



Monthly Financial Report

August 2025



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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 2025.

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 early October 2025. The annual revised budgeted balances for 2025-2026 include the changes from the budget carryovers adopted by Council on 20 August 2025.

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)	735	25,859	26,334	475	2%	✓
Recurrent Revenue	416,973	93,047	92,327	(720)	-1%	✖
Recurrent Expenditure	416,238	67,188	65,993	(1,195)	-2%	✓
Capital Works Expenditure	152,446	22,639	10,729	(11,910)	-53%	✓
Closing Cash & Cash Equivalents	209,253	260,756	248,698	(12,058)	-5%	✖
Short-Term Investment	50,000	50,000	50,000	-	0%	✓

Council reported a year to date operating surplus of \$26.33M which is favourable to budget by \$475K. This favourable variance is impacted by higher than budgeted fee income from developer and plumbing applications and lower than budgeted depreciation expense due to the timing of capital works completion. Lower than budgeted water consumption has resulted in levies and utility charges revenue as well as bulk water expenses being lower than budget.

Council's capital works expenditure is behind budget by \$11.91M due to timing of works for a number of infrastructure projects.

Council's cash balance at 31 August 2025 of \$248.7M is behind budget mainly due to timing of cash flows, with higher than budgeted payments for suppliers, lower than budgeted receipts from customers, partially offset by lower payments for property, plant and equipment and higher than budgeted capital grants, subsidies and contributions. Constrained cash reserves represent 48% of the cash balance.

2. KEY PERFORMANCE INDICATORS

During 2024, a new Financial Management (Sustainability) Guideline (the Guideline) was developed by the Department of Housing, Local Government, Planning and Public Works 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.

Type	Financial Sustainability Measures	Target	Annual Revised Budget	YTD Actual	Status Achieved ✓ Not achieved ✖
Financial Capacity	Council-Controlled Revenue*	Contextual - No target specified	92.78%	94.34%	N/A
	Population Growth Ratio*	Contextual - No target specified	1.23%	1.23%	N/A
Operating Performance	Operating Surplus Ratio	Greater than 0%	0.17%	28.27%	✓
	Operating Cash Ratio	Greater than 0%	23.04%	43.96%	✓
Liquidity	Unrestricted Cash Expense Cover Ratio	Greater than 2 months	5.72	7.34	✓
Asset Management	Asset Sustainability Ratio	Greater than 60%	89.38%	30.44%	✖
	Asset Consumption Ratio	Greater than 60%	60.14%	61.54%	✓
	Asset Renewal Funding Ratio*	Contextual - No target specified	100.00%	100.00%	N/A
Debt Servicing Capacity	Leverage Ratio	0 - 4 times	1.05	2.02	✓
Level of Debt	Net Financial Liabilities Ratio**	Less than 60% (on average over the long-term)	-26.49%	-150.74%	✓

* 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. This measure is presented in addition to the nine financial sustainability measures required to provide more information to the community.

3. STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME					
For the period ending 31 August 2025					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Recurrent revenue					
Rates charges	143,632	143,632	35,980	35,760	(220)
Levies and utility charges	227,034	227,034	49,154	46,820	(2,334)
Less: Pensioner remissions and rebates	(4,102)	(4,102)	(974)	(968)	6
Fees	24,952	24,952	4,734	6,277	1,543
Rental income	964	964	136	185	49
Interest received	10,477	10,477	1,924	2,140	216
Sales revenue	5,250	5,250	782	1,086	304
Other income	589	589	108	208	100
Grants, subsidies and contributions	7,908	8,178	1,203	819	(384)
Total recurrent revenue	416,703	416,973	93,047	92,327	(720)
Recurrent expenses					
Employee benefits	124,045	124,008	21,039	20,852	(187)
Materials and services	194,783	195,059	29,972	30,291	319
Finance costs	5,090	5,090	878	818	(60)
Depreciation and amortisation	92,607	92,607	15,435	14,121	(1,314)
Other expenditure	680	680	66	119	53
Net internal costs	(1,205)	(1,205)	(202)	(208)	(6)
Total recurrent expenses	415,999	416,238	67,188	65,993	(1,195)
OPERATING SURPLUS / (DEFICIT)	704	735	25,859	26,334	475
Capital revenue					
Grants, subsidies and contributions	55,432	60,993	3,047	3,566	519
Non-cash contributions	18,067	18,067	-	-	-
Total capital revenue	73,499	79,060	3,047	3,566	519
Capital expenses					
(Gain) / loss on disposal of non-current assets	289	289	48	101	53
Total capital expenses	289	289	48	101	53
TOTAL INCOME	490,202	496,032	96,094	95,893	(201)
TOTAL EXPENSES	416,287	416,527	67,236	66,094	(1,142)
NET RESULT	73,915	79,505	28,858	29,799	941
Other comprehensive income / (loss)					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	73,915	79,505	28,858	29,799	941

