



Monthly Financial Report

December 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 December 2023. The year to date annual revised budget referred to in this report incorporates the changes from the budget review adopted by Council on 13 December 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)	(1,520)	(1,006)	8,070	9,076	902%	✓
Recurrent Revenue	357,681	176,472	176,793	321	0%	✓
Recurrent Expenditure	359,201	177,478	168,723	(8,755)	-5%	✓
Capital Works Expenditure	135,795	51,975	56,628	4,653	9%	✗
Closing Cash & Cash Equivalents	257,357	264,498	209,394	(55,104)	-21%	✗
Short-Term Investment	10,122	10,122	50,000	39,878	394%	✓

Council reported a year to date operating surplus of \$8.07M which is favourable to budget by \$9.08M. This is mainly due to lower than budgeted materials and services, depreciation and amortisation, employee costs, combined with higher than budgeted fees and interest received, offset by lower operating grants, subsidies and contributions, and levies and utility charges.

Council's capital works expenditure is ahead of budget by \$4.65M due to timing of works for a number of infrastructure projects.

Council's cash balance is behind budget mainly due to investment in a short-term deposit to gain risk free interest revenue, higher payments to suppliers, higher payments for property, plant and equipment, lower capital and non-capital grants and contributions offset by higher cash receipts from customers. Constrained cash reserves represent 54% of the cash balance.

2. KEY PERFORMANCE INDICATORS

A new Financial Management (Sustainability) Guideline (the Guideline) has been developed by Department of State Development, Infrastructure, Local Government and Planning following consultation with local governments and other stakeholders which supersedes the Financial Management (Sustainability) Guideline 2013. The Guideline applies to all Queensland local governments for calculating the relevant financial sustainability measures detailed in the *Local Government Regulation 2012* and are presented below.

Financial Sustainability Measures	Target	Annual Revised Budget	YTD Actual	Status Achieved ✓ Not achieved ✗
Council-Controlled Revenue*	Contextual - No target specified	91.33%	93.00%	N/A
Population Growth Ratio*	Contextual - No target specified	1.00%	1.00%	N/A
Operating Surplus Ratio	Greater than 0%	-0.42%	4.56%	✓
Operating Cash Ratio	Greater than 0%	21.06%	25.62%	✓
Unrestricted Cash Expense Cover Ratio	Greater than 2 months	11.37	11.84	✓
Asset Sustainability Ratio	Greater than 60%	92.10%	76.22%	✓
Asset Consumption Ratio	Greater than 60%	64.27%	62.55%	✓
Asset Renewal Funding Ratio*	Contextual - No target specified	100.00%	100.00%	N/A
Leverage Ratio	0 - 4 times	0.90	1.02	✓
Net Financial Liabilities Ratio**	Less than 60% (on average over the long-term)	-39.70%	-88.69%	✓

* The Council-Controlled Revenue, Population Growth, and Asset Renewal Funding Ratio measures are reported for contextual purposes only. Population Growth and Asset Renewal Funding Ratios will not materially change from month to month.

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

3. STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME					
For the period ending 31 December 2023					
	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Budget	Actual	Variance
	Budget	Budget	\$000	\$000	\$000
	\$000	\$000			
Recurrent revenue					
Rates charges	124,613	124,613	62,413	62,148	(265)
Levies and utility charges	186,457	186,457	93,516	92,795	(721)
Less: Pensioner remissions and rebates	(3,638)	(3,638)	(1,822)	(1,756)	66
Fees	18,526	19,245	9,528	11,239	1,711
Rental income	1,075	1,075	457	603	146
Interest received	11,796	12,496	6,550	7,002	452
Sales revenue	4,982	4,982	2,437	2,633	196
Other income	847	847	491	681	190
Grants, subsidies and contributions	10,914	11,604	2,902	1,448	(1,454)
Total recurrent revenue	355,572	357,681	176,472	176,793	321
Recurrent expenses					
Employee benefits	108,385	109,238	54,395	53,416	(979)
Materials and services	171,662	172,336	84,505	78,068	(6,437)
Finance costs	2,690	2,690	1,084	1,111	27
Depreciation and amortisation	75,188	75,188	37,594	36,349	(1,245)
Other expenditure	546	546	299	383	84
Net internal costs	(796)	(796)	(399)	(604)	(205)
Total recurrent expenses	357,674	359,201	177,478	168,723	(8,755)
OPERATING SURPLUS / (DEFICIT)	(2,103)	(1,520)	(1,006)	8,070	9,076
Capital revenue					
Grants, subsidies and contributions	41,307	43,680	15,718	9,418	(6,300)
Non-cash contributions	12,230	12,230	6,115	-	(6,115)
Total capital revenue	53,537	55,910	21,833	9,418	(12,415)
Capital expenses					
(Gain) / loss on disposal of non-current assets	289	289	144	1,465	1,321
Total capital expenses	289	289	144	1,465	1,321
TOTAL INCOME	409,109	413,590	198,305	186,211	(12,094)
TOTAL EXPENSES	357,963	359,490	177,622	170,188	(7,434)
NET RESULT	51,145	54,101	20,683	16,023	(4,660)
Other comprehensive income / (loss)					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	(13)	(13)
TOTAL COMPREHENSIVE INCOME	51,145	54,101	20,683	16,010	(4,673)

