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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 January 2018. 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 Revised Budget	YTD Actual	YTD Variance	YTD Variance %	Status Favourable ✓ Unfavourable ≭	
Operating Surplus / (Deficit)	(11,136)	12,491	14,092	1,601	13%	✓	
Recurrent Revenue	261,639	166,933	166,635	(298)	0%	×	
Recurrent Expenditure	272,775	154,442	152,543	(1,899)	-1%	✓	
Capital Works Expenditure	94,860	37,576	34,998	(2,578)	-7%	✓	
Closing Cash & Cash Equivalents	140,234	147,360	134,126	(13,234)	-9%	×	

Council reported an operating surplus for the month of \$14.09M. Recurrent revenue is slightly lower than budget but offset by favourable variance in recurrent expenditure which is primarily due to underspend in consultant and contractor costs. 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 \$16.08M for contractors, mowing the city's parks and open spaces was \$1.69M 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 \$2.58M due to timing of works for a number of marine infrastructure and timing of capital acquisitions.

During the month \$11.05M was reclassified from property, plant and equipment to non-current assets held for sale representing a change in use of the assets.

Council's cash balance is below budget due to higher than anticipated payments to suppliers which includes \$7.85M for canal and lake special charges refund and below budget receipt of capital grants, subsidies and contributions. This is partially offset by below budget expenditure for property, plant and equipment and higher than anticipated receipts from customers. Constrained cash reserves represent 70% 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 January 2018	Target			
Operating Surplus Ratio (%)	✓	-4.26%	8.46%	Between 0% and 10% (on average over the long-term)			
Asset Sustainability Ratio (%)^	×	70.92%	44.96%	Greater than 90% (on average over the long-term)			
Net Financial Liabilities (%)*	\checkmark	-23.95%	-67.36%	Less than 60% (on average over the long-term)			
Level of Dependence on General Rate Revenue (%)	×	33.93%	38.88%	Less than 37.5%			
Ability to Pay Our Bills - Current Ratio	\checkmark	2.74	3.73	Between 1.1 & 4.1			
Ability to Repay Our Debt - Debt Servicing Ratio (%)	✓	2.99%	4.71%	Less than or equal to 10%			
Cash Balance \$M	\checkmark	\$140.234M	\$134.126M	Greater than or equal to \$50M			
Cash Balances - Cash Capacity in Months	✓	7.87	6.79	Greater than 3 months			
Longer Term Financial Stability - Debt to Asset Ratio (%)	✓	1.47%	1.40%	Less than or equal to 10%			
Operating Performance (%)	×	17.65%	7.44%	Greater than or equal to 15%			
Interest Coverage Ratio (%)**	\checkmark	-0.59%	-0.56%	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 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.



