



Monthly Financial Report

July 2021



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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 July 2021. The year to date annual budget referred to in this report reflects the 2021/2022 annual budget as adopted by Council on 24 June 2021.

The opening balances for the current year are still to be finalised and audited. As such, the financial position for the month of July may adjust over the coming months until Council receives Queensland Audit Office (QAO) certification in September 2021.

Key Financial Highlights and Overview

Key Financial Results (\$000)	Annual Original Budget	YTD Budget	YTD Actual	YTD Variance	YTD Variance %	Status Favourable ✓ Unfavourable ✗
Operating Surplus / (Deficit)	43	22,386	24,215	1,829	8%	✓
Recurrent Revenue	310,554	46,018	46,397	379	1%	✓
Recurrent Expenditure	310,511	23,632	22,182	(1,450)	-6%	✓
Capital Works Expenditure	70,498	1,653	3,006	1,353	82%	✗
Closing Cash & Cash Equivalents	198,990	201,248	168,324	(32,924)	-16%	✗

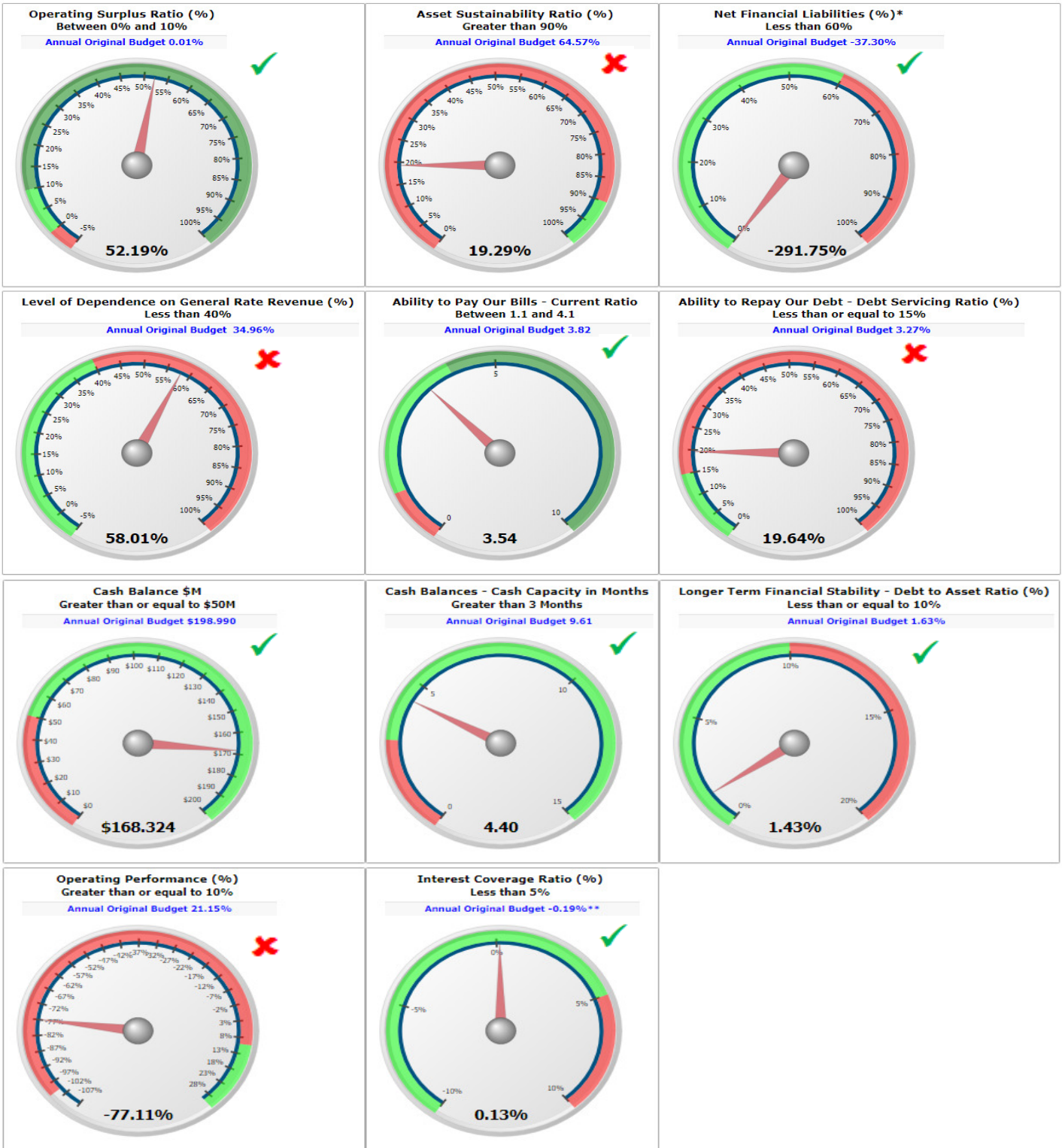
Council reported a year to date interim operating surplus of \$24.22M which is favourable to budget by \$1.83M due to less than budget recurrent expenditure resulting from a favourable variance in materials and services.