3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

LEVIES AND UTILITY CHARGES ANALYSIS

For the period ending 31 December 2023

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Levies and utility charges					
Refuse collection rate charge	36,083	36,083	17,998	18,041	43
SES separate charge	458	458	229	229	-
Environment & Coastal Management Separate Charge	12,609	12,609	6,315	6,310	(5)
Separate charge landfill remediation	4,348	4,348	2,178	2,176	(2)
Wastewater charges	56,059	56,059	27,952	28,134	182
Water access charges	23,351	23,351	11,630	11,688	58
Water consumption charges	53,549	53,549	27,214	26,217	(997)
Total levies and utility charges	186,457	186,457	93,516	92,795	(721)

MATERIALS AND SERVICES ANALYSIS

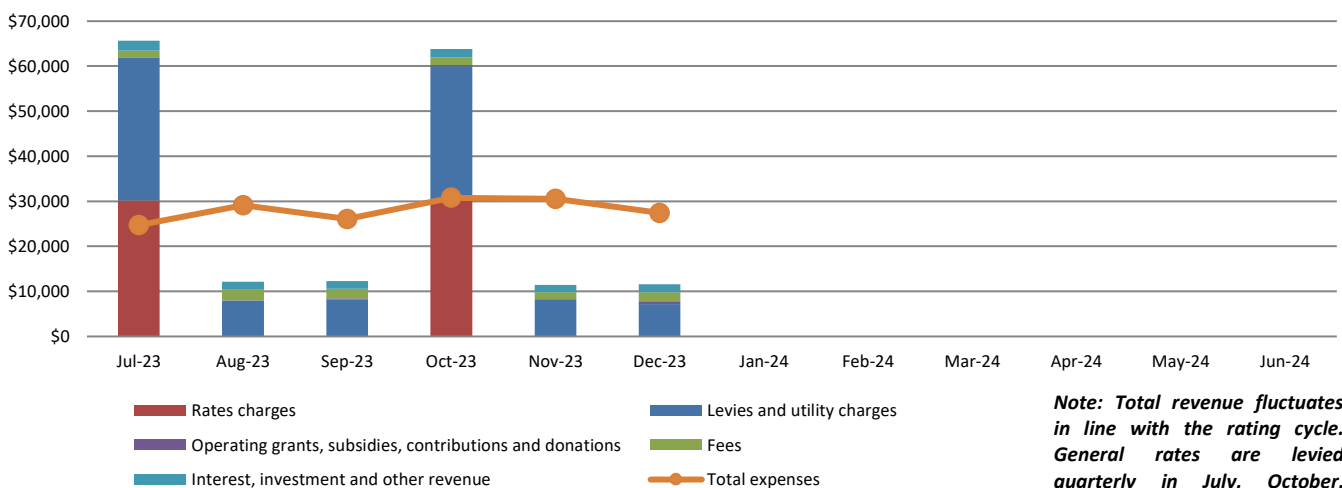
For the period ending 31 December 2023

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Materials and services					
Contractors	45,990	48,663	20,206	18,820	(1,386)
Consultants	4,989	6,183	3,006	2,267	(739)
Other Council outsourcing costs*	33,588	30,089	13,959	12,799	(1,160)
Purchase of materials	56,984	57,207	31,793	30,689	(1,104)
Office administration costs	8,017	8,277	4,215	3,336	(879)
Electricity charges	6,282	6,276	3,135	2,776	(359)
Plant operations	3,984	3,821	2,008	2,058	50
Information technology resources	6,549	6,711	3,630	3,433	(197)
General insurance	2,050	2,050	1,025	863	(162)
Community assistance**	2,582	2,412	1,209	728	(481)
Other material and service expenses	647	647	319	299	(20)
Total materials and services	171,662	172,336	84,505	78,068	(6,437)