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



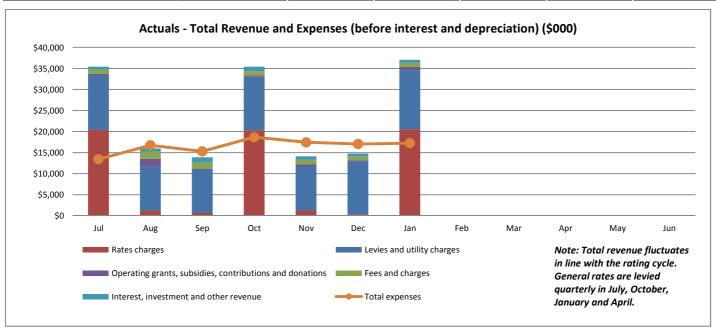
3. STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME For the period ending 31 January 2018						
	Annual	Annual	YTD	YTD	YTD	
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000	
Recurrent revenue						
Rates, levies and charges	227,186	227,186	148,880	148,284	(596)	
Fees and charges	13,048	13,048	7,918	7,920	2	
Rental income	839	839	485	530	45	
Interest received	4,361	4,361	2,515	2,604	89	
Investment returns	2,200	2,200	500	500	-	
Sales revenue	3,823	3,823	2,133	1,848	(285)	
Other income	684	684	457	617	160	
Grants, subsidies and contributions	9,497	9,497	4,045	4,332	287	
Total recurrent revenue	261,639	261,639	166,933	166,635	(298)	
Capital revenue						
Grants, subsidies and contributions	33,013	33,035	14,786	10,272	(4,514)	
Non-cash contributions	3,213	3,213	1,900	5	(1,895)	
Total capital revenue	36,226	36,248	16,686	10,277	(6,409)	
TOTAL INCOME	297,865	297,887	183,619	176,912	(6,707)	
Recurrent expenses						
Employee benefits	85,677	85,677	50,059	49,550	(509)	
Materials and services	125,787	125,787	68,612	66,135	(2,477)	
Finance costs	3,112	3,112	1,821	1,880	59	
Depreciation and amortisation	58,200	58,200	33,950	34,978	1,028	
Total recurrent expenses	272,775	272,775	154,442	152,543	(1,899)	
Capital expenses						
(Gain) / loss on disposal of non-current assets	289	36	(371)	372	743	
Total capital expenses	289	36	(371)	372	743	
TOTAL EXPENSES	273,064	272,811	154,071	152,915	(1,156)	
NET RESULT	24,801	25,076	29,548	23,997	(5,551)	
Other comprehensive income / (loss)						
Items that will not be reclassified to a net result			<u> </u>			
Revaluation of property, plant and equipment	-	-	-	(67)	(67)	
TOTAL COMPREHENSIVE INCOME	24,801	25,076	29,548	23,930	(5,618)	



4. OPERATING STATEMENT

OPERATING STATEMENT For the period ending 31 January 2018							
	Annual	Annual	YTD	YTD	YTD		
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000		
Revenue							
Rates charges	91,688	91,688	68,766	66,920	(1,846)		
Levies and utility charges	138,824	138,824	82,569	83,778	1,209		
Less: Pensioner remissions and rebates	(3,325)	(3,325)	(2,455)	(2,414)	41		
Fees and charges	13,048	13,048	7,918	7,920	2		
Operating grants and subsidies	8,795	8,795	3,666	4,114	448		
Operating contributions and donations	702	702	379	218	(161)		
Interest external	4,361	4,361	2,515	2,604	89		
Investment returns	2,200	2,200	500	500	-		
Other revenue	5,347	5,347	3,075	2,995	(80)		
Total revenue	261,639	261,639	166,933	166,635	(298)		
Expenses							
Employee benefits	85,677	85,677	50,059	49,550	(509)		
Materials and services	126,040	126,040	68,748	65,660	(3,088)		
Finance costs other	303	303	167	211	44		
Other expenditure	489	489	296	867	571		
Net internal costs	(741)	(741)	(432)	(392)	40		
Total expenses	211,767	211,767	118,838	115,896	(2,942)		
Earnings before interest, tax and depreciation (EBITD)	49,872	49,872	48,095	50,739	2,644		
Interest expense	2,809	2,809	1,654	1,669	15		
Depreciation and amortisation	58,200	58,200	33,950	34,978	1,028		
OPERATING SURPLUS / (DEFICIT)	(11,136)	(11,136)	12,491	14,092	1,601		





4. OPERATING STATEMENT - CONTINUED

LEVIES AND UTILITY CHARGES ANALYSIS For the period ending 31 January 2018							
	Annual	Annual	YTD	YTD	YTD		
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000		
Levies and utility charges							
Refuse collection rate charge	21,663	21,663	12,598	12,645	47		
Special charges	4,083	4,083	3,062	3,054	(8)		
SES separate charge	339	339	254	255	1		
Environment separate charge	7,568	7,568	5,676	5,712	36		
Separate charge landfill remediation	2,911	2,911	1,698	1,709	11		
Wastewater charges	43,647	43,647	25,461	25,322	(139)		
Water access charges	18,296	18,296	10,673	10,721	48		
Water consumption charges	40,317	40,317	23,147	24,360	1,213		
Total levies and utility charges	138,824	138,824	82,569	83,778	1,209		

