



# Monthly Financial Report

August 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 August 2023. The year to date annual revised budget referred to in this report incorporates the changes from budget capital carryovers adopted by Council on 16 August 2023.

The opening balances for the current year are still to be finalised and audited. As such, the financial position for the month of August 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 Revised Budget	YTD Budget	YTD Actual	YTD Variance	YTD Variance %	Status Favourable ✓ Unfavourable ✗
Operating Surplus / (Deficit)	(2,113)	21,406	<b>23,885</b>	2,479	12%	✓
Recurrent Revenue	356,077	76,588	<b>77,756</b>	1,168	2%	✓
Recurrent Expenditure	358,190	55,182	<b>53,871</b>	(1,311)	-2%	✓
Capital Works Expenditure	135,795	10,020	<b>15,572</b>	5,552	55%	✗
Closing Cash & Cash Equivalents	257,662	305,482	<b>283,497</b>	(21,985)	-7%	✗

Council reported a year to date operating surplus of \$23.89M which is favourable to budget by \$2.48M. This is mainly due to lower than budgeted employee costs, depreciation and amortisation, combined with higher than budgeted levies and utility charges and fees, offset by lower grants, subsidies and contributions.

Council's capital works expenditure is ahead of budget by \$5.55M due to timing of works for a number of infrastructure projects.

Council's cash balance is behind budget mainly due to higher than budgeted payments to suppliers, higher payments for property, plant and equipment, lower receipts from customers as well as for non-capital grants and contributions. Constrained cash reserves represent 41% 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 supersedes 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 Revised Budget	YTD Actual	Status Achieved ✓ Not achieved ✗
Council-Controlled Revenue*	Contextual - No target specified	91.54%	94.89%	N/A
Operating Surplus Ratio	Greater than 0%	-0.59%	30.72%	✓
Operating Cash Ratio	Greater than 0%	20.98%	46.64%	✓
Unrestricted Cash Expense Cover Ratio	Greater than 2 months	11.42	14.15	✓
Asset Sustainability Ratio	Greater than 60%	68.51%	63.64%	✓
Asset Consumption Ratio	Greater than 60%	63.48%	63.08%	✓
Leverage Ratio	0 - 4 times	0.91	1.24	✓
Net Financial Liabilities Ratio**	Less than 60% (on average over the long-term)	-39.34%	-232.76%	✓

\* 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 August 2023					
	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Budget	Actual	Variance
	Budget	Budget	\$000	\$000	\$000
	\$000	\$000			
<b>Recurrent revenue</b>					
Rates charges	124,613	124,613	31,088	30,948	(140)
Levies and utility charges	186,457	186,457	39,125	39,707	582
Less: Pensioner remissions and rebates	(3,638)	(3,638)	(861)	(902)	(41)
Fees	18,526	18,526	3,637	4,030	393
Rental income	1,075	1,075	156	229	73
Interest received	11,796	11,796	2,146	2,378	232
Sales revenue	4,982	4,982	780	1,003	223
Other income	847	847	17	214	197
Grants, subsidies and contributions	10,914	11,419	500	149	(351)
<b>Total recurrent revenue</b>	<b>355,572</b>	<b>356,077</b>	<b>76,588</b>	<b>77,756</b>	<b>1,168</b>
<b>Recurrent expenses</b>					
Employee benefits	108,385	108,385	18,278	17,547	(731)
Materials and services	171,662	172,178	24,109	23,910	(199)
Finance costs	2,690	2,690	354	400	46
Depreciation and amortisation	75,188	75,188	12,531	12,079	(452)
Other expenditure	546	546	43	83	40
Net internal costs	(796)	(796)	(133)	(148)	(15)
<b>Total recurrent expenses</b>	<b>357,674</b>	<b>358,190</b>	<b>55,182</b>	<b>53,871</b>	<b>(1,311)</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(2,103)</b>	<b>(2,113)</b>	<b>21,406</b>	<b>23,885</b>	<b>2,479</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	41,307	42,326	723	1,504	781
Non-cash contributions	12,230	12,230	2,038	-	(2,038)
<b>Total capital revenue</b>	<b>53,537</b>	<b>54,556</b>	<b>2,761</b>	<b>1,504</b>	<b>(1,257)</b>
<b>Capital expenses</b>					
(Gain) / loss on disposal of non-current assets	289	289	48	154	106
<b>Total capital expenses</b>	<b>289</b>	<b>289</b>	<b>48</b>	<b>154</b>	<b>106</b>
<b>TOTAL INCOME</b>	<b>409,109</b>	<b>410,634</b>	<b>79,349</b>	<b>79,260</b>	<b>(89)</b>
<b>TOTAL EXPENSES</b>	<b>357,963</b>	<b>358,478</b>	<b>55,230</b>	<b>54,025</b>	<b>(1,205)</b>
<b>NET RESULT</b>	<b>51,145</b>	<b>52,155</b>	<b>24,119</b>	<b>25,235</b>	<b>1,116</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>52,155</b>	<b>24,119</b>	<b>25,235</b>	<b>1,116</b>

