



# Monthly Financial Report

July 2023



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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 2023. The year to date annual budget referred to in this report reflects the 2023/2024 annual budget as adopted by Council on 26 June 2023.

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, expected in September 2023.

### 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)	(2,103)	38,105	<b>40,871</b>	2,766	7%	✓
Recurrent Revenue	355,572	65,132	<b>65,623</b>	491	1%	✓
Recurrent Expenditure	357,674	27,027	<b>24,752</b>	(2,275)	-8%	✓
Capital Works Expenditure	135,720	4,874	<b>5,997</b>	1,123	23%	✗
Closing Cash & Cash Equivalents	231,077	287,702	<b>257,907</b>	(29,795)	-10%	✗

Council reported a year to date operating surplus of \$40.87M which is favourable to budget by \$2.77M. This is mainly due to lower than budgeted materials and services expenses, employee costs, combined with higher than budgeted levies and utility charges and sales revenue, offset by lower grants, subsidies and contributions and lower fees.

During the month Council made a debt repayment of \$5.33M, being \$3.92M principal and \$1.41M interest.

Council's cash balance is behind budget mainly due to lower than budgeted receipts from customers, higher payments to suppliers and payments for property, plant and equipment, offset by higher capital grants, subsidies and contributions. Constrained cash reserves represent 47% of the cash balance.

## 2. KEY PERFORMANCE INDICATORS

A new Financial Management (Sustainability) Guideline (the Guideline) has been developed following consultation with local governments and other stakeholders and will supersede the Financial Management (Sustainability) Guideline 2013. The Guideline applies to all Queensland local governments for calculating the relevant financial sustainability measures and are presented below.

Financial Sustainability Measures	Target	Annual Original Budget	YTD Actual	Status Achieved ✓ Not achieved ✗
Council-Controlled Revenue*	Contextual - No target specified	91.67%	96.62%	N/A
Operating Surplus Ratio	Greater than 0%	-0.59%	62.28%	✓
Operating Cash Ratio	Greater than 0%	21.02%	71.80%	✓
Unrestricted Cash Expense Cover Ratio	Greater than 2 months	10.31	14.48	✓
Asset Sustainability Ratio	Greater than 60%	69.79%	43.87%	✗
Asset Consumption Ratio	Greater than 60%	65.83%	63.21%	✓
Leverage Ratio	0 - 4 times	0.90	0.95	✓
Net Financial Liabilities Ratio**	Less than 60% (on average over the long-term)	-35.93%	-306.97%	✓

\* The Council-Controlled Revenue, Population Growth, and Asset Renewal Funding Ratio measures are reported for contextual purposes only

\*\* The Net Financial Liabilities Ratio is negative as current assets are greater than total liabilities

In addition to the above ratios, the Population Growth and Asset Renewal Funding Ratios will be reported on an annual basis at the end of the financial year.

### 3. STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME				
For the period ending 31 July 2023				
	Annual	YTD	YTD	YTD
	Original Budget \$000	Budget \$000	Actual \$000	Variance \$000
<b>Recurrent revenue</b>				
Rates charges	124,613	31,113	<b>30,984</b>	(129)
Levies and utility charges	186,457	31,029	<b>31,724</b>	695
Less: Pensioner remissions and rebates	(3,638)	(835)	<b>(874)</b>	(39)
Fees	18,526	1,869	<b>1,574</b>	(295)
Rental income	1,075	44	<b>153</b>	109
Interest received	11,796	1,022	<b>1,117</b>	95
Sales revenue	4,982	380	<b>724</b>	344
Other income	847	3	<b>169</b>	166
Grants, subsidies and contributions	10,914	507	<b>52</b>	(455)
<b>Total recurrent revenue</b>	<b>355,572</b>	<b>65,132</b>	<b>65,623</b>	<b>491</b>
<b>Recurrent expenses</b>				
Employee benefits	108,385	9,055	<b>8,493</b>	(562)
Materials and services	171,662	11,582	<b>10,012</b>	(1,570)
Finance costs	2,690	169	<b>180</b>	11
Depreciation and amortisation	75,188	6,266	<b>6,093</b>	(173)
Other expenditure	546	21	<b>40</b>	19
Net internal costs	(796)	(66)	<b>(66)</b>	-
<b>Total recurrent expenses</b>	<b>357,674</b>	<b>27,027</b>	<b>24,752</b>	<b>(2,275)</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(2,103)</b>	<b>38,105</b>	<b>40,871</b>	<b>2,766</b>
<b>Capital revenue</b>				
Grants, subsidies and contributions	41,307	362	<b>1,393</b>	1,031
Non-cash contributions	12,230	1,019	-	(1,019)
<b>Total capital revenue</b>	<b>53,537</b>	<b>1,381</b>	<b>1,393</b>	<b>12</b>
<b>Capital expenses</b>				
(Gain) / loss on disposal of non-current assets	289	24	<b>(63)</b>	(87)
<b>Total capital expenses</b>	<b>289</b>	<b>24</b>	<b>(63)</b>	<b>(87)</b>
<b>TOTAL INCOME</b>	<b>409,109</b>	<b>66,513</b>	<b>67,016</b>	<b>503</b>
<b>TOTAL EXPENSES</b>	<b>357,963</b>	<b>27,051</b>	<b>24,689</b>	<b>(2,362)</b>
<b>NET RESULT</b>	<b>51,145</b>	<b>39,462</b>	<b>42,327</b>	<b>2,865</b>
<b>Other comprehensive income / (loss)</b>				
<b>Items that will not be reclassified to a net result</b>				
Revaluation of property, plant and equipment	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>51,145</b>	<b>39,462</b>	<b>42,327</b>	<b>2,865</b>

