

Monthly Financial Report

October 2018



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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 2018. Council's 2017/2018 financial statements were signed off and certified by the Queensland Audit Office on 15 October 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 22 August 2018.

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)	(2,951)	17,419	17,831	412	2%	✓
Recurrent Revenue	279,136	106,634	105,364	(1,270)	-1%	✗
Recurrent Expenditure	282,087	89,215	87,533	(1,682)	-2%	✓
Capital Works Expenditure	83,981	22,048	20,350	(1,698)	-8%	✓
Closing Cash & Cash Equivalents	148,305	124,106	140,796	16,690	13%	✓

Council reported a year to date operating surplus of \$17.8M which is favourable to the revised budget by \$412K due to less than budget recurrent expenditure. The second quarter rate notices were issued in October 2018. Bulk water consumption is lower than expected, resulting in lower than expected revenue. The favourable variance in depreciation expense is due to lower opening asset balances for 2018/2019 which include the results from the 2017/2018 asset revaluation decrement in roads and stormwater assets, as well as lower developer contributed assets. These end of year adjustments influenced the decrease in depreciation expense and contributed to the favourable variance in recurrent expenditure.

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

Council's capital works expenditure is below budget by \$1.7M mainly due to \$1.2M underspend in fleet replacement program.

Council is scheduled to consider its first budget review in December 2018 which will address some of the variances mentioned above.

Cash balance is higher than budget due to the transfer of \$3.8M funds held in trust to the general reserve account following Council's resolution dated 8 August and settlement of \$3.5M loan provided to Redland Investment Corporation. Timing of general rates received and \$1.6M receipt of infrastructure charges also contributed to the higher cash balance. Constrained cash reserves represent 76% 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 2018	Target
Operating Surplus Ratio (%)	✓	-1.06%	16.92%	Between 0% and 10% (on average over the long-term)
Asset Sustainability Ratio (%)	✗	56.02%	48.72%	Greater than 90% (on average over the long-term)
Net Financial Liabilities (%)*	✓	-36.82%	-108.61%	Less than 60% (on average over the long-term)
Level of Dependence on General Rate Revenue (%)	✗	34.93%	44.16%	Less than 40%
Ability to Pay Our Bills - Current Ratio	✓	3.50	3.47	Between 1.1 & 4.1
Ability to Repay Our Debt - Debt Servicing Ratio (%)	✓	2.81%	7.44%	Less than or equal to 15%
Cash Balance \$M	✓	\$148.305M	\$140.796M	Greater than or equal to \$50M
Cash Balances - Cash Capacity in Months	✓	8.19	7.26	Greater than 3 months
Longer Term Financial Stability - Debt to Asset Ratio (%)	✓	1.34%	1.20%	Less than or equal to 10%
Operating Performance (%)	✓	22.19%	19.06%	Greater than or equal to 10%
Interest Coverage Ratio (%)**	✓	-0.67%	-0.71%	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 2018/2019 include the changes from the budget carryovers adopted by Council on 22 August 2018. However, until the first budget review is adopted by Council, 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 31 October 2018

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Recurrent revenue					
Rates charges	100,486	100,486	48,307	47,933	(374)
Levies and utility charges	146,618	146,618	50,042	48,187	(1,855)
Less: Pensioner remissions and rebates	(3,493)	(3,493)	(1,662)	(1,575)	87
Fees	13,673	13,673	5,316	5,295	(21)
Rental income	912	912	290	263	(27)
Interest received	4,289	4,289	1,437	1,581	144
Dividend received	1,000	1,000	-	-	-
Sales revenue	3,735	3,735	1,311	1,505	194
Other income	694	694	356	521	165
Grants, subsidies and contributions	11,223	11,223	1,237	1,654	417
Total recurrent revenue	279,136	279,136	106,634	105,364	(1,270)
Recurrent expenses					
Employee benefits	86,248	86,758	29,187	28,651	(536)
Materials and services	129,100	129,190	38,017	37,551	(466)
Finance costs	2,840	2,840	965	966	1
Depreciation and amortisation	63,505	63,505	21,168	20,132	(1,036)
Other expenditure	507	507	114	489	375
Net internal costs	(713)	(713)	(236)	(256)	(20)
Total recurrent expenses	281,487	282,087	89,215	87,533	(1,682)
OPERATING SURPLUS / (DEFICIT)	(2,351)	(2,951)	17,419	17,831	412
Capital revenue					
Grants, subsidies and contributions	32,501	32,727	7,114	4,326	(2,788)
Non-cash contributions	6,868	6,868	-	-	-
Total capital revenue	39,369	39,595	7,114	4,326	(2,788)
Capital expenses					
(Gain) / loss on disposal of non-current assets	289	101	81	(240)	(321)
Total capital expenses	289	101	81	(240)	(321)
TOTAL INCOME	318,505	318,731	113,748	109,690	(4,058)
TOTAL EXPENSES	281,776	282,188	89,296	87,293	(2,003)
NET RESULT	36,729	36,543	24,452	22,397	(2,055)
Other comprehensive income / (loss)					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	36,729	36,543	24,452	22,397	(2,055)