MATERIALS AND SERVICES ANALYSIS For the period ending 31 January 2018						
	Annual	Annual	YTD	YTD	YTD	
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000	
Materials and services						
Contractors	34,121	34,349	18,227	16,079	(2,148)	
Consultants	4,465	4,364	1,730	800	(930)	
Other Council outsourcing costs*	17,355	17,487	9,863	9,968	105	
Purchase of materials	44,300	44,090	24,493	25,225	732	
Office administration costs	7,949	8,075	4,589	4,433	(156)	
Electricity charges	5,751	5,729	3,321	3,058	(263)	
Plant operations	4,466	4,480	2,429	2,463	34	
Information technology resources	2,811	2,647	1,374	1,277	(97)	
General insurance	1,363	1,363	799	781	(18)	
Community assistance**	1,619	1,622	926	843	(83)	
Other material and service expenses	1,840	1,834	997	733	(264)	
Total materials and services	126,040	126,040	68,748	65,660	(3,088)	

^{*} 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 January 2018							
	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	525	531	7,520
November	914	5,961	698	703	598	383	7,577
December	919	5,508	650	674	452	389	6,895
January	921	5,496	646	713	560	414	7,001
Total employee benefits YTD		39,574	4,663	4,810	3,692	3,189	49,550

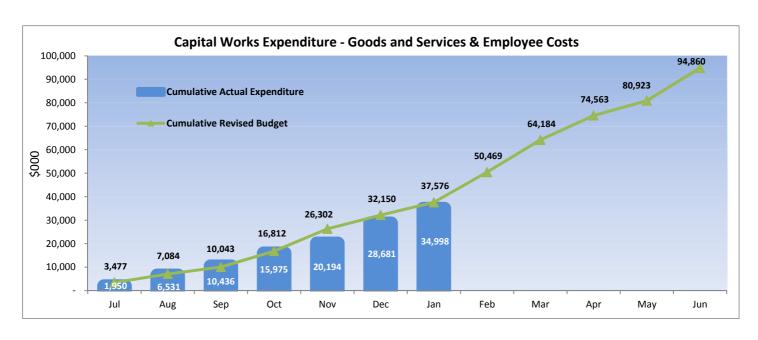
^{*} Refer to page 14 for further information on FTE and headcount.



5. CAPITAL FUNDING STATEMENT

CAPITAL FUNDING STATEMENT For the period ending 31 January 2018							
	Annual	Annual	YTD	YTD	YTD		
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000		
Sources of capital funding							
Capital contributions and donations	29,250	29,250	12,410	8,831	(3,579)		
Capital grants and subsidies	3,763	3,785	2,376	1,441	(935)		
Proceeds on disposal of non-current assets	1,180	1,433	575	462	(113)		
Capital transfers (to) / from reserves	(14,106)	(13,493)	(10,641)	(5,908)	4,733		
Non-cash contributions	3,213	3,213	1,900	5	(1,895)		
New loans	867	867	-	-	-		
Funding from general revenue	66,106	78,028	39,020	36,346	(2,674)		
Total sources of capital funding	90,272	103,082	45,640	41,177	(4,463)		
Application of capital funds	l						
Contributed assets	3,213	3,213	1,900	5	(1,895)		
Capitalised goods and services*	74,965	87,599	34,279	31,809	(2,470)		
Capitalised employee costs*	7,085	7,261	3,297	3,189	(108)		
Loan redemption	5,010	5,010	6,164	6,174	10		
Total application of capital funds	90,272	103,082	45,640	41,177	(4,463)		
Other budgeted items	I						
Transfers to constrained operating reserves	(13,268)	(13,268)	(7,618)	(9,698)	(2,080)		
Transfers from constrained operating reserves	11,565	11,565	6,631	11,578	4,947		
Written down value (WDV) of assets disposed	1,468	1,468	204	834	630		