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

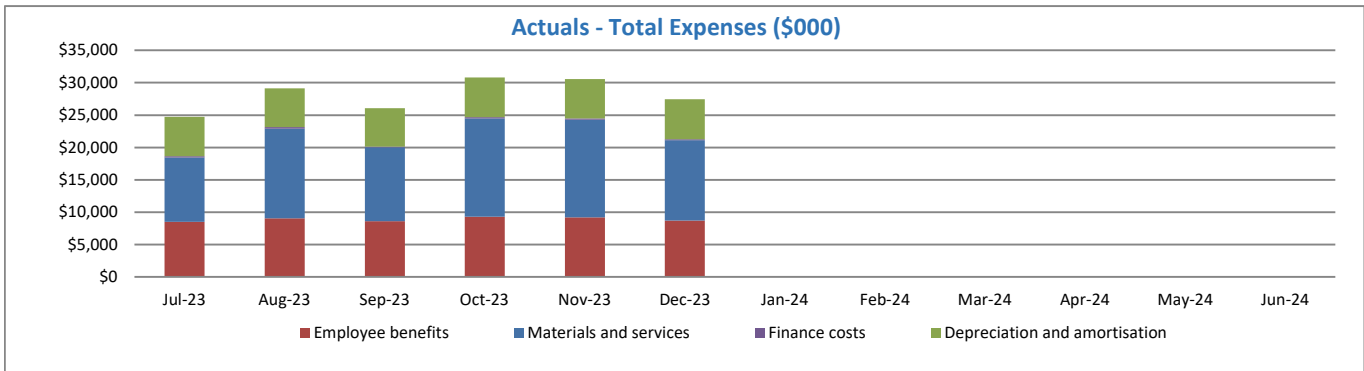
** Community assistance costs represent community related costs including community grants, exhibitions and awards, donations and sponsorships.

Actuals - Total Revenue and Expenses (\$000)

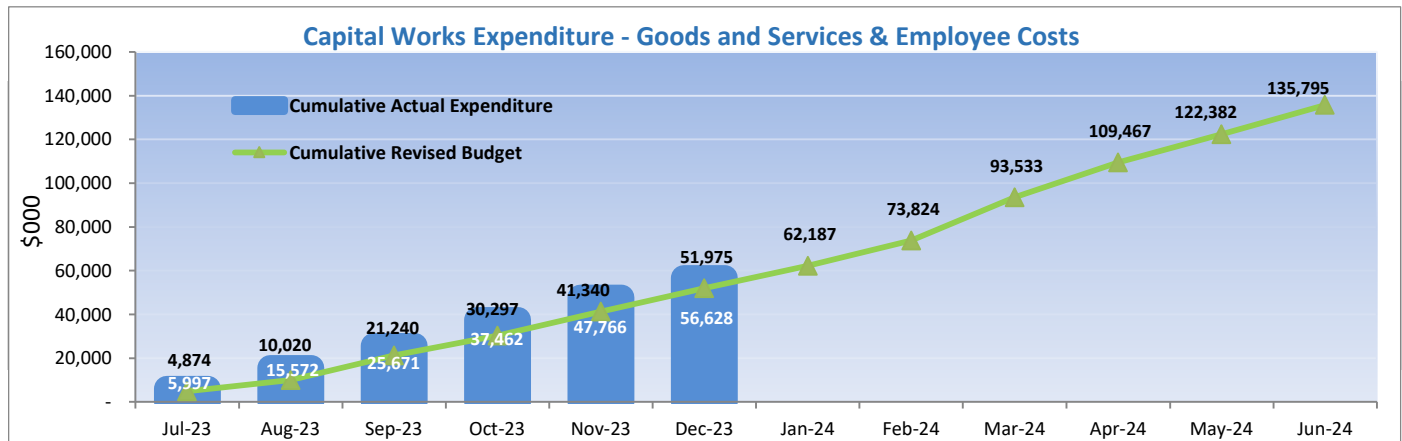


Note: Total revenue fluctuates in line with the rating cycle. General rates are levied quarterly in July, October, January and April.

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*	127,706	48,562	52,701	4,139
Capitalised employee costs	8,089	3,413	3,927	514
Total	135,795	51,975	56,628	4,653

* Excludes capital prepayments.

