

Monthly Financial Report

October 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 31 October 2017. Council's 2016/2017 financial statements were signed off and certified by the Queensland Audit Office on 19 October 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.

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)	17,207	15,602	(1,605)	-9%	✗
Recurrent Revenue	261,639	102,578	100,709	(1,869)	-2%	✗
Recurrent Expenditure	272,775	85,371	85,107	(264)	0%	✓
Capital Works Expenditure	94,860	16,812	15,975	(837)	-5%	✓
Closing Cash & Cash Equivalents	140,234	177,830	145,160	(32,670)	-18%	✗

Council reported an operating surplus for the month of \$15.60M. The second quarter rate notices were issued in October 2017, however income generated from the rates levy was partially offset by \$1.62M in credits held, representing rates received in advance in previous periods. The favourable variance in recurrent expenditure is primarily due to underspend in consultant costs as well as vacancies across the organisation. The unfavourable variance in depreciation expense is due to higher opening asset balances for 2017/2018 which include the results from the 2016/2017 asset revaluations, as well as the recognition of developer contributed assets. These end of year adjustments influenced the increase in depreciation expense.

Of the \$8.45M for contractors, mowing the city's parks and open spaces was \$761K year to date.

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

Council's capital works expenditure is below budget by \$837K, mainly due to timing of works for a number of marine infrastructure projects in progress.

Council is scheduled to consider its first budget review in December 2017 which will address some of the variances mentioned above.

Council's cash balance is below budget due to the bulk of general rates expected to be received in November, higher than anticipated payments to suppliers which includes \$7.62M for canal and lakes refunds and below budget receipt of developer cash contributions. Council will consider budget phasing to align with the rating cycle. Council 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 October 2017	Target
Operating Surplus Ratio (%)	✓	-4.26%	15.49%	Between 0% and 10% (on average over the long-term)
Asset Sustainability Ratio (%)	✗	65.16%	38.29%	Greater than 90% (on average over the long-term)
Net Financial Liabilities (%)*	✓	-23.95%	-99.55%	Less than 60% (on average over the long-term)
Level of Dependence on General Rate Revenue (%)	✗	33.93%	42.29%	Less than 37.5%
Ability to Pay Our Bills - Current Ratio	✓	2.74	3.43	Between 1.1 & 4.1
Ability to Repay Our Debt - Debt Servicing Ratio (%)	✓	2.99%	7.79%	Less than or equal to 10%
Cash Balance \$M	✓	\$140.234M	\$145.160M	Greater than or equal to \$50M
Cash Balances - Cash Capacity in Months	✓	7.87	7.18	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%	6.02%	Greater than or equal to 15%
Interest Coverage Ratio (%)**	✓	-0.59%	-0.52%	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 annual revised budgeted balances for 2017/2018 include the changes from the budget carryovers adopted by Council on 23 August 2017. The differences between the carryover budget figures and those published are due to the actual opening balances on 1 July 2017, which are now finalised following end of year accounts finalisation.

3. STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME

For the period ending 31 October 2017

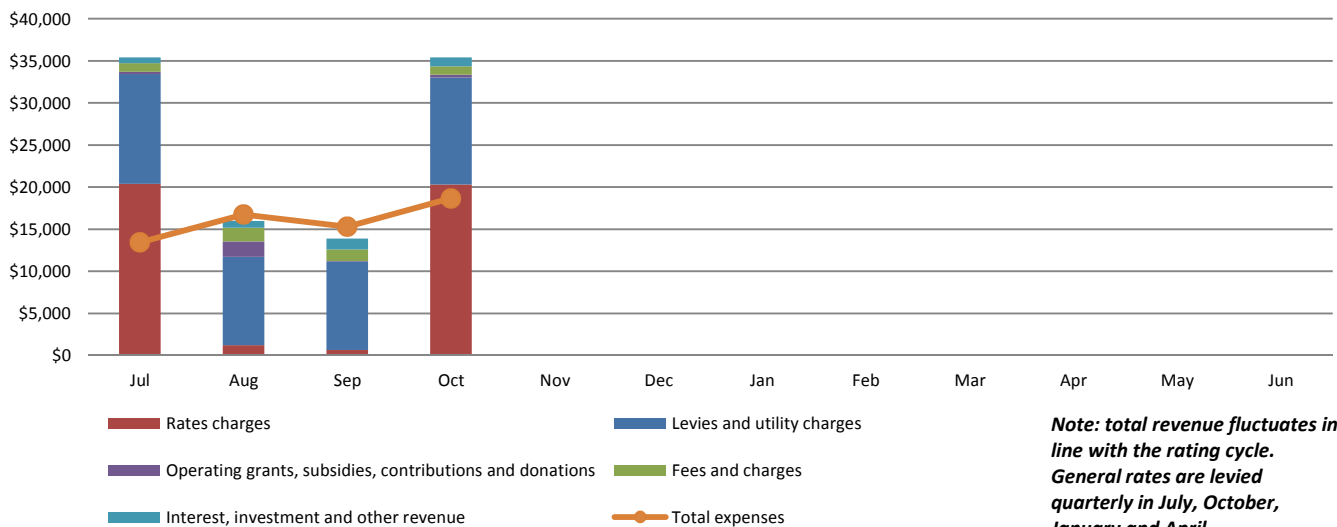
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Recurrent revenue					
Rates, levies and charges	227,186	227,186	91,453	89,320	(2,133)
Fees and charges	13,048	13,048	4,925	4,960	35
Rental income	839	839	297	374	77
Interest received	4,361	4,361	1,428	1,485	57
Investment returns	2,200	2,200	500	500	-
Sales revenue	3,823	3,823	1,182	1,172	(10)
Other income	684	684	349	364	15
Grants, subsidies and contributions	9,497	9,497	2,444	2,534	90
Total recurrent revenue	261,639	261,639	102,578	100,709	(1,869)
Capital revenue					
Grants, subsidies and contributions	33,013	33,035	9,464	4,133	(5,331)
Non-cash contributions	3,213	3,213	1,044	-	(1,044)
Total capital revenue	36,226	36,248	10,508	4,133	(6,375)
TOTAL INCOME	297,865	297,887	113,086	104,842	(8,244)
Recurrent expenses					
Employee benefits	85,677	85,677	28,693	28,077	(616)
Materials and services	125,787	125,787	36,234	35,969	(265)
Finance costs	3,112	3,112	1,044	1,081	37
Depreciation and amortisation	58,200	58,200	19,400	19,980	580
Total recurrent expenses	272,775	272,775	85,371	85,107	(264)
Capital expenses					
(Gain) / loss on disposal of non-current assets	289	36	-	(337)	(337)
Total capital expenses	289	36	-	(337)	(337)
TOTAL EXPENSES	273,064	272,811	85,371	84,770	(601)
NET RESULT	24,801	25,076	27,715	20,072	(7,643)
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	27,715	20,072	(7,643)