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





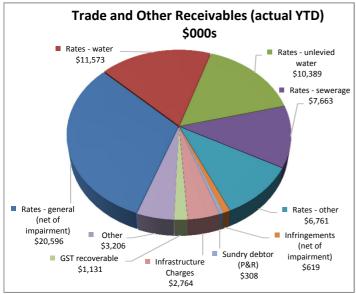
6. STATEMENT OF FINANCIAL POSITION

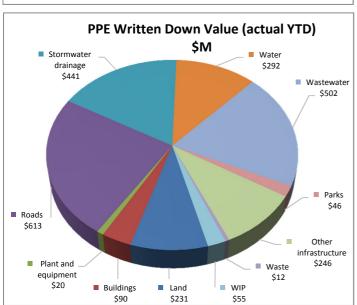
	STATEMENT OF FINANCIAL POSITION As at 31 January 2018					
	Annual	Annual	YTD	YTD		
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual Balance \$000		
CURRENT ASSETS			T			
Cash and cash equivalents	133,650	140,234	147,360	134,126		
Trade and other receivables	25,805	27,273	58,098	65,010		
Inventories	678	556	556	1,275		
Non-current assets held for sale	4,278	262	262	11,203		
Other current assets	2,122	2,073	2,073	2,616		
Total current assets	166,533	170,398	208,349	214,230		
NON-CURRENT ASSETS						
Investment property	1,054	1,091	1,091	1,091		
Property, plant and equipment	2,483,228	2,598,914	2,565,402	2,547,760		
Intangible assets	1,215	1,845	2,274	2,274		
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	2,583,552	2,565,910		
TOTAL ASSETS	2,658,064	2,787,033	2,791,901	2,780,140		
CURRENT LIABILITIES						
Trade and other payables	21,411	39,792	39,522	21,122		
Borrowings	7,701	7,713	7,713	7,713		
Provisions	13,126	13,014	12,718	10,555		
Other current liabilities	1,755	1,747	4,737	18,112		
Total current liabilities	43,993	62,266	64,690	57,502		
NON-CURRENT LIABILITIES						
Borrowings	33,461	33,343	31,322	31,312		
Provisions	12,356	12,115	12,108	13,165		
Total non-current liabilities	45,817	45,458	43,430	44,477		
TOTAL LIABILITIES	89,811	107,724	108,120	101,979		
NET COMMUNITY ASSETS	2,568,254	2,679,309	2,683,781	2,678,161		
COMMUNITY EQUITY		·				
Asset revaluation surplus	963,349	1,070,838	1,070,838	1,070,771		
Retained surplus	1,498,727	1,503,632	1,511,671	1,513,718		
Constrained cash reserves	106,178	104,839	101,272	93,672		
TOTAL COMMUNITY EQUITY	2,568,254	2,679,309	2,683,781	2,678,161		