### 3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

#### LEVIES AND UTILITY CHARGES ANALYSIS

For the period ending 31 July 2023

	Annual Original Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
<b>Levies and utility charges</b>				
Refuse collection rate charge	36,083	2,988	<b>2,996</b>	8
SES separate charge	458	114	<b>115</b>	1
Environment & Coastal Management Separate Charge	12,609	3,149	<b>3,155</b>	6
Separate charge landfill remediation	4,348	1,086	<b>1,088</b>	2
Wastewater charges	56,059	13,623	<b>13,881</b>	258
Water access charges	23,351	5,769	<b>5,829</b>	60
Water consumption charges	53,549	4,300	<b>4,660</b>	360
<b>Total levies and utility charges</b>	<b>186,457</b>	<b>31,029</b>	<b>31,724</b>	<b>695</b>

#### MATERIALS AND SERVICES ANALYSIS

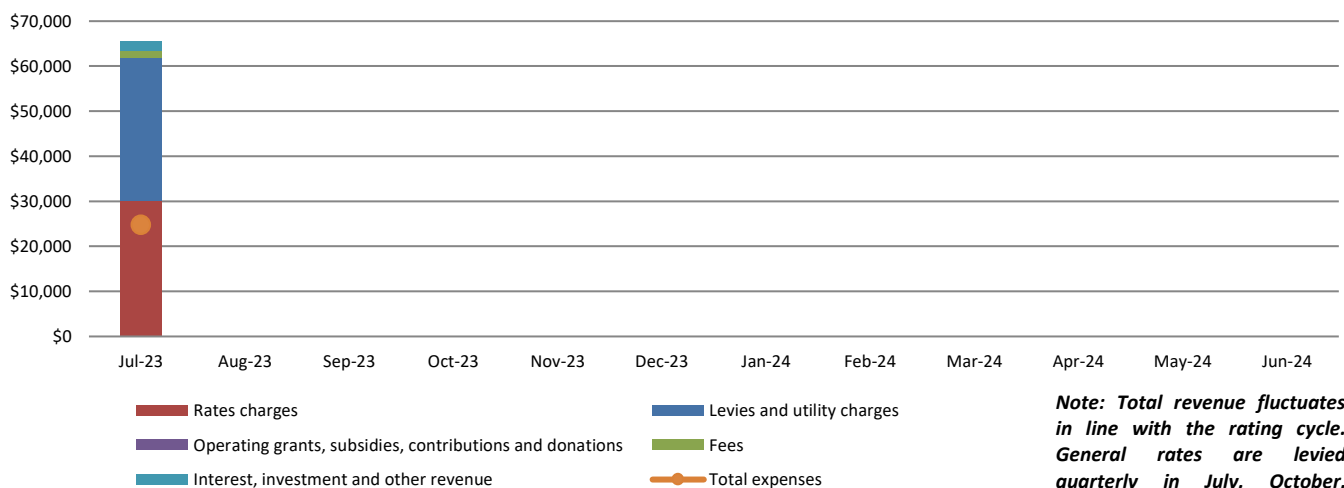
For the period ending 31 July 2023

	Annual Original Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
<b>Materials and services</b>				
Contractors	45,990	2,169	<b>1,995</b>	(174)
Consultants	4,989	268	<b>160</b>	(108)
Other Council outsourcing costs*	33,588	2,024	<b>1,732</b>	(292)
Purchase of materials	56,984	4,708	<b>4,424</b>	(284)
Office administration costs	8,017	671	<b>508</b>	(163)
Electricity charges	6,282	521	<b>497</b>	(24)
Plant operations	3,984	272	<b>49</b>	(223)
Information technology resources	6,549	517	<b>459</b>	(58)
General insurance	2,050	171	<b>171</b>	-
Community assistance**	2,582	172	<b>(38)</b>	(210)
Other material and service expenses	647	89	<b>55</b>	(34)
<b>Total materials and services</b>	<b>171,662</b>	<b>11,582</b>	<b>10,012</b>	<b>(1,570)</b>