Notable Programs and Projects

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

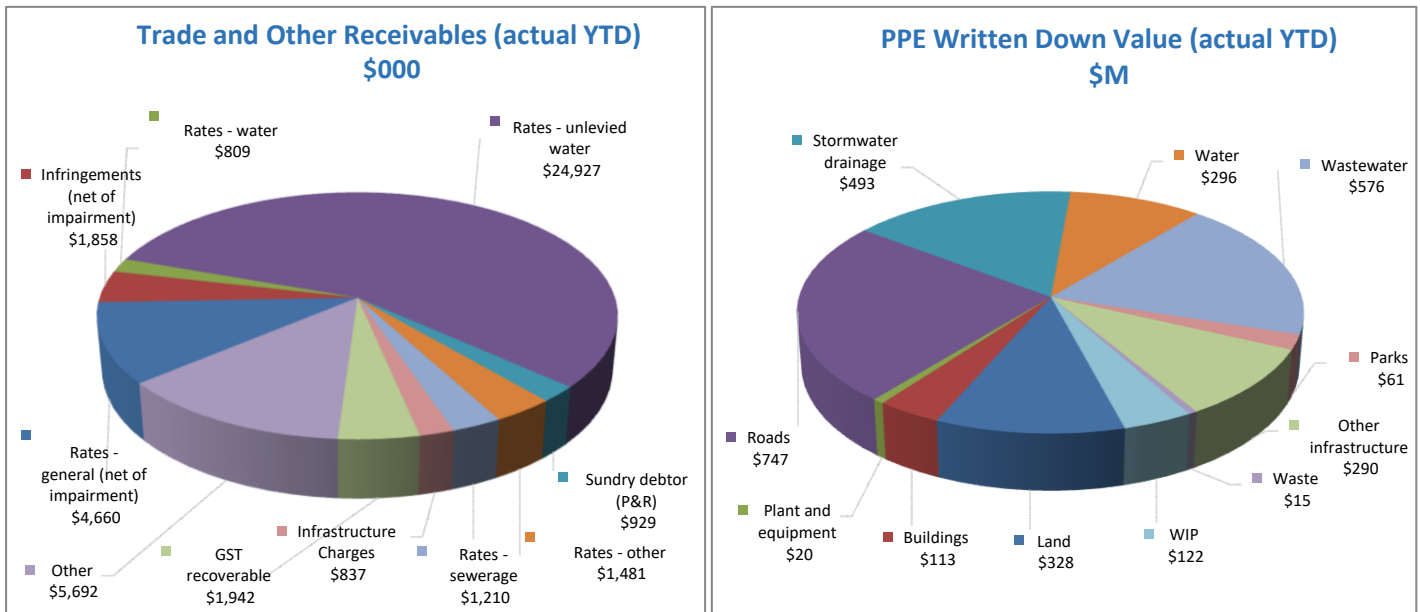
Capital Investment		YTD Actual \$000
Wellington St / Panorama Dr upgrade	Road widening / lane duplication of Wellington St / Panorama Dr.	21,921
Revetment walls renewal	Revetment wall renewal works at Seacrest Crt and Masthead Dr properties.	4,011
Fleet replacement	Current fleet replacement program.	2,180
QRA Wellington Point Esplanade	Work relating to slippage of the embankment on Esplanade, Wellington Point.	2,176
AC Main replacement	To progressively replace asbestos cement water mains at Makaha Drive.	1,919

5. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000
CURRENT ASSETS				
Cash and cash equivalents	231,077	257,357	264,498	209,394
Short-term investment - CBA	10,122	10,122	10,122	50,000
Trade and other receivables	48,805	46,683	42,651	44,345
Inventories	918	947	947	915
Other current assets	4,397	3,074	3,074	5,563
Total current assets	295,319	318,185	321,292	310,217
NON-CURRENT ASSETS				
Investment property	1,293	1,403	1,403	1,403
Property, plant and equipment	2,893,904	3,112,875	3,060,706	3,060,587
Intangible assets	635	624	829	822
Right-of-use assets	3,103	3,359	3,848	3,880
Other financial assets	73	73	73	73
Investment in other entities	12,657	12,657	12,657	11,357
Total non-current assets	2,911,665	3,130,991	3,079,516	3,078,122
TOTAL ASSETS	3,206,984	3,449,176	3,400,808	3,388,339
CURRENT LIABILITIES				
Trade and other payables	46,847	40,788	44,257	33,087
Borrowings - current	5,209	5,252	5,252	5,252
Lease liability - current	1,044	1,144	1,144	1,144
Provisions - current	17,573	17,797	14,290	14,892
Other current liabilities	11,632	14,172	11,584	13,211
Total current liabilities	82,305	79,152	76,527	67,586
NON-CURRENT LIABILITIES				
Borrowings - non-current	60,917	60,992	40,000	40,020
Lease liability - non-current	2,582	2,764	3,337	3,287
Provisions - non-current	16,743	19,554	22,043	23,214
Other non-current liabilities	5,020	13,706	19,314	19,314
Total non-current liabilities	85,261	97,017	84,694	85,835
TOTAL LIABILITIES	167,567	176,169	161,221	153,421
NET COMMUNITY ASSETS	3,039,417	3,273,007	3,239,587	3,234,918
COMMUNITY EQUITY				
Asset revaluation surplus	1,225,400	1,441,332	1,441,332	1,441,319
Retained surplus	1,701,576	1,721,920	1,673,871	1,680,370
Constrained cash reserves	112,441	109,755	124,384	113,229
TOTAL COMMUNITY EQUITY	3,039,417	3,273,007	3,239,587	3,234,918