4. OPERATING STATEMENT

OPERATING STATEMENT For the period ending 31 October 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	45,844	44,009	(1,835)
Levies and utility charges	138,824	138,824	47,230	46,898	(332)
<i>Less: Pensioner remissions and rebates</i>	(3,325)	(3,325)	(1,621)	(1,587)	34
Fees and charges	13,048	13,048	4,925	4,960	35
Operating grants and subsidies	8,795	8,795	2,276	2,373	97
Operating contributions and donations	702	702	168	161	(7)
Interest external	4,361	4,361	1,428	1,485	57
Investment returns	2,200	2,200	500	500	-
Other revenue	5,347	5,347	1,828	1,910	82
Total revenue	261,639	261,639	102,578	100,709	(1,869)
Expenses					
Employee benefits	85,677	85,677	28,693	28,077	(616)
Materials and services	126,040	126,040	36,364	35,840	(524)
Finance costs other	303	303	97	120	23
Other expenditure	489	489	117	351	234
Net internal costs	(741)	(741)	(247)	(222)	25
Total expenses	211,767	211,767	65,024	64,166	(858)
Earnings before interest, tax and depreciation (EBITD)	49,872	49,872	37,554	36,543	(1,011)
Interest expense	2,809	2,809	947	961	14
Depreciation and amortisation	58,200	58,200	19,400	19,980	580
OPERATING SURPLUS / (DEFICIT)	(11,136)	(11,136)	17,207	15,602	(1,605)

Actuals - Total Revenue and Expenses (\$000)



4. OPERATING STATEMENT - CONTINUED

LEVIES AND UTILITY CHARGES ANALYSIS For the period ending 31 October 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	7,171	7,196	25
Special charges	4,083	4,083	2,042	2,040	(2)
SES separate charge	339	339	169	170	1
Environment separate charge	7,568	7,568	3,784	3,802	18
Separate charge landfill remediation	2,911	2,911	970	975	5
Wastewater charges	43,647	43,647	14,549	14,403	(146)
Water access charges	18,296	18,296	6,099	6,120	21
Water consumption charges	40,317	40,317	12,446	12,192	(254)
Total levies and utility charges	138,824	138,824	47,230	46,898	(332)

MATERIALS AND SERVICES ANALYSIS For the period ending 31 October 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	34,263	8,565	8,454	(111)
Consultants	4,465	4,352	886	422	(464)
Other Council outsourcing costs*	17,355	17,415	5,421	5,567	146
Purchase of materials	44,300	44,114	13,374	13,583	209
Office administration costs	7,949	8,067	2,605	2,479	(126)
Electricity charges	5,751	5,751	1,917	1,698	(219)
Plant operations	4,466	4,468	1,392	1,524	132
Information technology resources	2,811	2,789	707	719	12
General insurance	1,363	1,364	454	441	(13)
Community assistance**	1,619	1,619	493	669	176
Other material and service expenses	1,840	1,838	550	284	(266)
Total materials and services	126,040	126,040	36,364	35,840	(524)

* 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 31 October 2017

	FTE (Council employees and Councillors)*	Total staff wages and salaries (including Councillors) \$000	Annual leave and long service leave entitlements \$000	Superannuation (including Councillors) \$000	Other employee related expenses (including agency costs) \$000	Less: capitalised employee expenses \$000	Total operating employee benefits \$000
Month							
July	900	5,324	626	647	333	481	6,449
August	899	5,992	702	698	627	520	7,499
September	902	5,213	617	653	597	471	6,609
October	906	6,080	724	722	524	530	7,520
Total employee benefits YTD		22,609	2,669	2,720	2,081	2,002	28,077