During the month, debt repayment of \$9.00M, being \$7.23M principal and \$1.77M interest has been made.

Council's cash balance is behind budget mainly due to higher than anticipated payments to suppliers. Constrained cash reserves represent 65% of the cash balance.

2. KEY PERFORMANCE INDICATORS

■ Target met
 ■ Target exceeded
 ■ Target not met



* 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)

3. STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME				
For the period ending 31 July 2021				
	Annual	YTD	YTD	YTD
	Original Budget \$000	Budget \$000	Actual \$000	Variance \$000
Recurrent revenue				
Rates charges	111,574	27,525	27,672	147
Levies and utility charges	170,378	16,087	16,373	286
Less: Pensioner remissions and rebates	(3,486)	(780)	(832)	(52)
Fees	15,337	1,158	1,154	(4)
Rental income	1,067	96	57	(39)
Interest received	2,037	157	94	(63)
Sales revenue	3,682	307	398	91
Other income	469	25	40	15
Grants, subsidies and contributions	9,496	1,443	1,441	(2)
Total recurrent revenue	310,554	46,018	46,397	379
Recurrent expenses				
Employee benefits	97,172	8,291	8,354	63
Materials and services	145,459	9,711	8,404	(1,307)
Finance costs	2,007	148	132	(16)
Depreciation and amortisation	67,563	5,631	5,461	(170)
Other expenditure	522	20	21	1
Net internal costs	(2,213)	(169)	(190)	(21)
Total recurrent expenses	310,511	23,632	22,182	(1,450)
OPERATING SURPLUS / (DEFICIT)	43	22,386	24,215	1,829
Capital revenue				
Grants, subsidies and contributions	22,133	731	795	64
Non-cash contributions	2,461	198	-	(198)
Total capital revenue	24,594	929	795	(134)
Capital expenses				
(Gain) / loss on disposal of non-current assets	289	-	(66)	(66)
Total capital expenses	289	-	(66)	(66)
TOTAL INCOME	335,148	46,947	47,192	245
TOTAL EXPENSES	310,799	23,632	22,116	(1,516)
NET RESULT	24,349	23,315	25,076	1,761
Other comprehensive income / (loss)				
Items that will not be reclassified to a net result				
Revaluation of property, plant and equipment	-	-	-	-
TOTAL COMPREHENSIVE INCOME	24,349	23,315	25,076	1,761

3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

LEVIES AND UTILITY CHARGES ANALYSIS

For the period ending 31 July 2021

	Annual Original Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Levies and utility charges				
Refuse collection rate charge	30,931	2,542	2,567	25
SES separate charge	514	128	128	-
Environment separate charge	10,802	2,602	2,678	76
Separate charge landfill remediation	3,473	927	861	(66)
Wastewater charges	50,354	4,152	4,481	329
Water access charges	20,949	1,729	1,730	1
Water consumption charges	53,355	4,007	3,928	(79)
Total levies and utility charges	170,378	16,087	16,373	286