3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

LEVIES AND UTILITY CHARGES ANALYSIS For the period ending 31 October 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	24,307	24,307	8,102	8,007	(95)
Special charges	723	723	603	603	-
SES separate charge	478	478	239	240	1
Environment separate charge	8,180	8,180	4,090	4,072	(18)
Separate charge landfill remediation	3,106	3,106	1,035	1,031	(4)
Wastewater charges	44,951	44,951	14,984	14,654	(330)
Water access charges	18,665	18,665	6,222	6,175	(47)
Water consumption charges	46,207	46,207	14,767	13,405	(1,362)
Total levies and utility charges	146,618	146,618	50,042	48,187	(1,855)

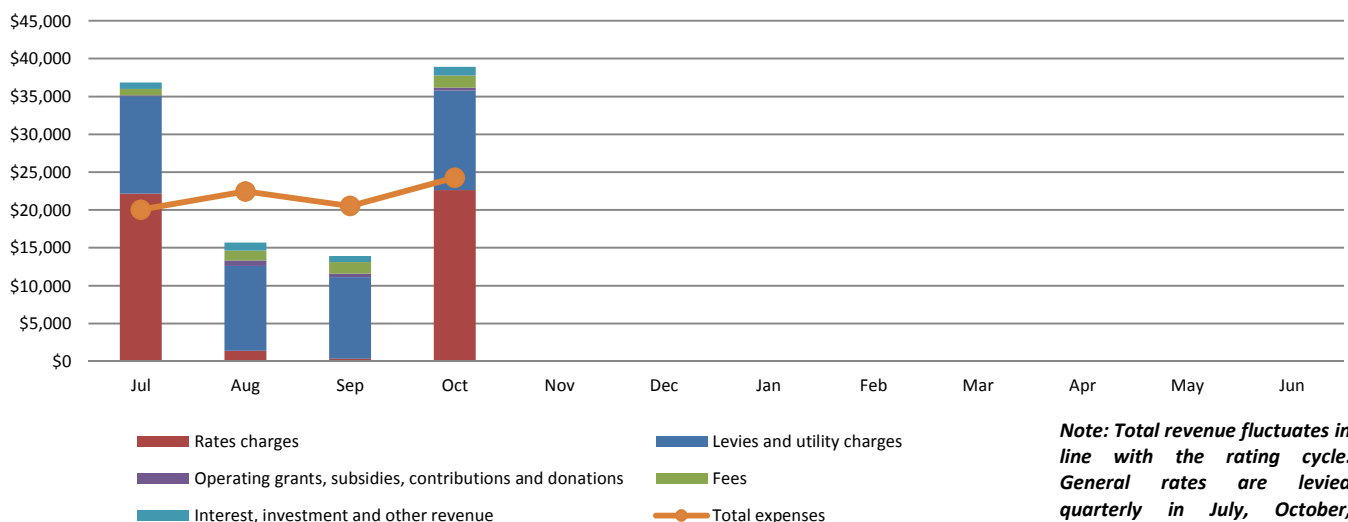
MATERIALS AND SERVICES ANALYSIS For the period ending 31 October 2018

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Materials and services					
Contractors	33,755	33,793	8,656	9,386	730
Consultants	4,500	4,358	787	637	(150)
Other Council outsourcing costs*	16,902	17,053	5,287	5,441	154
Purchase of materials	48,229	48,228	14,915	14,030	(885)
Office administration costs	8,649	8,424	2,491	2,514	23
Electricity charges	5,786	5,786	2,001	1,779	(222)
Plant operations	4,190	4,223	1,372	1,181	(191)
Information technology resources	2,820	2,988	853	862	9
General insurance	1,423	1,423	470	459	(11)
Community assistance**	1,583	1,650	732	764	32
Other material and service expenses	1,263	1,264	453	498	45
Total materials and services	129,100	129,190	38,017	37,551	(466)

* 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.