5. STATEMENT OF FINANCIAL POSITION - CONTINUED



RIGHT-OF-USE ASSETS As at 31 December 2023

Right-of-use asset	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual Balance \$000
Buildings	815	905	1,169	1,170
Land	2,045	2,211	2,416	2,446
Plant and Equipment	243	243	263	264
Closing balance	3,103	3,359	3,848	3,880

PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT* For the period ending 31 December 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	3,040,382	3,040,382	3,040,382
Acquisitions and WIP in year movement	147,949	148,025	58,090	57,928
Depreciation in year	(73,800)	(73,800)	(36,900)	(35,582)
Disposals	(1,731)	(1,732)	(866)	(1,822)
Other adjustments**	-	-	-	(319)
Closing balance	2,893,904	3,112,875	3,060,706	3,060,587

* This table includes movement relating to property, plant and equipment only and is exclusive of intangible assets. The annual revised budgeted balances for 2023/2024 include the changes from the first budget review adopted by Council on 13 December 2023.

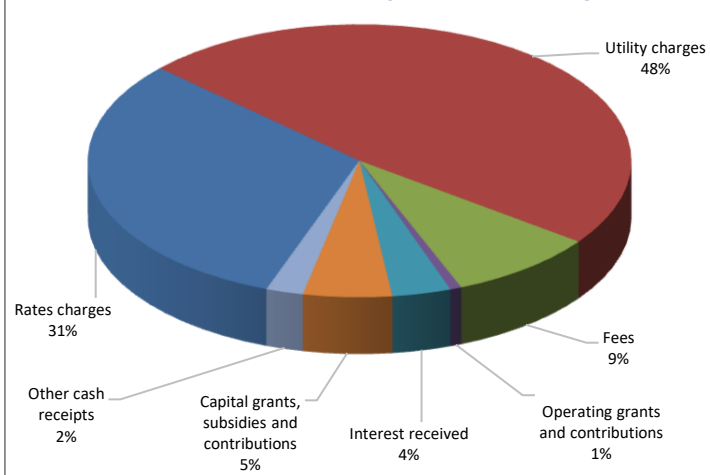
** Other adjustments include transfers between asset classes, revaluation adjustments, prior period adjustments and depreciation thereon.

6. STATEMENT OF CASH FLOWS

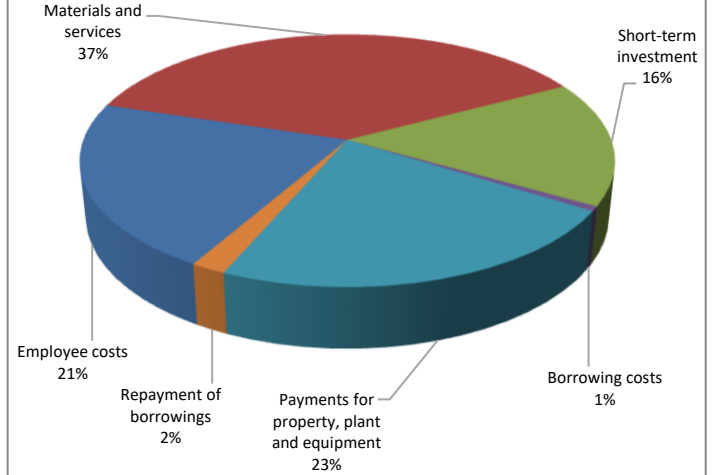
STATEMENT OF CASH FLOWS For the period ending 31 December 2023