MATERIALS AND SERVICES ANALYSIS

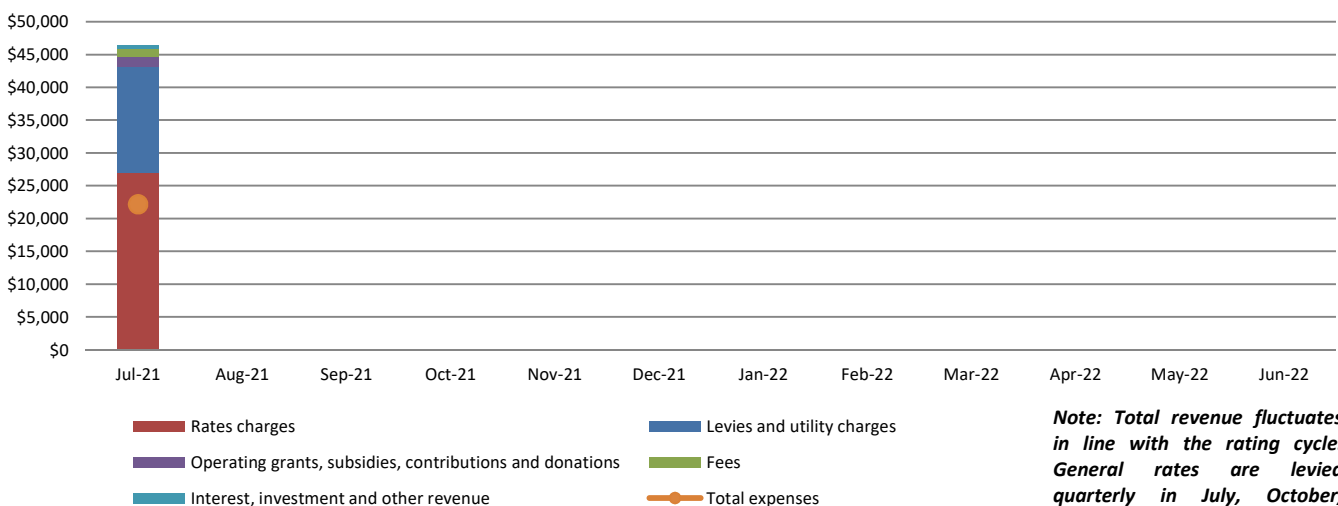
For the period ending 31 July 2021

	Annual Original Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Materials and services				
Contractors	37,447	1,157	1,136	(21)
Consultants	2,775	82	58	(24)
Other Council outsourcing costs*	26,444	1,770	1,332	(438)
Purchase of materials	54,490	4,310	3,776	(534)
Office administration costs	7,194	1,052	847	(205)
Electricity charges	5,723	481	454	(27)
Plant operations	3,458	219	211	(8)
Information technology resources	3,685	310	318	8
General insurance	1,467	122	122	-
Community assistance**	1,716	124	75	(49)
Other material and service expenses	1,057	84	75	(9)
Total materials and services	145,459	9,711	8,404	(1,307)

* 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 and awards, donations and sponsorships.

Actuals - Total Revenue and Expenses (\$000)



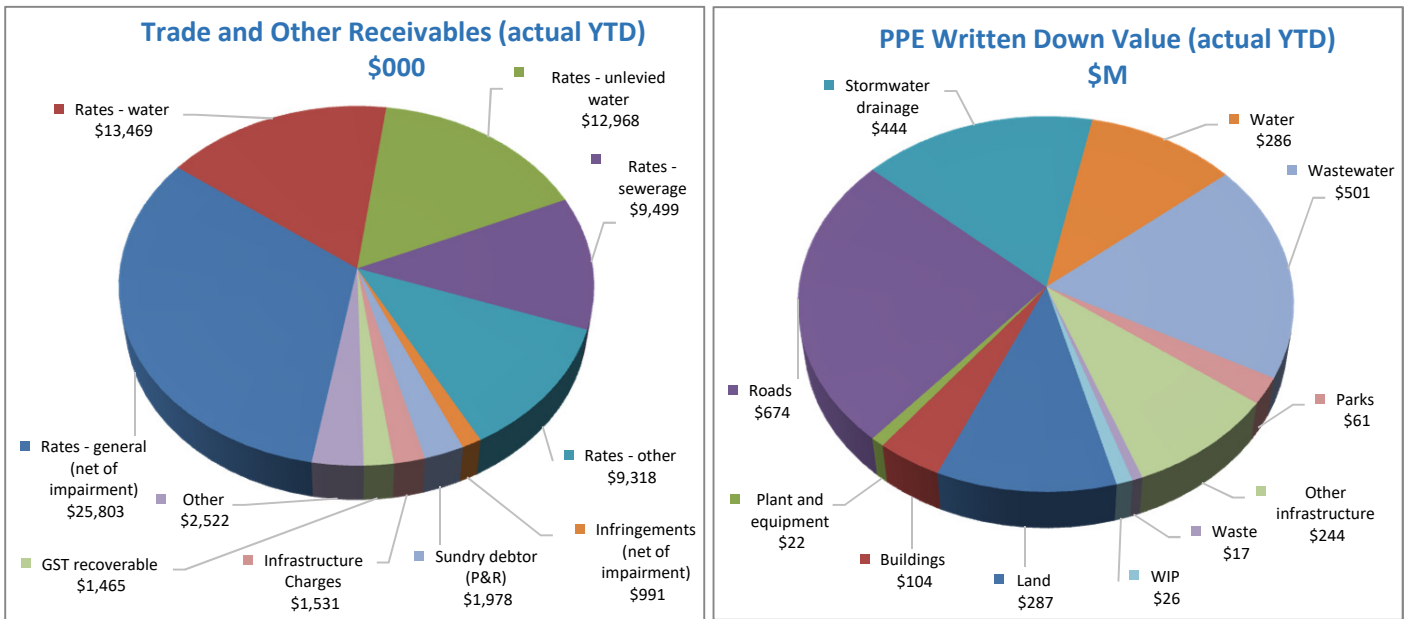
Note: Total revenue fluctuates in line with the rating cycle. General rates are levied quarterly in July, October, January and April.

4. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION
As at 31 July 2021

	Annual	YTD	YTD
	Original Budget \$000	Budget \$000	Actual \$000
CURRENT ASSETS			
Cash and cash equivalents	198,990	201,248	168,324
Short-term investment - CBA	-	10,000	10,000
Trade and other receivables	42,672	85,010	79,544
Inventories	916	877	885
Other current assets	1,810	4,967	4,799
Total current assets	244,389	302,102	263,552
NON-CURRENT ASSETS			
Investment property	1,225	1,225	1,225
Property, plant and equipment	2,619,909	2,664,311	2,665,662
Intangible assets	1,135	1,657	1,653
Right-of-use assets	4,723	5,940	5,940
Other financial assets	73	73	73
Investment in other entities	12,657	12,657	12,657
Total non-current assets	2,639,722	2,685,863	2,687,210
TOTAL ASSETS	2,884,111	2,987,965	2,950,762
CURRENT LIABILITIES			
Trade and other payables	37,171	51,129	23,713
Borrowings - current	8,326	8,919	8,919
Lease liability - current	1,294	1,130	1,130
Provisions - current	15,270	17,113	17,281
Other current liabilities	1,911	35,197	23,398
Total current liabilities	63,972	113,488	74,441
NON-CURRENT LIABILITIES			
Borrowings - non-current	38,659	26,469	26,378
Lease liability - non-current	4,377	5,753	5,746
Provisions - non-current	21,539	21,446	21,626
Total non-current liabilities	64,576	53,668	53,750
TOTAL LIABILITIES	128,547	167,156	128,191
NET COMMUNITY ASSETS	2,755,563	2,820,809	2,822,571
COMMUNITY EQUITY			
Asset revaluation surplus	1,035,840	1,106,353	1,106,353
Retained surplus	1,619,513	1,610,973	1,606,463
Constrained cash reserves	100,210	103,483	109,755
TOTAL COMMUNITY EQUITY	2,755,563	2,820,809	2,822,571

4. STATEMENT OF FINANCIAL POSITION - CONTINUED



RIGHT-OF-USE ASSETS For the period ending 31 July 2021

Right-of-use asset	Annual	YTD	YTD
	Original Budget \$000	Budget \$000	Actual Balance \$000
Buildings	2,109	2,683	2,685
Land	2,435	2,892	2,890
Plant and Equipment	179	365	365
Closing balance	4,723	5,940	5,940

PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT* For the period ending 31 July 2021

PPE movement	Annual	YTD	YTD
	Original Budget \$000	Budget \$000	Actual Balance \$000
Opening balance (includes WIP from previous years)	2,614,439	2,667,979	2,667,979
Acquisitions and WIP in year movement	72,958	1,851	3,006
Depreciation in year	(65,977)	(5,498)	(5,323)
Disposals	(1,511)	(21)	-
Closing balance	2,619,909	2,664,311	2,665,662

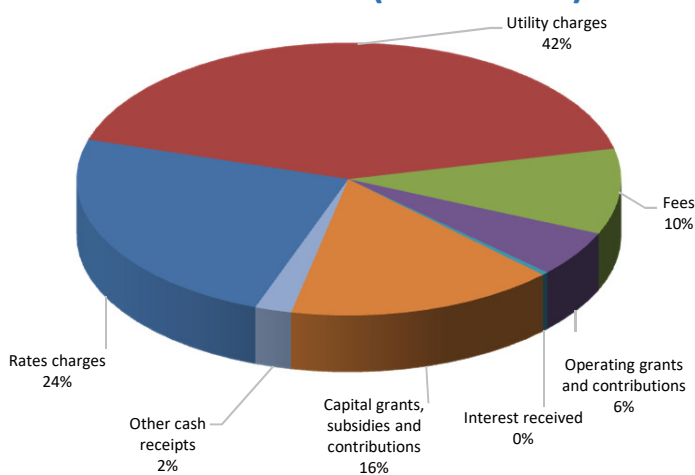
* This table includes movement relating to property, plant and equipment only and is exclusive of intangible assets.

5. STATEMENT OF CASH FLOWS

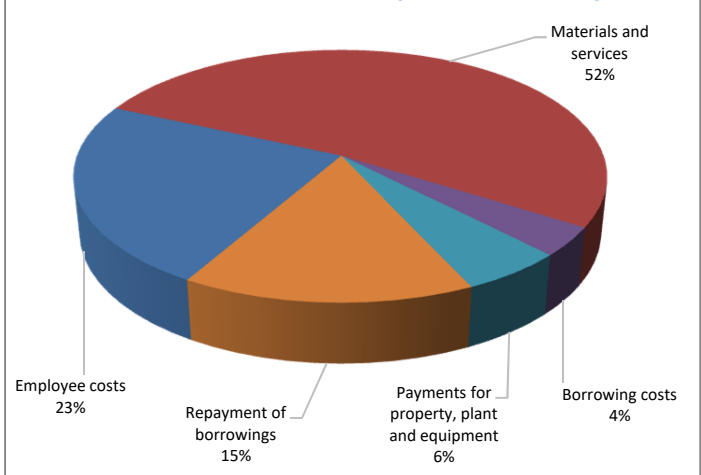
STATEMENT OF CASH FLOWS For the period ending 31 July 2021