### 3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

#### LEVIES AND UTILITY CHARGES ANALYSIS

For the period ending 31 August 2023

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
<b>Levies and utility charges</b>					
Refuse collection rate charge	36,083	36,083	5,982	<b>5,997</b>	15
SES separate charge	458	458	114	<b>115</b>	1
Environment & Coastal Management Separate Charge	12,609	12,609	3,146	<b>3,154</b>	8
Separate charge landfill remediation	4,348	4,348	1,085	<b>1,087</b>	2
Wastewater charges	56,059	56,059	13,766	<b>13,986</b>	220
Water access charges	23,351	23,351	5,792	<b>5,823</b>	31
Water consumption charges	53,549	53,549	9,240	<b>9,545</b>	305
<b>Total levies and utility charges</b>	<b>186,457</b>	<b>186,457</b>	<b>39,125</b>	<b>39,707</b>	<b>582</b>

#### MATERIALS AND SERVICES ANALYSIS

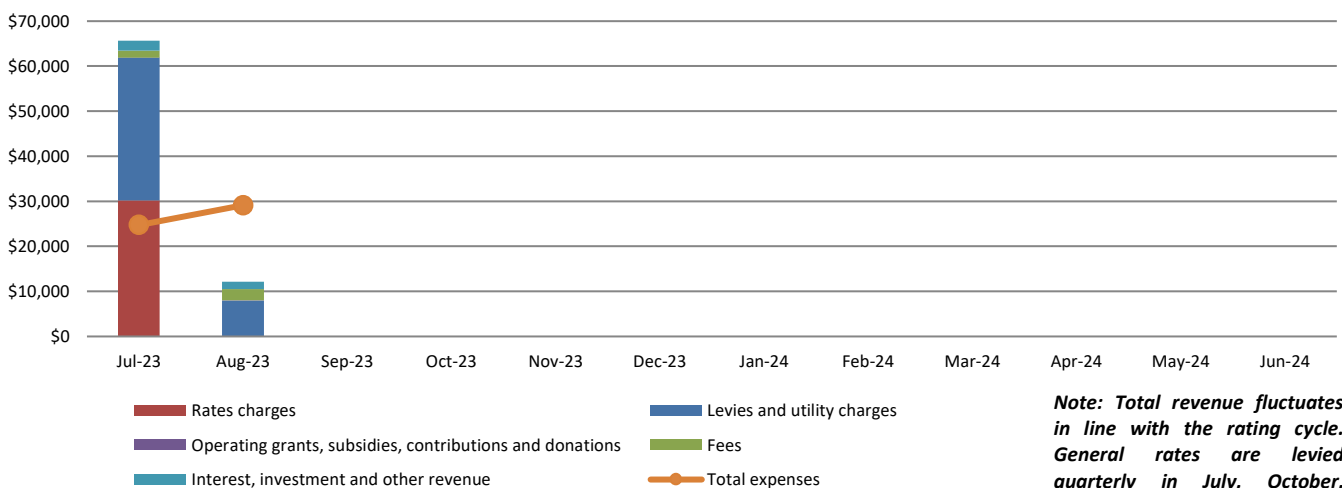
For the period ending 31 August 2023

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
<b>Materials and services</b>					
Contractors	45,990	48,652	5,171	<b>5,325</b>	154
Consultants	4,989	5,222	835	<b>577</b>	(258)
Other Council outsourcing costs*	33,588	30,945	3,946	<b>4,236</b>	290
Purchase of materials	56,984	57,040	9,485	<b>9,503</b>	18
Office administration costs	8,017	8,139	1,392	<b>1,199</b>	(193)
Electricity charges	6,282	6,276	1,031	<b>972</b>	(59)
Plant operations	3,984	3,984	543	<b>537</b>	(6)
Information technology resources	6,549	6,711	1,025	<b>945</b>	(80)
General insurance	2,050	2,050	342	<b>342</b>	-
Community assistance**	2,582	2,512	225	<b>129</b>	(96)
Other material and service expenses	647	647	114	<b>145</b>	31
<b>Total materials and services</b>	<b>171,662</b>	<b>172,178</b>	<b>24,109</b>	<b>23,910</b>	<b>(199)</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.