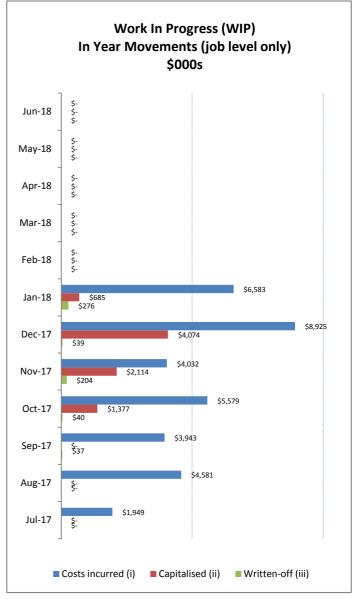
The annual revised budgeted balances for 2017/2018 include the changes from the budget carryovers adopted by Council on 23 August 2017. The differences between the carryover budget figures and those published are due to the actual opening balances on 1 July 2017, which are now finalised following end 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) Assets registered: additions to the asset register which includes unwinding of 2016/2017 accruals and new capitalisations.
- (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 January 2018							
	Annual	Annual	YTD	YTD			
	Original	Revised	Revised	Actual			
	Budget	Budget	Budget	Balance			
	\$000	\$000	\$000	\$000			
PPE movement	_						
Opening balance (includes WIP from previous years)	2,456,540	2,559,417	2,559,417	2,559,417			
Acquisitions and WIP in year movement	85,217	98,026	39,475	35,055			
Depreciation in year	(57,061)	(57,061)	(33,286)	(34,419)			
Disposals	(1,468)	(1,468)	(204)	(670)			
Other adjustments**	-	-	-	(11,623)			
Closing balance	2,483,228	2,598,914	2,565,402	2,547,760			

^{*} 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. Includes reclassification of \$11.05M from property, plant and equipment to non-current assets held for sale.

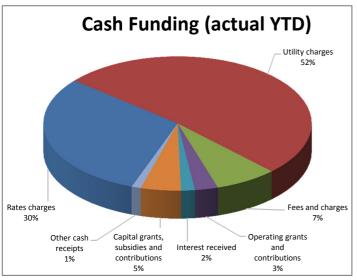




7. STATEMENT OF CASH FLOWS

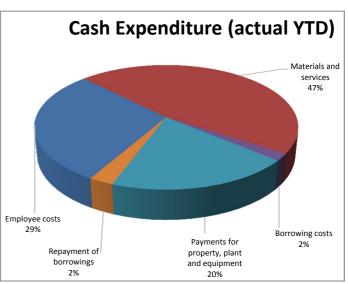
STATEMENT OF CASH FLOWS For the period ending 31 January 2018						
	Annual	Annual	YTD	YTD		
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000		
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	244,741	244,741	134,229	141,827		
Payments to suppliers and employees	(210,402)	(210,527)	(118,171)	(135,001)		
	34,340	34,215	16,058	6,826		
Interest received	4,361	4,361	2,516	2,604		
Rental income	839	839	485	530		
Non-capital grants and contributions	9,547	9,547	4,045	4,332		
Borrowing costs	(3,175)	(3,175)	(3,175)	(3,186)		
Net cash inflow / (outflow) from operating activities	45,912	45,787	19,929	11,106		
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments for property, plant and equipment	(82,005)	(94,815)	(37,576)	(35,049)		
Payments for intangible assets	(45)	(45)	-	51		
Proceeds from sale of property, plant and equipment	1,180	1,433	575	462		
Capital grants, subsidies and contributions	33,013	33,035	14,786	7,508		
Other cash flows from investing activities	2,200	2,200	(2,125)	(1,710)		
Net cash inflow / (outflow) from investing activities	(45,656)	(58,192)	(24,340)	(28,738)		
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)	(9,055)	(22,289)		
Cash and cash equivalents at the beginning of the year	137,171	156,415	156,415	156,415		

133,650



Cash and cash equivalents at the end of the financial year / period

Total Cash Funding (Actual YTD)	155,553
Total Cash Funding (Annual Revised Budget)	297,023
% of Budget Achieved YTD	52%



140,234

147,360

134,126

Total Cash Expenditure (Actual YTD)	177,842
Total Cash Expenditure (Annual Revised Budget)	313,204
% of Budget Achieved YTD	57%

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 January 2018 **INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)** Net Interest Closing Investment Balances \$M Received (\$000) 5.0% 370 360 350 340 330 310 300 290 280 270 260 250 240 180 4.0% QTC Annual 170 Effective Rate Ex-3.0% Fees 160 Reserve Bank Cash 150 2.0% Rate 141 140 133 1.0% 130 0.0% 120 Nov-17 Dec-17 Jan-18 Dec-17 Nov-17 Jan-18