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

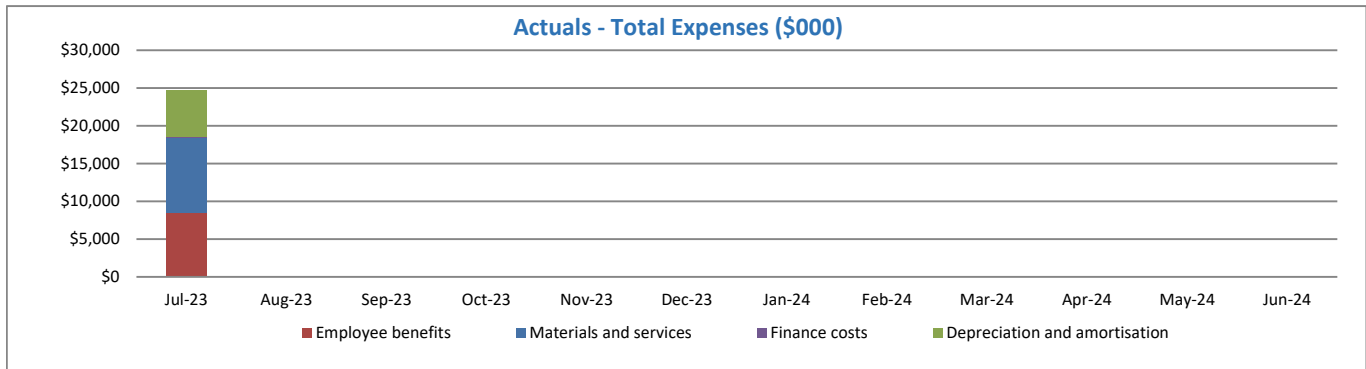
\*\* Community assistance costs represent community related costs including community grants, exhibitions and awards, donations and sponsorships.

Actuals - Total Revenue and Expenses (\$000)

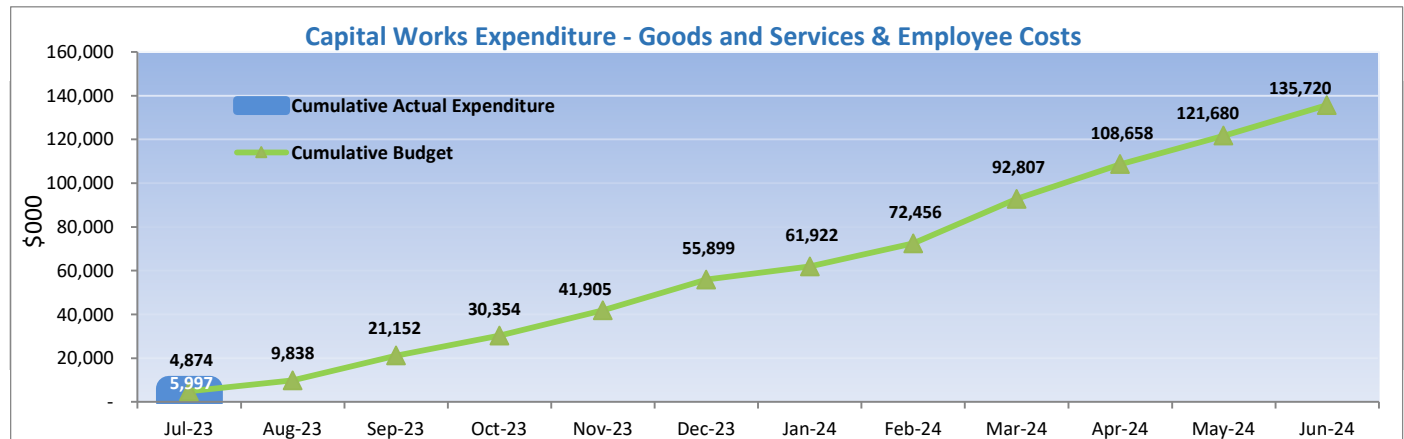


**Note: Total revenue fluctuates in line with the rating cycle. General rates are levied quarterly in July, October, January and April.**

### 3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED



### 4. CAPITAL EXPENDITURE



	Annual Original Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Capitalised goods and services*	127,037	4,145	5,406	1,261
Capitalised employee costs	8,683	729	591	(138)
<b>Total</b>	<b>135,720</b>	<b>4,874</b>	<b>5,997</b>	<b>1,123</b>

\* Excludes capital prepayments.

#### Notable Programs and Projects

The table below lists Council's major programs and projects.

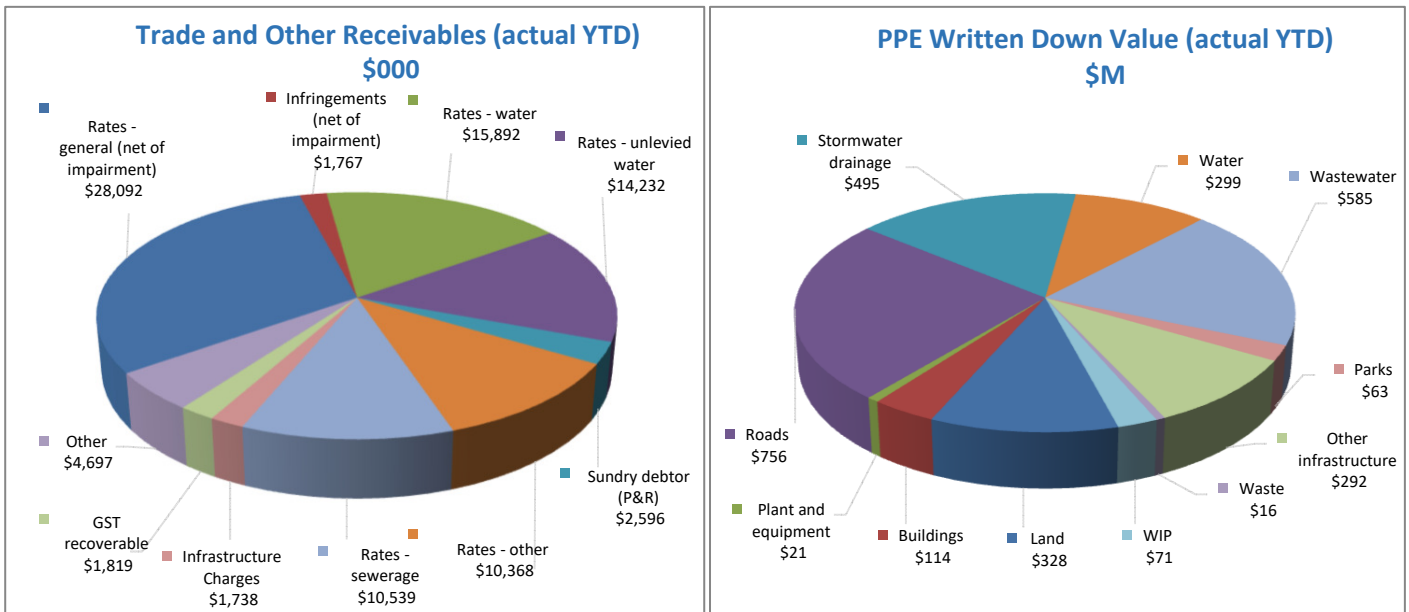
Capital Investment		YTD Actual \$000
Wellington St / Panorama Dr upgrade	Road widening / lane duplication of Wellington St / Panorama Dr.	3,322
Revetment walls renewal	Revetment wall renewal works at Seacrest Crt and Masthead Dr properties.	362
Wellington Point Esplanade landslip	Construction of landslip remediation works, trails and stairs.	4
Dunwich WWTP upgrade	Waste Water Treatment Plant (WWTP) upgrades to maintain essential service.	3
Kinross Road sewerage trunk	New sewage pump station (Lorikeet Dr) and trunk sewer main to Cleveland WWTP.	1