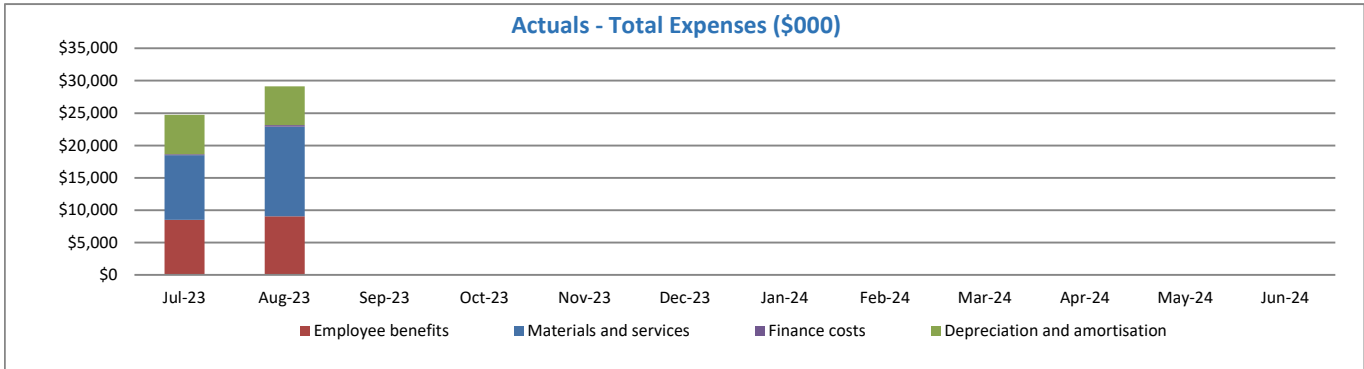
\*\* Community assistance costs represent community related costs including community grants, exhibitions and awards, donations and sponsorships.

Actuals - Total Revenue and Expenses (\$000)

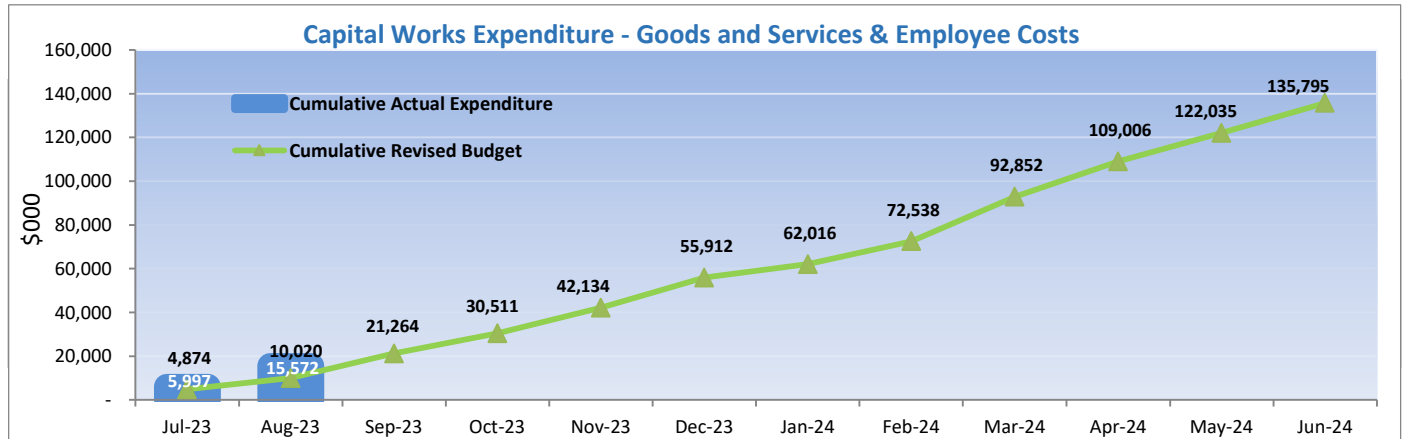


**Note: Total revenue fluctuates in line with the rating cycle. General rates are levied quarterly in July, October, January and April.**

### 3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED



### 4. CAPITAL EXPENDITURE



	Annual Revised Budget \$'000	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000
Capitalised goods and services*	127,112	8,748	14,237	5,489
Capitalised employee costs	8,683	1,272	1,335	63
<b>Total</b>	<b>135,795</b>	<b>10,020</b>	<b>15,572</b>	<b>5,552</b>

\* Excludes capital prepayments.