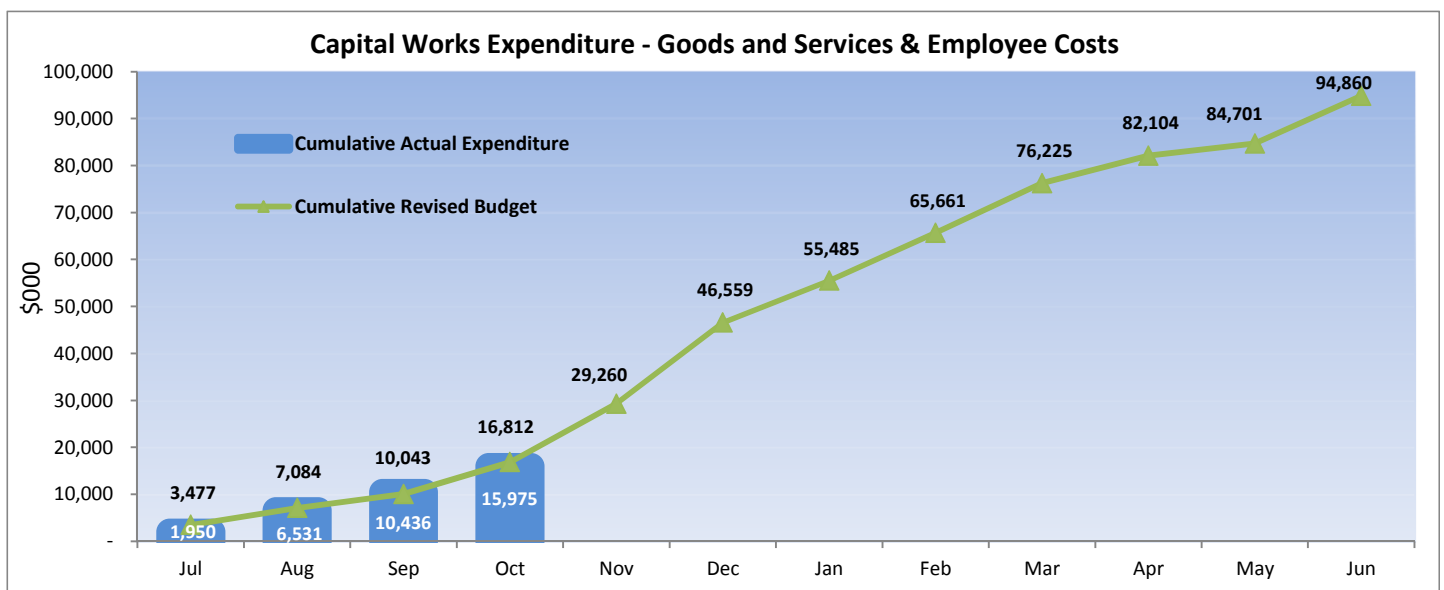
* Refer to page 14 for further information on FTE and headcount.

5. CAPITAL FUNDING STATEMENT

CAPITAL FUNDING STATEMENT For the period ending 31 October 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	8,817	3,207	(5,610)
Capital grants and subsidies	3,763	3,785	647	926	279
Proceeds on disposal of non-current assets	1,180	1,433	-	385	385
Capital transfers (to) / from reserves	(14,106)	(13,493)	(7,714)	(2,499)	5,215
Non-cash contributions	3,213	3,213	1,044	-	(1,044)
New loans	867	867	-	-	-
Funding from general revenue	66,106	78,028	21,934	20,838	(1,096)
Total sources of capital funding	90,272	103,082	24,728	22,857	(1,871)
Application of capital funds					
Contributed assets	3,213	3,213	1,044	-	(1,044)
Capitalised goods and services*	74,965	87,599	14,986	13,973	(1,013)
Capitalised employee costs*	7,085	7,261	1,826	2,002	176
Loan redemption	5,010	5,010	6,872	6,882	10
Total application of capital funds	90,272	103,082	24,728	22,857	(1,871)
Other budgeted items					
Transfers to constrained operating reserves	(13,268)	(13,268)	(4,315)	(6,407)	(2,092)
Transfers from constrained operating reserves	11,565	11,565	2,850	8,451	5,601
Written down value (WDV) of assets disposed	1,468	1,468	-	48	48