## 5. STATEMENT OF FINANCIAL POSITION

### STATEMENT OF FINANCIAL POSITION As at 31 July 2023

	Annual	YTD	YTD
	Original Budget \$000	Budget \$000	Actual \$000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	231,077	287,702	<b>257,907</b>
Short-term investment - CBA	10,122	10,122	<b>10,122</b>
Trade and other receivables	48,805	82,272	<b>91,740</b>
Inventories	918	948	<b>938</b>
Other current assets	4,397	3,074	<b>2,985</b>
<b>Total current assets</b>	<b>295,319</b>	<b>384,118</b>	<b>363,692</b>
<b>NON-CURRENT ASSETS</b>			
Investment property	1,293	1,403	<b>1,403</b>
Property, plant and equipment	2,893,904	3,039,789	<b>3,040,220</b>
Intangible assets	635	1,000	<b>985</b>
Right-of-use assets	3,103	4,255	<b>4,260</b>
Other financial assets	73	73	<b>73</b>
Investment in other entities	12,657	12,657	<b>12,657</b>
<b>Total non-current assets</b>	<b>2,911,665</b>	<b>3,059,177</b>	<b>3,059,598</b>
<b>TOTAL ASSETS</b>	<b>3,206,984</b>	<b>3,443,295</b>	<b>3,423,290</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	46,847	45,536	<b>36,325</b>
Borrowings - current	5,209	5,252	<b>5,252</b>
Lease liability - current	1,044	1,144	<b>1,144</b>
Provisions - current	17,573	16,520	<b>16,758</b>
Other current liabilities	11,632	36,533	<b>18,117</b>
<b>Total current liabilities</b>	<b>82,305</b>	<b>104,985</b>	<b>77,596</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings - non-current	60,917	39,332	<b>39,297</b>
Lease liability - non-current	2,582	3,813	<b>3,809</b>
Provisions - non-current	16,743	22,043	<b>22,233</b>
Other non-current liabilities	5,020	14,946	<b>19,314</b>
<b>Total non-current liabilities</b>	<b>85,261</b>	<b>80,134</b>	<b>84,653</b>
<b>TOTAL LIABILITIES</b>	<b>167,567</b>	<b>185,119</b>	<b>162,249</b>
<b>NET COMMUNITY ASSETS</b>	<b>3,039,417</b>	<b>3,258,176</b>	<b>3,261,041</b>
<b>COMMUNITY EQUITY</b>			
Asset revaluation surplus	1,225,400	1,441,332	<b>1,441,332</b>
Retained surplus	1,701,576	1,695,148	<b>1,699,389</b>
Constrained cash reserves	112,441	121,696	<b>120,320</b>
<b>TOTAL COMMUNITY EQUITY</b>	<b>3,039,417</b>	<b>3,258,176</b>	<b>3,261,041</b>

## 5. STATEMENT OF FINANCIAL POSITION - CONTINUED



### RIGHT-OF-USE ASSETS

As at 31 July 2023

Right-of-use asset	Annual	YTD	YTD
	Original Budget \$000	Budget \$000	Actual Balance \$000
Buildings	815	1,389	1,389
Land	2,045	2,586	2,591
Plant and Equipment	243	280	280
<b>Closing balance</b>	<b>3,103</b>	<b>4,255</b>	<b>4,260</b>

### PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT\*

For the period ending 31 July 2023

PPE movement	Annual	YTD	YTD
	Original Budget \$000	Budget \$000	Actual Balance \$000
Opening balance (includes WIP from previous years)	2,821,486	3,040,190	3,040,190
Acquisitions and WIP in year movement	147,949	5,893	5,997
Depreciation in year	(73,800)	(6,150)	(5,967)
Disposals	(1,731)	(144)	-
<b>Closing balance</b>	<b>2,893,904</b>	<b>3,039,789</b>	<b>3,040,220</b>