	Annual	YTD	YTD
	Original Budget \$000	Budget \$000	Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	297,941	34,834	20,017
Payments to suppliers and employees	(246,606)	(12,545)	(36,435)
	51,334	22,289	(16,418)
Interest received	2,037	157	95
Rental income	1,067	96	57
Non-capital grants and contributions	14,109	1,359	1,408
Borrowing costs	(1,763)	(1,727)	(1,769)
Right-of-use assets interest expense	(131)	(11)	(11)
Net cash inflow / (outflow) from operating activities	66,654	22,163	(16,638)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment	(70,498)	(1,653)	(2,636)
Proceeds from sale of property, plant and equipment	1,222	21	66
Capital grants, subsidies and contributions	22,133	731	4,125
Other cash flows from investing activities*	3,500	-	3,500
Net cash inflow / (outflow) from investing activities	(43,642)	(901)	5,055
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of borrowings	10,324	-	-
Repayment of borrowings	(7,243)	(7,158)	(7,230)
Right-of-use lease payment	(1,145)	(96)	(103)
Net cash inflow / (outflow) from financing activities	1,936	(7,254)	(7,333)
Net increase / (decrease) in cash held	24,947	14,008	(18,916)
Cash and cash equivalents at the beginning of the year	174,043	187,240	187,240
Cash and cash equivalents at the end of the financial year / period	198,990	201,248	168,324

Cash Inflow (actual YTD)



Cash Outflow (actual YTD)

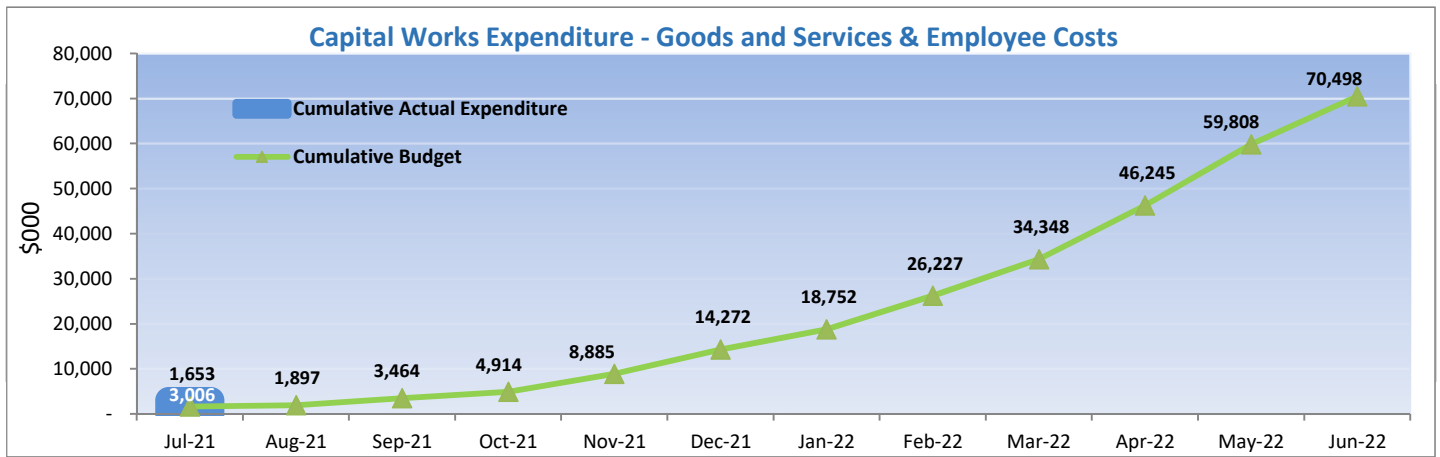


Total Cash Funding (Actual YTD)	29,269
Total Cash Funding (Annual Original Budget)	352,333
% of Budget Achieved YTD	8%

Total Cash Expenditure (Actual YTD)	48,184
Total Cash Expenditure (Annual Original Budget)	327,386
% of Budget Achieved YTD	15%

* Loan drawn down by RIC from February to June 2021 has been repaid in July 2021.

6. CAPITAL EXPENDITURE

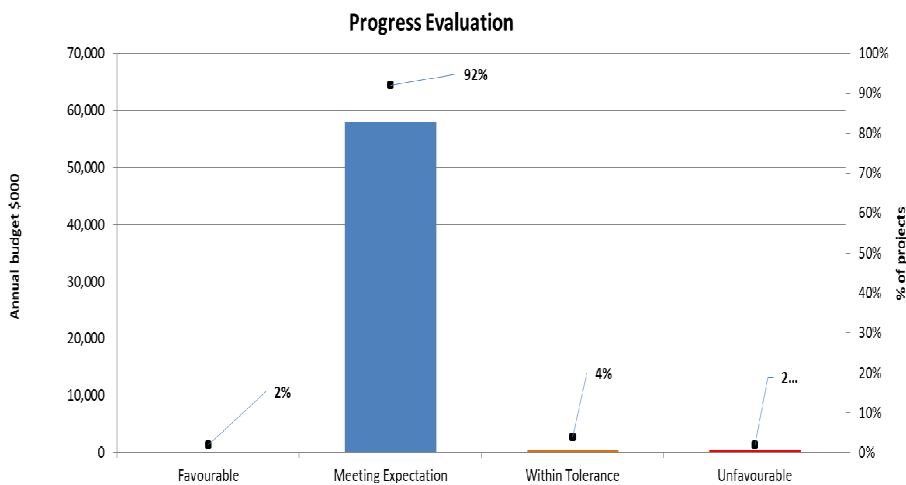


	Annual Original Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Capitalised goods and services*	62,822	1,632	2,395	763
Capitalised employee costs	7,676	21	611	590
Total	70,498	1,653	3,006	1,353

* Excludes capital prepayments..