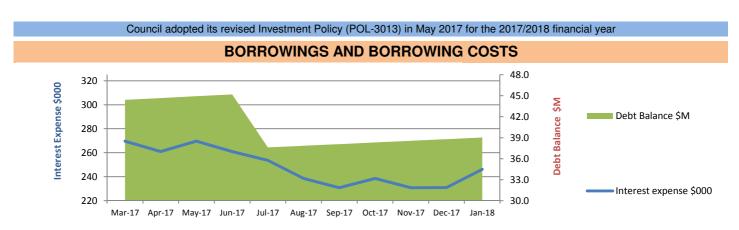
Total Investment at End of Month was \$133.29M

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 2.62% exceeds the Bloomberg AusBond Bank Bill Index (previously the UBS Bank Bill Index) of 1.75% as at the end of January 2018 in accordance with Corporate POL-3013. Term deposit rates are being monitored to identify investment opportunities to ensure Council maximises its interest earnings.



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 \$39.03M

General pool allocated to capital works is 99.27% and 0.73% is attributable to RedWaste.

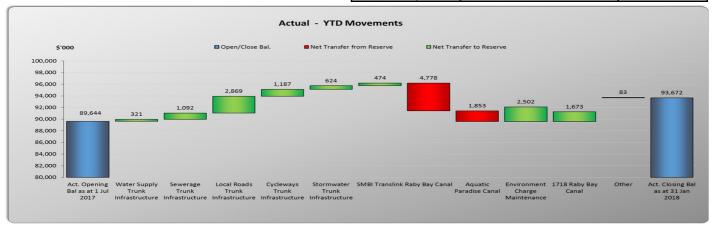
Council adopted its revised Debt Policy (POL-1838) in June 2017 for the 2017/2018 financial year





9. CONSTRAINED CASH RESERVES

Reserves as at 31 January 2018	Opening Balance	To Reserve	From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
Special Projects Reserve:				
Weinam Creek Reserve	3,075	289	(16)	3,348
Red Art Gallery Commissions & Donations Reserve	4	-	-	4
	3,079	289	(16)	3,352
Constrained Works Reserve:				
Public Parks Trunk Infrastructure Reserve	8,693	1,621	(1,581)	8,733
Land for Community Facilities Trunk Infrastruture Reserve	1,675	255	-	1,930
Water Supply Trunk Infrastructure Reserve	9,478	321	-	9,799
Sewerage Trunk Infrastructure Reserve	6,573	1,516	(424)	7,665
Constrained Works Reserve-Capital Grants & Contributions	1,154	-	(103)	1,051
Local Roads Trunk Infrastructure Reserve	30,570	3,162	(293)	33,439
Cycleways Trunk Infrastructure Reserve	8,343	1,275	(88)	9,530
Stormwater Trunk Infrastructure Reserve	7,553	624	-	8,177
Constrained Works Reserve-Operating Grants & Contributions	2,667	-	(150)	2,517
Tree Planting Reserve	86	26	ı	112
	76,792	8,800	(2,639)	82,953
Separate Charge Reserve - Environment:				
Environment Charge Acquisition Reserve	618	-	(77)	541
Environment Charge Maintenance Reserve	1,387	5,712	(3,210)	3,889
	2,005	5,712	(3,287)	4,430
Special Charge Reserve - Other:				
Bay Island Rural Fire Levy Reserve	-	140	(112)	28
SMBI Translink Reserve	(6)	712	(238)	468
	(6)	852	(350)	496
Special Charge Reserve - Canals:				
Raby Bay Canal Reserve	4,778	15	(4,793)	-
Aquatic Paradise Canal Reserve	2,592	12	(1,865)	739
Sovereign Waters Lake Reserve	404	3	12	419
1718 Raby Bay Canal Reserve	-	2,097	(424)	1,673
1718 Aquatic Paradise Canal Reserve	-	653	(1,030)	(377)
1718 Sovereign Waters Lake Reserve	-	39	(52)	(13)
	7,774	2,819	(8,152)	2,441
TOTALS	89,644	18,472	(14,444)	93,672
	Closing cash and o	ash equivalents		134,126
	Reserves as perce	ntage of cash bala	nce	70%