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

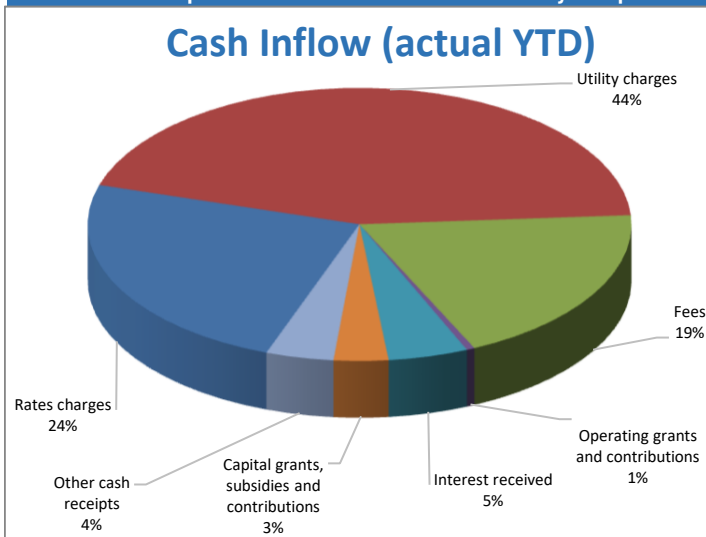


## 6. STATEMENT OF CASH FLOWS

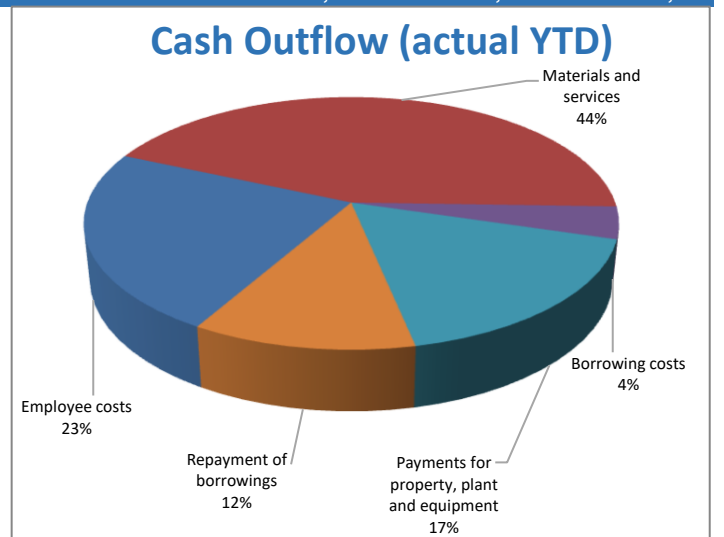
### STATEMENT OF CASH FLOWS For the period ending 31 July 2023

	Annual	YTD	YTD
	Original Budget \$000	Budget \$000	Actual \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	330,713	47,356	24,985
Payments to suppliers and employees	(287,755)	(16,376)	(23,226)
	<b>42,958</b>	<b>30,980</b>	<b>1,759</b>
Interest received	11,796	1,022	1,307
Rental income	1,075	45	153
Non-capital grants and contributions	10,884	479	131
Borrowing costs	(1,323)	(1,323)	(1,415)
Right-of-use assets interest expense	(100)	(8)	(8)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>65,290</b>	<b>31,195</b>	<b>1,927</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment	(135,719)	(4,874)	(5,914)
Proceeds from sale of property, plant and equipment	1,443	120	63
Capital grants, subsidies and contributions	41,307	361	892
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(92,970)</b>	<b>(4,393)</b>	<b>(4,959)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds of borrowings	20,159	-	-
Repayment of borrowings	(3,960)	(3,960)	(3,916)
Right-of-use lease payment	(1,144)	(95)	(100)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>15,055</b>	<b>(4,055)</b>	<b>(4,016)</b>
<b>Net increase / (decrease) in cash held</b>	<b>(12,625)</b>	<b>22,747</b>	<b>(7,048)</b>
Cash and cash equivalents at the beginning of the year	243,701	264,955	264,955

Cash and cash equivalents at the end of the financial year / period	231,077	287,702	257,907
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<b>Total Cash Funding (Actual YTD)</b>	<b>27,531</b>
Total Cash Funding (Annual Original Budget)	417,376
% of Budget Achieved YTD	7%

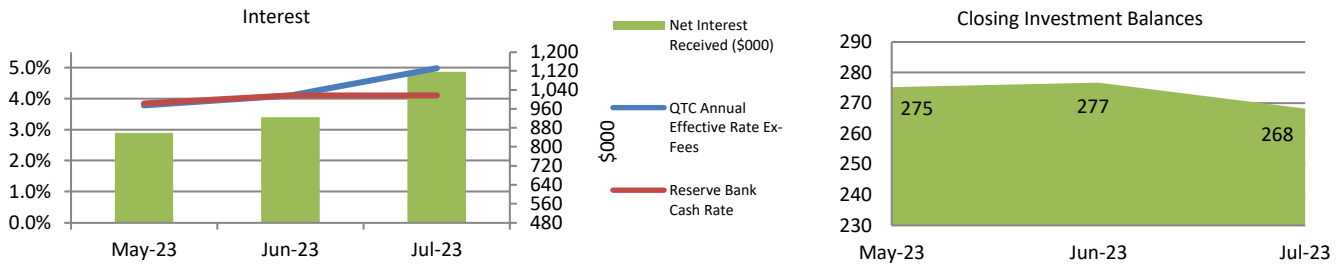


<b>Total Cash Expenditure (Actual YTD)</b>	<b>34,579</b>
Total Cash Expenditure (Annual Original Budget)	430,001
% of Budget Achieved YTD	8%