#### Notable Programs and Projects

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

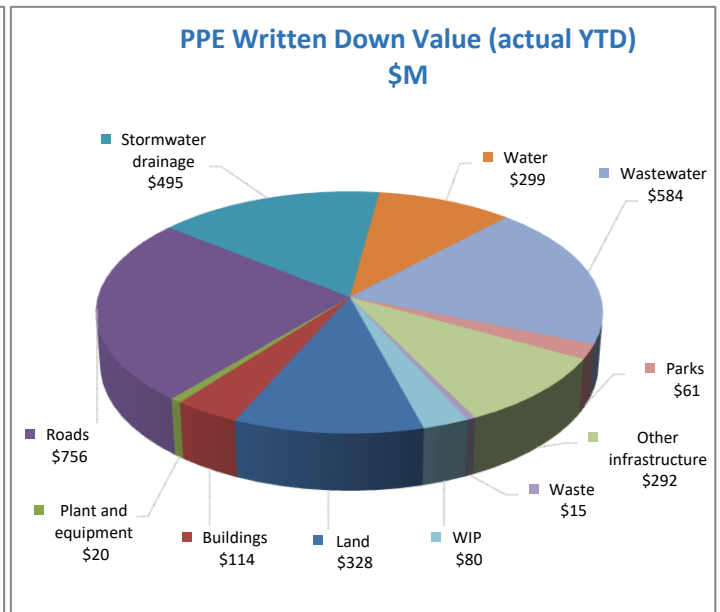
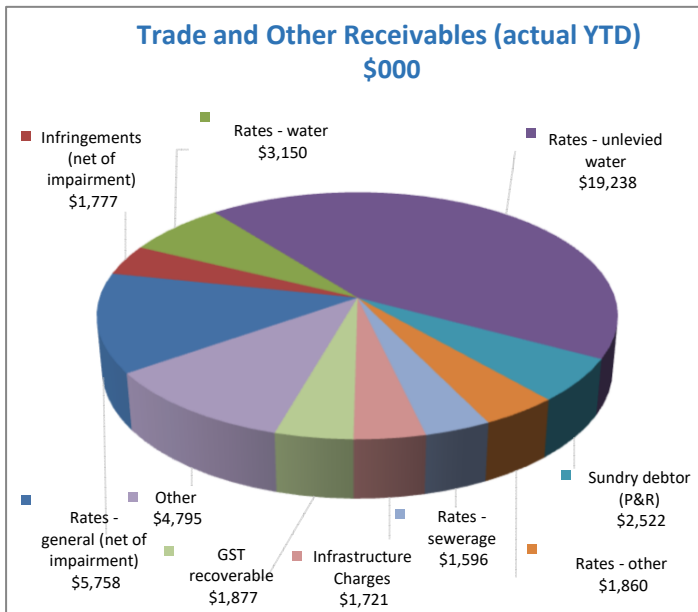
Capital Investment		YTD Actual \$'000
Wellington St / Panorama Dr upgrade	Road widening / lane duplication of Wellington St / Panorama Dr.	6,576
AC Main replacement	To progressively replace asbestos cement water mains at Makaha Drive.	1,261
Fleet replacement	Current fleet replacement program.	1,052
Revetment walls renewal	Revetment wall renewal works at Seacrest Crt and Masthead Dr properties.	964
Water DICL renewal	To progressively replace ageing water mains at Mary Pleasant Drive.	590
Russell Island Ferry Terminal car park renewal and expansion	Upgrade of ferry terminal carpark on Russell Island.	550
Desktop replacement	Current desktop replacement program.	467

## 5. STATEMENT OF FINANCIAL POSITION

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

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	231,077	257,662	305,482	<b>283,497</b>
Short-term investment - CBA	10,122	10,122	10,122	<b>10,122</b>
Trade and other receivables	48,805	46,683	41,028	<b>44,294</b>
Inventories	918	947	947	<b>941</b>
Other current assets	4,397	3,074	3,074	<b>3,998</b>
<b>Total current assets</b>	<b>295,319</b>	<b>318,489</b>	<b>360,653</b>	<b>342,852</b>
<b>NON-CURRENT ASSETS</b>				
Investment property	1,293	1,403	1,403	<b>1,403</b>
Property, plant and equipment	2,893,904	3,112,875	3,039,851	<b>3,043,841</b>
Intangible assets	635	624	966	<b>996</b>
Right-of-use assets	3,103	3,359	4,174	<b>4,184</b>
Other financial assets	73	73	73	<b>73</b>
Investment in other entities	12,657	12,657	12,657	<b>12,657</b>
<b>Total non-current assets</b>	<b>2,911,665</b>	<b>3,130,991</b>	<b>3,059,124</b>	<b>3,063,154</b>
<b>TOTAL ASSETS</b>	<b>3,206,984</b>	<b>3,449,480</b>	<b>3,419,777</b>	<b>3,406,006</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	46,847	40,788	43,944	<b>36,681</b>
Borrowings - current	5,209	5,252	5,252	<b>5,252</b>
Lease liability - current	1,044	1,144	1,144	<b>1,144</b>
Provisions - current	17,573	17,797	16,074	<b>16,515</b>
Other current liabilities	11,632	16,422	25,846	<b>17,460</b>
<b>Total current liabilities</b>	<b>82,305</b>	<b>81,402</b>	<b>92,260</b>	<b>77,052</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings - non-current	60,917	60,992	39,468	<b>39,443</b>
Lease liability - non-current	2,582	2,764	3,718	<b>3,622</b>
Provisions - non-current	16,743	19,554	22,043	<b>22,434</b>
Other non-current liabilities	5,020	13,706	19,264	<b>19,314</b>
<b>Total non-current liabilities</b>	<b>85,261</b>	<b>97,017</b>	<b>84,493</b>	<b>84,813</b>
<b>TOTAL LIABILITIES</b>	<b>167,567</b>	<b>178,419</b>	<b>176,753</b>	<b>161,865</b>
<b>NET COMMUNITY ASSETS</b>	<b>3,039,417</b>	<b>3,271,061</b>	<b>3,243,024</b>	<b>3,244,141</b>
<b>COMMUNITY EQUITY</b>				
Asset revaluation surplus	1,225,400	1,441,332	1,441,332	<b>1,441,332</b>
Retained surplus	1,701,576	1,718,160	1,681,230	<b>1,685,629</b>
Constrained cash reserves	112,441	111,569	120,462	<b>117,180</b>
<b>TOTAL COMMUNITY EQUITY</b>	<b>3,039,417</b>	<b>3,271,061</b>	<b>3,243,024</b>	<b>3,244,141</b>