Total Reserves increased by \$1.46M during the month. YTD growth in developer cash contributions totalled \$8.80M with drawdowns of \$2.39M. Increases are predominantly from developments in Cleveland, Victoria Point, Thornlands, Ormiston, Capalaba and Birkdale. YTD growth in other reserves totalled \$9.67M, with drawdowns totalling \$12.06M. \$2.82M of the increase in reserves is attributed to canals and lakes. The process for issuing refunds for the reserve balances quarantined for maintenance and repairs since 2011-12, has been worked through and as at end of January, Council has processed 95% of the refunds. New 2017/2018 canal and lake reserves reflect the current year program for revenue and expenditure. \$2.50M movement in the Environment Charge Maintenance Reserve is associated with the Environment Separate Charge (which is recognised in line with the rating cycle), offset by YTD spending on designated projects.





10. REDLAND WATER STATEMENTS

REDLAND WATER SUMMARY OPERATING STATEMENT For the period ending 31 January 2018										
Annual Annual YTD YTD YTD										
	Original Revised Revised Budget Budget Budget \$000 \$000									
Total revenue	105,147	105,147	60,843	61,716	873					
Total expenses	59,688	59,688	33,674	33,655	(19)					
Earnings before interest, tax and depreciation (EBITD)	45,459	45,459	27,169	28,061	892					
Interest expense	18,265	18,265	10,654	10,654	-					
Depreciation	18,457	18,457	10,767	12,778	2,011					
Operating surplus / (deficit)	8,737	8,737	5,748	4,629	(1,119)					

REDLAND WATER CAPITAL FUNDING STATEMENT For the period ending 31 January 2018										
Annual Annual YTD YTD YTD										
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000					
Capital contributions, donations, grants and subsidies	6,631	6,631	1,864	2,181	317					
Net transfer (to) / from constrained capital reserves	(3,120)	(3,117)	(3,251)	(1,413)	1,838					
Non-cash contributions	3,131	3,131	1,826	-	(1,826)					
Funding from utility revenue	4,675	6,186	5,423	2,725	(2,698)					
Total sources of capital funding	11,316	12,830	5,862	3,493	(2,369)					
Contributed assets	3,131	3,131	1,826	-	(1,826)					
Capitalised expenditure	8,185	9,699	4,036	3,493	(543)					
Total application of capital funds	11,316	12,830	5,862	3,493	(2,369)					

11. REDWASTE STATEMENTS

REDWASTE OPERATING STATEMENT For the period ending 31 January 2018										
Annual Annual YTD YTD YTD										
	Original Budget \$000	Actual \$000	Variance \$000							
Total revenue	24,532	24,532	14,271	14,752	481					
Total expenses	17,480	17,480	10,313	11,206	893					
Earnings before interest, tax and depreciation (EBITD)	7,052	7,052	3,958	3,546	(412)					
Interest expense	33	33	19	20	1					
Depreciation	307	307	179	98	(81)					
Operating surplus / (deficit)	6,712	6,712	3,760	3,428	(332)					

REDWASTE CAPITAL FUNDING STATEMENT For the period ending 31 January 2018									
Annual Annual YTD YTD '									
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000				
Non-cash contributions	-	-	-	-	-				
Funding from utility revenue	317	333	245	284	39				
Total sources of capital funding	317	333	245	284	39				
Capitalised expenditure	240	249	148	187	39				
Loan redemption	77	83	97	97	-				
Total application of capital funds	317	333	245	284	39				

Note: Due to a change in the reporting structure in February 2018, financial statements for Redland Water and Redwaste will change from 8 February 2018.