Actuals - Total Revenue and Expenses (\$000)



Note: Total revenue fluctuates in line with the rating cycle. General rates are levied quarterly in July, October, January and April.

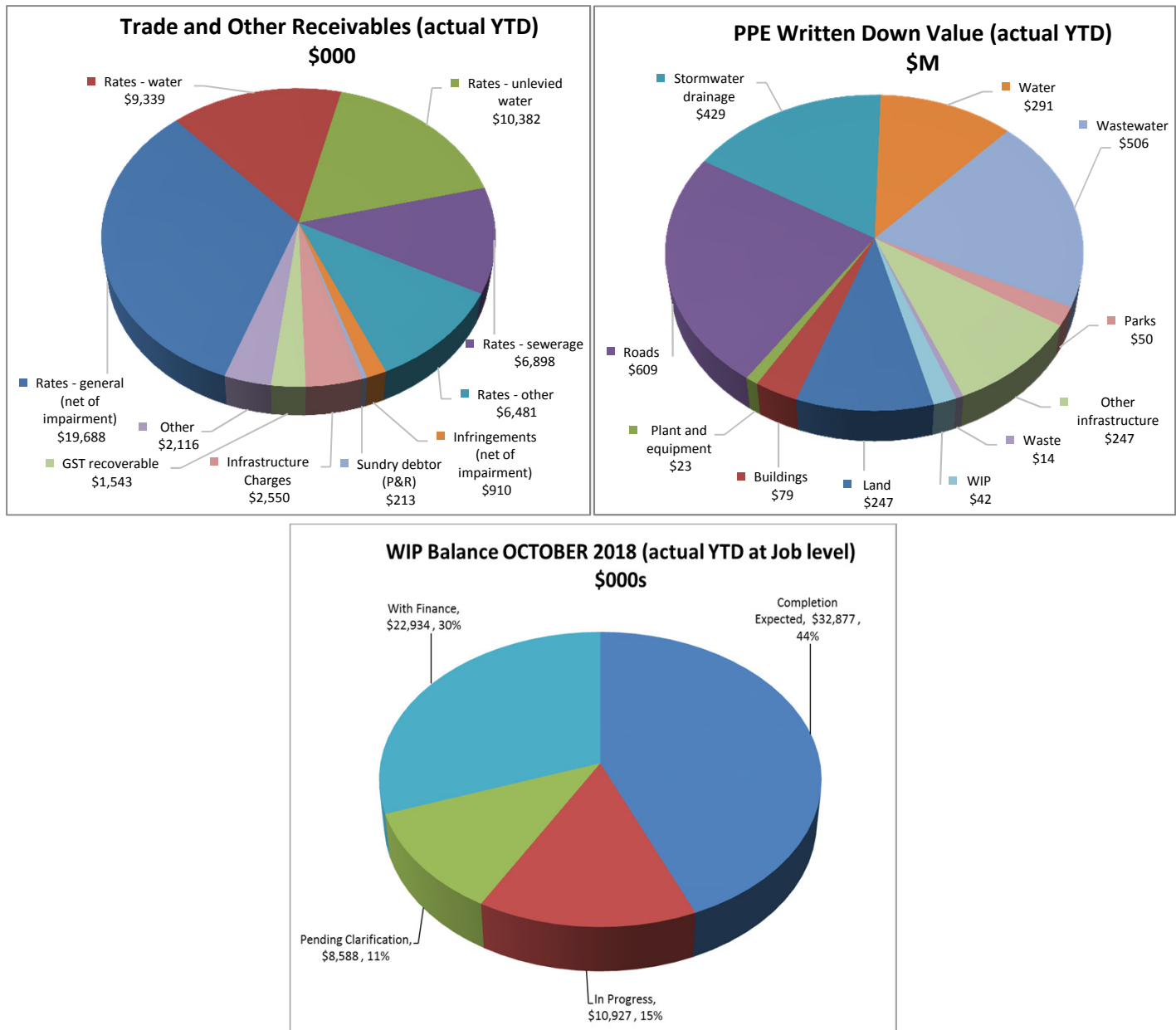
4. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION As at 31 October 2018