## 5. STATEMENT OF FINANCIAL POSITION - CONTINUED



### RIGHT-OF-USE ASSETS

As at 31 August 2023

Right-of-use asset	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual Balance \$000
Buildings	815	905	1,345	<b>1,345</b>
Land	2,045	2,211	2,552	<b>2,562</b>
Plant and Equipment	243	243	277	<b>277</b>
<b>Closing balance</b>	<b>3,103</b>	<b>3,359</b>	<b>4,174</b>	<b>4,184</b>

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

For the period ending 31 August 2023

PPE movement	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual Balance \$000
Opening balance (includes WIP from previous years)	2,821,486	3,040,381	3,040,381	<b>3,040,381</b>
Acquisitions and WIP in year movement	147,949	148,025	12,058	<b>15,572</b>
Depreciation in year	(73,800)	(73,800)	(12,300)	<b>(11,790)</b>
Disposals	(1,731)	(1,731)	(288)	<b>(224)</b>
Other adjustments**	-	-	-	<b>(98)</b>
<b>Closing balance</b>	<b>2,893,904</b>	<b>3,112,875</b>	<b>3,039,851</b>	<b>3,043,841</b>

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



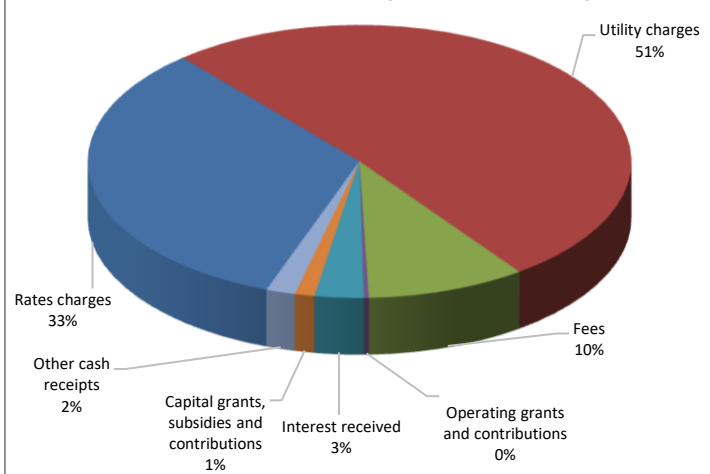
## 6. STATEMENT OF CASH FLOWS

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

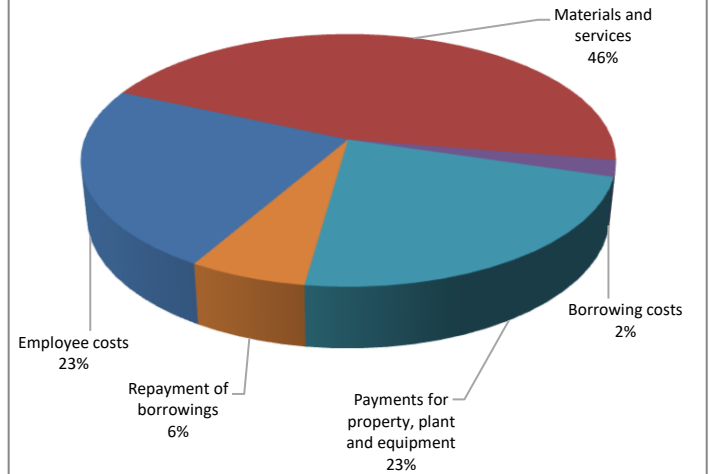
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	330,713	330,713	88,583	<b>83,111</b>
Payments to suppliers and employees	(287,755)	(288,300)	(40,638)	<b>(47,574)</b>
	<b>42,958</b>	<b>42,413</b>	<b>47,945</b>	<b>35,537</b>
Interest received	11,796	11,796	2,146	<b>2,529</b>
Rental income	1,075	1,075	156	<b>229</b>
Non-capital grants and contributions	10,884	15,817	4,826	<b>264</b>
Borrowing costs	(1,323)	(1,323)	(1,323)	<b>(1,415)</b>
Right-of-use assets interest expense	(100)	(100)	(16)	<b>(15)</b>
<b>Net cash inflow / (outflow) from operating activities</b>	<b>65,290</b>	<b>69,678</b>	<b>53,734</b>	<b>37,129</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(135,719)	(135,795)	(10,020)	<b>(15,475)</b>