3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

LEVIES AND UTILITY CHARGES ANALYSIS

For the period ending 31 August 2025

	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	44,987	44,987	7,454	7,479	25
SES separate charge	540	540	134	135	1
Environment & Coastal Management Separate Charge	19,206	19,206	4,785	4,797	12
Separate charge landfill remediation	5,793	5,793	1,445	1,442	(3)
Wastewater charges	65,902	65,902	16,354	16,224	(130)
Water access charges	28,458	28,458	7,079	6,984	(95)
Water consumption charges	62,147	62,147	11,903	9,759	(2,144)
Total levies and utility charges	227,034	227,034	49,154	46,820	(2,334)

MATERIALS AND SERVICES ANALYSIS

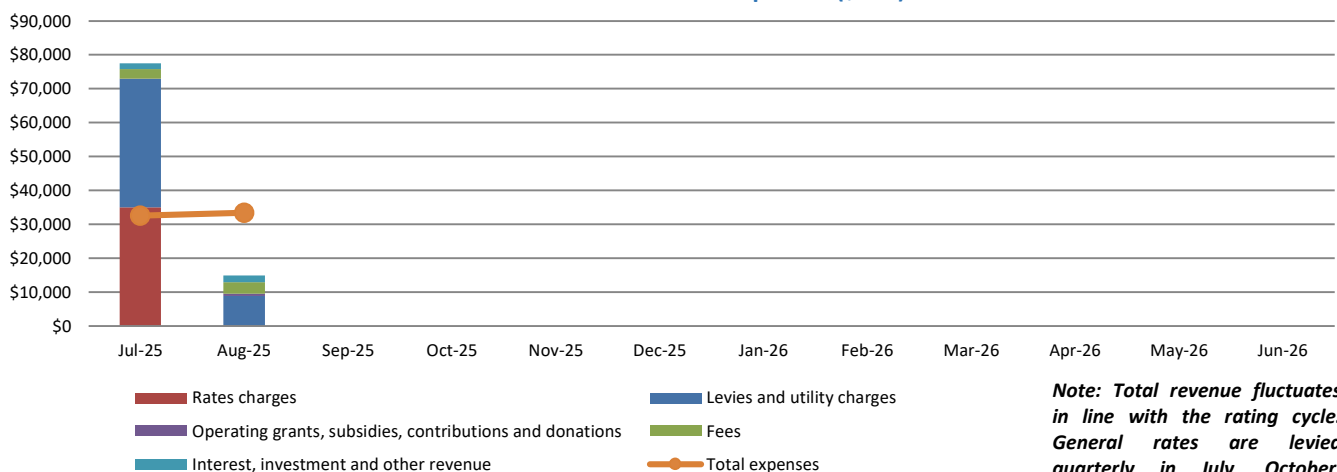
For the period ending 31 August 2025

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Materials and services					
Contractors	59,363	59,418	7,092	9,274	2,182
Consultants	6,248	6,418	662	791	129
Other Council outsourcing costs*	31,473	31,340	4,433	4,456	23
Purchase of materials	65,319	65,204	12,188	9,924	(2,264)
Office administration costs	6,223	6,481	1,210	1,604	394
Electricity charges	6,803	6,803	1,129	1,196	67
Plant operations	4,028	4,048	633	612	(21)
Information technology resources	9,004	9,004	1,494	1,427	(67)
General insurance	3,717	3,717	619	619	-
Community assistance**	1,898	1,919	387	259	(128)
Other material and service expenses	707	707	125	129	4
Total materials and services	194,783	195,059	29,972	30,291	319