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000
CURRENT ASSETS				
Cash and cash equivalents	167,263	148,305	124,106	140,796
Trade and other receivables	27,273	40,744	77,483	60,120
Inventories	556	1,108	1,108	1,001
Non-current assets held for sale	262	11,113	11,113	11,113
Other current assets	2,073	2,033	2,033	2,589
Total current assets	197,428	203,303	215,843	215,619
NON-CURRENT ASSETS				
Investment property	1,091	1,091	1,091	1,091
Property, plant and equipment	2,608,476	2,564,255	2,538,408	2,537,498
Intangible assets	826	1,014	1,663	1,970
Other financial assets	73	73	73	73
Investment in other entities	14,712	14,791	14,791	14,791
Total non-current assets	2,625,178	2,581,224	2,556,026	2,555,423
TOTAL ASSETS	2,822,606	2,784,527	2,771,869	2,771,042
CURRENT LIABILITIES				
Trade and other payables	40,840	31,435	21,330	23,308
Borrowings - current	7,713	7,728	7,728	7,728
Provisions - current	13,742	14,284	13,798	12,470
Other current liabilities	1,747	4,654	18,760	18,716
Total current liabilities	64,041	58,101	61,616	62,222
NON-CURRENT LIABILITIES				
Borrowings - non current	29,651	29,520	25,437	25,437
Provisions - non current	12,115	12,905	12,905	13,528
Total non-current liabilities	41,766	42,425	38,342	38,965
TOTAL LIABILITIES	105,807	100,526	99,958	101,187
NET COMMUNITY ASSETS	2,716,799	2,684,001	2,671,911	2,669,855
COMMUNITY EQUITY				
Asset revaluation surplus	1,070,838	1,003,168	1,003,168	1,003,168
Retained surplus	1,517,043	1,567,125	1,564,876	1,559,883
Constrained cash reserves	128,918	113,708	103,867	106,804
TOTAL COMMUNITY EQUITY	2,716,799	2,684,001	2,671,911	2,669,855

The annual revised budgeted balances for 2018/2019 include the changes from the budget carryovers adopted by Council on 22 August 2018. However, until the first budget review is adopted by Council, the balances will reconcile to the financial management system and may be different to the published carryover budget.

4. STATEMENT OF FINANCIAL POSITION - CONTINUED



PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT*

For the period ending 31 October 2018

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual Balance \$000
PPE movement				
Opening balance (includes WIP from previous years)	2,598,959	2,537,638	2,537,638	2,537,638
Acquisitions and WIP in year movement	73,748	90,848	22,047	20,115
Depreciation in year	(62,532)	(62,532)	(20,844)	(19,807)
Disposals	(1,699)	(1,699)	(433)	(110)
Other adjustments**	-	-	-	(338)
Closing balance	2,608,476	2,564,255	2,538,408	2,537,498

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

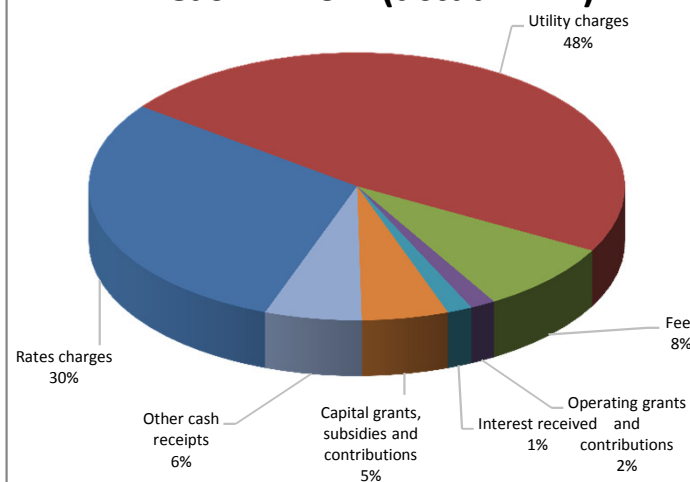
** Other adjustments include transfers between asset classes, revaluation adjustments, prior period adjustments and depreciation thereon.

5. STATEMENT OF CASH FLOWS

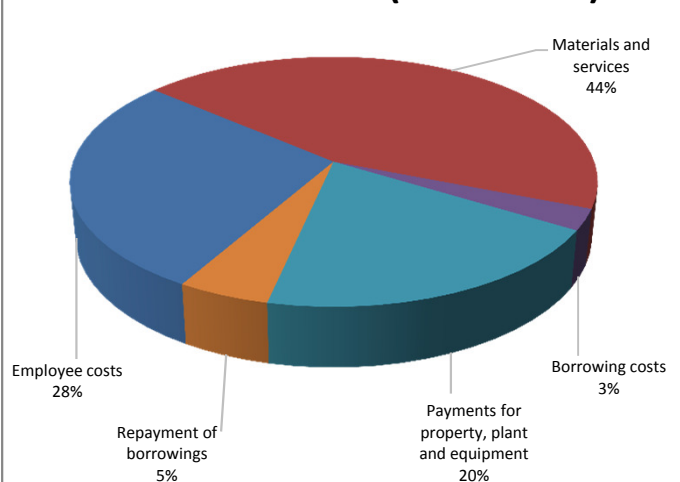
STATEMENT OF CASH FLOWS For the period ending 31 October 2018