Proceeds from sale of property, plant and equipment	1,443	1,443	241	<b>71</b>
Capital grants, subsidies and contributions	41,307	42,326	723	<b>1,020</b>
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(92,970)</b>	<b>(92,026)</b>	<b>(9,056)</b>	<b>(14,384)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds of borrowings	20,159	20,159	-	-
Repayment of borrowings	(3,960)	(3,960)	(3,960)	<b>(3,916)</b>
Right-of-use lease payment	(1,144)	(1,144)	(191)	<b>(287)</b>
<b>Net cash inflow / (outflow) from financing activities</b>	<b>15,055</b>	<b>15,055</b>	<b>(4,151)</b>	<b>(4,203)</b>
<b>Net increase / (decrease) in cash held</b>	<b>(12,625)</b>	<b>(7,293)</b>	<b>40,527</b>	<b>18,542</b>
Cash and cash equivalents at the beginning of the year	243,701	264,955	264,955	<b>264,955</b>

<b>Cash and cash equivalents at the end of the financial year / period</b>	<b>231,077</b>	<b>257,662</b>	<b>305,482</b>	<b>283,497</b>
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**Cash Inflow (actual YTD)**



**Cash Outflow (actual YTD)**



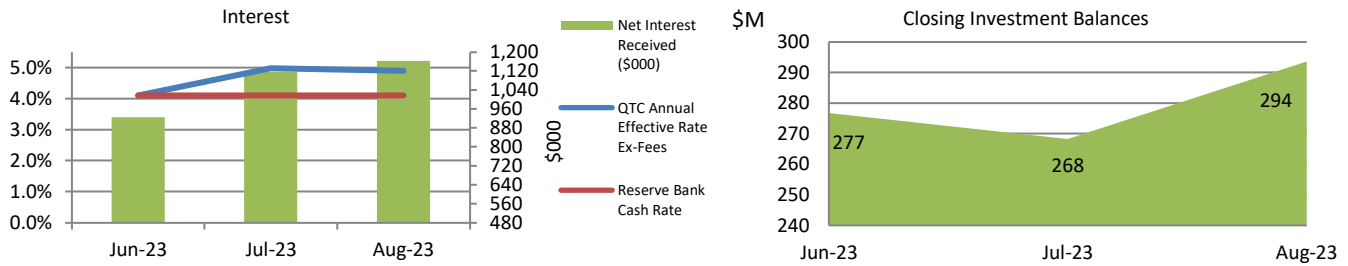
<b>Total Cash Funding (Actual YTD)</b>	<b>87,224</b>
Total Cash Funding (Annual Revised Budget)	423,329
<b>% of Budget Achieved YTD</b>	<b>21%</b>

<b>Total Cash Expenditure (Actual YTD)</b>	<b>68,682</b>
Total Cash Expenditure (Annual Revised Budget)	430,622
<b>% of Budget Achieved YTD</b>	<b>16%</b>

## 7. INVESTMENT & BORROWINGS REPORT

For the period ending 31 August 2023

### INVESTMENT RETURNS



**Total Investment at End of Month was \$293.62M**

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.

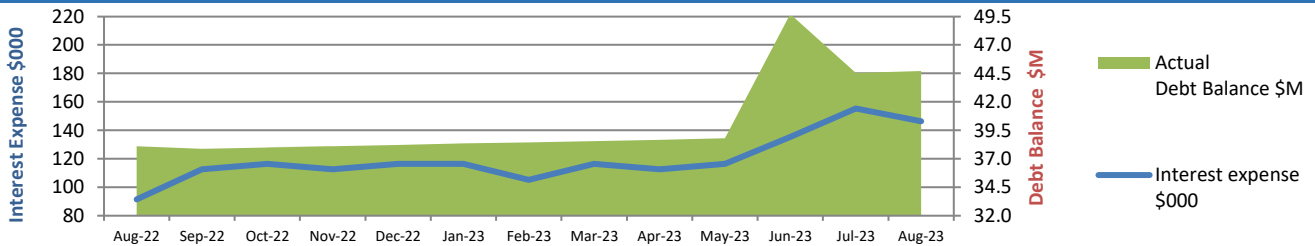
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle. The interest income increased from July to August due to higher average investment balance.