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	330,713	331,431	169,587	173,710
Payments to suppliers and employees	(287,755)	(289,311)	(140,743)	(146,346)
	42,958	42,120	28,844	27,364
Interest received	11,796	12,496	6,551	6,743
Rental income	1,075	1,075	457	603
Non-capital grants and contributions	10,884	16,001	7,382	1,303
Borrowing costs	(1,323)	(1,323)	(1,323)	(1,415)
Right-of-use assets interest expense	(100)	(100)	(50)	(46)
Net cash inflow / (outflow) from operating activities	65,290	70,270	41,861	34,552
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(135,719)	(135,795)	(51,975)	(56,223)
Proceeds from sale of property, plant and equipment	1,443	1,443	721	357
Capital grants, subsidies and contributions	41,307	41,430	13,468	10,168
Short-term investment - CBA	-	-	-	(39,878)
Net cash inflow / (outflow) from investing activities	(92,970)	(92,923)	(37,786)	(85,576)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds of borrowings	20,159	20,159	-	-
Repayment of borrowings	(3,960)	(3,960)	(3,960)	(3,916)
Right-of-use lease payment	(1,144)	(1,144)	(572)	(621)
Net cash inflow / (outflow) from financing activities	15,055	15,055	(4,532)	(4,537)
Net increase / (decrease) in cash held	(12,625)	(7,598)	(457)	(55,561)
Cash and cash equivalents at the beginning of the year	243,701	264,955	264,955	264,955
Cash and cash equivalents at the end of the financial year / period	231,077	257,357	264,498	209,394

Cash Inflow (actual YTD)



Cash Outflow (actual YTD)



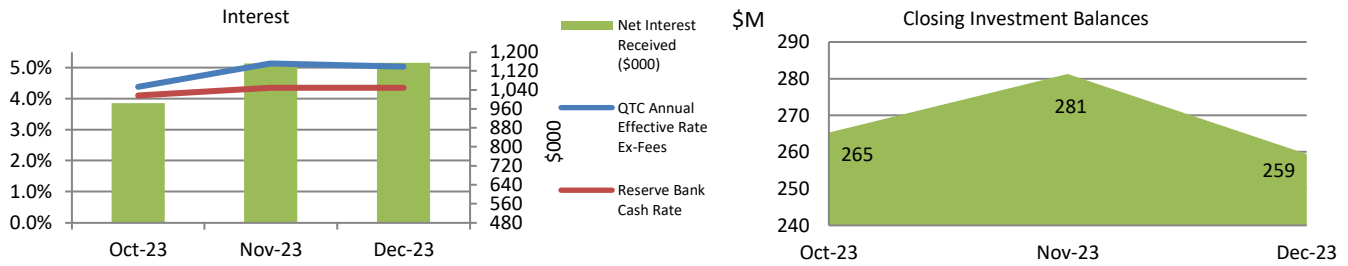
Total Cash Funding (Actual YTD)	192,884
Total Cash Funding (Annual Revised Budget)	424,035
% of Budget Achieved YTD	45%

Total Cash Expenditure (Actual YTD)	248,445
Total Cash Expenditure (Annual Revised Budget)	431,633
% of Budget Achieved YTD	58%

7. INVESTMENT & BORROWINGS REPORT

For the period ending 31 December 2023

INVESTMENT RETURNS



Total Investment at End of Month was \$259.39M

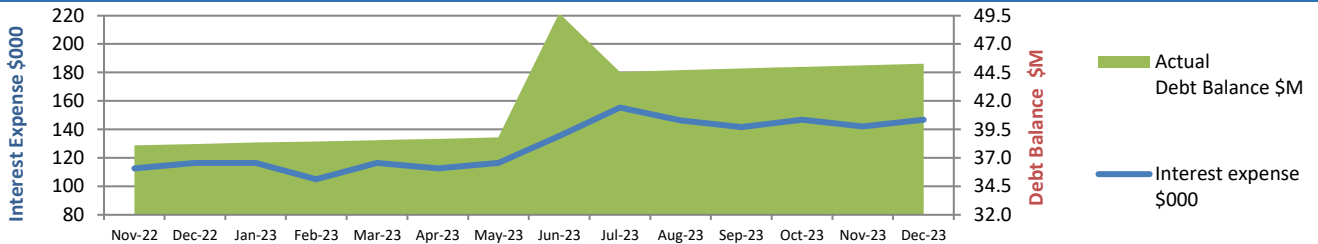
Council investments are currently held predominantly in the Capital Guaranteed Cash Fund, which is a fund operated by the Queensland Treasury Corporation (QTC). In October 2023 \$50M was invested in a term deposit of Commonwealth Bank of Australia (CBA) for a term of 365 days at a rate of 5.25% to maximise risk free interest earnings.