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

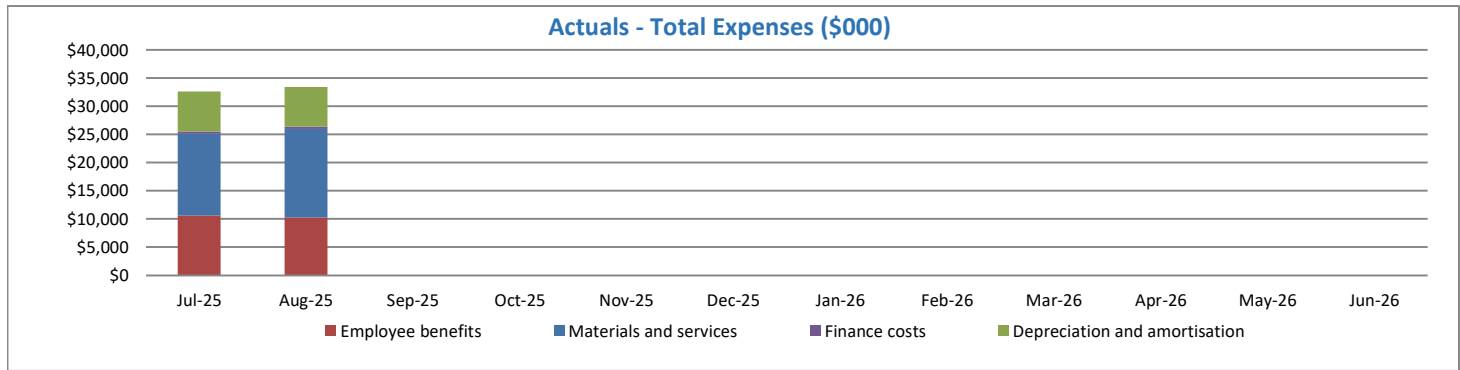
** Community assistance costs represent community related costs including community grants, exhibitions and awards, donations and sponsorships.

Actuals - Total Revenue and Expenses (\$000)

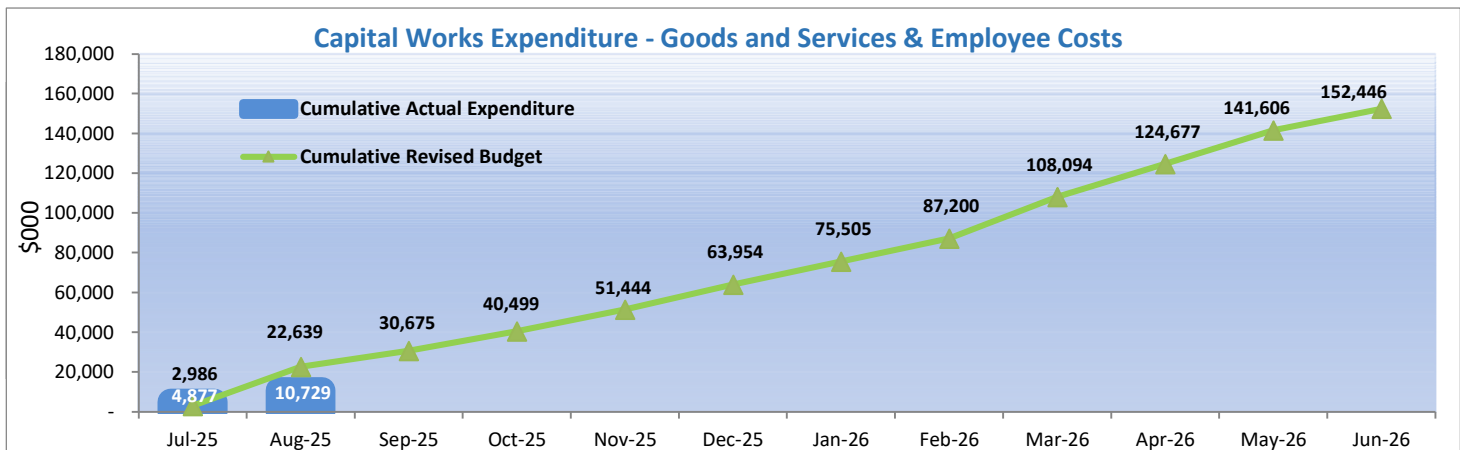


Note: Total revenue fluctuates in line with the rating cycle. General rates are levied quarterly in July, October, January and April.

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*	142,723	22,244	9,344	(12,900)
Capitalised employee costs	9,723	395	1,385	990
Total	152,446	22,639	10,729	(11,910)

* Excludes capital prepayments.