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	261,712	261,712	81,036	92,398
Payments to suppliers and employees	(213,794)	(214,394)	(76,031)	(74,764)
	47,919	47,318	5,005	17,634
Interest received	4,289	4,289	1,437	1,581
Dividend received*	1,000	1,000	-	-
Rental income	912	912	290	263
Non-capital grants and contributions	11,223	11,223	1,237	1,600
Borrowing costs	(2,809)	(2,809)	(2,809)	(2,809)
Net cash inflow / (outflow) from operating activities	62,533	61,933	5,160	18,269
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(66,880)	(83,981)	(22,048)	(20,115)
Payments for intangible assets	-	-	-	(235)
Proceeds from sale of property, plant and equipment	1,410	1,598	353	350
Capital grants, subsidies and contributions	32,501	32,727	7,114	5,500
Other cash flows from investing activities	-	-	-	3,500
Net cash inflow / (outflow) from investing activities	(32,969)	(49,656)	(14,581)	(11,000)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds of borrowings	2,500	2,500	-	-
Repayment of borrowings	(5,035)	(5,035)	(5,035)	(5,035)
Net cash inflow / (outflow) from financing activities	(2,535)	(2,535)	(5,035)	(5,035)
Net increase / (decrease) in cash held	27,030	9,743	(14,456)	2,234
Cash and cash equivalents at the beginning of the year	140,234	138,562	138,562	138,562
Cash and cash equivalents at the end of the financial year / period	167,263	148,305	124,106	140,796

Cash Inflow (actual YTD)



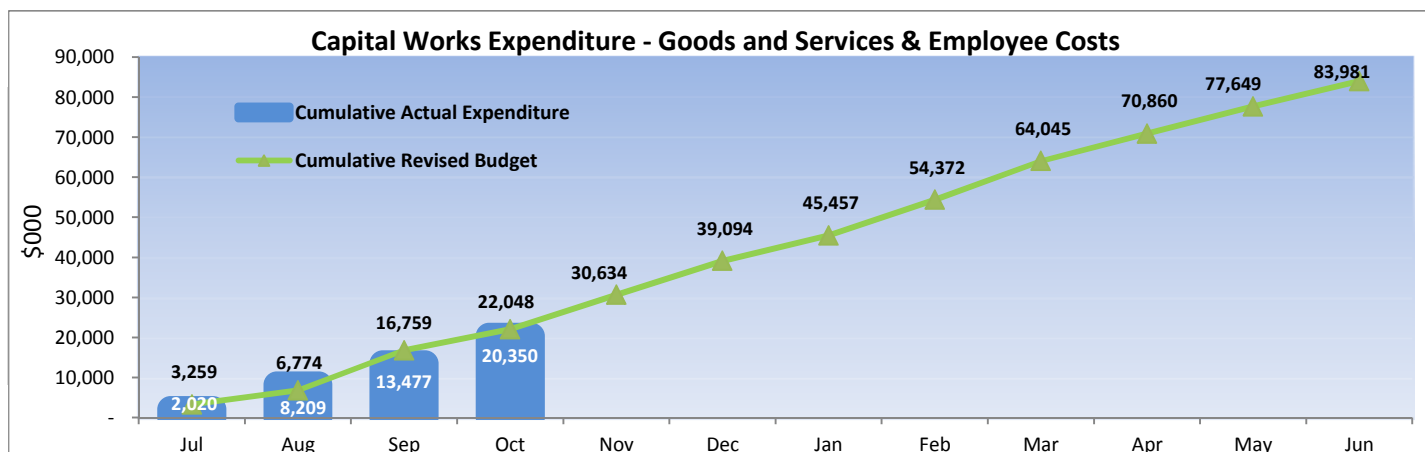
Cash Outflow (actual YTD)



Total Cash Funding (Actual YTD)	105,192	Total Cash Expenditure (Actual YTD)	102,958
Total Cash Funding (Annual Revised Budget)	315,961	Total Cash Expenditure (Annual Revised Budget)	306,218
% of Budget Achieved YTD	33%	% of Budget Achieved YTD	34%

* Reclassified as operating cash flow to align with Annual Financial Statements and permitted by Australian Accounting Standard AASB 107 Statement of Cash Flows.