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



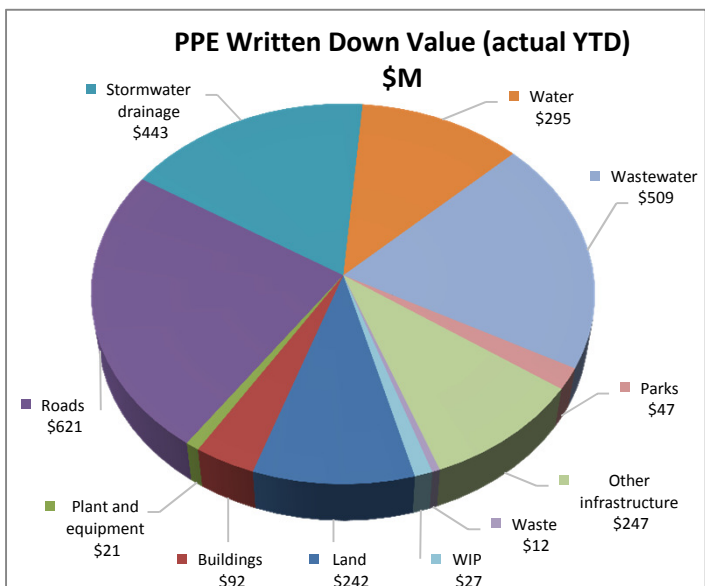
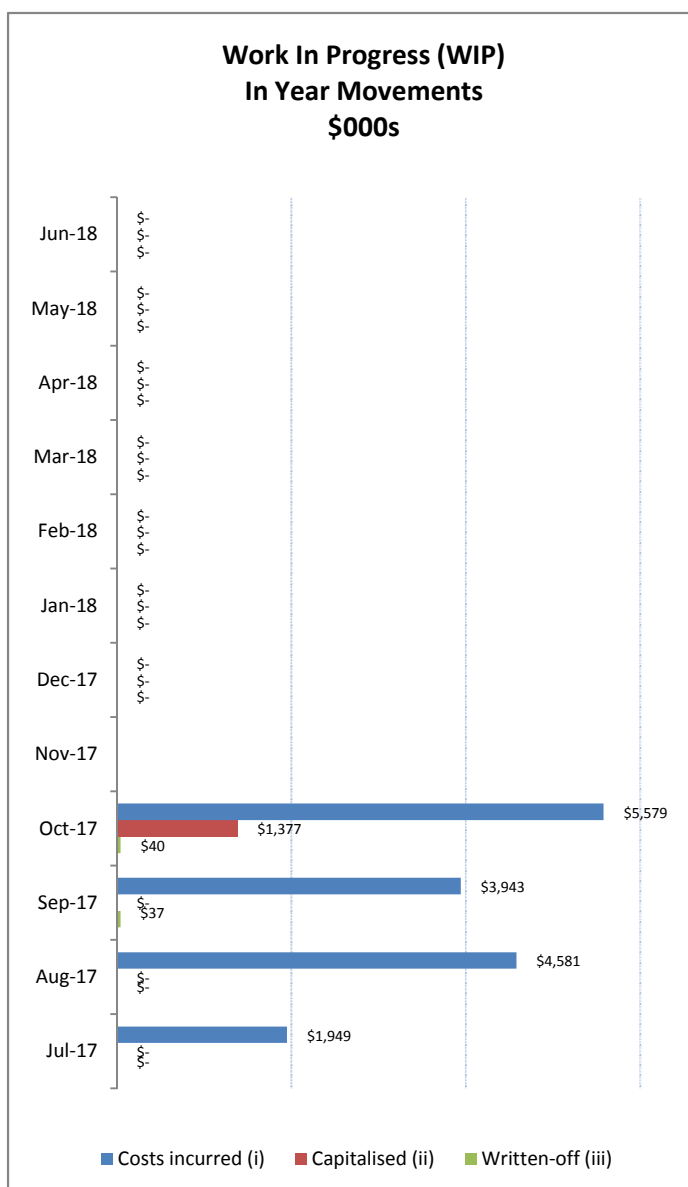
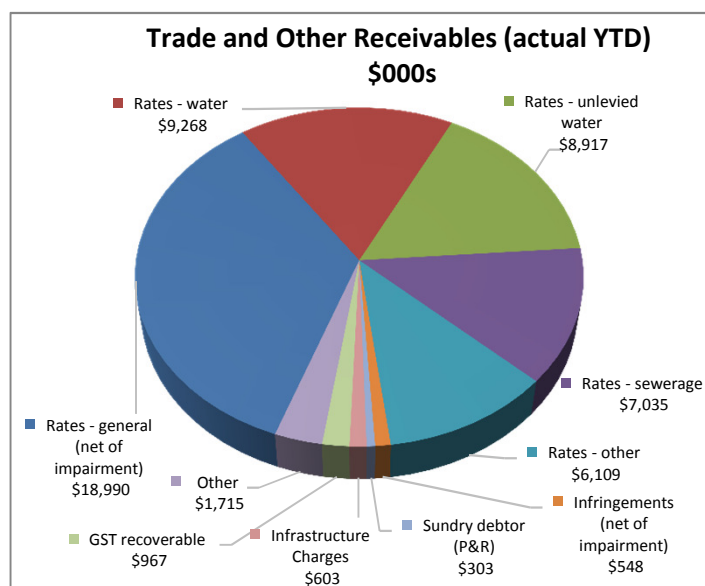
6. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION As at 31 October 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	177,830	145,160
Trade and other receivables	25,805	27,273	28,573	54,455
Inventories	678	556	556	585
Non-current assets held for sale	4,278	262	262	262
Other current assets	2,122	2,073	2,073	2,242
Total current assets	166,533	170,398	209,294	202,704
NON-CURRENT ASSETS				
Investment property	1,054	1,091	1,091	1,091
Property, plant and equipment	2,483,228	2,598,663	2,558,224	2,555,639
Intangible assets	1,215	2,096	2,587	2,539
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	2,616,635	2,576,687	2,574,054
TOTAL ASSETS	2,658,064	2,787,033	2,785,981	2,776,758
CURRENT LIABILITIES				
Trade and other payables	21,411	39,792	39,360	25,062
Borrowings	7,701	7,713	7,713	7,713
Provisions	13,126	13,014	12,540	11,197
Other current liabilities	1,755	1,747	1,697	15,164
Total current liabilities	43,993	62,266	61,310	59,136
NON-CURRENT LIABILITIES				
Borrowings	33,461	33,343	30,614	30,604
Provisions	12,356	12,115	12,108	12,713
Total non-current liabilities	45,817	45,458	42,722	43,317
TOTAL LIABILITIES	89,811	107,724	104,032	102,453
NET COMMUNITY ASSETS	2,568,254	2,679,309	2,681,949	2,674,305
COMMUNITY EQUITY				
Asset revaluation surplus	963,349	1,070,838	1,070,838	1,070,838
Retained surplus	1,498,727	1,503,632	1,512,288	1,513,367
Constrained cash reserves	106,178	104,839	98,823	90,100
TOTAL COMMUNITY EQUITY	2,568,254	2,679,309	2,681,949	2,674,305