7. PROGRAM AND PROJECT UPDATE

Favourable (budget under/schedule on track)	Meeting expectations (budget and schedule on track)	Within tolerance (either budget and schedule not on track)	Unfavourable (budget and schedule not on track)
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Programs and projects 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 more than 100 programs and projects.

Notable Projects

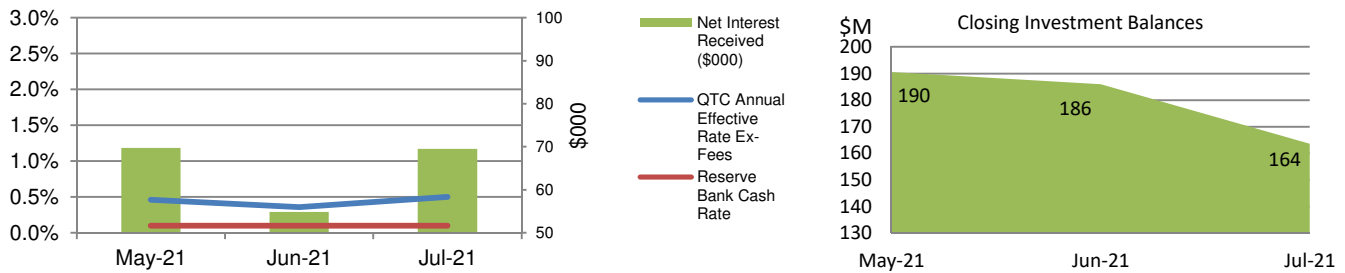
The status of two notable projects are as follows:

Project description	Progress
Seawall, Champion Lane, Wellington Point - This project will construct / install a seawall along the toe of the slope in front of the tidal scarps, to prevent further degradation of the toe of the slip and slope retreat.	Meeting Expectations
Seawall, Rocky Point, Russell Island - This project involves design and construction of a rock-armour seawall (approximately 50m) at Rocky Point Park.	Meeting Expectations

8. INVESTMENT & BORROWINGS REPORT

For the period ending 31 July 2021

INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)



Total QTC Investment at End of Month was \$163.61M

Council investments are currently held predominantly in the Capital Guaranteed Cash Fund, which is a fund operated by the Queensland Treasury Corporation (QTC). In October 2020 \$10M was invested in a term deposit of Commonwealth Bank of Australia (CBA) to maximise interest earnings.

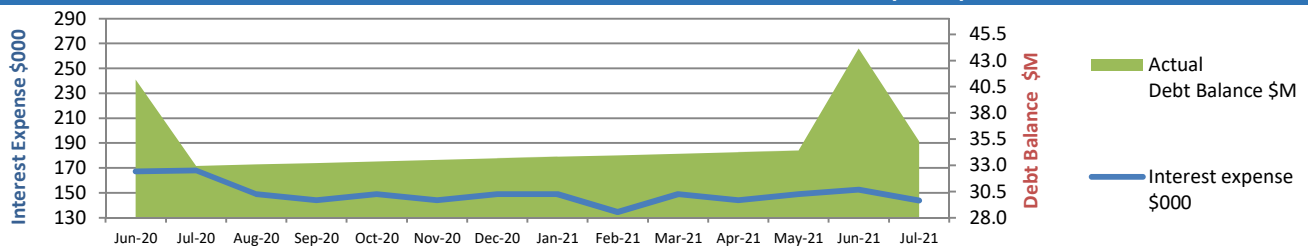
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

Note: the Reserve Bank reduced the cash rate down to 0.10% during November 2020.

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 is 0.50%. Term deposit rates are being monitored to identify investment opportunities to ensure Council maximises its interest earnings.

Council adopted its Investment Policy (FIN-001-P) in June 2021 for the 2021/2022 financial year

BORROWINGS AND BORROWING COSTS (QTC)



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 \$9.00M, being \$7.23M principal and \$1.77M interest has been made *annually* for 2021/2022 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 2021. Interest will accrue monthly on a daily balance until next ADSP in July 2022 which is reflected in the increasing debt balance.

In June 2021 borrowings of \$9.61M were undertaken as part of Council's Capital Works Plan.