6. CAPITAL EXPENDITURE



	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Capitalised goods and services	76,884	18,675	17,879	(796)
Capitalised employee costs	7,097	3,373	2,471	(902)
Total	83,981	22,048	20,350	(1,698)

7. PROGRAM AND PROJECT UPDATE

■ Favourable (budget under / schedule on track)	■ Meeting expectations (budget and schedule on track)	■ Within tolerance (one of budget or schedule not on track)	■ Unfavourable (budget and schedule not on track)	■ Others (schedule to be tracked)
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Projects and Programs are what Council uses to introduce change to achieve corporate outcomes. They allow new infrastructure, products, systems, procedures and services to be delivered. Projects may be undertaken on a standalone basis or as part of a program. Programs and projects may span multiple financial years.

Council is currently progressing 163 programs and projects.

	Annual Revised Budget \$000	YTD Actual \$000	Commitments \$000
Total Programs and Projects in Progress			
Capital*	74,331	17,755	12,076
Operational	11,068	2,391	1,844

*The capital spend on programs and projects is a subset of Council's total capital budget which includes business as usual capital spend such as replacement of computers, fleet etc.

Notable Projects

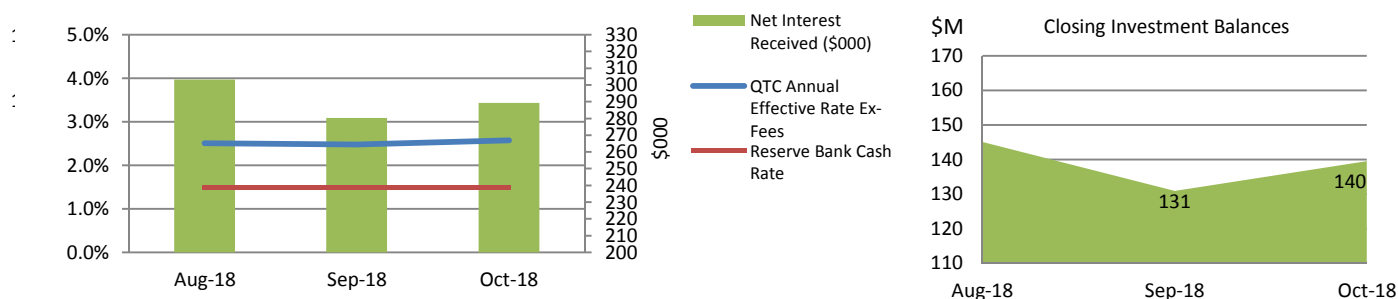
Financially significant projects with an annual budget of more than \$1M constitute 22 projects out of 163 and accounts for 66.48% of the total programs and project budget. The status of two notable projects are as follows:

Project description	Progress
Road Upgrade - Collins street and School of Arts Road - Service relocations and road construction delivery	This project is on track.
Victoria Point WWTP Structural Improvements - Repair of structural distress of the oxidation ditch within the wastewater treatment plant (concept design and construction)	This project is currently underspent on budget however on track for delivery.

8. INVESTMENT & BORROWINGS REPORT

For the period ending 31 October 2018

INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)



Total Investment at End of Month was \$139.51M

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

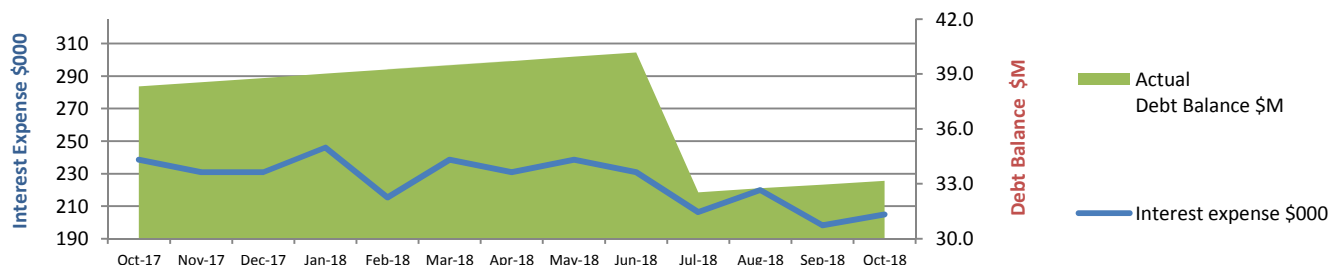
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

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 2.57% exceeds the Bloomberg AusBond Bank Bill Index (previously the UBS Bank Bill Index) of 1.89% as at the end of October 2018 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 June 2018 for the 2018/2019 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, debt repayment of \$7.84M, being \$5.03M principal and \$2.81M interest has been made *annually* in advance for 2018/2019 which will result in the loans being repaid approximately one year earlier.