The annual revised budgeted balances for 2017/2018 include the changes from the budget carryovers adopted by Council on 23 August 2017. The differences between the carryover budget figures and those published are due to the actual opening balances on 1 July 2017, which are now finalised following end of year accounts finalisation.

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 31 October 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	112,086	13,141	459
Depreciation in year	(57,061)	(57,061)	(19,021)	(19,581)
Disposals	(1,468)	(1,468)	-	(48)
WIP in year movement	82,002	(14,310)	4,688	15,516
Other adjustments**	-	-	-	(123)
Closing balance	2,483,228	2,598,663	2,558,224	2,555,639

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

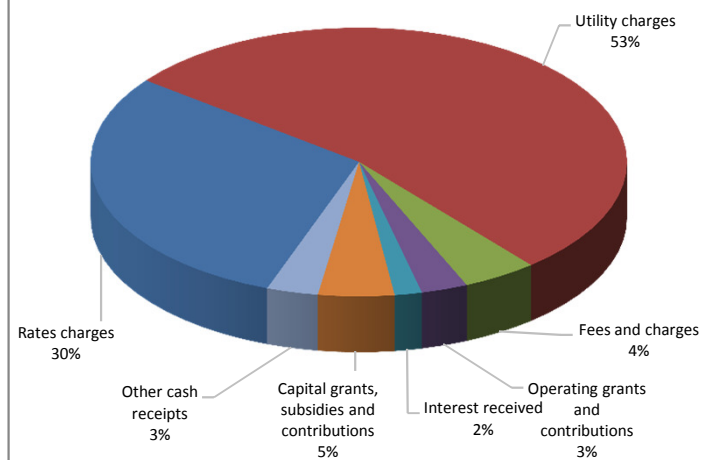
** Other adjustments include transfers between asset classes, revaluation adjustments, prior period adjustments and depreciation thereon.

7. STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS For the period ending 31 October 2017

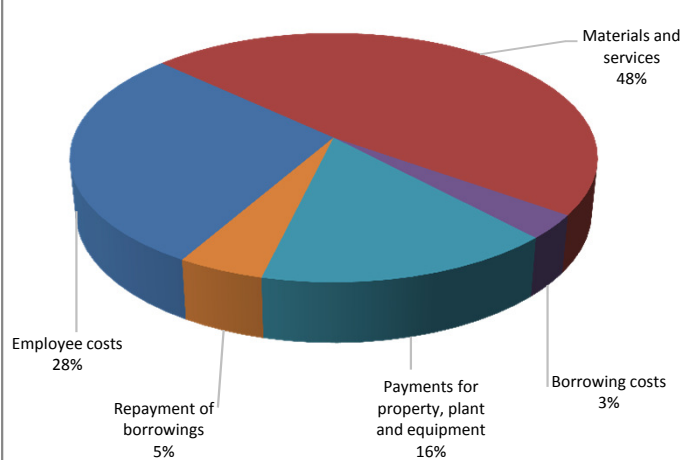
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	244,741	244,741	97,909	81,653
Payments to suppliers and employees	(210,402)	(210,527)	(64,696)	(77,675)
	34,340	34,215	33,213	3,978
Interest received	4,361	4,361	1,428	1,485
Rental income	839	839	297	374
Non-capital grants and contributions	9,547	9,547	2,444	2,534
Borrowing costs	(3,175)	(3,175)	(3,175)	(3,187)
Net cash inflow / (outflow) from operating activities	45,912	45,787	34,207	5,184
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(82,005)	(94,815)	(16,784)	(15,975)
Payments for intangible assets	(45)	(45)	(28)	-
Proceeds from sale of property, plant and equipment	1,180	1,433	-	385
Capital grants, subsidies and contributions	33,013	33,035	9,464	4,133
Other cash flows from investing activities	2,200	2,200	(800)	(325)
Net cash inflow / (outflow) from investing activities	(45,656)	(58,192)	(8,148)	(11,782)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds of borrowings	867	867	-	-
Repayment of borrowings	(4,644)	(4,644)	(4,644)	(4,657)
Net cash inflow / (outflow) from financing activities	(3,777)	(3,777)	(4,644)	(4,657)
Net increase / (decrease) in cash held	(3,521)	(16,181)	21,415	(11,255)
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	177,830	145,160