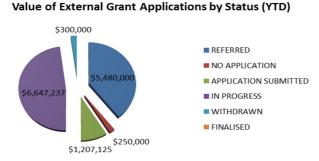




12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

External Funding Summary

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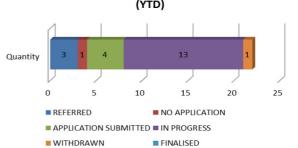
GRANTS REFERRED

- Applications open for Heavy Vehicle and Productivity Program, currently exploring necessary culvert upgrades on major roads where Council is unable to approve Heavy Vehicle Permits
- Applications open for final round of Lasting Legacies and Spirit of Service Grants, improvements to war memorials currently being explored for potential projects

UPCOMING GRANTS:

- Natural Disaster Resilience Program (NDRP) due to open shortly, projects ready for application include evacuation centre upgrades and flood warning signs
- Transport Infrastructure Development Scheme and Passenger Transport
 Accessible Infrastructure Fund expressions of interest are due to be called in the
 coming months in preparation for QTrip shutdown in March 2018

Number of External Grant Applications by Status (YTD)



Successful Funding Submissions YTD 2017/2018

Environment:

 - \$6,977 for revegetation of the Coolnwynpin Creek Corridor Koala Refuge under the Nature Refuge Landholder Grant to be completed in late 2017/2018

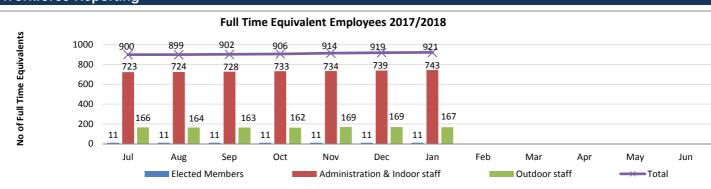
Roads and Active Transport.

- \$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



Workforce reporting - January 2018: Headcount	Employee Type						
Department Level	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	Total by Department
Office of CEO	8	2	30	5	5	1	51
Organisational Services	11	6	165	15	23	5	225
Community and Customer Service	29	5	234	65	37	12	382
Infrastructure and Operations	8	5	307	9	15	2	346
Total	56	18	736	94	80	20	1004

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) moved from the Office of CEO to join Organisational Services.



end would cover operating cash outflows

long term debt be covered by total assets

Operating Performance:

Interest Coverage Ratio:

meet the financing charges

capabilities

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

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

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

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*: Net Operating Surplus Total Operating Revenue This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes Asset Sustainability Ratio*: Capital Expenditure on Replacement of Infrastructure Assets (Renewals) Depreciation Expenditure on Infrastructure Assets This ratio indicates whether Council is renewing or replacing existing nonfinancial assets at the same rate that its overall stock of assets is wearing out Net Financial Liabilities*: Total Liabilities - Current Assets Total Operating Revenue This is an indicator of the extent to which the net financial liabilities of Council can be serviced by operating revenues Level of Dependence on General Rate Revenue: General Rates - Pensioner Remissions This ratio measures Council's reliance on operating revenue from general Total Operating Revenue - Gain on Sale of Developed Land rates (excludes utility revenues) **Current Assets** Current Ratio: This measures the extent to which Council has liquid assets available to meet Current Liabilities short term financial obligations Interest Expense + Loan Redemption Debt Servicing Ratio: This indicates Council's ability to meet current debt instalments with recurrent Total Operating Revenue - Gain on Sale of Developed Land revenue Cash Balance - \$M: Cash Held at Period End Cash balance include cash on hand, cash at bank and other short term investments. Cash Capacity in Months: Cash Held at Period End This provides an indication as to the number of months cash held at period [[Cash Operating Costs + Interest Expense] / Period in Year]



Current and Non-current loans

Total Assets

Net Cash from Operations + Interest Revenue and Expense

Cash Operating Revenue + Interest Revenue

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.