The debt balance shows a decrease as the Annual Debt Service Payment (ADSP) was made during July 2018. Interest will accrue monthly on a daily balance until next ADSP in July 19 which is reflected in the increasing debt balance.

Total Borrowings at End of Month were \$33.17M

General pool allocated to capital works is 99.42% and 0.58% is attributable to RedWaste.

Council adopted its revised Debt Policy (POL-1838) in June 2018 for the 2018/2019 financial year

9. CONSTRAINED CASH RESERVES

Reserves as at 31 October 2018	Purpose of reserve	Opening Balance	To Reserve	From Reserve	Closing Balance
		\$000	\$000	\$000	\$000
Special Projects Reserve:					
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	3,625	151	(9)	3,767
Red Art Gallery Commissions & Donations Reserve	Purchases of art work for the RCC art collection	7	-	(7)	-
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	-	1,489	(8)	1,481
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	-	5,604	(583)	5,021
		3,632	7,244	(607)	10,269
Constrained Works Reserve:					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	7,324	510	(1,648)	6,186
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	2,192	81	-	2,273
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	10,107	3,871	-	13,978
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	9,222	632	(4)	9,850
Constrained Works Reserve-Capital Grants & Contributions	Unexpended capital grants and contributions received for specific projects	651	-	(40)	611
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	35,922	1,525	(653)	36,794
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	10,783	420	-	11,203
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	8,884	335	-	9,219
Constrained Works Reserve-Operating Grants & Contributions	Unexpended operating grants and contributions received for specific projects	919	-	(52)	867
Tree Planting Reserve	Acquisition and planting of trees on footpaths	88	12	(12)	88
		86,092	7,386	(2,409)	91,069
Separate Charge Reserve - Environment:					
Environment Charge Acquisition Reserve	Acquisitions in land and facilities to support or enhance environmental outcomes	234	610	-	844
Environment Charge Maintenance Reserve	Ongoing conservation and maintenance operations	1,708	3,462	(1,749)	3,421
SES Separate Charge Reserve	On-going costs of maintaining the Redlands SES	-	240	(104)	136
		1,942	4,312	(1,853)	4,401
Special Charge Reserve - Other:					
Bay Island Rural Fire Levy Reserve	Pass on revenue collected from levy to the Bay Island Rural Fire Brigade	-	79	-	79
SMBI Translink Reserve	Offset payment made to the State Govt. to assist with transport service to the Bay Islands	(8)	483	(261)	214
		(8)	562	(261)	293
Special Charge Reserve - Canals:					
Aquatic Paradise Canal Reserve	Maintenance and repairs of Aquatic Paradise canals	743	3	-	746
Sovereign Waters Lake Reserve	Maintenance and repairs of Sovereign Lake	422	1	-	423
1718 Raby Bay Canal Reserve	Service, facility or activity of works in respect of the canals of the Raby Bay canal estate	1,036	-	(882)	154
1718 Aquatic Paradise Canal Reserve	Service, facility or activity of works in respect of the canals of the Aquatic Paradise canal estate	(495)	-	-	(495)
1718 Sovereign Waters Lake Reserve	Service, facility or activity of works in respect of the lake	(56)	-	-	(56)
		1,650	4	(882)	772
TOTALS		93,308	19,508	(6,012)	106,804
		Closing cash and cash equivalents			140,796
		Reserves as percentage of cash balance			76%

10. REDLAND WATER STATEMENTS

REDLAND WATER SUMMARY OPERATING STATEMENT For the period ending 31 October 2018

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Total revenue	112,745	112,745	36,945	35,504	(1,441)
Total expenses	66,297	66,297	20,692	20,269	(423)
Earnings before interest, tax and depreciation (EBITD)	46,448	46,448	16,253	15,235	(1,018)
Interest expense	15,352	15,352	5,117	5,117	-
Depreciation	23,228	23,228	7,743	7,783	40
Operating surplus / (deficit)	7,868	7,868	3,393	2,335	(1,058)