Cash Funding (actual YTD)



Total Cash Funding (Actual YTD)	90,239
Total Cash Funding (Annual Revised Budget)	297,023
% of Budget Achieved YTD	30%

Cash Expenditure (actual YTD)



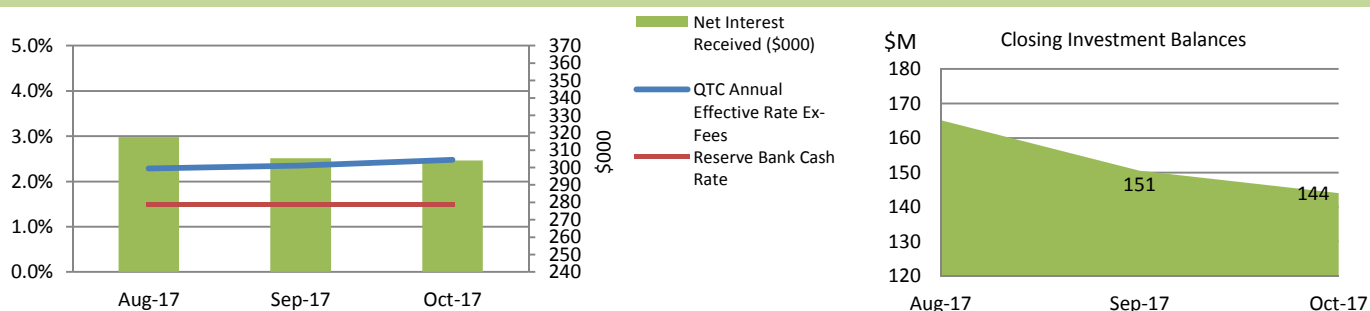
Total Cash Expenditure (Actual YTD)	101,494
Total Cash Expenditure (Annual Revised Budget)	313,204
% of Budget Achieved YTD	32%

The annual revised budgeted balances for 2017/2018 include the changes from the budget carryovers adopted by Council on 23 August 2017. The differences between the carryover budget figures and those published are due to the actual opening balances on 1 July 2017, which are now finalised following end of year accounts finalisation.

8. INVESTMENT & BORROWINGS REPORT

For the period ending 31 October 2017

INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)



Total Investment at End of Month was \$144.02M

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

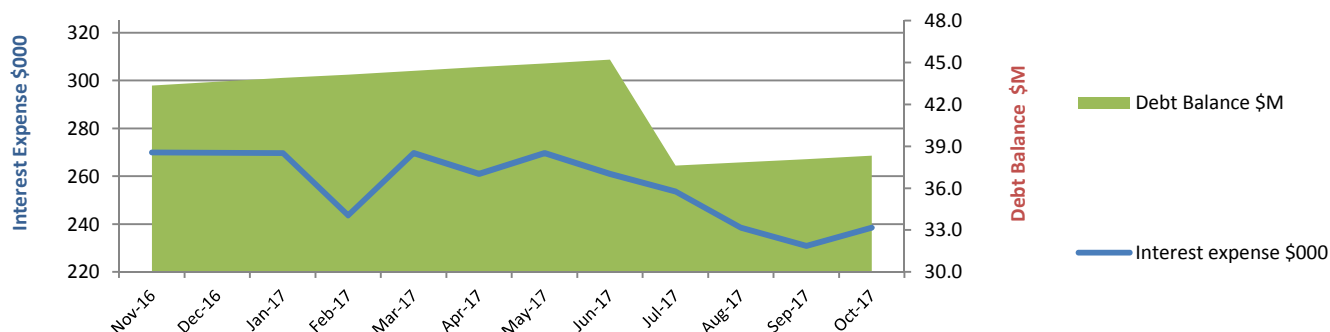
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

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 2.48% exceeds the Bloomberg AusBond Bank Bill Index (previously the UBS Bank Bill Index) of 1.76% as at the end of October 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.