The movement in interest earned is indicative of both the interest rate and the surplus cash balances held with QTC, 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 slightly from November to December.

Note: the Reserve Bank increased the cash rate to 4.35% in November 2023.

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 \$45.27M

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

BORROWINGS

For the period ending 31 December 2023

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
Borrowings				
Opening balance	(49,607)	(49,724)	(49,724)	(49,724)
Accrued interest on borrowings	(1,643)	(1,644)	(811)	(879)
Interest paid on borrowings	1,323	1,323	1,323	1,415
Principal repaid	3,960	3,960	3,960	3,916
Loan drawdown	(20,159)	(20,159)	-	-
Closing balance	(66,126)	(66,244)	(45,252)	(45,272)

8. CONSTRAINED CASH RESERVES

Reserves as at 31 December 2023	Purpose of reserve	Opening Balance	To Reserve	From Reserve	Closing Balance
		\$000	\$000	\$000	\$000
Special Projects Reserve:					
Aquatic Paradise Revetment Wall Reserve	To fund Aquatic Paradise revetment wall works program	23	63	-	86
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	1,242	294	(1)	1,535
Waste Levy Reserve	To fund Waste Levy Program	414	2,831	(2,823)	422
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	5,355	1,415	(3,551)	3,219
		7,034	4,603	(6,375)	5,262
Constrained Works Reserve:					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	5,633	1,865	(1,757)	5,741
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	66	-	5,455
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	15,532	522	-	16,054
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	14,903	1,235	(168)	15,970
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	39,530	3,928	(10,859)	32,599
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	13,709	999	(5)	14,703
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	10,996	267	-	11,263
Tree Planting Reserve	Acquisition and planting of trees on footpaths	342	55	(4)	393
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	19	-	(19)	-
Special Property Reserve	Acquisition of property in line with the strategic property framework	2,919	493	-	3,412
		109,155	9,430	(12,812)	105,773
Separate Charge Reserve:					
Environment & Coastal Management Separate Charge Reserve	Ongoing conservation and maintenance operations	-	6,310	(5,092)	1,218
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	123	230	(289)	64
		123	6,540	(5,381)	1,282
Special Charge Reserve - Canals:					
Aquatic Paradise Canal Reserve	Maintenance and repairs of Aquatic Paradise canals	774	14	-	788
Sovereign Waters Lake Reserve	Maintenance and repairs of Sovereign Lake	439	8	-	447
1718 Raby Bay Canal Reserve	Service, facility or activity of works in respect of the canals of the Raby Bay canal estate	224	4	-	228
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)
		886	26	-	912
TOTALS		117,198	20,599	(24,568)	113,229
		Closing cash and cash equivalents			209,394
		Reserves as percentage of cash balance			54%

9. CITY WATER STATEMENTS

CITY WATER SUMMARY OPERATING STATEMENT

For the period ending 31 December 2023

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Budget	Actual	Variance
	Budget	Budget	Budget	Actual	Variance
	\$000	\$000	\$000	\$000	\$000
Total revenue	146,602	146,932	73,927	72,454	(1,473)
Total expenses	80,781	80,731	43,830	41,805	(2,025)
Earnings before interest, tax and depreciation (EBITD)	65,821	66,200	30,097	30,649	552
External interest expense	224	224	109	108	(1)
Internal interest expense	15,633	15,633	7,816	7,817	1
Depreciation	27,753	27,753	13,876	14,593	717
Operating surplus / (deficit)	22,210	22,590	8,296	8,131	(165)

CITY WATER CAPITAL FUNDING STATEMENT

For the period ending 31 December 2023

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Budget	Actual	Variance
	Budget	Budget	Budget	Actual	Variance
	\$000	\$000	\$000	\$000	\$000
Capital contributions, donations, grants and subsidies	9,069	3,696	1,598	1,757	159
Net transfer (to) / from constrained capital reserves	1,930	2,045	115	(1,588)	(1,703)
Non-cash contributions	1,651	1,651	826	-	(826)
New loans	4,061	4,061	-	-	-
Funding from utility revenue	1,158	6,457	5,939	5,204	(735)
Total sources of capital funding	17,869	17,911	8,478	5,373	(3,105)
Contributed assets	1,651	1,651	826	-	(826)
Capitalised expenditure	15,406	15,448	6,979	4,682	(2,297)
Loan redemption	812	812	673	691	18
Total application of capital funds	17,869	17,911	8,478	5,373	(3,105)