Total Borrowings at End of Month were \$35.3M

Council adopted its Debt Policy (FIN-009-P) in June 2021 for the 2021/2022 financial year

BORROWINGS

For the period ending 31 July 2021

	Annual Original Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
Borrowings			
Opening balance	(44,228)	(44,153)	(44,153)
Accrued interest on borrowings	(1,439)	(120)	(143)
Interest paid on borrowings	1,763	1,727	1,769
Principal repaid	7,243	7,158	7,230
Loan drawdown	(10,324)	-	-
Closing balance	(46,985)	(35,388)	(35,297)

9. CONSTRAINED CASH RESERVES

Reserves as at 31 July 2021	Purpose of reserve	Opening Balance	To Reserve	From Reserve	Closing Balance
		\$000	\$000	\$000	\$000
Special Projects Reserve:					
Waste Levy Reserve	To fund Waste Levy Program	-	1,308	(358)	950
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	4,265	-	(10)	4,255
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	3,716	236	(65)	3,887
		7,981	1,544	(433)	9,092
Constrained Works Reserve:					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	6,148	110	(20)	6,238
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	4,829	4	-	4,833
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,760	4	-	14,764
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	11,165	59	-	11,224
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	36,517	141	(1)	36,657
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	13,288	84	-	13,372
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	9,898	16	-	9,914
Tree Planting Reserve	Acquisition and planting of trees on footpaths	169	13	(1)	181
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	226	-	(1)	225
		97,000	431	(23)	97,408
Separate Charge Reserve:					
Environment Charge Maintenance Reserve	Ongoing conservation and maintenance operations	-	2,678	(477)	2,201
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	70	127	-	197
		70	2,805	(477)	2,398
Special Charge Reserve - Canals:					
Aquatic Paradise Canal Reserve*	Maintenance and repairs of Aquatic Paradise canals	758	-	-	758
Sovereign Waters Lake Reserve*	Maintenance and repairs of Sovereign Lake	431	-	-	431
1718 Raby Bay Canal Reserve	Service, facility or activity of works in respect of the canals of the Raby Bay canal estate	219	-	-	219
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)
		857	-	-	857
TOTALS		105,908	4,780	(933)	109,755
					Closing cash and cash equivalents
					168,324
					Reserves as percentage of cash balance
					65%

*No interest charged for these reserves in July 2021 due to low prevailing interest rate.

10. CITY WATER STATEMENTS

CITY WATER SUMMARY OPERATING STATEMENT

For the period ending 31 July 2021

	Annual	YTD	YTD	YTD
	Original	Budget	Actual	Variance
	Budget	\$000	\$000	\$000
	\$000			
Total revenue	128,647	10,235	10,495	260
Total expenses	76,264	5,316	5,329	13
Earnings before interest, tax and depreciation (EBITD)	52,382	4,919	5,166	247
External interest expense	224	19	20	1
Internal interest expense	15,139	1,262	1,262	-
Depreciation	24,711	2,059	2,074	15
Operating surplus / (deficit)	12,309	1,579	1,810	231

CITY WATER CAPITAL FUNDING STATEMENT

For the period ending 31 July 2021

	Annual	YTD	YTD	YTD
	Original	Budget	Actual	Variance
	Budget	\$000	\$000	\$000
	\$000			
Capital contributions, donations, grants and subsidies	2,956	246	63	(183)
Net transfer (to) / from constrained capital reserves	1,019	(246)	(63)	183
Non-cash contributions	5,747	198	-	(198)
Funding from utility revenue	(2,699)	1,148	514	(634)
Total sources of capital funding	7,023	1,346	514	(832)
Contributed assets	2,379	198	-	(198)
Capitalised expenditure	3,982	843	128	(715)
Loan redemption	662	305	386	81
Total application of capital funds	7,023	1,346	514	(832)

11. CITY WASTE STATEMENTS

CITY WASTE OPERATING STATEMENT

For the period ending 31 July 2021

	Annual	YTD	YTD	YTD
	Original	Budget	Actual	Variance
	Budget	\$000	\$000	\$000
	\$000			
Total revenue	33,057	3,990	4,021	31
Total expenses	24,137	2,243	2,014	(229)
Earnings before interest, tax and depreciation (EBITD)	8,920	1,747	2,007	260
External interest expense	7	1	1	-
Depreciation	423	35	28	(7)
Operating surplus / (deficit)	8,490	1,711	1,978	267