## 7. INVESTMENT & BORROWINGS REPORT

For the period ending 31 July 2023

### INVESTMENT RETURNS



**Total Investment at End of Month was \$268.25M**

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 2022 \$10.12M was re-invested in a term deposit of Commonwealth Bank of Australia (CBA) to maximise interest earnings.

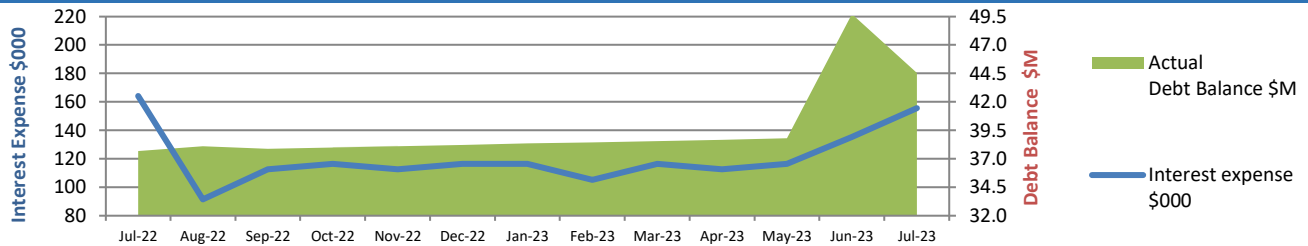
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle. The interest income increased from June to July due to increase in QTC annual effective rate (excluding fee) from 4.10% to 4.98%.

Note: the Reserve Bank increased the cash rate to 4.10% during June 2023.

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 4.98%. 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 May 2023 for the 2023/2024 financial year

### BORROWINGS AND BORROWING COSTS (QTC)



The debt balance increased in June 2023 due to new borrowings of \$10.81M as part of Council's Capital Works Plan.

In July 2023 the debt balance showed a decrease due to the \$5.33M Annual Debt Service Payment (ADSP), being \$3.92M principal and \$1.41M interest. Interest will accrue monthly on a daily balance until next ADSP in July 2024 which is reflected in the increasing debt balance.

**Total Borrowings at End of Month were \$44.55M**

Council adopted its Debt Policy (FIN-009-P) in June 2023 for the 2023/2024 financial year

### BORROWINGS

For the period ending 31 July 2023

	Annual Original Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
<b>Borrowings</b>			
Opening balance	(49,607)	(49,724)	(49,724)
Accrued interest on borrowings	(1,643)	(143)	(156)
Interest paid on borrowings	1,323	1,323	1,415
Principal repaid	3,960	3,960	3,916
Loan drawdown	(20,159)	-	-
<b>Closing balance</b>	<b>(66,126)</b>	<b>(44,584)</b>	<b>(44,549)</b>

## 8. CONSTRAINED CASH RESERVES

Reserves as at 31 July 2023	Purpose of reserve	Opening Balance	To Reserve	From Reserve	Closing Balance
		\$000	\$000	\$000	\$000
<b>Special Projects Reserve:</b>					
Aquatic Paradise Revetment Wall Reserve	To fund Aquatic Paradise revetment wall works program	23	32	-	55
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	1,242	-	-	1,242
Waste Levy Reserve	To fund Waste Levy Program	414	477	(452)	439
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	5,355	707	(207)	5,855
		<b>7,034</b>	<b>1,216</b>	<b>(659)</b>	<b>7,591</b>
<b>Constrained Works Reserve:</b>					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	5,633	389	-	6,022
Marine Trunk Infrastructure Reserve	Provision of marine facilities south of Redland Bay	183	-	-	183
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	5,389	14	-	5,403
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	15,532	15	-	15,547
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	14,903	209	-	15,112
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	39,530	504	(1,661)	38,373
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	13,709	208	-	13,917
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	10,996	55	-	11,051
Tree Planting Reserve	Acquisition and planting of trees on footpaths	342	22	-	364
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	19	-	(3)	16
Special Property Reserve	Acquisition of property in line with the strategic property framework	2,919	98	-	3,017
		<b>109,155</b>	<b>1,514</b>	<b>(1,664)</b>	<b>109,005</b>
<b>Separate Charge Reserve:</b>					
Environment & Coastal Management Separate Charge Reserve	Ongoing conservation and maintenance operations	-	3,155	(520)	2,635
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	123	115	(38)	200
		<b>123</b>	<b>3,270</b>	<b>(558)</b>	<b>2,835</b>
<b>Special Charge Reserve - Canals:</b>					
Aquatic Paradise Canal Reserve	Maintenance and repairs of Aquatic Paradise canals	774	2	-	776
Sovereign Waters Lake Reserve	Maintenance and repairs of Sovereign Lake	439	1	-	440
1718 Raby Bay Canal Reserve	Service, facility or activity of works in respect of the canals of the Raby Bay canal estate	224	-	-	224
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)
		<b>886</b>	<b>3</b>	<b>-</b>	<b>889</b>
<b>TOTALS</b>		<b>117,198</b>	<b>6,003</b>	<b>(2,881)</b>	<b>120,320</b>
					Closing cash and cash equivalents
					257,907
					Reserves as percentage of cash balance
					47%