REDLAND WATER CAPITAL FUNDING STATEMENT For the period ending 31 October 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	6,798	6,798	1,700	748	(952)
Net transfer (to) / from constrained capital reserves	(6,608)	(4,398)	(1,653)	(4,499)	(2,846)
Non-cash contributions	6,648	6,648	-	36	36
Funding from utility revenue	5,614	6,261	483	4,106	3,623
Total sources of capital funding	12,452	15,309	530	391	(139)
Contributed assets	6,648	6,648	-	-	-
Capitalised expenditure	5,804	8,661	530	391	(139)
Total application of capital funds	12,452	15,309	530	391	(139)

11. REDWASTE STATEMENTS

REDWASTE OPERATING STATEMENT For the period ending 31 October 2018

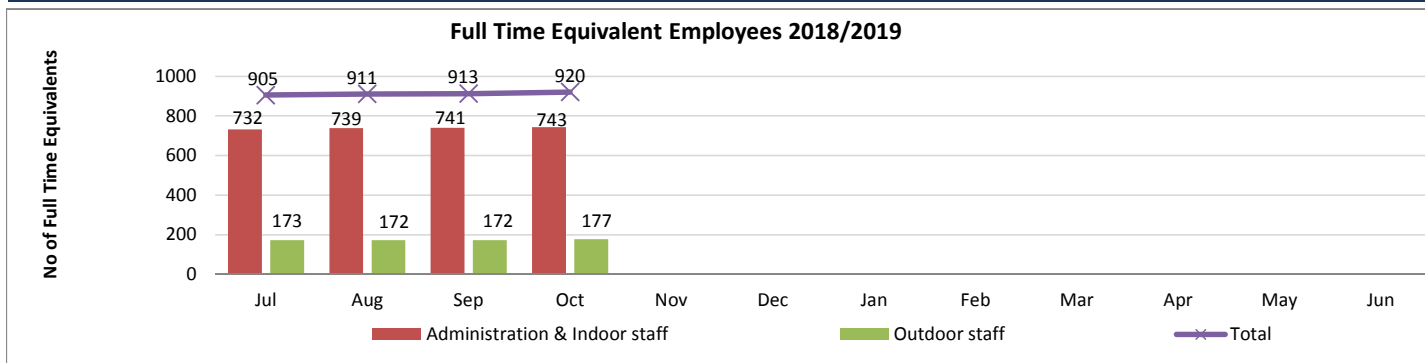
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Total revenue	25,901	25,901	8,651	8,627	(24)
Total expenses	19,155	19,155	6,380	6,217	(163)
Earnings before interest, tax and depreciation (EBITD)	6,746	6,746	2,271	2,410	139
Interest expense	30	30	10	9	(1)
Depreciation	216	216	72	57	(15)
Operating surplus / (deficit)	6,500	6,500	2,189	2,344	155

REDWASTE CAPITAL FUNDING STATEMENT For the period ending 31 October 2018

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Non-cash contributions	-	-	-	-	-
Funding from utility revenue	547	547	200	161	(39)
Total sources of capital funding	547	547	200	161	(39)
Capitalised expenditure	456	456	92	54	(38)
Loan redemption	91	91	108	107	(1)
Total application of capital funds	547	547	200	161	(39)

12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

Workforce Reporting



Workforce reporting - October 2018: Headcount	Employee Type						
Department Level	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	Total
Office of CEO	3	2	31	4	6	3	49
Organisational Services	11	6	163	19	26	5	230
Community and Customer Service	42	5	238	62	29	9	385
Infrastructure and Operations	34	7	309	14	21	2	387
Total	90	20	741	99	82	19	1051

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.

Overdue Rates Debtors

Days Overdue	Oct-18	% Overdue	Oct-17	% Overdue	\$ Variance	% Variance	Comment
0 - 30	\$1,529	0.00%	\$4,191	0.00%	-\$2,662	0.00%	Monitoring of overdue rates will be continuously implemented. Further support to the Revenue Collection team through upskilling and training of staff is expected to reduce overdue rates balance. Total overdue rates decreased from \$8.8M in September to \$7.2M in October. Overdue accounts >90 days decreased by 11.6% or a decrease of \$596K.
31 - 60	\$2,697,931	1.97%	\$2,386	0.00%	\$2,695,545	1.97%	
61 - 90	\$432	0.00%	\$2,362,769	1.83%	-\$2,362,337	-1.83%	
91 - 180	\$1,432,357	1.04%	\$1,106,942	0.86%	\$325,415	0.18%	
>180	\$3,129,504	2.28%	\$2,268,868	1.76%	\$860,636	0.52%	
Total	\$7,261,753	5.29%	\$5,745,156	4.45%	\$1,516,597	0.84%	

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.