Notable Programs and Projects

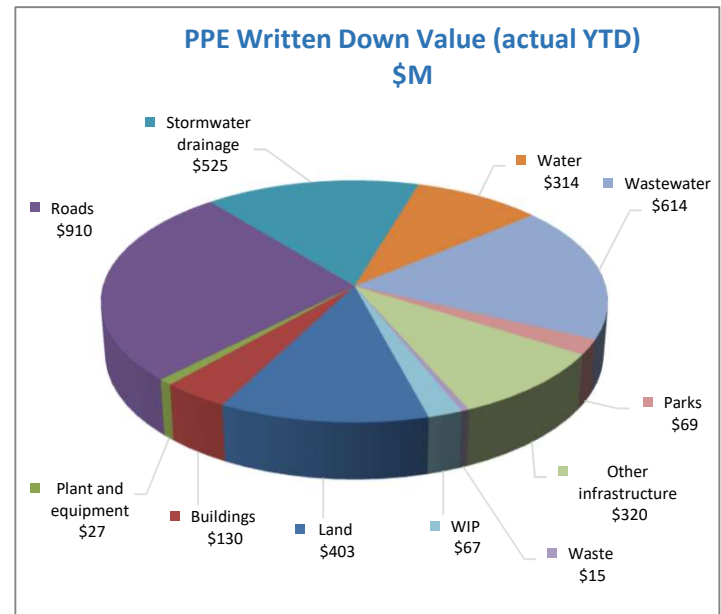
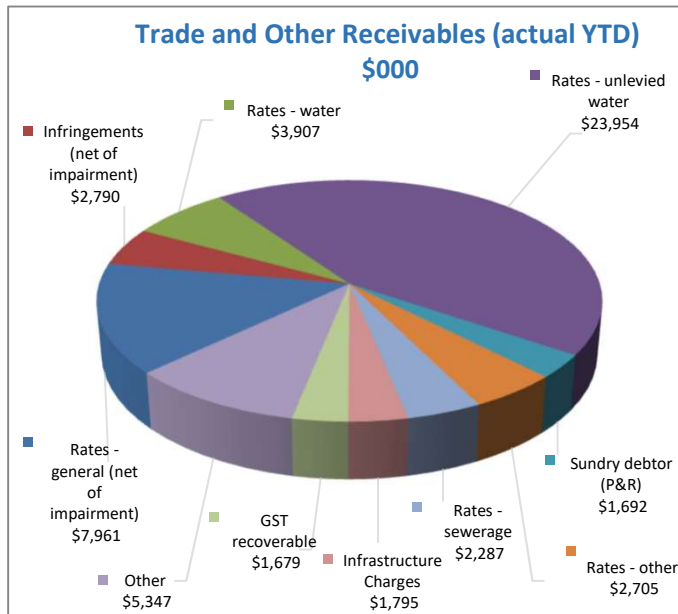
The table below lists Council's capital expenditure on major programs and projects.

Capital Investment		YTD Actual \$000
Kinross Road sewerage trunk	New sewage pump station (Lorikeet Dr) and trunk sewer main to Cleveland WWTP.	1,805
RPAC Forecourt Redevelopment	Staged redevelopment of Redlands Performing Arts Centre.	883
Chiller Replace	Replace Cleveland Library building chiller.	607
Sewerage Rising Mains Renewal	To progressively replace rising mains at pump stations.	489
Footpath Install	Installation of footpath on Brighton Road, Macleay Island.	373

5. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION				
As at 31 August 2025				
	Annual	Annual	YTD	YTD
	Original Budget \$'000	Revised Budget \$'000	Budget \$'000	Actual \$'000
CURRENT ASSETS				
Cash and cash equivalents	162,341	209,253	260,756	248,698
Short-term investment - CBA	50,000	50,000	50,000	50,000
Trade and other receivables	57,676	63,514	53,703	54,117
Inventories	1,258	1,398	1,398	1,433
Non-current assets held for sale	-	2	2	-
Other current assets	3,980	3,420	3,417	6,732
Total current assets	275,255	327,587	369,276	360,980
NON-CURRENT ASSETS				
Investment property	1,474	3,379	3,379	3,379
Property, plant and equipment	3,524,262	3,474,662	3,404,664	3,394,206
Intangible assets	158	149	288	275
Right-of-use assets	1,747	9,717	10,377	10,356
Other financial assets	73	73	73	73
Investment in other entities	11,769	11,769	11,769	11,769
Equity investment	2,831	7,793	7,793	7,793
Total non-current assets	3,542,314	3,507,542	3,438,343	3,427,851
TOTAL ASSETS	3,817,569	3,835,129	3,807,619	3,788,831
CURRENT LIABILITIES				
Trade and other payables	41,118	54,429	66,393	47,693
Borrowings - current	6,391	8,278	8,278	8,278
Lease liability - current	237	600	900	900
Provisions - current	5,904	18,189	24,327	25,340
Other current liabilities	(267)	13,316	25,666	22,553
Total current liabilities	53,383	94,812	125,564	104,764
NON-CURRENT LIABILITIES				
Borrowings - non-current	94,658	92,759	74,341	74,335
Lease liability - non-current	1,595	9,615	10,052	9,940
Provisions - non-current	28,009	19,595	26,363	26,832
Other non-current liabilities	379	353	3,951	4,671
Total non-current liabilities	124,641	122,322	114,707	115,778
TOTAL LIABILITIES	178,024	217,134	240,271	220,542
NET COMMUNITY ASSETS	3,639,546	3,617,995	3,567,348	3,568,289
COMMUNITY EQUITY				
Asset revaluation surplus	1,612,203	1,710,032	1,710,032	1,710,032
Retained surplus	1,914,077	1,799,862	1,742,625	1,738,140
Constrained cash reserves	113,266	108,101	114,691	120,117
TOTAL COMMUNITY EQUITY	3,639,546	3,617,995	3,567,348	3,568,289

5. STATEMENT OF FINANCIAL POSITION - CONTINUED



RIGHT-OF-USE ASSETS As at 31 August 2025

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
Right-of-use asset				
Buildings	48	107	419	411
Land	1,537	9,448	9,762	9,749
Plant and equipment	162	162	196	196
Closing balance	1,747	9,717	10,377	10,356

PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT*

For the period ending 31 August 2025

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
PPE movement				
Opening balance (includes WIP from previous years)	3,447,968	3,397,600	3,397,600	3,397,600
Acquisitions and WIP in year movement	169,745	170,513	22,640	10,729
Depreciation in year	(91,648)	(91,648)	(15,275)	(13,927)
Disposals	(1,803)	(1,803)	(301)	(196)
Closing balance	3,524,262	3,474,662	3,404,664	3,394,206

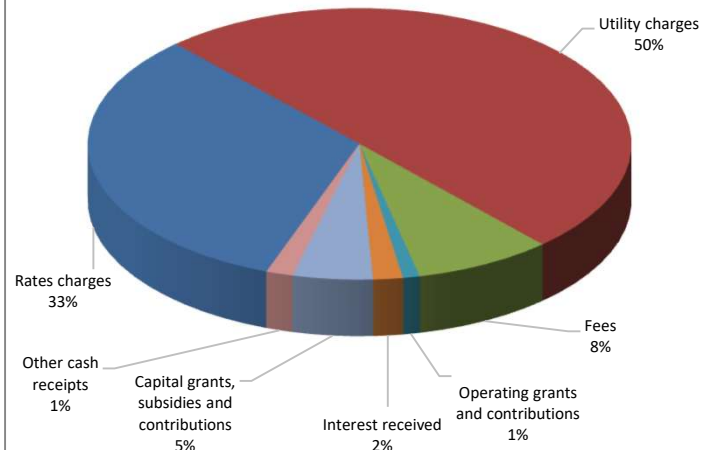
* This table includes movement relating to property, plant and equipment only and is exclusive of intangible assets.

6. STATEMENT OF CASH FLOWS

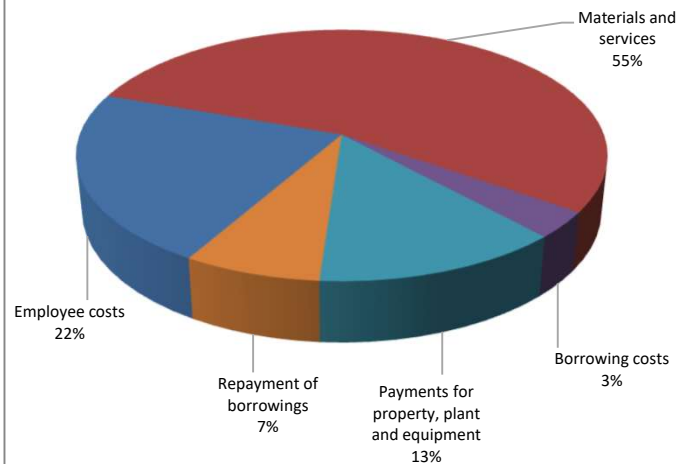
STATEMENT OF CASH FLOWS For the period ending 31 August 2025