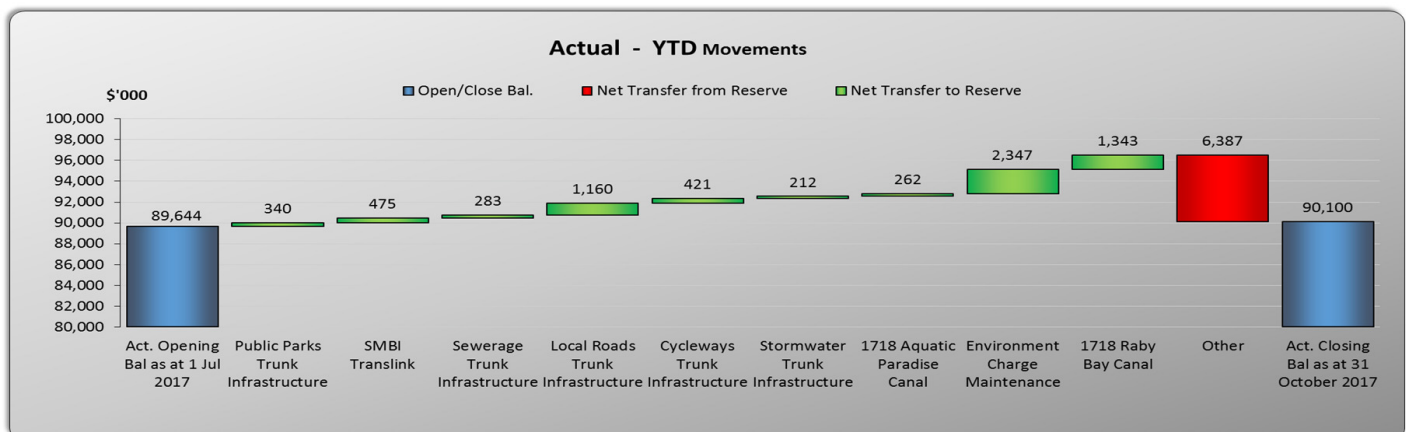
Total Borrowings at End of Month were \$38.32M

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 31 October 2017	Opening Balance	To Reserve	From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
Special Projects Reserve:				
Weinam Creek Reserve	3,075	145	(9)	3,211
Red Art Gallery Commissions & Donations Reserve	4	-	-	4
	3,079	145	(9)	3,215
Constrained Works Reserve:				
Public Parks Trunk Infrastructure Reserve	8,693	584	(244)	9,033
Land for Community Facilities Trunk Infrastructure Reserve	1,675	93	(16)	1,752
Water Supply Trunk Infrastructure Reserve	9,478	104	-	9,582
Sewerage Trunk Infrastructure Reserve	6,573	566	(283)	6,856
Constrained Works Reserve-Capital Grants & Contributions	1,154	-	(43)	1,111
Local Roads Trunk Infrastructure Reserve	30,570	1,186	(26)	31,730
Cycleways Trunk Infrastructure Reserve	8,343	461	(40)	8,764
Stormwater Trunk Infrastructure Reserve	7,553	212	-	7,765
Constrained Works Reserve-Operating Grants & Contributions	2,667	-	(71)	2,596
Tree Planting Reserve	86	12	-	98
	76,792	3,218	(723)	79,287
Separate Charge Reserve - Environment:				
Environment Charge Acquisition Reserve	618	-	(55)	563
Environment Charge Maintenance Reserve	1,387	3,802	(1,455)	3,734
	2,005	3,802	(1,510)	4,297
Special Charge Reserve - Other:				
Bay Island Rural Fire Levy Reserve	-	82	(62)	20
SMBI Translink Reserve	(6)	475	-	469
	(6)	557	(62)	489
Special Charge Reserve - Canals:				
Raby Bay Canal Reserve	4,778	15	(4,793)	-
Aquatic Paradise Canal Reserve	2,592	9	(1,827)	774
Sovereign Waters Lake Reserve	404	2	12	418
1718 Raby Bay Canal Reserve	-	1,402	(59)	1,343
1718 Aquatic Paradise Canal Reserve	-	437	(175)	262
1718 Sovereign Waters Lake Reserve	-	26	(11)	15
	7,774	1,891	(6,853)	2,812
TOTALS	89,644	9,613	(9,157)	90,100
Closing cash and cash equivalents				145,160
Reserves as percentage of cash balance				62%



Total Reserves decreased by \$3.58M during the month due largely to drawdowns in canal and lakes reserves. YTD growth in developer contributions totalled \$3.22M with drawdowns of \$609K. Increases are predominantly from developments in Cleveland, Ormiston, Capalaba and Birkdale. YTD growth in other reserves totalled \$6.39M, with drawdowns totalling \$8.55M. \$1.89M of the increase in reserves is attributed to canals and lakes. The original reserves for special charges levied on canal and lake-front homeowners are now reduced to the extent of the refund cheques drawn as at 31 October 2017 and increases being only for interest on the remaining balance. New 2017/2018 canal and lake reserves reflect the current year program for revenue and expenditure. \$2.35M movement in the Environment Charge Maintenance Reserve is associated with the Environment Separate Charge (which was part of the July and October rate runs), offset by YTD spending on designated projects.

10. REDLAND WATER STATEMENTS

REDLAND WATER SUMMARY OPERATING STATEMENT For the period ending 31 October 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Total revenue	105,147	105,147	33,937	33,530	(407)
Total expenses	59,688	59,688	18,261	18,292	31
Earnings before interest, tax and depreciation (EBITD)	45,459	45,459	15,676	15,238	(438)
Interest expense	18,265	18,265	6,088	6,088	-
Depreciation	18,457	18,457	6,152	7,306	1,154
Operating surplus / (deficit)	8,737	8,737	3,436	1,844	(1,592)

REDLAND WATER CAPITAL FUNDING STATEMENT For the period ending 31 October 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	1,005	(584)
Net transfer (to) / from constrained capital reserves	(3,120)	(3,117)	(1,824)	(388)	1,436
Non-cash contributions	3,131	3,131	1,044	-	(1,044)
Funding from utility revenue	4,675	6,186	2,657	2,065	(592)
Total sources of capital funding	11,316	12,830	3,466	2,682	(784)
Contributed assets	3,131	3,131	1,044	-	(1,044)
Capitalised expenditure	8,185	9,699	2,422	2,682	260
Total application of capital funds	11,316	12,830	3,466	2,682	(784)