10. CITY WASTE STATEMENTS

CITY WASTE OPERATING STATEMENT

For the period ending 31 December 2023

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Budget	Actual	Variance
	Budget	Budget	Budget	Actual	Variance
	\$000	\$000	\$000	\$000	\$000
Total revenue	39,399	39,399	19,623	19,909	286
Total expenses	30,636	30,763	15,430	13,951	(1,479)
Earnings before interest, tax and depreciation (EBITD)	8,764	8,636	4,193	5,958	1,765
External interest expense	6	6	3	3	-
Depreciation	596	596	298	232	(66)
Operating surplus / (deficit)	8,162	8,035	3,892	5,723	1,831

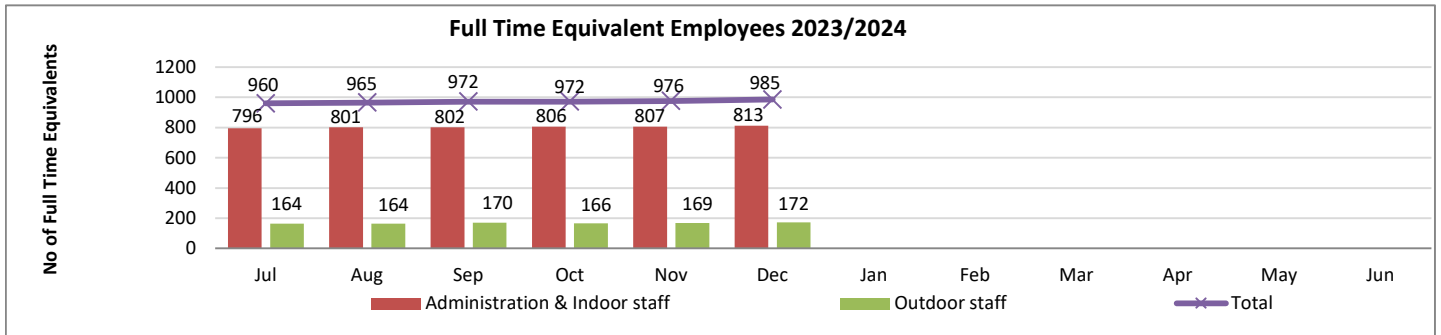
CITY WASTE CAPITAL FUNDING STATEMENT

For the period ending 31 December 2023

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Budget	Actual	Variance
	Budget	Budget	Budget	Actual	Variance
	\$000	\$000	\$000	\$000	\$000
Capital contributions, donations, grants and subsidies	4,820	4,820	-	-	-
Funding from utility revenue	3,046	2,889	25	187	162
Total sources of capital funding	7,866	7,709	25	187	162
Capitalised expenditure	7,826	7,669	5	167	162
Loan redemption	40	40	20	20	-
Total application of capital funds	7,866	7,709	25	187	162

11. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

Workforce Reporting



December 2023: Headcount		Employee Type			
Department Level	Casual	Full Time	Part Time	Total	
Office of CEO and People and Culture	10	40	7	57	
Organisational Services	2	195	21	218	
Community and Customer Services	63	292	74	429	
Infrastructure and Operations	3	330	12	345	
Advocacy Major Projects and Economic Development	-	36	5	41	
Total	78	893	119	1,090	

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 December 2023 to December 2022									
Days Overdue	Dec-23	% Overdue	Dec-22	% Overdue	\$ Variance	% Variance	Rates & Charges Statistics	Dec-23	Dec-22
0 - 30	\$0	0.0%	\$2,537	0.0%	-\$2,537	0.0%	Levied (Billed) Rates & Charges since 1 July 2023	\$164,841,916	\$153,451,923
31 - 60	\$4,163,777	2.4%	\$4,086,663	2.5%	\$77,114	-0.1%	Rate arrears b/fwd 1 July 2023	\$9,226,293	\$9,031,746
61 - 90	\$0	0.0%	\$0	0.0%	\$0	0.0%	Total	\$174,068,209	\$162,483,669
91 - 180	\$2,028,847	1.2%	\$1,759,152	1.1%	\$269,695	0.1%	Balance of overdue rates & charges	\$9,752,250	\$9,405,839
>180	\$3,559,626	2.0%	\$3,557,487	2.2%	\$2,139	-0.2%	Percentage Overdue	5.6%	5.8%
Total	\$9,752,250	5.6%	\$9,405,839	5.8%	\$346,411	-0.2%			

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