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	382,776	382,776	96,460	90,729
Payments to suppliers and employees	(341,480)	(341,720)	(43,895)	(63,050)
	41,296	41,056	52,565	27,679
Interest received	10,477	10,477	1,924	1,733
Rental income	964	964	137	185
Non-capital grants and contributions	8,007	8,277	1,275	986
Borrowing costs	(2,714)	(2,714)	(2,714)	(2,708)
Right-of-use assets interest expense	(301)	(301)	(50)	(57)
Net cash inflow / (outflow) from operating activities	57,728	57,758	53,137	27,818
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(151,678)	(152,446)	(22,639)	(10,729)
Proceeds from sale of property, plant and equipment	1,514	1,514	252	98
Capital grants, subsidies and contributions	55,432	60,993	3,047	4,673
Net cash inflow / (outflow) from investing activities	(94,731)	(89,939)	(19,340)	(5,958)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds of borrowings	15,211	15,211	-	-
Repayment of borrowings	(6,030)	(6,030)	(5,730)	(5,738)
Right-of-use lease payment	(525)	(525)	(87)	(200)
Net cash inflow / (outflow) from financing activities	8,657	8,657	(5,817)	(5,938)
Net increase / (decrease) in cash held	(28,346)	(23,524)	27,980	15,922
Cash and cash equivalents at the beginning of the year	190,687	232,776	232,776	232,776
Cash and cash equivalents at the end of the financial year / period	162,341	209,253	260,756	248,698

Cash Inflow (actual YTD)



Cash Outflow (actual YTD)

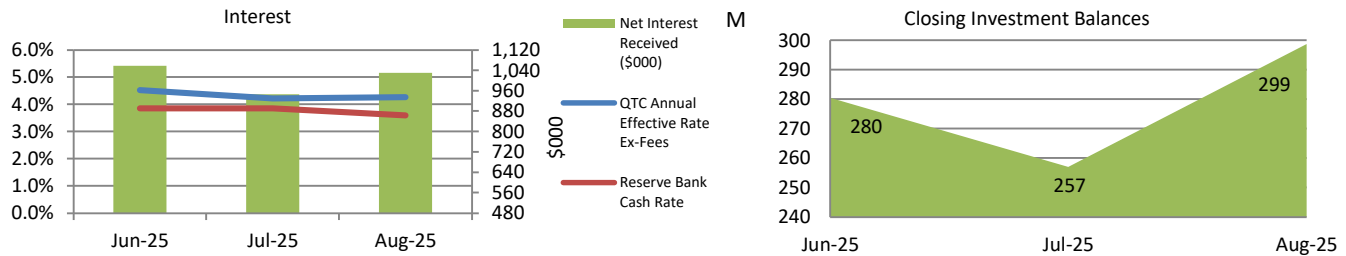


Total Cash Funding (Actual YTD)	98,404	Total Cash Expenditure (Actual YTD)	82,482
Total Cash Funding (Annual Revised Budget)	480,212	Total Cash Expenditure (Annual Revised Budget)	503,736
% of Budget Achieved YTD	20%	% of Budget Achieved YTD	16%