11. REDWASTE STATEMENTS

REDWASTE OPERATING STATEMENT For the period ending 31 October 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Total revenue	24,532	24,532	8,127	8,319	192
Total expenses	17,480	17,480	5,825	6,237	412
Earnings before interest, tax and depreciation (EBITD)	7,052	7,052	2,302	2,082	(220)
Interest expense	33	33	11	11	-
Depreciation	307	307	102	56	(46)
Operating surplus / (deficit)	6,712	6,712	2,189	2,015	(174)

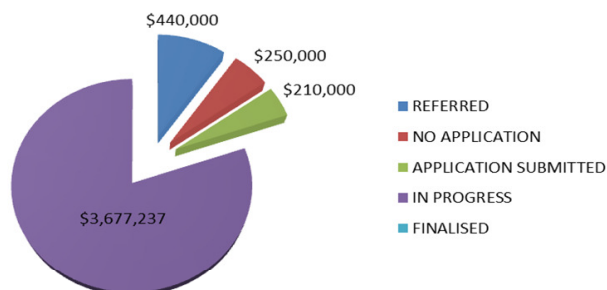
REDWASTE CAPITAL FUNDING STATEMENT For the period ending 31 October 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Funding from utility revenue	317	333	192	70	(122)
Total sources of capital funding	317	333	192	70	(122)
Capitalised expenditure	240	249	87	81	(6)
Loan redemption	77	83	105	(11)	(116)
Total application of capital funds	317	333	192	70	(122)

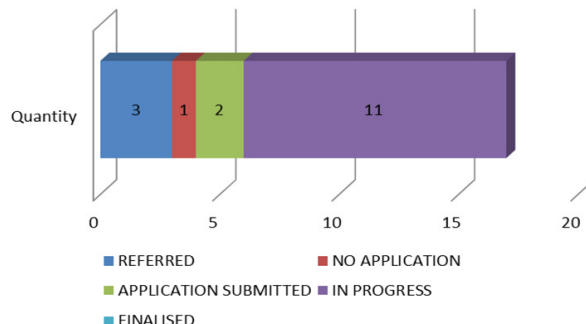
12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

External Funding Summary

Value of External Grant Applications by Status (YTD)



Number of External Grant Applications by Status (YTD)



October 2017 Progress

FUNDING REFERRED:

- Application in progress for the Nature Refuge Landholder Grant, value up to \$10,000
- Application in progress for Safer Communities Grant for CCTV/lighting in Capalaba Place, value up to \$30,000

UPCOMING:

- Natural Disaster Resilience Program due to open shortly, projects ready for application include evacuation centre upgrades and flood warning signs

Successful Funding Submissions YTD 2017/2018

Roads and Active Transport:

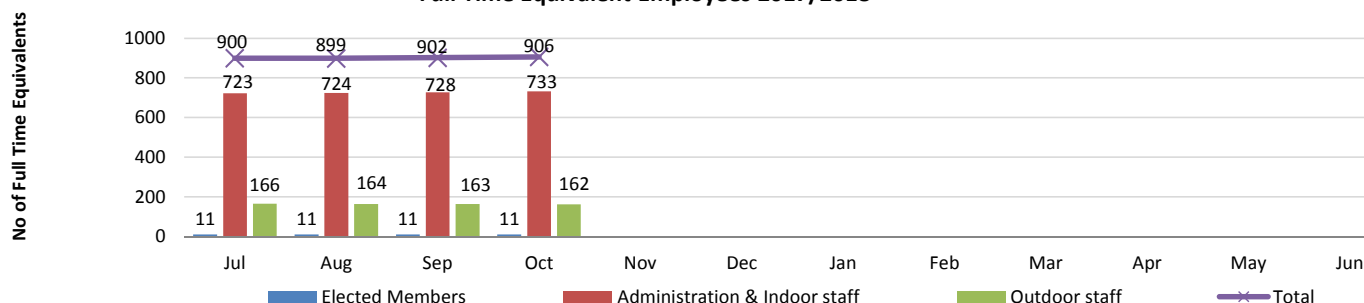
- \$875,000 for two Road Alliance projects to be completed in 2017/2018
- \$456,000 for city wide bus shelter renewals to be completed in 2017/2018

Economic Development:

- \$500,000 between 2017-2019 as part of the Advancing Regional Innovation Program (multiple partners including Logan City Council and Griffith University)
- \$916,137 between 2017-2019 for Indigiscapes Expansion Stage 2 under the Local Government Grants and Subsidies Program

Workforce Reporting

Full Time Equivalent Employees 2017/2018



Workforce reporting - October 2017: Headcount

Employee Type

Department Level	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	Total by Department
Office of CEO	9	2	26	4	6	2	49
Organisational Services	7	8	161	15	20	6	217
Community and Customer Service	30	5	241	61	32	14	383
Infrastructure and Operations	12	5	304	9	10	3	343
Total	58	20	732	89	68	25	992

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.