## 9. CITY WATER STATEMENTS

### CITY WATER SUMMARY OPERATING STATEMENT

For the period ending 31 July 2023

	Annual	YTD	YTD	YTD
	Original	Budget	Actual	Variance
	Budget	\$000	\$000	\$000
	\$000			
Total revenue	146,602	24,828	25,695	867
Total expenses	80,781	6,058	5,726	(332)
Earnings before interest, tax and depreciation (EBITD)	65,821	18,770	19,969	1,199
External interest expense	224	18	19	1
Internal interest expense	15,633	1,303	1,303	-
Depreciation	27,753	2,313	2,453	140
<b>Operating surplus / (deficit)</b>	<b>22,210</b>	<b>15,136</b>	<b>16,194</b>	<b>1,058</b>

### CITY WATER CAPITAL FUNDING STATEMENT

For the period ending 31 July 2023

	Annual	YTD	YTD	YTD
	Original	Budget	Actual	Variance
	Budget	\$000	\$000	\$000
	\$000			
Capital contributions, donations, grants and subsidies	9,069	266	223	(43)
Net transfer (to) / from constrained capital reserves	1,930	-	(223)	(223)
Non-cash contributions	1,651	138	-	(138)
New loans	4,061	-	-	-
Funding from utility revenue	1,158	375	609	234
<b>Total sources of capital funding</b>	<b>17,869</b>	<b>779</b>	<b>609</b>	<b>(170)</b>
Contributed assets	1,651	138	-	(138)
Capitalised expenditure	15,406	90	100	10
Loan redemption	812	551	509	(42)
<b>Total application of capital funds</b>	<b>17,869</b>	<b>779</b>	<b>609</b>	<b>(170)</b>

## 10. CITY WASTE STATEMENTS

### CITY WASTE OPERATING STATEMENT

For the period ending 31 July 2023

	Annual	YTD	YTD	YTD
	Original	Budget	Actual	Variance
	Budget	\$000	\$000	\$000
	\$000			
Total revenue	39,399	3,213	3,373	160
Total expenses	30,636	2,550	2,251	(299)
Earnings before interest, tax and depreciation (EBITD)	8,764	663	1,122	459
External interest expense	6	-	-	-
Depreciation	596	50	39	(11)
<b>Operating surplus / (deficit)</b>	<b>8,162</b>	<b>613</b>	<b>1,083</b>	<b>470</b>

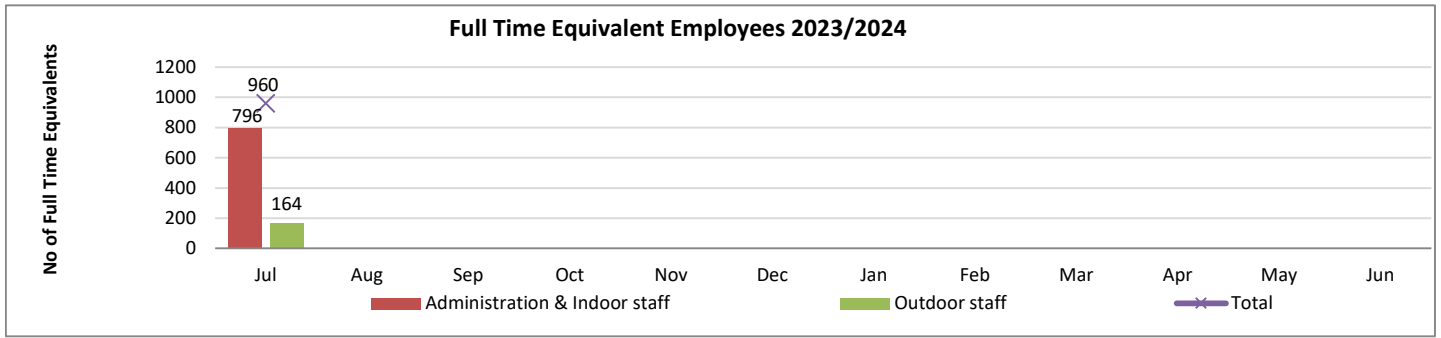
### CITY WASTE CAPITAL FUNDING STATEMENT

For the period ending 31 July 2023

	Annual	YTD	YTD	YTD
	Original	Budget	Actual	Variance
	Budget	\$000	\$000	\$000
	\$000			
Capital contributions, donations, grants and subsidies	4,820	-	-	-
Funding from utility revenue	3,046	3	30	27
<b>Total sources of capital funding</b>	<b>7,866</b>	<b>3</b>	<b>30</b>	<b>27</b>
Capitalised expenditure	7,826	-	27	27
Loan redemption	40	3	3	-
<b>Total application of capital funds</b>	<b>7,866</b>	<b>3</b>	<b>30</b>	<b>27</b>