7. INVESTMENT & BORROWINGS REPORT

For the period ending 31 August 2025

INVESTMENT RETURNS



Total Investment at End of Month was \$298.70M

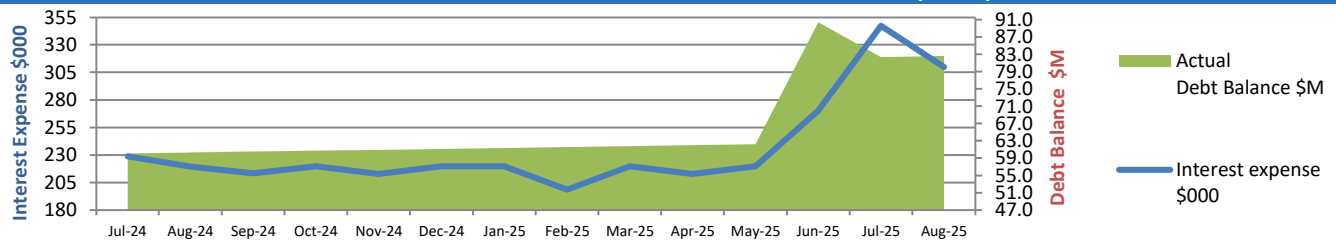
Council investments are currently held predominantly in the Capital Guaranteed Cash Fund, which is a fund operated by the Queensland Treasury Corporation (QTC).

The movement in interest earned is indicative of both the interest rate and the surplus cash balances held with QTC, 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 3.60% during August 2025.

Council adopted its Investment Policy (FIN-001-P) in June 2025 for the 2025-2026 financial year

BORROWINGS AND BORROWING COSTS (QTC)



The debt balance increased in June 2025 due to new borrowings of \$27.92M as part of Council's Capital Works Plan.

In July 2025 the debt balance showed a decrease due to the \$8.45M Annual Debt Service Payment (ADSP), being \$5.74M principal and \$2.71M interest. Interest will accrue monthly on a daily balance until next ADSP in July 2026 which is reflected in the increasing debt balance.

Total Borrowings at End of Month were \$82.61M

Council adopted its Debt Policy (FIN-009-P) in June 2025 for the 2025-2026 financial year

BORROWINGS

For the period ending 31 August 2025

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
Borrowings				
Opening balance	(90,413)	(90,401)	(90,401)	(90,401)
Accrued interest on borrowings	(3,868)	(3,869)	(662)	(658)
Interest paid on borrowings	2,714	2,714	2,714	2,708
Principal repaid	5,730	5,730	5,730	5,738
Loan drawdown	(15,211)	(15,211)	-	-
Closing balance	(101,049)	(101,037)	(82,619)	(82,613)

8. CONSTRAINED CASH RESERVES

Reserves as at 31 August 2025	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	241	34	-	275
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	138	-	(2)	136
Waste Levy Reserve	To fund Waste Levy Program	-	837	(837)	-
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	3,449	719	(39)	4,129
		3,828	1,590	(878)	4,540
Constrained Works Reserve:					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	8,998	724	(20)	9,702
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	5,659	26	-	5,685
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	17,279	31	-	17,310
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	14,568	614	(1,533)	13,649
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	30,003	1,399	(5)	31,397
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	16,420	387	-	16,807
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	12,348	144	-	12,492
Tree Planting Reserve	Acquisition and planting of trees on footpaths	465	17	-	482
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	24	0	-	24
Special Property Reserve	Acquisition of property in line with the strategic property framework	4,980	163	-	5,143
		110,927	3,505	(1,558)	112,874
Separate Charge Reserve:					
Environment & Coastal Management Separate Charge Reserve	Ongoing conservation and maintenance operations	-	4,797	(2,124)	2,673
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	28	135	(133)	30
		28	4,932	(2,257)	2,703
TOTALS		114,783	10,027	(4,693)	120,117
		Closing cash and cash equivalents			248,698
		Reserves as percentage of cash balance			48.30%

9. CITY WATER STATEMENTS

CITY WATER SUMMARY OPERATING STATEMENT

For the period ending 31 August 2025

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	165,406	165,406	36,811	34,835	(1,976)
Total expenses	93,371	93,279	16,030	14,556	(1,474)
Earnings before interest, tax and depreciation (EBITD)	72,034	72,127	20,781	20,279	(502)
External interest expense	991	991	168	178	10
Internal interest expense	19,061	19,061	3,177	3,177	-
Depreciation	33,732	33,732	5,622	5,428	(194)
Operating surplus / (deficit)	18,251	18,344	11,814	11,496	(318)

CITY WATER CAPITAL FUNDING STATEMENT

For the period ending 31 August 2025

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Capital contributions, donations, grants and subsidies	8,646	12,946	533	646	113
Net transfer (to) / from constrained capital reserves	3,684	6,116	2,953	887	(2,066)
Non-cash contributions	1,530	1,530	-	-	-
New loans	-	-	-	-	-
Funding from utility revenue	23,910	17,178	573	3,398	2,825
Total sources of capital funding	37,770	37,770	4,059	4,931	872
Contributed assets	1,530	1,530	-	-	-
Capitalised expenditure	35,993	35,993	3,222	3,870	648
Loan redemption	247	247	837	1,060	224
Total application of capital funds	37,770	37,770	4,059	4,931	872

