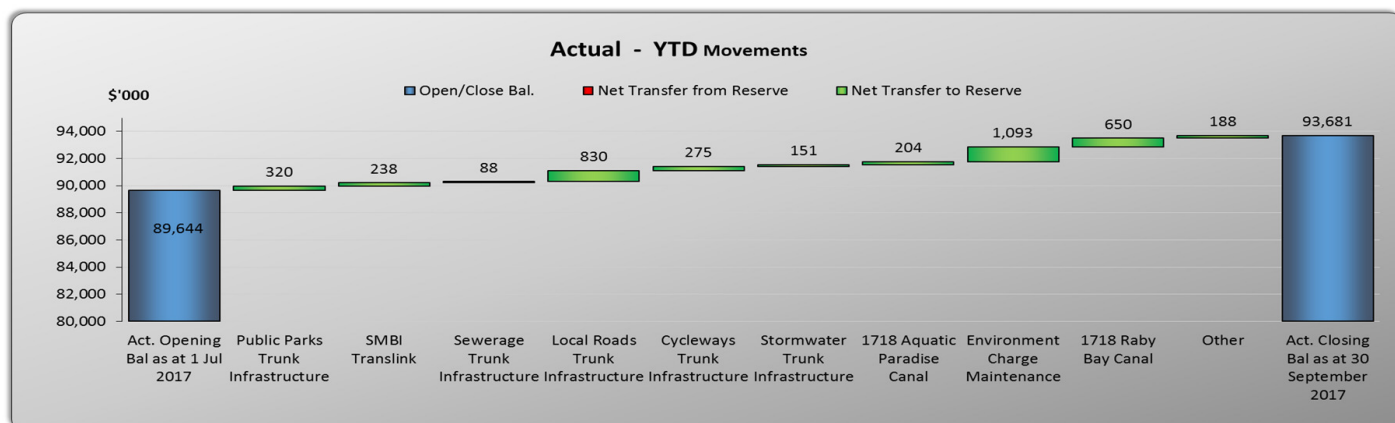
Total Borrowings at End of Month were \$38.08M

General pool allocated to capital works is 98.97% and 1.03% is attributable to RedWaste.

Council adopted its revised Debt Policy (POL-1838) in June 2017 for the 2017/2018 financial year

9. CONSTRAINED CASH RESERVES

Reserves as at 30 September 2017	Opening Balance	To Reserve	From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
Special Projects Reserve:				
Weinam Creek Reserve	3,075	145	(1)	3,219
Red Art Gallery Commissions & Donations Reserve	4	-	-	4
	3,079	145	(1)	3,223
Constrained Works Reserve:				
Public Parks Trunk Infrastructure Reserve	8,693	348	(28)	9,013
Land for Community Facilities Trunk Infrastructure Reserve	1,675	55	-	1,730
Water Supply Trunk Infrastructure Reserve	9,478	71	-	9,549
Sewerage Trunk Infrastructure Reserve	6,573	367	(279)	6,661
Constrained Works Reserve-Capital Grants & Contributions	1,154	-	(36)	1,118
Local Roads Trunk Infrastructure Reserve	30,570	856	(26)	31,400
Cycleways Trunk Infrastructure Reserve	8,343	275	-	8,618
Stormwater Trunk Infrastructure Reserve	7,553	151	-	7,704
Constrained Works Reserve-Operating Grants & Contributions	2,667	-	(44)	2,623
Tree Planting Reserve	86	8	-	94
	76,792	2,131	(413)	78,510
Separate Charge Reserve - Environment:				
Environment Charge Acquisition Reserve	618	-	(51)	567
Environment Charge Maintenance Reserve	1,387	1,901	(808)	2,480
	2,005	1,901	(859)	3,047
Special Charge Reserve - Other:				
Bay Island Rural Fire Levy Reserve	-	61	(52)	9
SMBI Translink Reserve	(6)	238	-	232
	(6)	299	(52)	241
Special Charge Reserve - Canals:				
Raby Bay Canal Reserve	4,778	16	-	4,794
Aquatic Paradise Canal Reserve	2,592	8	-	2,600
Sovereign Waters Lake Reserve	404	1	-	405
1718 Raby Bay Canal Reserve	-	701	(51)	650
1718 Aquatic Paradise Canal Reserve	-	218	(14)	204
1718 Sovereign Waters Lake Reserve	-	13	(6)	7
	7,774	957	(71)	8,660
TOTALS	89,644	5,433	(1,396)	93,681
Closing cash and cash equivalents				150,765
Reserves as percentage of cash balance				62%



Total Reserves increased by \$303K during the month. YTD growth in developer contributions totalled \$2.13M with drawdowns of \$333K. Increases are predominantly from developments in Cleveland, Ormiston, Capalaba and Birkdale. YTD growth in other reserves totalled \$3.30M, with drawdowns totalling \$1.06M. \$957K of the increase is attributed to canals and lakes. The original reserves for special charges levied on canal and lake-front homeowners remain temporarily frozen, the only increases are interest. New 2017/2018 canal and lake reserves reflect the current year program for revenue and expenditure. \$1.09M movement in the Environment Charge Maintenance Reserve is associated with the Environment Separate Charge (which was part of the July rate run), offset by YTD spending on designated projects.