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 4.89%. 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 \$44.69M**

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

### BORROWINGS

For the period ending 31 August 2023

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
<b>Borrowings</b>				
Opening balance	(49,607)	(49,724)	(49,724)	<b>(49,724)</b>
Accrued interest on borrowings	(1,643)	(1,644)	(279)	<b>(302)</b>
Interest paid on borrowings	1,323	1,323	1,323	<b>1,415</b>
Principal repaid	3,960	3,960	3,960	<b>3,916</b>
Loan drawdown	(20,159)	(20,159)	-	<b>-</b>
<b>Closing balance</b>	<b>(66,126)</b>	<b>(66,244)</b>	<b>(44,720)</b>	<b>(44,695)</b>

## 8. CONSTRAINED CASH RESERVES

Reserves as at 31 August 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	31	-	54
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	1,242	-	(1)	1,241
Waste Levy Reserve	To fund Waste Levy Program	414	954	(1,034)	334
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	5,355	707	(719)	5,343
		<b>7,034</b>	<b>1,692</b>	<b>(1,754)</b>	<b>6,972</b>
<b>Constrained Works Reserve:</b>					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	5,633	433	(169)	5,897
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	15	-	5,404
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	15,532	16	-	15,548
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	14,903	232	(38)	15,097
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	39,530	560	(3,288)	36,802
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	13,709	231	(2)	13,938
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	10,996	62	-	11,058
Tree Planting Reserve	Acquisition and planting of trees on footpaths	342	38	(4)	376
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	19	-	(11)	8
Special Property Reserve	Acquisition of property in line with the strategic property framework	2,919	158	-	3,077
		<b>109,155</b>	<b>1,745</b>	<b>(3,512)</b>	<b>107,388</b>
<b>Separate Charge Reserve:</b>					
Environment & Coastal Management Separate Charge Reserve	Ongoing conservation and maintenance operations	-	3,154	(1,343)	1,811
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	123	115	(123)	115
		<b>123</b>	<b>3,269</b>	<b>(1,466)</b>	<b>1,926</b>
<b>Special Charge Reserve - Canals:</b>					
Aquatic Paradise Canal Reserve	Maintenance and repairs of Aquatic Paradise canals	774	4	-	778
Sovereign Waters Lake Reserve	Maintenance and repairs of Sovereign Lake	439	3	-	442
1718 Raby Bay Canal Reserve	Service, facility or activity of works in respect of the canals of the Raby Bay canal estate	224	1	-	225
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>8</b>	<b>-</b>	<b>894</b>
<b>TOTALS</b>		<b>117,198</b>	<b>6,714</b>	<b>(6,732)</b>	<b>117,180</b>
		Closing cash and cash equivalents			<b>283,497</b>
		Reserves as percentage of cash balance			<b>41%</b>

## 9. CITY WATER STATEMENTS

### CITY WATER SUMMARY OPERATING STATEMENT

For the period ending 31 August 2023

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	146,602	146,602	31,195	31,823	628
Total expenses	80,781	80,781	12,561	12,799	238
Earnings before interest, tax and depreciation (EBITD)	65,821	65,821	18,634	19,024	390
External interest expense	224	224	36	38	2
Internal interest expense	15,633	15,633	2,606	2,606	-
Depreciation	27,753	27,753	4,625	4,907	282
<b>Operating surplus / (deficit)</b>	<b>22,210</b>	<b>22,210</b>	<b>11,367</b>	<b>11,473</b>	<b>106</b>

### CITY WATER CAPITAL FUNDING STATEMENT

For the period ending 31 August 2023

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Capital contributions, donations, grants and subsidies	9,069	9,069	533	248	(285)
Net transfer (to) / from constrained capital reserves	1,930	1,930	-	(210)	(210)
Non-cash contributions	1,651	1,651	275	-	(275)
New loans	4,061	4,061	-	-	-
Funding from utility revenue	1,158	1,158	195	2,847	2,652
<b>Total sources of capital funding</b>	<b>17,869</b>	<b>17,869</b>	<b>1,003</b>	<b>2,885</b>	<b>1,882</b>
Contributed assets	1,651	1,651	275	-	(275)
Capitalised expenditure	15,406	15,406	152	2,258	2,106
Loan redemption	812	812	576	627	51
<b>Total application of capital funds</b>	<b>17,869</b>	<b>17,869</b>	<b>1,003</b>	<b>2,885</b>	<b>1,882</b>