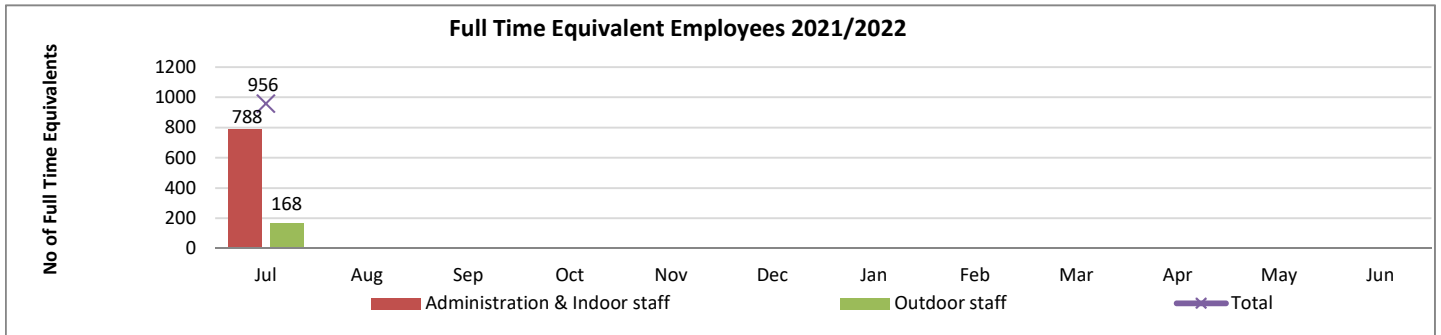
CITY WASTE CAPITAL FUNDING STATEMENT

For the period ending 31 July 2021

	Annual	YTD	YTD	YTD
	Original	Budget	Actual	Variance
	Budget	\$000	\$000	\$000
	\$000			
Funding from utility revenue	755	163	258	95
Total sources of capital funding	755	163	258	95
Capitalised expenditure	600	44	143	99
Loan redemption	155	119	115	(4)
Total application of capital funds	755	163	258	95

12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

Workforce Reporting



July 2021: Headcount	Employee Type			
	Casual	Full Time	Part Time	Total
Office of CEO and People and Culture	7	41	9	57
Organisational Services	4	200	23	227
Community and Customer Services	49	286	67	402
Infrastructure and Operations	8	346	17	371
Total	68	873	116	1,057

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. Following Ourspace, the table includes contract of service and temporary personnel. It includes casual staff in their non-substantive roles as at the end of the period where relevant.

Overdue Rates Debtors & Statistics

Days Overdue	Jul-21	% Overdue	Jul-20	% Overdue	\$ Variance	% Variance	Rates & Charges Statistics	Jul-21	Jul-20
0 - 30	\$445	0.0%	\$585	0.0%	-\$140	0.0%	Levied (Billed) Rates & Charges since 1 July 2021	\$73,625,572	\$70,993,492
31 - 60	\$2,829,351	3.4%	\$3,943,515	4.7%	-\$1,114,164	-1.3%	Rate arrears b/fwd 1 July 2021	\$10,693,344	\$12,988,652
61 - 90	\$0	0.0%	\$129	0.0%	-\$129	0.0%	Total	\$84,318,916	\$83,982,144
91 - 180	\$1,473,087	1.7%	\$1,518,547	1.8%	-\$45,460	-0.1%	Balance of overdue rates & charges	\$8,360,672	\$9,056,019
>180	\$4,057,789	4.8%	\$3,593,243	4.3%	\$464,546	0.5%	Percentage Overdue	9.9%	10.8%
Total	\$8,360,672	9.9%	\$9,056,019	10.8%	-\$695,347	-0.9%			

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	$\frac{\text{Net Operating Surplus}}{\text{Total Operating Revenue}}$
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	$\frac{\text{Capital Expenditure on Replacement of Infrastructure Assets (Renewals)}}{\text{Depreciation Expenditure on Infrastructure Assets}}$
Net Financial Liabilities*: This is an indicator of the extent to which the net financial liabilities of Council can be serviced by operating revenues	$\frac{\text{Total Liabilities - Current Assets}}{\text{Total Operating Revenue}}$
Level of Dependence on General Rate Revenue: This ratio measures Council's reliance on operating revenue from general rates (excludes utility revenues)	$\frac{\text{General Rates - Pensioner Remissions}}{\text{Total Operating Revenue - Gain on Sale of Developed Land}}$
Current Ratio: This measures the extent to which Council has liquid assets available to meet short term financial obligations	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Debt Servicing Ratio: This indicates Council's ability to meet current debt instalments with recurrent revenue	$\frac{\text{Interest Expense}^{***} + \text{Loan Redemption}^{\wedge}}{\text{Total Operating Revenue - Gain on Sale of Developed Land}}$
Cash Balance - \$M: Cash balance includes cash on hand, cash at bank and other short term investments.	$\text{Cash Held at Period End}$
Cash Capacity in Months: This provides an indication as to the number of months cash held at period end would cover operating cash outflows	$\frac{\text{Cash Held at Period End}}{[(\text{Cash Operating Costs} + \text{Interest Expense}) / \text{Period in Year}]}$
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	$\frac{\text{Current and Non-current Debt}^{**}}{\text{Total Assets}}$
Operating Performance: This ratio provides an indication of Council's cash flow capabilities	$\frac{\text{Net Cash from Operations} + \text{Interest Revenue and Expense}}{\text{Cash Operating Revenue} + \text{Interest Revenue}}$
Interest Coverage Ratio: This ratio demonstrates the extent to which operating revenues are being used to meet the financing charges	$\frac{\text{Net Interest Expense on Debt Service}^{***}}{\text{Total Operating Revenue}}$

* 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.

** Debt includes lease liabilities.

*** Interest expense includes interest on leases.

^ Loan redemption includes lease redemption.