## 11. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

### Workforce Reporting



July 2023: Headcount	Employee Type			
	Casual	Full Time	Part Time	Total
Office of CEO and People and Culture	5	41	9	55
Organisational Services	3	189	18	210
Community and Customer Services	59	286	71	416
Infrastructure and Operations	2	323	13	338
Advocacy Major Projects and Economic Development	2	32	6	40
<b>Total</b>	<b>71</b>	<b>871</b>	<b>117</b>	<b>1,059</b>

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

#### Comparison July 2023 to July 2022

Days Overdue	Jul-23		Jul-22		\$ Variance	% Variance	Rates & Charges Statistics	Jul-23	Jul-22
	Overdue	% Overdue	Overdue	% Overdue					
0 - 30	\$1,286	0.0%	\$1,801	0.0%	-\$515	0.0%	Levied (Billed) Rates & Charges since 1 July 2023	\$83,878,780	\$77,318,116
31 - 60	\$983	0.0%	\$1,069	0.0%	-\$86	0.0%	Rate arrears b/fwd 1 July 2022	\$9,226,293	\$9,031,746
61 - 90	\$2,771,003	3.0%	\$2,623,579	3.0%	\$147,424	0.0%	<b>Total</b>	<b>\$93,105,073</b>	<b>\$86,349,862</b>
91 - 180	\$1,431,196	1.5%	\$1,404,282	1.7%	\$26,914	-0.2%	Balance of overdue rates & charges	\$7,367,843	\$7,152,783
>180	\$3,163,375	3.4%	\$3,122,052	3.6%	\$41,323	-0.2%	<b>Percentage Overdue</b>	<b>7.9%</b>	<b>8.3%</b>
<b>Total</b>	<b>\$7,367,843</b>	<b>7.9%</b>	<b>\$7,152,783</b>	<b>8.3%</b>	<b>\$215,060</b>	<b>-0.4%</b>			

## 12. 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 (WIP):

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.

#### Current Replacement Cost:

The amount of money required to replace an existing asset with an equally valued or similar asset at the current market price.

#### Written Down Replacement Cost:

An asset's current replacement cost less accumulated depreciation.

#### Book Value of Debt:

The book value of Council's debt (QTC or other loans) as at the reporting date (i.e. 30 June).

#### Infrastructure Assets:

Those significant, long-life assets that provide ratepayers with access to social and economic facilities. Examples include water and sewerage treatment plants, roads, bridges, drainage, buildings, and other community assets (does not include right of use assets).

### Definition of Ratios

#### Council Controlled Revenue Ratio:

This is an indicator of a Council's financial flexibility, ability to influence its operating income, and capacity to respond to unexpected financial shocks

$$\frac{\text{Net Rates, Levies and Charges add Fees and Charges}}{\text{Total Operating Revenue}}$$

#### Population Growth:

This is a key driver of a Council's operating income, service needs, and infrastructure requirements into the future

$$\frac{\text{Prior year estimated population}}{\text{Previous year estimated population}} - 1$$

#### 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

$$\frac{\text{Operating Result}}{\text{Total Operating Revenue}}$$

#### Operating Cash Ratio:

This measures the ability to cover core operational expenses and generate a cash surplus excluding depreciation, amortisation, and finance costs

$$\frac{\text{Operating Result add Depreciation and Amortisation add Finance Costs*}}{\text{Total Operating Revenue}}$$

#### Unrestricted Cash Expense Cover Ratio:

This is an indicator of the unconstrained liquidity available to meet ongoing and emergent financial demands. It represents the number of months Council can continue operating based on current monthly expenses

$$\frac{\text{Total Cash and Cash Equivalents add Current Investments add Available Ongoing QTC Working Capital Facility Limit less Externally Restricted Cash}}{(\text{Total Operating Expenditure less Depreciation add Amortisation less Finance Costs*})} \times 12$$

#### 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

$$\frac{\text{Capital Expenditure on Replacement of Infrastructure Assets (Renewals)}}{\text{Depreciation Expenditure on Infrastructure Assets}}$$

#### Asset Consumption Ratio:

This measure the extent to which Council's infrastructure assets have been consumed to what it would cost to build a new asset with the same benefit to the community

$$\frac{\text{Written Down Replacement Cost of Depreciable Infrastructure Assets}}{\text{Current Replacement Cost of Depreciable Infrastructure Assets}}$$

#### Asset Renewal Funding Ratio:

This ratio measures the ability of a Council to fund its projected asset renewal/replacements in the future

$$\frac{\text{Total of Planned Capital Expenditure on Asset Renewals over 10 years}}{\text{Total of Required Capital Expenditure on Asset Renewals over 10 years}}$$

#### Leverage Ratio:

This is an indicator of a Council's ability to repay its existing debt. It measures the relative size of the council's debt to its operating performance

$$\frac{\text{Book Value of Debt**}}{\text{Total Operating Revenue less Total Operating Expenditure add Depreciation and Amortisation}}$$

#### Net Financial Liabilities:

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

$$\frac{\text{Total Liabilities - Current Assets}}{\text{Total Operating Revenue}}$$

\* Finance costs only includes interest charged on council's existing QTC debt balances and any other council loans

\*\* Book Value of Debt only includes the book value of the council's debt (QTC or other loans) as at the reporting date