## 10. CITY WASTE STATEMENTS

### CITY WASTE OPERATING STATEMENT

For the period ending 31 August 2023

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	39,399	39,399	6,452	6,703	251
Total expenses	30,636	30,606	5,093	5,332	239
Earnings before interest, tax and depreciation (EBITD)	8,764	8,793	1,359	1,371	12
External interest expense	6	6	1	1	-
Depreciation	596	596	99	78	(21)
<b>Operating surplus / (deficit)</b>	<b>8,162</b>	<b>8,192</b>	<b>1,259</b>	<b>1,292</b>	<b>33</b>

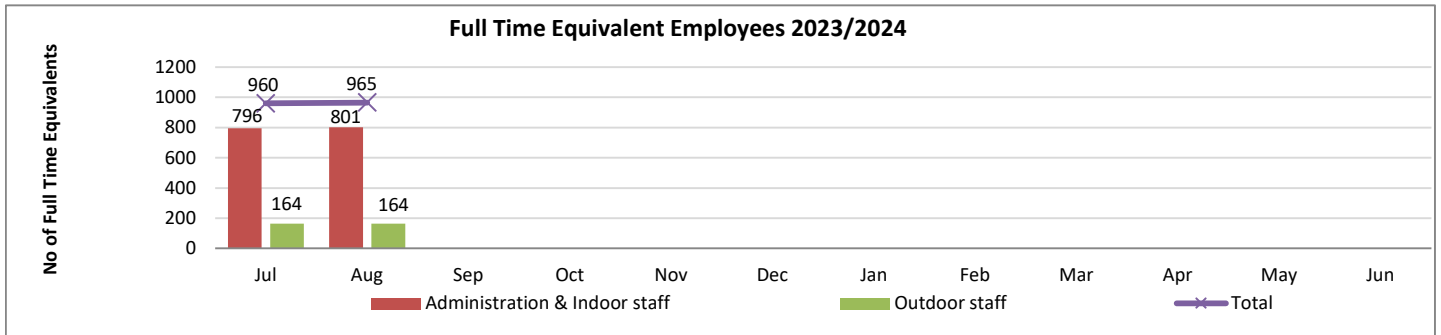
### CITY WASTE CAPITAL FUNDING STATEMENT

For the period ending 31 August 2023

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Capital contributions, donations, grants and subsidies	4,820	4,820	-	-	-
Funding from utility revenue	3,046	3,046	7	60	53
<b>Total sources of capital funding</b>	<b>7,866</b>	<b>7,866</b>	<b>7</b>	<b>60</b>	<b>53</b>
Capitalised expenditure	7,826	7,826	-	53	53
Loan redemption	40	40	7	7	-
<b>Total application of capital funds</b>	<b>7,866</b>	<b>7,866</b>	<b>7</b>	<b>60</b>	<b>53</b>

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

### Workforce Reporting



August 2023: Headcount	Employee Type			
Department Level	Casual	Full Time	Part Time	Total
Office of CEO and People and Culture	4	40	9	53
Organisational Services	3	190	18	211
Community and Customer Services	64	289	70	423
Infrastructure and Operations	2	323	16	341
Advocacy Major Projects and Economic Development	1	32	6	39
<b>Total</b>	<b>74</b>	<b>874</b>	<b>119</b>	<b>1,067</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 August 2023 to August 2022									
Days Overdue	Aug-23	% Overdue	Aug-22	% Overdue	\$ Variance	% Variance	Rates & Charges Statistics	Aug-23	Aug-22
0 - 30	\$6,518,528	7.0%	\$6,373,439	7.4%	\$145,089	-0.4%	Levied (Billed) Rates & Charges since 1 July 2023	\$83,840,624	\$77,261,030
31 - 60	\$337	0.0%	\$890	0.0%	-\$553	0.0%	Rate arrears b/fwd 1 July 2023	\$9,226,293	\$9,031,746
61 - 90	\$746	0.0%	\$819	0.0%	-\$73	0.0%	<b>Total</b>	<b>\$93,066,917</b>	<b>\$86,292,776</b>
91 - 180	\$3,261,242	3.5%	\$1,875,123	2.2%	\$1,386,119	1.3%	Balance of overdue rates & charges	\$12,511,606	\$12,161,542
>180	\$2,730,753	2.9%	\$3,911,271	4.5%	-\$1,180,518	-1.6%	<b>Percentage Overdue</b>	<b>13.4%</b>	<b>14.1%</b>
<b>Total</b>	<b>\$12,511,606</b>	<b>13.4%</b>	<b>\$12,161,542</b>	<b>14.1%</b>	<b>\$350,064</b>	<b>-0.7%</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

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

#### 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