Opening balances for reserves are unaudited and subject to change until Queensland Audit Office certification is obtained in October 2017.

10. REDLAND WATER STATEMENTS

REDLAND WATER SUMMARY OPERATING STATEMENT For the period ending 30 September 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Total revenue	105,147	105,147	25,223	25,615	392
Total expenses	59,688	59,688	13,763	13,800	37
Earnings before interest, tax and depreciation (EBITD)	45,459	45,459	11,460	11,815	355
Interest expense	18,265	18,265	4,566	4,566	-
Depreciation	18,457	18,457	4,614	5,463	849
Operating surplus / (deficit)	8,737	8,737	2,280	1,786	(494)

REDLAND WATER CAPITAL FUNDING STATEMENT For the period ending 30 September 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Capital contributions, donations, grants and subsidies	6,631	6,631	1,589	411	(1,178)
Net transfer (to) / from constrained capital reserves	(3,120)	(3,117)	(1,297)	(159)	1,138
Non-cash contributions	3,131	3,131	783	-	(783)
Funding from utility revenue	4,675	6,186	1,689	1,779	90
Total sources of capital funding	11,316	12,830	2,764	2,031	(733)
Contributed assets	3,131	3,131	783	-	(783)
Capitalised expenditure	8,185	9,699	1,981	2,031	50
Total application of capital funds	11,316	12,830	2,764	2,031	(733)

11. REDWASTE STATEMENTS

REDWASTE OPERATING STATEMENT For the period ending 30 September 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Total revenue	24,532	24,532	6,096	6,236	140
Total expenses	17,480	17,480	4,423	4,566	143
Earnings before interest, tax and depreciation (EBITD)	7,052	7,052	1,673	1,670	(3)
Interest expense	33	33	8	9	1
Depreciation	307	307	77	42	(35)
Operating surplus / (deficit)	6,712	6,712	1,588	1,619	31

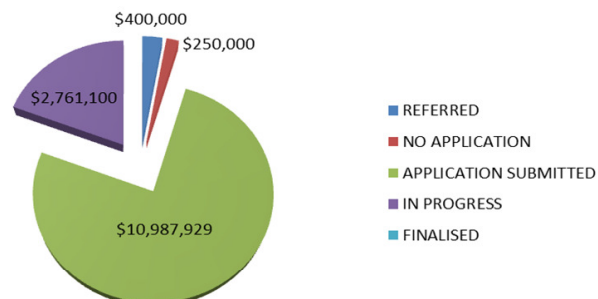
REDWASTE CAPITAL FUNDING STATEMENT For the period ending 30 September 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Funding from utility revenue	317	333	175	69	(106)
Total sources of capital funding	317	333	175	69	(106)
Capitalised expenditure	240	249	67	78	11
Loan redemption	77	83	108	(9)	(117)
Total application of capital funds	317	333	175	69	(106)

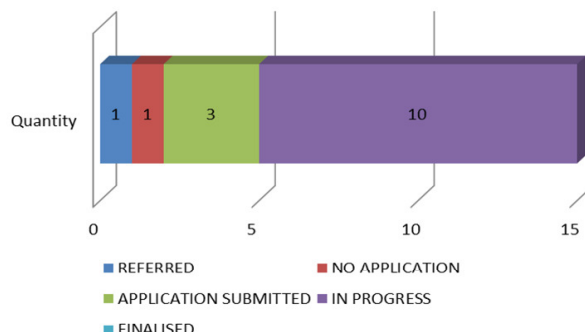
12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

External Funding Summary

Value of External Grant Applications by Status (YTD)



Number of External Grant Applications by Status (YTD)



September 2017 Progress

APPLICATIONS SUBMITTED

- Local Government Grants and Subsidies Program, 8 projects applied for across organisation requesting contribution of \$10,777,929 for delivery up to June 2019
- Game On Grant, 4 events/programs for Commonwealth Games, maximum applied for with value of \$110,000

Successful Funding Submissions YTD 2017/2018

Roads and Active Transport:

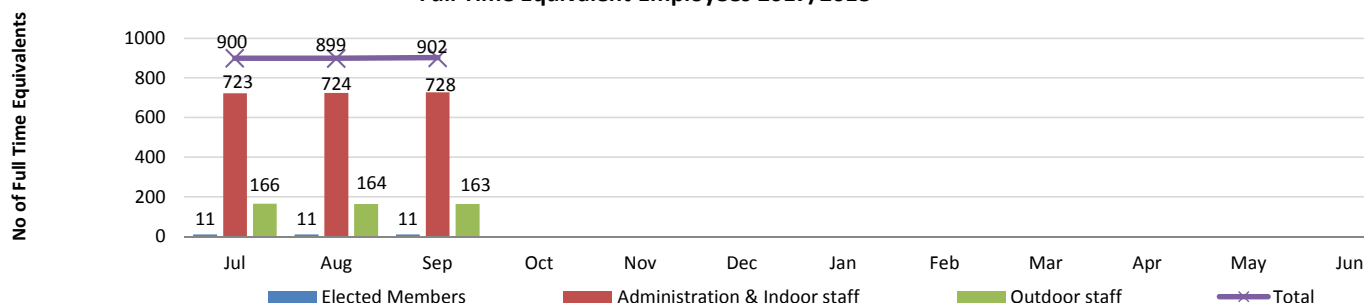
- \$875,000 for two Road Alliance projects to be completed in 2017/2018
- \$406,000 for city wide bus shelter renewals to be completed in 2017/2018
- \$15,000 for cycle network shared path design in 2017/2018

Economic Development:

- \$500,000 between 2017-2019 as part of the Advancing Regional Innovation Program (multiple partners including Logan City Council and Griffith University)

Workforce Reporting

Full Time Equivalent Employees 2017/2018



Workforce reporting - September 2017: Headcount

Department Level	Employee Type						
	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	Total by Department
Office of CEO	12	2	26	5	6	0	51
Organisational Services	6	8	160	14	19	6	213
Community and Customer Service	30	5	241	60	32	12	380
Infrastructure and Operations	12	5	306	9	8	4	344
Total	60	20	733	88	65	22	988

Note: Full Time Equivalent Employees includes all full time employees at a value of 1 and all other employees, at a value less than 1. The table above demonstrates the headcount by department (excluding agency staff) and does not include a workload weighting. It includes casual staff in their non-substantive roles as at the end of the period where relevant. Due to a change in the reporting structure in August 2017, Finance and Legal Services (including procurement) moves from the Office of CEO to join Organisational Services.

13. GLOSSARY

Key Terms

Written Down Value:

This is the value of an asset after accounting for depreciation or amortisation, and it is also called book value or net book value.

Work In Progress:

This represents an unfinished project that costs are still being added to. When a project is completed, the costs will be either capitalised (allocated to relevant asset class) or written off.

Definition of Ratios

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

Total Operating Revenue

Asset Sustainability Ratio*:

This ratio indicates whether Council is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out

Capital Expenditure on Replacement of Infrastructure Assets (Renewals)

Depreciation Expenditure on Infrastructure Assets

Net Financial Liabilities*:

This is an indicator of the extent to which the net financial liabilities of Council can be serviced by operating revenues

Total Liabilities - Current Assets

Total Operating Revenue

Level of Dependence on General Rate Revenue:

This ratio measures Council's reliance on operating revenue from general rates (excludes utility revenues)

General Rates - Pensioner Remissions

Total Operating Revenue - Gain on Sale of Developed Land

Current Ratio:

This measures the extent to which Council has liquid assets available to meet short term financial obligations

Current Assets

Current Liabilities

Debt Servicing Ratio:

This indicates Council's ability to meet current debt instalments with recurrent revenue

Interest Expense + Loan Redemption

Total Operating Revenue - Gain on Sale of Developed Land

Cash Balance - \$M:

Cash balance include cash on hand, cash at bank and other short term investments.

Cash Held at Period End

Cash Capacity in Months:

This provides an indication as to the number of months cash held at period end would cover operating cash outflows

Cash Held at Period End

[[Cash Operating Costs + Interest Expense] / Period in Year]

Longer Term Financial Stability - Debt to Asset Ratio:

This is total debt as a percentage of total assets, i.e. to what extent will our long term debt be covered by total assets

Current and Non-current loans

Total Assets

Operating Performance:

This ratio provides an indication of Redland City Council's cash flow capabilities

Net Cash from Operations + Interest Revenue and Expense

Cash Operating Revenue + Interest Revenue

Interest Coverage Ratio:

This ratio demonstrates the extent which operating revenues are being used to meet the financing charges

Net Interest Expense on Debt Service

Total Operating Revenue

* These targets are set to be achieved on average over the longer term and therefore are not necessarily expected to be met on a monthly basis.