10. CITY WASTE STATEMENTS

CITY WASTE OPERATING STATEMENT

For the period ending 31 August 2025

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	47,902	47,902	7,952	8,038	86
Total expenses	37,765	37,765	6,349	6,432	83
Earnings before interest, tax and depreciation (EBITD)	10,137	10,137	1,603	1,606	3
External interest expense	5	5	1	1	-
Depreciation	922	922	154	79	(75)
Operating surplus / (deficit)	9,210	9,211	1,448	1,526	78

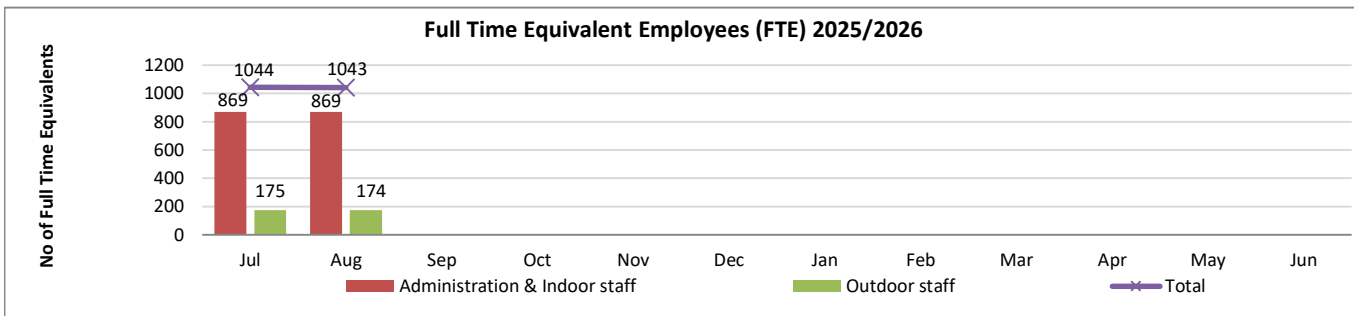
CITY WASTE CAPITAL FUNDING STATEMENT

For the period ending 31 August 2025

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Funding from utility revenue	1,702	1,702	38	71	33
Total sources of capital funding	1,702	1,702	38	71	33
Capitalised expenditure	1,666	1,666	32	71	39
Loan redemption	37	37	6	-	(6)
Total application of capital funds	1,702	1,702	38	71	33

11. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

Workforce Reporting



August 2025: Headcount	Employee Type			
Department Level	Casual	Full Time	Part Time	Total
Office of CEO and People, Culture and Organisational Performance	6	46	10	62
Organisational Services	2	200	29	231
Community and Customer Services	64	306	71	441
Infrastructure and Operations	16	361	22	399
Advocacy, Major Projects and Economic Development	-	33	5	38
Total	88	946	137	1,171

Note: FTE 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. 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 2025 to August 2024									
Days Overdue	Aug-25	% Overdue	Aug-24	% Overdue	\$ Variance	% Variance	Rates & Charges Statistics	Aug-25	Aug-24
0 - 30	\$9,594,630	8.9%	\$6,326,467	6.5%	\$3,268,163	2.4%	Levied (Billed) Rates & Charges since 1 July 2024	\$95,551,150	\$87,182,398
31 - 60	\$0	0.0%	\$0	0.0%	\$0	0.0%	Rate arrears b/fwd 1 July 2024	\$11,724,571	\$9,598,398
61 - 90	\$0	0.0%	\$3,601	0.0%	-\$3,601	0.0%	Total	\$107,275,721	\$96,780,796
91 - 180	\$2,468,172	2.3%	\$2,009,855	2.1%	\$458,317	0.2%	Balance of overdue rates & charges	\$17,027,351	\$12,649,977
>180	\$4,964,549	4.7%	\$4,310,054	4.5%	\$654,495	0.2%	Percentage Overdue	15.9%	13.1%
Total	\$17,027,351	15.9%	\$12,649,977	13.1%	\$4,377,374	2.8%			

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 measures 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

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

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 include 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